



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Guidance Note on Completing an Application for Authorisation as a Retail Credit Firm

Under the Central Bank Act 1997 (as amended)

May 2022

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PART 1 - Introduction

In November 2007, Part V of the Central Bank Act 1997 (as amended) (the Act) was amended by the Markets in Financial Instruments and Miscellaneous Provisions Act 2007. Effective from 1 February 2008, the Central Bank of Ireland (Central Bank) is the body responsible for the authorisation and supervision of Retail Credit Firms.

Part V of the Act provides for a regulatory regime for Retail Credit Firms in Ireland. Chapter 1 of Part V of the Act defines 'Retail Credit Firm', and 'relevant activity', while Chapter 3 deals with, inter alia, the authorisation of Retail Credit Firms. Chapters 1 and 2 of Part V of the Act must be examined to determine whether or not authorisation under the legislation is required.

In May 2022, Part V of the Act was further amended by the Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Act 2022. As a result, the activities of providing credit indirectly to relevant persons and entering into hire-purchase agreements (including Personal Contract Plans) and consumer-hire agreements with relevant persons require authorisation as a Retail Credit Firm. Chapter 1 of Part V of the Act defines 'credit', 'consumer-hire agreement' and 'hire-purchase agreement'.

Applicants seeking authorisation as a Retail Credit Firm must complete the 'Application Form for Authorisation as a Retail Credit Firm under the Central Bank Act 1997 (as amended)' (the application form). Information and the application documentation with respect to Retail Credit Firm applications is available [here](#).

This document provides guidance to applicants in relation to the requirements of the Central Bank when completing the application form for authorisation as a Retail Credit Firm in Ireland. **It does not constitute legal advice nor does it seek to interpret relevant legislation.** Applicants should read this Guidance Note in full prior to completing the application form pertaining to it.

An applicant seeking authorisation as a Retail Credit Firm is responsible for ensuring that it acts within the terms of the relevant legislation. Applicants are advised to review the Act and to seek independent legal advice if in any doubt as to the scope or application of the relevant legislation to their particular activities.

The Central Bank welcomes applications where the proposed Retail Credit Firm can meet the legislative requirements relating to an authorisation as a Retail Credit Firm and all other applicable legislative requirements and regulatory requirements published by the Central Bank.

PART 2 – Terms used in this Guidance Note

Below are descriptions of the terms used in this Guidance Note (and in the application form).

Applicant	The person (i.e., the natural or legal person) making an application submission to the Central Bank seeking authorisation as a Retail Credit Firm.
Authorisation	Authorisation as a Retail Credit Firm.
Application Submission	An application form and <u>all</u> required supporting documentation, including but not limited to, fully completed Individual Questionnaires.
Application Form	A fully completed and signed 'Application Form for Authorisation as a Retail Credit Firm under the Central Bank Act 1997 (as amended)' including the specific information and documentation requested therein.
Central Bank	Central Bank of Ireland.
Consumer	<p>'Consumer' means any of the following:</p> <p>a) a person or group of persons, but not an incorporated body with an annual turnover in excess of €3 million in the previous financial year (for the avoidance of doubt a group of persons includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate); or</p> <p>b) incorporated bodies having an annual turnover of €3 million or less in the previous financial year (provided that such body shall not be a member of a group of companies having a combined turnover greater than the said €3 million).</p>
Close links	'Close links' means a situation in which two or more natural or legal persons are linked by control or participation, or a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship.
Participation	'Participation', in relation to an undertaking, means the ownership, direct or by way of control, of 20% or more of the voting rights or capital of the undertaking.
Important Operational Function	<p>Important operational function means an operational function where a defect or failure in its performance would materially impair:</p> <p>(a) the continuing compliance of the Retail Credit Firm concerned with requirements of its authorisation or its other obligations;</p> <p>(b) its financial performance; or</p> <p>(c) the soundness or continuity of its Retail Credit Firm activities.</p> <p>Examples of important operational functions include IT systems and operations (including CRM systems and websites relating to regulatory activities), Internal Audit, Risk Management and Compliance.</p>

Guidance Note	This document – the ‘Guidance Note on completing an Application Form for Authorisation as a Retail Credit Firm under the Central Bank Act 1997 (as amended)’.
Pre-Approval Controlled Function (PCF)	Pre-Approval Controlled Function within the meaning of Schedule 2 of the Central Bank Reform Act 2010.
Qualifying Shareholder	‘Qualifying Shareholder’ means a legal or natural person with a direct or indirect holding of shares or other interest in the applicant which represents 10 per cent or more of the capital or of the voting rights, or any direct or indirect holding of less than 10 per cent of the capital or of the voting rights but which makes it possible to control or exercise a significant influence over the management of the applicant in which a holding subsists.
The Act	The Central Bank Act 1997 (as amended).
CRO	Irish Companies Registration Office.
IQ	Individual Questionnaire.

PART 3 – General Notes

PLEASE NOTE THAT THIS GUIDANCE NOTE SHOULD BE READ IN ITS ENTIRETY BY THE APPLICANT BEFORE IT STARTS TO COMPLETE THE APPLICATION FORM. THE APPLICANT SHOULD ALSO REFER TO THIS GUIDANCE NOTE AS THE APPLICATION FORM IS BEING COMPLETED.

1. **The application form should only be completed by an applicant seeking authorisation as a Retail Credit Firm.**
2. The application form is available on the Central Bank’s website [here](#).
3. In advance of submitting an application for authorisation, an applicant should satisfy itself that:
 - Its proposed business model requires authorisation pursuant to the Act. The relevant definitions for ‘Retail Credit Firm’ and ‘relevant activity’ are contained in Section 28 of the Act;
 - It can comply with the requirements of the Act and any other relevant legislation and regulatory requirements, including but not limited to:
 - i. the Fitness and Probity Standards (Code issued under Section 50 of the Central Bank Reform Act 2010) (2014);
 - ii. the Minimum Competency Code 2017 and the Minimum Competency Regulations 2017;
 - iii. the Consumer Protection Code 2012 (including all Addendums thereto);
 - iv. the Code of Conduct on Mortgage Arrears;
 - v. Anti-Money Laundering & Countering the Financing of Terrorism legislation;
 - vi. Section 149 of the Consumer Credit Act 1995 (as amended)
 - vii. Credit Reporting Act 2013
 - It is capable of complying with, and adhering to, on-going supervisory requirements;
 - It has policies and procedures in place to oversee the governance of compliance with applicable legislation;
 - It possesses all the information and documentation required by the application form;
 - It has read and is familiar with:
 - i. This Guidance Note;
 - ii. The [Authorisation Requirements and Standards for Retail Credit Firms](#); and
 - iii. The [Application Form for Authorisation as a Retail Credit Firm under the Central Bank Act 1997 \(as amended\)](#);
4. The legislative and regulatory requirements referred to in this Guidance Note are not exhaustive and the applicant should ensure that it is familiar with, and in a position to comply with all the relevant legislative and regulatory requirements applicable to its proposed regulated activities, should it be granted an authorisation by the Central Bank.
5. This Guidance Note provides guidance to applicants in relation to the requirements of the Central Bank when completing the application form. It does not constitute legal advice nor does it seek to interpret relevant legislation or regulatory requirements.
6. The Central Bank is the competent authority in Ireland responsible for the authorisation (and supervision) of Retail Credit Firms pursuant to the Act.
7. Any queries in respect of this Guidance Note or the application process should be sent to the Central Bank at RCF@centralbank.ie.

PART 4 – Criteria for Assessing Applicants

The '[Authorisation Requirements and Standards for Retail Credit Firms](#)' sets out the requirements that must be satisfied in order for an authorisation as a Retail Credit Firm to be granted.

The principal areas assessed by the Central Bank in considering the information and documentation submitted with the application form to seek authorisation as a Retail Credit Firm include:

- Business Plan;
- Programme of Operations;
- Proposed Retail Credit Firm activities;
- Structure and Organisation of the applicant (including substance and 'mind and management' assessment);
- Fitness and probity of Pre-Approval Controlled Function role holders;
- Compliance Plans;
- Governance and staffing arrangements;
- Outsourcing arrangements and oversight of outsourcing (where applicable);
- Financial information and solvency;
- Qualifying shareholders; and
- Regulatory background (where applicable).

The requirements in respect of each of the above areas are set out in the application form. An authorisation as a Retail Credit Firm will only be granted to persons established in the State.

Each applicant seeking authorisation must satisfy the Central Bank that it can meet the relevant authorisation requirements. In fulfilling its statutory role in this regard, the Central Bank adopts a robust, structured and risk based process that seeks to ensure that only those applicants that demonstrate compliance with the relevant authorisation requirements are authorised.

The Central Bank seeks to process each application as expeditiously as possible while meeting its obligation to operate a rigorous and effective gatekeeper function. It aims to ensure that the application process is facilitative and accessible from the perspective of applicants and, importantly, that applicants have clarity with regard to the process, its requirements and timelines. See [here](#) for more details.

PART 5 – Making an Application Submission

In advance of submitting the information and documentation set out in the application form to seek authorisation as a Retail Credit Firm, the applicant should satisfy itself that:

1. Scope:
 - it has considered its proposed business model having regard to the relevant legislation and it has determined that it requires authorisation pursuant to the Act; and
2. Compliance:
 - it can comply with the authorisation requirements set out in the Act;
 - it can comply with the ‘Authorisation Requirements and Standards for Retail Credit Firms’;
 - it is capable of complying with the legislative, regulatory and supervisory requirements applicable to a Retail Credit Firm on an on-going basis; and
 - it has read this Guidance Note and has taken the information provided therein into consideration when completing the application form.

An applicant should not submit an application for authorisation to the Central Bank where it has not determined, with reasonable certainty, the scope of its proposed activities and its proposed business and operational models. There should be no significant changes made to the application submitted during the course of the application process. Where such significant changes are made, a new application submission may be required or the application may be taken outside the relevant authorisation service standards. The application is expected to represent the proposed activities of the applicant for the first 12 months of operation post authorisation.

Applicants are advised to seek independent legal advice if they are unsure as to whether their proposed activities require authorisation pursuant to the Act, or if they are unsure as to how they should comply with the relevant authorisation requirements and all relevant legislative, regulatory and supervisory requirements on an on-going basis. If, having received and considered such legal advice, applicants have any doubt about their status, they are advised to submit an application for authorisation.

Documentation required to make an Application Submission

An application submission should contain a **fully completed** application form (including the specific information/documentation set out therein). **The application submission will only progress to the Assessment Phase of the application process where the required documentation has been fully completed.**

Summary of Key Stages of the Application Process

1. Having determined that its proposed activities require authorisation by the Central Bank under the Act, the applicant must be in a position to provide definite proposals as to how it will meet the relevant authorisation and regulatory requirements.
2. The applicant must ensure that **all** the information and documentation set out in the application form is submitted. **Where an incomplete application is submitted the applicant will be advised that the application does not contain sufficient material to be progressed to the next stage of the application process and may be returned.** Upon receipt of a complete submission, the applicant will be provided with login details, where required, for the returns service on the [Central Bank of Ireland Portal](#) to facilitate the submission of Fitness and Probity Individual Questionnaires (IQs). The applicant will also be required to register for the Central Bank Portal at this stage. Guidance and instructions on how to complete the registration process can be found here: [Central Bank of Ireland Portal](#).
3. The applicant will need to ensure that all relevant individuals proposed to hold a PCF role in the applicant complete IQs – more information can be found [here](#). IQs must be submitted electronically via the [Central](#)

[Bank of Ireland Portal](#) by all proposed PCF role holders. The applicant must ensure that **all** the information and documentation set out in the IQ is submitted by all proposed PCF role holders in order that fully completed IQs are deemed to have been received.

4. Where the applicant is a Sole Trader or a Company with a single Director, it will be requested to complete Garda Vetting Forms. Please see [here](#) and in relevant section of '[Completing and Submitting an Individual Questionnaire](#)' for guidance on the Vetting Invitation Form, the Vetting Application Form and the required certification and proof of identity documents. If the applicant has any queries in respect of the eVetting process it can contact the Regulatory & Business Services Division of the Central Bank, see [here](#) for contact details.
5. The Central Bank will assess whether the IQs, Vetting Invitation Form and Vetting Application Form (where relevant) have been fully completed.
6. Where all the required information and documentation has not been provided, the applicant will be informed that the application will not be progressed until the outstanding information and documentation has been received and may be returned to the applicant. Any amendments made to the application submission by the applicant during the application process will require an updated signed Declaration to be submitted by the applicant.
7. The Central Bank completes an assessment of the application submission and may issue detailed comments and/or seek additional information for the purposes of assessing and reaching a determination in respect of the application. The applicant is provided with an opportunity to address the comments and requests issued by the Central Bank. The Central Bank will assess these subsequent submission(s) and notify the applicant of its assessment and next steps. The applicant is provided with a further opportunity to address any concerns (if any) arising at this stage in the process. The Central Bank will notify the applicant of its decision in respect of the application submission. The Central Bank may also decide to interview key members of the senior management of an applicant before deciding whether to grant an authorisation. **The Central Bank will only grant an authorisation to an applicant if it is satisfied that the applicant has demonstrated that it meets the relevant authorisation requirements.**
8. Further details about the different stages of the application process and the Central Bank's authorisation service standards can be found on the [Central Bank's website](#).
9. The Central Bank grants an authorisation to an applicant seeking authorisation to act as a Retail Credit Firm based on the information it has provided in its application submission. All applicants granted an authorisation as a Retail Credit Firm are required to operate in accordance with the information provided in support of their application for authorisation, except where this information is updated with the knowledge of the Central Bank.
10. **Information provided to the Central Bank by an applicant in support of its application for authorisation must be accurate and complete. Applicants should note that the Act provides that the Central Bank may refuse an application for authorisation if the applicant has failed to satisfy the Central Bank that the applicant is, or will be, able to properly fulfil the obligations imposed by or under the Act or any other designated enactment or designated statutory instrument.**
11. Section 31(2) of the Act provides that "The Bank may refuse an application for an authorisation that complies with section 30 only if it is of the opinion that ... information given to the Bank by or on behalf of the applicant in connection with the application is materially false or misleading."

PART 6 – Application Processing

A completed application form and all required supporting documentation should be submitted to the Central Bank via RCF@centralbank.ie.

Further details about the different stages of the application process and the Central Bank's authorisation service standards can be found on the [Central Bank's website](#).

Any queries in relation to the application form should be sent to RCF@centralbank.ie.

PART 7 – Guidance on Completing an Application Form

This section provides guidance to applicants to assist them when answering some of the questions set out in the application form. **The numbering sequence set out in the table below follows that of the questions set out in the application form.**

Applicants should ensure that **ALL** relevant questions set out in the application form are answered succinctly and fully. The application submission should include information relating to the applicant’s proposed activities for the first 12 months of the provision of regulated activities.

Question	Guidance
Part 2 of Application Form – Applicant Information	
2.1	The legal name must be the applicant’s full legal name at the time of making an application submission. For incorporated applicants, this should be the legal name on the applicant’s constitutional document(s) and the name registered with the CRO. For partnership applicants, this name should be the names of each of the partners or a name defined in the applicant’s Partnership Agreement. For sole trader applicants, this name should be the individual’s name.
2.3	The legal status of the applicant should describe the corporate status of the applicant entity which can include the following – Private Company Limited by Shares, Designated Activity Company, Private Company Limited by Guarantee, Unlimited Company, Public Limited Company, Partnership or Sole Trader.
2.4	This name must be the registered trading name(s) that the applicant will use in relation to its regulated and unregulated services. The relevant CRO Business Name Registration Number must also be provided for each trading name.
2.5	<p>An applicant’s head office, registered office and principal place of business must be set out in the application form and, in any event prior to authorisation, must be located in the State. What constitutes a ‘head office’/‘principal place of business’ is a matter to be determined given the particular circumstances of each case. In general, the Central Bank interprets ‘head office’/‘principal place of business’ to mean the location of the mind and management of the applicant and the place where the day-to-day decisions about the direction of the applicant’s business are taken. While the onus of meeting the statutory requirements and satisfying the Central Bank that adequate and effective control of an applicant rests in the State lies with the applicant, some guidance on what the Central Bank would expect to see is set out below.</p> <p>This is not intended to be a ‘formula’ for meeting the ‘head office’/‘principal place of business’ requirement. However, it does provide an indication of what the Central Bank will expect to see in this regard. The Central Bank will expect decision making at Board and Committee level to take place in the State. In addition, to ensure the central management is located within the ‘head office’/‘principal place of business’, its functions must include:</p> <ul style="list-style-type: none"> ➤ Financial Control; ➤ Legal and Compliance; and ➤ Risk Management. <p>It follows that there should be a significant senior management presence (within the applicant) in the State to ensure that full authority and effective control of the applicant rests within the ‘head office’/‘principal place of business’.</p>
2.6, 2.7	Where the applicant proposes to establish other places of business other than its principal place of business, either on the date of authorisation or within the first 12 months of authorisation, it

	should provide details of the relevant locations of the other places of business and the activities proposed to be conducted.
2.8, 2.9	Where the applicant intends to establish a website, either on the date of authorisation or within the first 12 months of authorisation, it must ensure it complies with the relevant obligations in relation to regulatory disclosures and segregation of regulated/unregulated activities as set out in the Consumer Protection Code 2012.
2.10, 2.13	<p>Where the applicant proposes a third party to accept service of correspondence, a senior member of the applicant’s leadership team (i.e., principal/director/partner/senior manager) must also be provided to receive such correspondence. The Central Bank will not liaise solely with a third party in relation to an application submission. All correspondence in respect of an application submission will be sent by the Central Bank directly to the senior member of the applicant’s leadership team, and where appropriate, to any third party identified by the applicant to accept service of any such correspondence.</p> <p>Applicants should be aware that they remain responsible for any information provided, or the failure to provide requested information, in respect of an application submission, where they engage third parties to complete such tasks.</p> <p>A senior member of the applicant’s leadership team (i.e. director/sole trader/partner/senior manager) must be provided to receive login details for the purposes of submitting IQs in respect of proposed PCF role holders in the applicant via the Central Bank of Ireland Portal.</p>
2.11, 2.12	Where the applicant has an existing System Administrator with Central Bank of Ireland Portal login details, that individual’s details should be provided in response to question 2.10 (b). Where the applicant has an existing System Administrator and wishes to change their System Administrator they should contact onlinereturns@centralbank.ie to request such as change.
Part 3 of Application Form – Applicant Legal Status	
Company Applicant	
3.1.3 (a), (b)	The directors of an incorporated applicant should have assessed whether, based on the applicant’s projections, (a) it will be in a positive net asset position as at the date of authorisation, and for the first 12 months of authorisation, and (b) that it will be in a positive cash flow position during the first 12 months of authorisation. The Central Bank expects all applicants to demonstrate that they have the necessary financial resources in place at authorisation.
Sole Trader Applicant	
3.2.1 (a), (b)	A sole trader applicant should have assessed whether, based on the applicant’s projections, (a) it will be in a positive net asset position as at the date of authorisation, and for the first 12 months of authorisation, and (b) that it will be in a positive cash flow position during the first 12 months of authorisation. This assessment should include both the sole trader’s personal and business finances. The Central Bank expects all applicants to demonstrate that they have the necessary financial resources in place at authorisation.
Partnership Applicant	
3.3.2 (a), (b)	A partnership applicant should have assessed whether, based on the projections in relation to each partner’s personal and business assets and liabilities, (a) it will be in a positive net asset position as at the date of authorisation, and for the first 12 months of authorisation, and (b) that it will be in a positive cash flow position during the first 12 months of authorisation. This assessment should include both the personal and business finances <u>of each partner</u> . This question MUST BE answered in respect of <u>ALL</u> partners in a partnership applicant. The Central

	Bank expects all applicants to demonstrate that they have the necessary financial resources in place at authorisation.
3.1.4, 3.2.2, 3.3.3	The applicant should contact RCF@centralbank.ie where the financial circumstances of the applicant change to an extent which would render it unable to answer 'Yes' in response to question 3.1.3 (a) or (b), 3.2.1 (a) or (b), or 3.3.2 (a) or (b) during the application process, and should also contact RCF@centralbank.ie where this occurs after authorisation.
Part 4 of Application Form – Business Plan	
Business Strategy & Activities	
4.1.1	The applicant's Business Plan for the first 12 months after its expected authorisation date should be provided covering each of the 10 sections required. The applicant should ensure that all sections are fully completed. Where any of the information provided by the applicant has not been requested this information may not be reviewed.
4.1.2, 4.1.3	If the applicant operates as an agent of another entity it should provide details of the agreement/arrangements in place and the applicant should include reference to any agreements/arrangement in place and the roles and responsibilities of the applicant and any other parties under those agreements/arrangements. Where the applicant is unsure as to whether an agency relationship exists it should provide a high-level description of the relationship.
4.1.4 (a), 4.1.4 (b)	The applicant should clarify whether it is engaged in any activities aside from Retail Credit Firm activities (and credit servicing activities). This may include unregulated activities, other regulated activities under the Act, or other regulated activities which are regulated under other legislation.
Client Projections	
4.2.1	<p>Clients at authorisation date include those that the applicant is providing services to under an existing authorisation or those that the applicant expects to be in place at authorisation date arising from a transfer of a book of business to the applicant.</p> <p>The figures provided should align with the detailed business plan and projections of the applicant. If the applicant intends to undertake regulated activities across multiple channels, including directly and via intermediaries, the client figures for ALL distribution channels should be included.</p> <p>For 4.2.1 (a) the total number of clients that meet the definition of a consumer¹ is required. For 4.2.1 (b) the number of clients that do not meet the definition of a consumer is required.</p>
Financial Details	
4.3.1, 4.3.2	<p>The financial projections should align with the detailed Business Plan and client numbers provided by the applicant. Forecasted Balance Sheets and Profit & Loss documents should be presented in line with the relevant accounting standards the applicant proposes to use.</p> <p>The forecasts should include planning assumptions including explanations of the figures and the expected number and type of customers and expected volume of transactions. Notes should explain the basis for figures, and for any line items that contain sub-items, the sub items should be identified.</p>

¹ "Consumer" means any of the following:

- a) a **person** or **group** of **persons**, but not an incorporated body with an annual turnover in excess of €3 million in the previous financial year (for the avoidance of doubt a group of **persons** includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate); or
- b) incorporated bodies having an annual turnover of €3 million or less in the previous financial year (provided that such body shall not be a member of a **group** of companies having a combined turnover greater than the said €3 million).

	Forecast information should be submitted at an individual and, where applicable, at consolidated Group and sub-consolidated levels. A Group of companies is considered to be a company and its one or more subsidiaries.
Part 5 of Application Form – Programme of Operations	
Proposed Retail Credit Firm Activities	
5.1.1	The applicant is required to provide a concise description of its proposed activities that will constitute the business activities of a Retail Credit Firm within the meaning of the Act and will require authorisation. The description must be sufficiently clear to ascertain the precise objective and nature of the activity which requires authorisation.
5.1.1 (c)	The applicant is required to outline the types of credit/consumer-hire/hire-purchase facilities that it proposes to offer, i.e. provide a breakdown as to whether the loans will be mortgages, personal loans, loans to SMEs, consumer-hire agreements or hire-purchase agreements etc.
5.1.1 (d)	The applicant is required to outline the total number of credit/consumer-hire/hire-purchase facilities and the total value of credit/consumer-hire/hire-purchase facilities that it proposes to offer in the first 12 months of operation, post authorisation.
Credit/Consumer-Hire/Hire-Purchase Policy/Strategy	
5.2.1	The applicant must set out the governance arrangements with regard to the granting and collection of credit/bailment of goods, clearly describing how the applicant engages in creditworthiness assessment, valuation of immovable and movable property collateral, credit risk taking, credit management, credit review, credit provisioning, and the monitoring of credit exposures. The descriptions should include the relevant personnel involved in the relevant activities and their roles, identifying the relevant policies and procedures and how decisions are made.
Credit/Consumer-Hire/Hire-Purchase Agreement Contracts	
5.3 (a)	The applicant should identify the relevant personnel and also the relevant parties to any contractual arrangement relevant to the credit/consumer-hire/hire-purchase agreements.
5.3 (b), (c)	The applicant is required to confirm that all credit/consumer-hire/hire-purchase agreements will be in the name of the applicant and if the firm will provide the loans/bail goods directly to the borrower/hirer. Where the firm intends to issue credit/bail goods via an intermediary, the applicant should confirm who these intermediaries are and the relevant arrangements which are in place between both parties (letter of appointment, terms of agreement, oversight arrangement, etc.).
Product Oversight and Governance	
5.4.2	The applicant should refer to the internal processes, functions and strategies aimed at designing products, bringing them to the market and reviewing them over their life cycle.
Funding Resources	
5.5.1, 5.5.2, 5.5.3	The applicant should set out whether its funding is provided from its own resources, or if funding is provided from third parties. Where it is from other parties, relevant details in relation to these parties should be set out, identifying the contractual arrangements in place, the key conditions relating to this credit such as the amount of credit, the repayment of credit, and any other relevant conditions relating to the funding arrangement.

Credit Servicing Activities	
5.6.1	Where the applicant plans to provide credit servicing activities within 12 months' post authorisation it should answer 'Yes' to this question. If the applicant has longer term plans to provide additional credit servicing activities, permission to provide these additional services should be sought post authorisation.
5.6.2	The applicant should identify the credit servicing activities it proposes to provide.
5.6.3	The applicant should provide a clear description of the credit servicing activities it proposes to conduct, describing each of the credit servicing activities (as listed in 5.6.2) in order to provide the Central Bank with a full understanding of these activities.
5.6.4	In each instance, a description of the contractual arrangement in place should be provided outlining the role and responsibilities of each party to the contract.
5.6.7 (a)	The Central Bank has concerns where loan repayments received are being commingled with the applicant's own funds. The Central Bank expects that the applicant will not engage in activities that create a potential for the customer to potentially lose part or all of its repayments.
5.6.7 (b)	The applicant should assess and clarify whether this activity requires authorisation under the Central Bank Act 1997 (as amended) or any other legislation.
5.6.7 (c)	The applicant should set out the details of any safeguarding it proposes to have in place to protect consumers from losses or any other negative impacts.
5.6.9	For each credit servicing arrangement, the applicant should provide a description of the contractual arrangement(s) in place outlining the role and responsibilities of each party to the contract.
5.6.10	Where an applicant has plans to conduct credit servicing activities in respect of additional loan portfolios, it is required to provide the Central Bank with details of the processes it has in place to on-board such portfolios describing the relevant personnel, IT systems and other necessary resources to take on a new loan portfolio, and also that it has adequate governance arrangements to ensure that all necessary steps are taken to ensure that a loan portfolio is correctly on-boarded.
5.6.11	Servicing agreements should be provided where these are in place. Where agreements have not been finalised, draft agreements should be provided.
5.6.12	The applicant should describe each of items (a)-(d) in appropriate detail. The applicant should provide a response to each of items (a)-(d) for each portfolio.
Structure/Governance and Staffing Arrangements	
5.7.2 (a)	The applicant should ensure that the Group Organisation Chart provided makes clear the relationship between the applicant and activities of each Group entity.
5.7.3	A calculation of full-time equivalents (FTE) requires that staff dedicated to the regulated business full-time equate to 1 FTE. Part-time staff are assessed with regard to the portion of the time they dedicate to the applicant's regulated business from the approximate number of working days each year i.e. if a member of staff will be dedicated to the regulated business for 50% of the working days each year (estimate 220 working days each year) they should be represented as 0.5 FTE in the calculation of the applicant's FTEs.

<p>5.7.3, 5.7.4, 5.7.7</p>	<p>The applicant should describe the governance and staff resourcing arrangements proposed to be in place at the date of authorisation and how its proposals demonstrate that these arrangements are appropriate in the context of the nature, scale and complexity of its proposed activities, that adequate and effective control of the applicant rests in the State and that the applicant is capable of being effectively supervised by the Central Bank.</p> <p>The Central Bank expects all applicants to have adequate and sufficient governance and staff resourcing arrangements in place, that appropriately reflect the nature, scale and complexity of their activities, to demonstrate that adequate and effective control of the applicant rests in the State (i.e., the substance and mind and management of the applicant is located in the State and day to day decisions in respect of the applicant’s business are made in the State) and the applicant is capable of being effectively supervised by the Central Bank.</p> <p>While the onus of meeting the statutory requirements and satisfying the Central Bank that adequate and effective control of an applicant rests in the State lies with the applicant, some guidance on what the Central Bank would expect to see is set out in 2.5 above.</p> <p>As set out in that section, the Central Bank will expect decision making at Board and Committee level to take place in the State. In addition, to ensure the central management is located within the ‘head office’/‘principal place of business’, its functions must include:</p> <ul style="list-style-type: none"> ➤ Financial Control; ➤ Legal and Compliance; and ➤ Risk Management. <p>It follows that there should be a significant senior management presence (within the applicant) in the State to ensure that full authority and effective control of the applicant rests within the ‘head office’/‘principal place of business’.</p> <p>The Central Bank requires that applicants propose an adequate and sufficient level of governance and staff resourcing arrangements that appropriately reflect the nature, scale and complexity of their proposed activities within the first 12 months of authorisation. An applicant that satisfies the criteria to complete the application form must ensure that its proposed governance and staff resourcing arrangements appropriately reflect the scale of its business. The Central Bank expects that this would be addressed by the applicant having multiple executive directors, a balance of executive and non-executive directors, independent non-executive directors, additional senior management and PCF level resources and/or other appropriate governance structures.</p> <p>The Central Bank requires that the governance and staff resource arrangements are kept under review on an on-going basis such that the applicant is satisfied that they continue to reflect the nature, scale and complexity of the business (i.e. as the business grows it is expected that the applicant will review and enhance the governance and staff resourcing arrangements accordingly).</p> <p>The applicant should ensure that it has assessed the adequacy of its proposed governance and staff resourcing arrangements, having regard to its nature, scale and complexity, and determined the appropriate governance arrangements and internal systems, controls and procedures to put in place to ensure that it complies with its legal and regulatory obligations on the date of authorisation and on an on-going basis.</p> <p>The applicant should confirm that the relevant governance and staff resourcing arrangements and internal systems, controls and procedures are clearly documented and in place at the date of authorisation and that they will be reviewed, maintained and updated as required on an on-going basis to reflect changes to the nature, scale and complexity of the business. The applicant must maintain documentary evidence such that it is in a position to demonstrate its compliance with the relevant requirements referred to where requested to do so by the Central Bank.</p>
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5.7.8	The Staff Organisation Charts can summarise the numbers of staff within functions where these are of a significant number. However, key individuals should be identified in the chart(s). Appropriate colouring can be used to identify the locations of staff and full-time versus part-time staff.
5.7.11	<p>The Central Bank expects the Board (or other equivalent governance forums for non-corporates) of applicants to typically meet monthly, to have a quorum of the majority of directors (or equivalent for non-corporates), and to have a clear and documented agenda for all governance meetings, which at a minimum should include key items relating to the functioning of the applicant's business covering areas such as governance, compliance (including conduct and consumer protection risk), finance and operational matters.</p> <p>The standing board agenda should include at a minimum the following:</p> <ol style="list-style-type: none"> 1. Business Development; 2. Finance; 3. Compliance; 4. Internal Audit; and 5. Risk. <p>Where the applicant has a committee/sub-committee in place, the objective of and the modus operandi of the committee must be disclosed in the Business Plan, e.g. the purpose of having the committee in place and whether decisions are to be unanimously, majority reached, etc. Disclose the composition/membership of the committee and frequency of meetings. The reporting lines of the Board committee(s) should also be outlined.</p>
5.7.12	The applicant should describe the individuals and processes involved in making decisions related to governance and operational matters.
5.7.13	A clear record of Board meetings (or other similar governance forums for non-corporates) held by the applicant should be maintained in a durable format and should clearly describe the discussions held by and the decisions made by the Board (or other equivalent governance forums for non-corporates).
5.7.14	<p>The Central Bank reserves the right to require independent non-executive representation on the Board of Directors depending on the nature, scale and complexity of the applicant's proposed activities.</p> <p>Independent Directors (criteria):</p> <p>The following criteria must be considered and given reasonable weight in order to assess whether a director is independent:</p> <ol style="list-style-type: none"> (a) Any financial or other obligation the individual may have to the applicant or its directors; (b) Whether the individual is or has been employed by the applicant or a group company in the past and the post(s) so held; (c) Whether the individual is or has been a provider of professional services to the applicant in the recent past; (d) Whether the individual represents a significant shareholder in the applicant; (e) Circumstances where the individual has acted as an independent non-executive director of the applicant for extended periods; (f) Any additional remuneration received in addition to the director's fee, related directorships or shareholdings in the applicant; and (g) Any close business or personal relationship(s) with any of the applicant's directors or senior employees.

<p>5.7.15</p>	<p>The applicant should consult the list of PCFs here to assess and determine what PCF roles individuals will be holding in the applicant and should also review and familiarise themselves with the Fitness and Probity Standards applying to those PCF roles. The applicant should ensure that this assessment is robustly completed as delays in identifying PCF role holders or the selection of incorrect PCF roles will substantially delay applications or mean that the application is taken outside the relevant service standards.</p> <p>Where the applicant is unsure as to whether it should apply for a particular PCF role, it should seek independent legal advice. If, having received and considered such legal advice, the applicant is still unsure, it is advised to submit an IQ via the Central Bank of Ireland Portal for the relevant PCF role.</p> <p>Applicants are responsible for ensuring that staff performing Pre-Approval Controlled Functions are pre-approved by the Central Bank and meet the Fitness and Probity Standards both on appointment to such functions and on an on-going basis. Applicants are also responsible for ensuring that staff performing Controlled Functions meet the Fitness and Probity Standards both on appointment to such functions and on an on-going basis.</p>
<p>5.7.16</p>	<p>All persons proposing to hold PCF roles in the applicant must submit an IQ which is accessible via the Central Bank of Ireland Portal. Access to the Central Bank of Ireland Portal will be granted on receipt of an application submission, where required.</p> <p>The Regulatory & Business Services Division of the Central Bank will provide the applicant (contact person as identified in response to question 2.10 (b) in Part 2 of the Application Form) with login details to the Central Bank of Ireland Portal system to facilitate the submission of IQs. If the applicant has any queries regarding the Central Bank of Ireland Portal or the IQ, please see contact details here.</p> <p>Where the applicant already has an individual with existing Central Bank of Ireland Portal login details, the name of that individual should be provided in response to question 2.10 (b). Where the applicant already has an individual with existing Central Bank of Ireland Portal login details and wishes to change the individual with login details, the applicant should contact onlinereturns@centralbank.ie.</p> <p>To ensure that applications can be decided upon in a timely manner, the applicant must ensure that any queries received regarding the information provided in IQs are responded to comprehensively and in a timely manner. Individuals required to complete IQs should ensure that the referees they have provided are prepared to provide references in a timely manner.</p>
<p>5.7.19, 5.7.20</p>	<p>The applicant should ensure it identifies anyone in a position to exert significant influence over the applicant or the management of the applicant. This may include shareholders, advisors or financiers.</p> <p>Those in a position to exercise a significant influence over the applicant or the management of the applicant may be acting in concert with other parties. Where this arises, details (i.e. identity of those parties, their relationship to the applicant, the nature of their influence) must be provided.</p>
<p>Minimum Competency Code 2017 (MCC) & Minimum Competency Regulations 2017 (MCR)</p>	
<p>5.8.1</p>	<p>The Minimum Competency Code 2017 (MCC) specifies certain minimum competencies that persons falling within the scope of this Code must comply with when performing certain controlled functions. The Minimum Competency Regulations 2017 (MCR), associated with the</p>

	<p>MCC, impose certain obligations on regulated firms under Section 48 of the Central Bank (Supervision and Enforcements) Act 2013.</p> <p>The applicant should ensure that it has assessed the requirements set out in the MCC and MCR <u>and</u> determined the appropriate governance arrangements and internal systems, controls and procedures to put in place to ensure that it complies with those requirements on the date of authorisation and on an on-going basis.</p> <p>By answering ‘Yes’ to this question, the applicant is confirming that the relevant governance arrangements and internal systems, controls and procedures are clearly documented and in place at the date of authorisation and that they will be reviewed, maintained and updated as required on an on-going basis.</p> <p>The applicant must maintain documentary evidence such that it is in a position to demonstrate its compliance with the relevant requirements of the MCC and MCR where requested to do so by the Central Bank.</p>
Compliance	
5.9.1	<p>The Central Bank expects all applicants to have adequate and sufficient resources (reflecting the nature, scale and complexity of their activities) with appropriate compliance expertise in place to review and assess the applicant’s compliance risks and to monitor the adequacy and effectiveness of its compliance monitoring processes and its on-going compliance with its legal and regulatory obligations.</p> <p>The applicant should ensure that it clearly describes its processes and procedures in place to guide its periodic assessment of its compliance with its legal and regulatory obligations. The applicant should identify how it maintains appropriate records in respect of its compliance monitoring activities including the findings/outcomes of those activities and the steps taken to address those findings/outcomes, and the process by which any breaches of legal or regulatory requirements identified are notified to the Central Bank without delay.</p> <p>The applicant should ensure that it has assessed the adequacy of its compliance related resources and determined the appropriate governance arrangements and internal systems, controls and procedures to put in place to ensure that it complies with its legal and regulatory obligations on the date of authorisation and on an on-going basis.</p>
5.9.2, 5.9.3, 5.9.4	<p>By answering ‘Yes’ to these questions, the applicant is confirming that it has adequate and sufficient resources (reflecting the nature, scale and complexity of their activities), that relevant persons are independent of the operations of the applicant, and that it has the relevant governance arrangements and internal systems, controls and procedures to address its compliance risks.</p>
5.9.5 – 5.9.9, 5.9.15	<p>The applicant should ensure that it has assessed the relevant legislation and codes identified and that it has the appropriate governance arrangements and internal systems, controls and procedures to put in place to ensure that the applicant complies with those requirements on the date of authorisation and on an on-going basis.</p> <p>By answering ‘Yes’ to these questions, the applicant is confirming that the relevant governance arrangements and internal systems, controls and procedures are clearly documented and in place at the date of authorisation and that these will be reviewed, maintained and updated as required on an on-going basis. The applicant must maintain documentary evidence such that it is in a position to demonstrate its compliance with the relevant requirements (where applicable) where requested to do so by the Central Bank.</p>

<p>5.9.12 – 5.9.14</p>	<p>The applicant should identify how it maintains appropriate records in respect of its internal audit activities including the findings/outcomes of those activities and the steps taken to address those findings/outcomes, and the process by which any matters are escalated to the Board of Directors or other governance structure or where these are notified to the Central Bank.</p>
<p>Risk Management</p>	
<p>5.10.1 – 5.10.2</p>	<p>The Central Bank expects all applicants to have adequate and sufficient resources (reflecting the nature, scale and complexity of their activities) with appropriate compliance expertise in place to review and assess the applicant’s financial and operational risks and to monitor the adequacy and effectiveness of its monitoring processes and its on-going risk management processes.</p> <p>The applicant should ensure that it clearly describes its processes and procedures in place to guide its periodic assessment of its risks.</p>
<p>Qualifying Shareholders</p>	
<p>5.11.1</p>	<p>The applicant should ensure that it has clearly identified and assessed all direct and indirect qualifying shareholders. Where the applicant is part of a Group, or where there is a chain of ownership, which may include, for example, multiple trading and holding companies, trusts and nominee companies, the applicant must ensure that it has determined all relevant qualifying shareholders. Natural persons who have a qualifying holding in a chain of ownership or have a qualifying holding at the highest layer of ownership should also be identified. The applicant should ensure it has taken reasonable steps to satisfy itself with regard to the information provided in response to this question.</p> <p>A qualifying holding is a direct or indirect holding of shares or other interest in the applicant which represents 10 per cent or more of the capital or of the voting rights, or any direct or indirect holding of less than 10 per cent of the capital or of the voting rights but which makes it possible to control or exercise a significant influence over the management of the applicant in which a holding subsists.</p> <p>Where any potential or actual qualifying shareholders cannot be identified or have not been identified, this should be clearly detailed in the application submission.</p> <p>The Central Bank may request additional documentation relating to Qualifying Shareholders based on the nature, scale and complexity of the application.</p>
<p>5.11.2 – 5.11.4, Appendix 1</p>	<p>The applicant must take reasonable steps to confirm the information required in respect of the applicant’s qualifying shareholders. This may include seeking information and documentation from those qualifying shareholders.</p> <p>Where the applicant is not in a position to answer ‘No’ in relation to all of the questions set out in Appendix 1 1.1 (a)-(s), 1.3 (a)-(w), 1.5 (a)-(c) or 1.7 it should not do so and should provide relevant details in response to questions 1.2, 1.4, 1.6 or 1.8 as required.</p>
<p>Close Links</p>	
<p>5.12.1</p>	<p>‘Close links’ means a situation in which two or more natural or legal persons are linked by control or participation, or a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship.</p> <p>‘Control’ means the relationship between a parent undertaking and a subsidiary undertaking, as set out in Article 1 of Directive 83/349/EEC, or a similar relationship between any natural or legal person and an undertaking.</p>

	<p>‘Participation’ in relation to an undertaking, means the ownership, direct or by way of control, of 20% or more of the voting rights or capital of the undertaking.</p>
<p>Outsourcing</p>	
<p>5.13.1</p>	<p>Where an applicant engages in outsourcing, that outsourcing should not detract from the applicant being in a position to demonstrate that its ‘mind and management’ is located in the applicant, and that the applicant is not delegating responsibility for the operation or management of key functions to a third party.</p> <p>Where outsourcing of an important operational function is proposed, the Central Bank requires that this outsourcing does not:</p> <ol style="list-style-type: none"> 1. result in the delegation by senior management of its responsibility in respect of that function; 2. alter the relationship and obligations of the applicant firm towards its customers; 3. undermine the conditions with which the applicant firm is to comply with in order to be authorised and remain so in accordance with the Act; 4. remove or modify any other condition of the applicant firm’s authorisation; 5. materially impair the quality of the applicant firm’s internal controls; or 6. materially impair the ability of the Central Bank to monitor the applicant firm’s compliance with its obligations under the Act.
<p>5.13.3</p>	<p>Where an applicant proposes to outsource any important operational function(s), the applicant should ensure that it has assessed and is satisfied that it meets the requirements set out in items 5.13.3 (a)-(j) in respect of each important operational function it proposes to outsource.</p> <p>By answering ‘Yes’ to these question, the applicant is confirming that the relevant governance arrangements and internal systems, controls and procedures are clearly documented and in place at the date of authorisation and that they will be reviewed, maintained and updated as required on an on-going basis. The applicant must maintain documentary evidence such that it is in a position to demonstrate its compliance with the requirements set out in 5.13.3 (a)-(j) where requested to do so by the Central Bank.</p> <p>The Central Bank considers outsourcing to be an arrangement of any form between an applicant and a service provider by which that service provider performs a process, a service or an activity on behalf of the applicant which could otherwise be considered would be undertaken by the applicant itself.</p> <p>Where an applicant engages in outsourcing, that outsourcing should not detract from the applicant being in a position to demonstrate that its ‘mind and management’ is located in the applicant and should not result in the applicant delegating responsibility for the operation or management of key functions to a third party i.e. the applicant remains wholly responsible for any activities outsourced to a third party service provider.</p> <p><u>An operational function is an ‘important operational function’ if a defect or failure in its performance would materially impair (a) the continuing compliance of the Retail Credit Firm concerned with the requirements of its authorisation or its other obligations (b) its financial performance or (c) the soundness or continuity of its Retail Credit Firm activities.</u></p> <p><u>Examples of important operational functions include IT systems and operations (including CRM systems and websites relating to regulated activities), Internal Audit, Risk Management and Compliance.</u></p>

IT Systems, Website and Business Continuity Planning	
5.14.1	<p>When describing the functionality of an applicant firm’s key IT systems, the applicant firm should also provide screen shots/sample reports in its application submission in order to assist the Central Bank’s understanding in this regard. If the applicant firm has outsourced its IT software development, maintenance or hosting, it is required to provide any information requested in 5.13 of the application form in respect of the outsourced activity.</p> <p>The applicant should ensure that it has appropriate policies, procedures and controls related to key areas such as the IT control environment, access controls, change management, disaster recovery and physical security. The applicant should also ensure that it has appropriate governance arrangements to oversee and review the relevant IT policies and procedures.</p> <p>Where the applicant maintains a website it must ensure that it is continuously in control of the content of the website irrespective of any access or control granted to third party service providers.</p> <p>The applicant should ensure that it has clearly documented processes and procedures to ensure that IT systems operate appropriately, are available as required and that the security, integrity and confidentiality of data is maintained.</p>
5.14.2	<p>By answering ‘Yes’ to these questions, the applicant is confirming that the relevant governance arrangements and internal systems, controls and procedures are clearly documented and in place at the date of authorisation and that they will be reviewed, maintained and updated as required on an on-going basis. The applicant must maintain documentary evidence such that it is in a position to demonstrate its compliance with the relevant requirements (where applicable).</p>
Regulatory Background	
5.15.1 - 16, 5.15.18	<p>The applicant should ensure that it takes reasonable steps to ensure that the responses to these questions are responded to accurately and completely.</p> <p>The applicant should ensure that it carefully reads each question and that it is clear as to the basis on which it is answering ‘Yes’ or ‘No’. The applicant should ensure that it has taken reasonable steps to determine whether to answer ‘Yes’ or ‘No’. Where the applicant is unsure as to whether to answer ‘Yes’ or ‘No’, it should select what it considers is the correct response and outline in a cover letter accompanying the submission of the application form the rationale for its uncertainty and the rationale for the answer provided.</p>
5.15.17, 5.15.19	<p>Where the applicant has answered ‘Yes’ to any questions in section 5.15, it must provide further details explaining the basis for answering ‘Yes’.</p>
Part 6 of Application Form – Declaration	
Declaration	
<p>The Declaration is an important part of the application form. The applicant should ensure that it has fully reviewed the application form and understands the statements that it is agreeing to with regard to the information provided therein prior to signing the Declaration. The applicant should carefully read the Declaration before completing and signing the Declaration.</p> <p>Text in brackets such as [<i>Insert applicant’s legal name</i>], [<i>I/We</i>], [<i>I am/We are</i>], [<i>myself/ourselves</i>] must be amended to insert the relevant text, including the relevant legal name, or select from the options provided therein. For text options such as ‘<i>I/We</i>’ and ‘<i>I am/We are</i>’, the applicant should amend accordingly selecting ‘<i>I</i>’ and ‘<i>I am</i>’ where a sole trader or single director company applicant and ‘<i>We</i>’ and ‘<i>We are</i>’ where a partnership or company applicant with partners or multiple directors.</p>	

The Declaration must be signed by the sole trader in the case of a sole trader applicant, by two directors in the case of a company applicant (or by the sole director in the case of a single director company applicant), and by two partners in the case of a partnership applicant.

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