

# Standard Information for Lending to Micro, Small and Medium Enterprises

## Introduction

This information booklet is designed to inform customers of their rights under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 (as amended from time to time) (the “**SME Regulations**”).

Please note that nothing in the applicable SME Regulations or this information booklet prohibits Barclays Bank Ireland PLC, (“the Bank”) from acting with all necessary speed:

- Where in the circumstances of a case it is necessary to initiate a liquidation, receivership, examinership or similar insolvency event or where another regulated entity or other third parties initiate such actions;
- Where it is necessary in order for the Bank to protect its legitimate commercial interests; or
- Where there is a reasonable evidence of fraud, terrorist connections, money laundering and/or misrepresentation.

The provisions of the SME Regulations are without prejudice to the Bank’s regulatory and/or legal obligations and legal rights to enforce any agreement, including any security taken in connection with any agreement.

This booklet is for information purposes only and is not creating any legal relations between the Bank and its customers. It is not a legal document and should not be relied upon as such.

## Definition of SME<sup>1</sup>

An SME is an enterprise that employs fewer than 250 persons and which has an annual turnover not exceeding €50m and/or an annual balance sheet not exceeding €43m.

These are exceptions to this definition. The SME Regulations do not apply to:

- an SME not operating in Ireland;
- any lending between the Bank and any other regulated financial institution;
- any syndicated, club, or multi-lender transaction; and
- any special purpose vehicle (SPV), including SPVs established for a specific transaction.

## SME credit application process

All credit applications which the Bank receives from SME clients will be considered and subjected to the Bank’s credit and risk due diligence processes. We shall seek to assess all requests promptly and revert to you within two weeks. During the credit application process, you may request a meeting with the Bank to discuss the details of your credit application.

<sup>1</sup> In January 2018, the Central Bank of Ireland published the [Central Bank \(Supervision and Enforcement\) Act 2013 \(Section 48\) Lending to Small and Medium-Sized Enterprises\) \(Amendment\) Regulations 2018](#). The amending Regulations amended the SME Regulations by inserting (1) an amended definition for “micro and small enterprise”, (2) an amended definition for “micro, small and medium-sized enterprise” and (3) a new definition of “partner enterprise” – which refer to such terms as they are defined in the [European Commission Recommendation of 6 May 2003](#).

Any such requests will be facilitated by the Bank.

If you are successful you will be sent a formal communication (i.e. a draft facility letter or equivalent) providing you with an offer; this will confirm the details of the credit facility including the applicable terms and conditions. We recommend you read this document carefully, including the provisions concerning default, as well as those concerning fees, charges and interest rates applicable.

The draft facility letter/equivalent will set out the conditions that must be satisfied before the credit facility becomes available; including what security will be required. The facility letter/equivalent will detail the Bank's rights to withdraw/amend the credit facility. In the event of such action being taken, the Bank will formally communicate this to you. The Bank reserves its right to do this with all necessary speed. Any decision to withdraw/amend a facility will be taken on its own merits. Such amendments may include changes to the terms, conditions, fees and charges relating to a credit facility.

If your credit application is declined, we will promptly send you a formal communication fully explaining the reasons for declining. It is unlikely that your credit rating will be affected by any decision taken by us to decline your credit application. This is because we do not currently report declination decisions externally. However, where the Bank is obliged to report this information for legal or regulatory purposes, we reserve the right to do so.

## Security requirements

The Bank may require security in order to offer a credit facility to you; this may include, but is not limited to: a mortgage, charge, pledge, assignment over assets or a personal guarantee. Some facilities may require some or all of the above.

The Bank will only look to take security which is appropriate for the risk it is taking and will not look to impose unreasonable security requirements.

It is the Bank's policy to enforce our rights under any credit facility, security or guarantee to the fullest extent possible in order to obtain full repayment of the credit facility, including interest and fees owing.

Please consider the above when offering security, as it may lead to a situation where this security is not returned to you. We therefore recommend that all borrowers and guarantors seek independent legal advice before agreeing to offer security for a credit facility or to act as guarantor for a credit facility.

If the Bank has to enforce a mortgage on a consumer's principal private residence in the Republic of Ireland, it will adhere to the Central Bank of Ireland's Code of Conduct on Mortgage Arrears.

When a credit facility, for which security is given, has been repaid in full, we will inform you of this fact and we will promptly return all security upon receiving written notice to do so from you.

## Guarantees

Some credit facilities may be secured by a personal guarantee; the guarantor may also be required to provide a mortgage over their principal private residence. This security may be required to reduce the risk arising in respect of a credit facility being considered and may also enable the Bank to provide a more competitively priced credit facility.

If there is more than one corporate entity in the group structure, with operations and/or assets held in multiple entities, the Bank may seek to obtain cross guarantees between the different group entities, such that those entities would be jointly and severally liable for outstanding debt owed to the Bank.

## Interest

Interest is required to be paid on any credit facility, calculated as detailed in the terms and conditions of the credit facility.

## Annual review of credit facilities

Should you wish to have an annual review meeting with the Bank, to discuss your credit facility(s) and any security arrangements that are in place, please contact your appointed Relationship Manager. Alternatively, please contact the Bank directly on 01 618 2600 and you will be directed to the appropriate contact point.

## Financial difficulties

Many customers face financial difficulties or anticipate having difficulties in the future. The Bank recognises that, at times, our customers need assistance in this regard and would urge all our customers to contact their relationship contact with the Bank or the Bank directly on 01 618 2600 as soon as they face challenging periods, so the Bank can work with them to try to provide advice and support, with a view to finding an agreeable solution for both parties. Please refer to our information booklet on dealing with customers in financial difficulties, which is available on our website. Alternatively, a copy of the booklet is available upon request from your Relationship Manager.

## Information requirements for credit applications

The level and detail of information required from you to assess your credit application will vary from case to case, but may typically include the following:

1. Signed statement of assets and liabilities and income and expenditure statements for both the borrower and the guarantor (if relevant). This must be a 'declaration of full disclosure' providing details of all borrowings etc;
2. Audited/certified financial accounts (as appropriate);
3. Up-to-date management information, which may include: P&L, balance sheet to include 3–5 year projections on both, cashflow forecasts, aged debtor/creditor/stock lists, for property-related loans, signed and dated rent roll statements, updated valuations, residual debt levels and mortgage details.
4. Information on the business, including but not restricted to: key customers and suppliers, revenue by product and geography, profile of key management personnel and market positioning;
5. Details of current tax position, including a Tax Clearance certificate where appropriate;
6. Details of your security position, in particular details of security provided to third-party banks; and
7. A 3–5 year business plan – the amount of details required will vary dependent on the business size and nature of credit request, but would typically require a more in depth review of the business/information requirements lines outlined above.

## Customers in Arrears

Should your credit facilities fall into arrears you may face additional fees and charges if you default (please refer to your facility letter or equivalent for details of such fees and charges). Such charges may be avoided if you agree and adhere to an alternative repayment arrangement. Also your other accounts with us may be affected and may result in you breaching the terms of other borrowings. Your credit rating may also be negatively impacted, which may hinder any future borrowing requests.

The above steps and others that may be relevant are without prejudice to our legal and/or regulatory obligations and/or our legal rights arising.

The Bank may, in order to recover a debt, engage one or more agents (e.g. solicitors or debt collection agencies). The Bank also reserves the right at any time to assign, transfer or otherwise dispose of its interests in the facilities without your consent.

## Complaints

Should you wish to complain about the service the Bank has provided you, please contact us directly in the first instance. We will endeavour to remedy complaints within five business days.

We will acknowledge your complaint in writing within five business days, providing you with the name of one or more members of staff appointed as your point of contact. For complaints which are not resolved within five business days, we will provide you with regular updates on the progress of the investigation into your complaint and will then look to resolve your complaint within 40 business days. If the investigation and resolution will take longer than 40 business days to resolve, we will advise you of the estimated timeframe required to resolve. We will advise you, within five business days of the completion of the investigation into your complaint, of the outcome of the investigation and, where applicable, explain any offer or settlement being made.

If you are unhappy with any complaint investigation or decision made by us, you may have the right to refer the matter to the Financial Services and Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2. [www.fsppo.ie](http://www.fsppo.ie)

## Definitions

'Credit Facility'	An overdraft or loan facility or an extension of foreign exchange forward limits provided by the bank
'We', 'us', 'our'	Barclays Bank Ireland PLC, "the Bank"
'You', 'Your', 'Borrower'	An SME Customer, as defined under the "SME Regulations"
'Writing', 'Letter'	Email or letter

You can get this in Braille, large print or audio by calling 0800 027 1316, Option 1\* (via Text Relay or Next Generation Text Relay if appropriate). For more information, please visit [barclayscorporate.com/alternativeformats](https://www.barclayscorporate.com/alternativeformats). Clients outside of the UK please contact your local Barclays representative or call +44 207 757 7323, Option 1\*\*.

\*Calls to 0800 numbers are free from UK land lines and personal mobiles, otherwise call charges may apply. Please check with your service provider. To maintain a quality service we may monitor or record phone calls. Lines are open Monday to Friday, 8am to 7pm.

\*\*International call charges may apply.

Barclays Bank Ireland PLC is registered in Ireland. Registered Office: One Molesworth Street, Dublin 2, Ireland, D02 RF29. Registered Number: 396330. A list of names and personal details of every director of the company is available for inspection to the public at the company's registered office for a nominal fee. Calls may be recorded for security and other purposes. Barclays Bank Ireland PLC is regulated by the Central Bank of Ireland.

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