



## INFORMATION ON SME REGULATIONS

LENDING TO SMALL AND MEDIUM ENTERPRISES

# CONTENTS

1. ABOUT DEUTSCHE LEASING (IRELAND) DAC.....2

2. ABOUT THE SME REGULATIONS .....2

3. HOW TO APPLY FOR FINANCE WITH DEUTSCHE LEASING.....3

4. DECLINING A CREDIT APPLICATION .....4

5. APPEALING A DECISION TO DECLINE A CREDIT APPLICATION.....4

6. YOUR RIGHTS.....5

7. FINANCIAL DIFFICULTIES .....5

8. COMPLAINTS PROCESS .....6

## 1. About Deutsche Leasing (Ireland) DAC

Deutsche Leasing (Ireland) DAC has assisted customers, and our vendor partners, with their financing requirements since 2005.

We provide innovative finance solutions to small and medium-sized enterprises (“SMEs”) focusing on providing asset finance in the following sectors:

- Construction
- Industrial and Manufacturing
- Print and media technology
- Transport and material handling technology
- Agriculture
- Other high value systems

The financial products/credit facilities we offer include hire purchase, finance leases, operating leases and stage payment funding.

Deutsche Leasing (Ireland) DAC is regulated by the Central Bank of Ireland. The firm is authorised as a Retail Credit firm under Section 31 of the Central Bank Act, 1997, as amended.

Please read all the information contained in this booklet and feel free to contact us if you have further questions.

Please contact us if are facing financial difficulties which may impact on your ability to meet your payment obligations under a financing agreement arranged with us. It is in your best interest to communicate any changes of your circumstances to us as early as possible so that we can work with you to arrive at a mutually satisfactory way to move forward.

### Our contact details are:

Deutsche Leasing Ireland (DAC), Unit 28, Block 3 Northwood Court Northwood Business Campus, Santry Dublin 9, D09 H348

**Email :** [info@deutsche-leasing.com](mailto:info@deutsche-leasing.com)

**Telephone :** 01 6699960

## 2. About the SME Regulations

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-sized Enterprises) Regulations 2015 (“**the SME Regulations**”) specify conditions that apply to Retail Credit firms (and other lenders) when providing credit to small and medium sized enterprises (**SMEs**); including in relation to the provision of pre-contract and post-sale information, the credit application process, requirements regarding security or collateral, credit refusals/withdrawals, handling complaints, and managing arrears and financial difficulties.

A copy of the SME Regulations, can be found on the Central Bank of Ireland website at: <https://www.centralbank.ie/docs/default-source/Regulation/consumer-protection/other-codes-of-conduct/39-gns-4-2-7-central-bank.pdf>

The SME regulations apply to micro, small and medium sized enterprises which are defined in the SME regulations as:

- “micro and small enterprise” means an enterprise which employs fewer than 50 persons and which has either/both (a) an annual turnover of less than €10m and/or (b) annual balance sheet total of less than €10m;

- “micro, small and medium-sized enterprise” means an enterprise which employs fewer than 250 persons and which has either/both of (a) an annual turnover not exceeding €50 million and/or (b) and an annual balance sheet total not exceeding €43 million.

### 3. How to apply for Finance with Deutsche Leasing

Deutsche Leasing (Ireland) DAC is a vendor finance company dealing with a list of approved International and local vendors who submit applications for finance directly to us on behalf of the customer. Existing customers can contact their Vendor Relationship Manager.

If you have any queries about submitting an application, including getting details of vendor partners please contact us at [info@deutsche-leasing.com](mailto:info@deutsche-leasing.com) or call us on (01) 5676933. Under the SME Regulations, you are entitled to request a meeting with Deutsche Leasing (Ireland) DAC to discuss your application for credit.

The information required to review a credit application varies on a case by case basis, but typically includes:

- Documents required to carry out anti-money laundering due diligence on the applicant, including proof of identity and address
- PPSN ( when required)
- Financial information including financial statements, up to-date tax confirmation budgets/forecasts, bank statements
- Satisfactory credit history. We will carry out searches of applicants’ credit history on the Central Bank operated Central Credit Register. The Central Credit Register is a database that stores personal and credit information on loans/finance agreements of €500 or more. Providers of finance, including banks, credit unions and retail credit firms are required to submit personal and credit information on credit over €500 to the Central Credit Register every month.

Once we have received the required information, we typically provide credit decisions within 48 hours and often on the same day.

**IMPORTANT NOTICE:** Under the Credit Reporting Act 2013 lenders are required to provide personal and credit information for credit applications and credit agreements of €500 and above to the Central Credit Register. This information will be held on the Central Credit Register and may be used by other lenders when making decisions on your credit applications and credit agreements.

The Central Credit Register is owned and operated by the Central Bank of Ireland. For more information see [www.centralcreditregister.ie](http://www.centralcreditregister.ie)

## 4. Declining a Credit Application

If we decline a credit application this will be communicated to you in writing, and we will tell you why we have declined the application. The reasons why we may decline credit applications include:

- Credit Worthiness (insufficient or weak credit bureau information)
- Outside scope of our Risk policies (asset type, underlying activity of business or profile)
- Serviceability (lack of evidence to support affordability and ability to service transaction size)
- Structure of proposal sought not meeting Deutsche Leasing's requirements.

You have the right to appeal a decision to decline a credit application. If we notify you that we have declined your application, we will also provide you with details of our appeals process.

Currently a refusal of credit does not adversely affect your credit rating.

## 5. Appealing a Decision to Decline a Credit Application

Under the SME Regulations you are entitled to appeal our decision to decline your credit application. You are also entitled to appeal other decisions such as a refusal to restructure your financing arrangement in a manner requested by you.

Our Appeals Process is as follows:

- Appeals must be submitted within 6 weeks of the date we notified you of the decision you are appealing.
- Appeals can be submitted by email to: [appeals@deutsche-leasing.com](mailto:appeals@deutsche-leasing.com)
- We will acknowledge receipt of your appeal within 5 working days
- We have a dedicated Credit Decision Appeal Panel who will consider your appeal. The Panel reviewing your appeal will include senior members of staff who were not involved in making the decision you are appealing.
- We will consider and respond to your appeal within 15 working days of receipt.
- If for any reason we cannot make a decision within 15 working days we will contact you (within this timeframe) to explain the reason why and to provide an updated timeframe.

There is no further appeal allowed if the Credit Decision Appeal Panel decline your appeal.

Subject to satisfying its eligibility criteria you may be able to complain to the Financial Services and Pensions Ombudsman ("FSPO") if you continue to be dissatisfied with our credit decision. Further details about the FSPO, including who is eligible to complain to the FSPO are available at: [Financial Services and Pensions Ombudsman \(FSPO\)](#).

## 6. Your Rights

After your credit has been granted:

- you may request an annual meeting which will include, at a minimum, a credit review. If you wish to set up such a meeting, please contact your vendor manager.
- You have a right of early repayment of your credit facility agreement. In the event of an early redemption, a charge may be applied. Should this arise, Deutsche Leasing (Ireland) DAC will provide you with an example showing how the charge will be applied to your credit facility."

## 7. Financial Difficulties

A key objective of Deutsche Leasing (Ireland) DAC is to assist borrowers to resolve their financial difficulties.

Under the SME Regulations we must classify customers as in 'financial difficulties' where:

- the customer is in arrears under the credit facility agreement or alternative arrangement for three consecutive months; or
- we have determined that the customer's circumstances are such that the 'financial difficulties' provisions of the SME Regulations should be applied.

For the purposes of the SME Regulations, arrears arise where a customer has not made a full repayment, or only makes a partial repayment, on a credit facility, as per the terms of the credit facility, by the scheduled date.

We understand that from time-to-time customers may face financial difficulties which could affect their ability to adhere to the repayment terms of the credit facility they have in place with us. If you find yourself in this situation our staff are on hand to help you and can work with you to try and arrive at a solution. The steps to take if you consider that you are, or may be, in financial difficulties are:

- Contact us as soon as there are any changes to your financial circumstances that could impact your ability to meet the terms of your credit facility.
- Engage promptly and fully co-operate with us to agree an approach to rectify your financial difficulties
- If we ask you to provide up to date business information (e.g. up to date bank statements; up to date evidence of income and expenditure; up to date business plan), or to complete any documentation we provide to assist with our assessment of your circumstances, please provide it within the timeframe specified by us so that we can assess your situation as soon as possible
- We will assess your individual circumstances and seek to arrive at an Alternative Arrangement. Our assessment will be based on relevant facts, including your circumstances; your overall indebtedness; business plan and proposal; your repayment capacity and repayment history. We aim to provide you with a decision regarding an Alternative Arrangement as quickly as possible after receipt of documents and information we requested from you, typically we will reach a decision within 15 working days.
- We will consider any proposals you put forward to address financial difficulties but are not required to agree to your suggestions. As noted above, you have a right to appeal our decision not to accept your proposal to resolve financial difficulties.
- Keep us informed of any further developments if your circumstances change.

If you are in financial difficulties and do not fully engage with us in seeking a resolution, we may be required to classify you as "non co-operating". Under the SME Regulations we must classify a customer as non-co-operating where:

- They have failed to make a full and truthful disclosure to us of the information we have requested to assess their financial situation, within the timeframe we specified,
- We have issued a warning letter advising the customer that they will be classified as not co-operating should certain conditions not be met, and

- The customer has not carried out the specified action or actions within the timeframes in the warning letter.

The implications for customers of being classified as 'not co-operating' are that we will be unable to put in place an Alternative Arrangement and will have no option other than to commence the process of seeking repayment of all sums outstanding which may lead to Deutsche Leasing (Ireland) DAC having to enforce any security we hold. Where security is realised and there is still a balance remaining the borrower will remain liable for any outstanding debt.

We are obliged to share information relating to payments and arrears with the Central Banks Central Credit Register.

Should you enter into an Alternative Arrangement arising out of financial difficulties, we will report this to the Central Credit Register.

If you do not keep up repayments, we must report the missed repayments to the Central Credit Register and these will appear on your credit report. This may affect your future ability to borrow.

Further information, including how you can request a copy of your credit record, is available at [www.centralcreditregister.ie](http://www.centralcreditregister.ie)

There are a number of resources that may be useful to customers who are in financial difficulties including:

- The Money Advice and Budgeting Service [MABS - Money Advice and Budgeting Service](http://MABS-MoneyAdviceandBudgetingService.ie)
- Citizen's Information [Home \(citizensinformation.ie\)](http://Home.citizensinformation.ie)
- The Insolvency Service of Ireland [gov - Insolvency Service of Ireland \(www.gov.ie\)](http://gov-InsolvencyServiceofIreland.www.gov.ie)
- Small Firms Association [www.sfa.ie](http://www.sfa.ie)
- Irish Small and Medium Enterprises Association (ISME) [www.isme.ie](http://www.isme.ie)

## 8. Complaints process

We are committed to providing excellent service to our customers, but if we don't meet your expectations, we would like the opportunity to make things right with you. If you have a complaint, you can contact us by email at [DLIE-Complaints@deutsche-leasing.com](mailto:DLIE-Complaints@deutsche-leasing.com). Our complaints handling process is as follows:

- If we can, we will resolve your complaint immediately (within 5 working days) informally by telephone or email
- If it is not possible to resolve the complaint straight away, we will acknowledge receipt within 5 working days and we will tell you who will be dealing with your complaint
- We aim to investigate and resolve all complaints within 20 working days and will provide our decision, in writing, as soon as we have completed our investigation. If we require more time we will update you in that regard within 20 working days
- We will in any event aim to issue a formal final response within 40 working days
- If you are unhappy with our response to your complaint, or if we have failed to respond within 40 working days you may be able to escalate your complaint to the FSPO.