



ADVISORY
Industry Information

New Reporting Obligations for Commercial Lenders Commencing Shortly

26 February 2018

The Central Credit Register (“CCR”) was established under the Credit Reporting Act 2013 as part of Ireland’s commitments under the EU/IMF Programme of Financial Support. The CCR is a national mandatory database of borrower information which is maintained and operated by the Central Bank of Ireland (“CBI”) and it has been introduced on a phased basis, with the consumer lending phase going live in H2 of 2017. Further details on the CCR are available in our previous client briefing, [available here](#).

Phase 2 (31 March 2018 - 30 September 2018) covers business lending and will have an impact on many Irish businesses. As the 31 March deadline for commencement of business lending reporting approaches, firms that provide commercial credit in Ireland should take immediate action to review their obligations to report to the CCR. Non-Irish lenders (regardless of regulatory status) may be obliged to report to the CCR in certain circumstances. Non-Irish lenders may have prior experience with credit reporting obligations given the existence of public credit registers in countries such as France, Spain, Portugal, Belgium and China.

Scope of the Credit Reporting Act 2013 (“CRA”) and CCR

The CRA imposes reporting obligations on providers of credit referred to in the CRA as ‘*credit information providers*’ (“CIPs”). CIPs are widely defined to include both regulated and unregulated lenders. “Credit” is defined in the CRA as including loans, deferred payments or other financial accommodation of €500 or more:

1. extended to a (personal or corporate) borrower who is resident in the State at the time of making the credit application; or
2. where the credit agreement is governed by Irish law.

Examples of firms that may be impacted by these new requirements might include:

- » any regulated (e.g. a credit institution) or unregulated lender that provides credit to Irish borrowers or credit governed by Irish law;
- » an AIF or other fund that originates loans to Irish borrowers or loans that are governed by Irish law;
- » an asset finance SPV that directly provides credit to an Irish borrower or credit that is governed by Irish law;
- » an SPV that has purchased and now owns loans that were provided to Irish borrowers or were governed by Irish law.







There are some limited exemptions from the scope of the CRA, including:

- (a) inter-bank or inter-group credit;
- (b) credit in relation to the provision of utilities; and
- (c) credit supplied to enable the purchase of goods or services from the person providing the credit (which the CBI has clarified includes hire purchase agreements, personal contract plans or any other type of credit/leasing agreement where the lender is also the owner of the financed good or service).

Following the implementation of the CCR, it will also be mandatory for lenders to check the CCR prior to advancing any credit for an amount of €2,000 or greater.



Next steps for in-scope lenders

1.  Conduct an internal assessment of your borrowers to determine if you will be subject to the reporting obligations of the CCR;
2.  → CCR if you have in-scope credit agreements, contact the CCR to arrange for registration in advance of the commencement of the reporting window;
3.  review in-scope loans to ensure that all reportable information* is available and take steps to obtain any missing information;
4.  notify customers of their rights and duties under the CRA and consider if your loan documentation adequately addresses the requirement to disclose information under the new reporting obligations;
5.  commence monthly collection/submission of in-scope credit information from 31 March 2018 ensuring that the initial submission is made on or before 30 September 2018;
6.  → CCR

*Reportable information in respect of business loans includes:

- » Legal Name of Entity;
- » Trading or Business Name;
- » Nature of the Entity (Entity Type);
- » Sector of Economic Activity;
- » Enterprise Size;
- » Institutional Sector;
- » Address;
- » Postal Code;
- » Eircode;
- » Companies Registration Office (CRO) Registration Number (or equivalent);
- » Tax Reference Number;
- » Telephone Number;
- » Legal Entity Identifier (LEI).

Contacts

If you have any queries on the operation of the CCR and/or the impact that it may have on you and your business, please speak to your usual contact in Walkers or contact:



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