

# Standard Information for Micro, Small and Medium Enterprises in Financial Difficulties

## Introduction

This information booklet is designed to assist our Micro, Small and Medium Enterprises (“SME”) customers who find themselves in, or potentially facing, financial difficulties.

This booklet has been drafted 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](#) (the “SME Regulations”). This booklet should be read in conjunction with Barclays Bank Ireland’s (“the Bank’s”) information booklet ‘Standard Information for Lending to Micro, Small and Medium Enterprises’.

We recommend that our customers read this booklet carefully and contact the Bank as soon as possible if they are facing, or are currently in, financial difficulties, so we can assist you in this regard.

Please note that nothing in the SME Regulations or this information booklet prohibits 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 this information booklet 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

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.

### 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 financial institution;
- any syndicated, club, or multi-lender transaction;
- any special purpose vehicle (SPV), including SPVs established for a specific transaction.

## Financial difficulties

Many customers face financial difficulties or anticipate having difficulties in the future. **Barclays recognises that, at times, our customers need assistance in this regard and would urge all our customers to contact their designated Relationship Director or, alternatively, contact the Bank directly on 01 618 2000, as soon as they face challenging periods. This will enable us to work with you to try to provide advice and support, with a view to finding an agreeable solution for both of us.**

You may wish to consider consulting a professional advisor, for example your accountant or solicitor to provide financial, legal and debt advice. If you wish, the Bank can work with these advisors to seek a solution to your problem. These advisors may accompany you to all meetings with the Bank, whether these discussions are face to face or not.

It is worth noting, that without your complete co-operation and engagement, we may be unable to assist you in addressing your financial difficulties and the full amount of the facility may become payable immediately. Examples of non-cooperating include, but are not limited to: not providing information required by the bank in a timely fashion; failure to engage fully with us; and failure to adhere to the agreed repayment schedule for your credit facility. It may negatively impact on our assessment of an alternative financing arrangement, where we determine that you are not co-operating. In such cases, it may also be necessary for the Bank to seek recourse through the courts in order to obtain payment covering any outstanding amounts. This may result in loss of any security provided by you (you will remain liable for any amounts that remain outstanding post-realisation of security) and the guarantor becoming liable for payment of the outstanding amounts, up to the level of the guarantee provided. The Bank will use all appropriate routes to obtain repayment of amounts outstanding.

You should also be aware that other facilities held by you with the Bank may be impacted as a result of any default under the terms of your facility with the Bank. Details of any arrears may also be shared with a relevant credit reference agency or credit register (where permitted by contract or required under law) and therefore may impact your credit rating.

Financial difficulties is defined as:

1. Your credit facility is in arrears for three consecutive months;
2. The approved limit on your overdraft is exceeded and remains so for 90 consecutive days with no engagement from you.

Where the Bank considers that you are in financial difficulties, we will promptly write to you:

1. Advising that you are now classified as being in 'financial difficulty';
2. Appointing a designated contact point in the Bank and provide you with this person's contact details – this will be advised in the initial communication sent to you;
3. Offering you a review meeting to discuss your case.

Following on from this we will:

4. Advise you of the information required from you to enable us to assess the situation fully;
5. Explore alternative arrangements giving full consideration to your circumstances;
6. Complete an assessment to consider if an alternative repayment arrangement is suitable for you; and
7. Write to you, in order to fully explain our decision regarding an alternative repayment arrangement within 15 business days of receipt of all the information required from you.

## SME regulations

The SME regulations came into effect from 1 July 2016, enhancing the protections available to micro and small enterprises under the existing Code of Lending to SMEs.

The regulations introduce specific requirements for regulated lenders, including:

- Giving SME borrowers greater transparency around the application process;
- Providing SME borrowers with reasons for declining credit, in writing, that are specific to their application;
- Providing greater protections for guarantors;
- Contacting SME borrowers who have been in arrears for 15 working days;
- Warning SME borrowers if they are in danger of being classified as not co-operating; and
- Expanding the grounds for appeal and setting up an internal appeals panel.

## Customers in arrears

Should your credit facilities fall into arrears you may face additional fees and charges, in accordance with the terms and conditions of your facility agreement. Such charges may be avoided if you agree and adhere to an alternative repayment arrangement. Where you go into arrears, other accounts or facilities you hold with us may also 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 process we follow in relation to arrears management and the provisions of the SME Regulations which apply in this regard, 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 anytime to assign, transfer or otherwise dispose of its interests in the facilities without your consent.

## Information required to assess alternative financing arrangements

The level and detail of information required from you to assess your case, and consider whether any alternative financing arrangement may be offered, will be dependent on the complexity of the situation, but may typically include the following:

1. Signed statement of assets and liabilities and income and expenditure statements for the borrower and the guarantor(s) (if relevant). This must be a 'declaration of full disclosure' providing details of all borrowings etc;
2. Details of your security position, in particular details of security provided to third-party banks
3. Latest audited/certified financial accounts (as appropriate);
4. 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.
5. 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.
6. Details of current tax position, including a Tax Clearance certificate where appropriate.

The information provided by you will be used by the Bank to assess your specific situation and to explore whether an alternative financing arrangement would be appropriate. Consideration of any alternative arrangement will take into account your individual situation and our alternative arrangement assessment criteria, which include, but are not limited to: your overall level of debt; repayment capacity in the business; repayment history; and security position. As noted above, it is in your interest to engage with us in relation to any financial difficulties you may face, to ensure we can work with you to try and reach an agreeable solution. We will notify you of our decision regarding any alternative arrangements within 15 business days.

## Appeals

Should you wish to appeal any decision made by the Bank, please submit your appeal in writing to your designated contact point within 20 business days of receipt of our decision. The Bank will consider your appeal and provide you with a written response within 15 business days of receiving your appeal.

## 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 working 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 working 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 working 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 investigation and decision you may have the right to refer the matter to the Financial Services Ombudsman, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2.  
[www.financialombudsman.ie](http://www.financialombudsman.ie).

## Definitions

Credit Facility	An overdraft or loan facility 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

For a copy of the regulations please visit the link to the standards: [SME Regulations](#)

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.

November 2018. BD05100-09.