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A guide for:  
**Small & Medium  
Enterprises  
in or facing  
financial difficulties**

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## Introduction



**From time-to-time, challenges can arise which can put financial pressure on the operations of a business. In some cases this can mean cash flow difficulties which, where the business has loans or credit facilities, can lead to repayment arrears.**

This information booklet sets out DLL's framework for assisting customers that are small and medium sized enterprises ('SME's) and who are either experiencing difficulties making their repayments or who anticipate that they may have difficulties doing so in the future.

This booklet forms a part of our obligations under the Central Bank of Ireland (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 ('SME Regulations'), the purpose of which is to provide protections for micro, small and medium-sized enterprises when they are either applying for or have credit facilities, and also for guarantors of that credit. A copy of the SME Regulations can be found in the Consumer Protection Codes and Regulations section of the Central Bank of Ireland website: <https://www.centralbank.ie/regulation/consumer-protection/consumer-protection-codes-regulations>

**DLL is a trading name of DLL Leasing DAC, a company registered in Ireland with company number 392788. DLL is regulated by the Central Bank of Ireland as a retail credit firm.**

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## Definitions

### Alternative arrangement

An alternative arrangement in respect of a credit facility agreement means an agreement to discharge the borrower's debt obligations to DLL which is entered into in order to address arrears or financial difficulties and which is a variation or alternative to the terms and conditions of the credit facility agreement.

### Arrears

Arrears arise when a payment or part payment due in accordance with a credit facility agreement has not been paid by the borrower by the scheduled due date for payment.

### Borrower

The micro, small or medium sized enterprise in Ireland with which, or in respect of which, DLL has provided, or has agreed to provide, credit.

### Credit facility agreement

An agreement whereby DLL grants or has agreed to grant credit to you, the borrower.

### Financial difficulties

Financial Difficulties means a situation in which one or more of the following apply to a credit facility agreement or alternative arrangement:

- a) the borrower is in arrears for 3 consecutive months, or
- b) following an assessment by DLL it is has determined that the borrower is in financial difficulties.

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## Definitions (continued)

### Micro Enterprise

Micro Enterprise means an enterprise which employs fewer than 10 persons and which has either or both of the following:

- a) an annual turnover which does not exceed €2 million;
- b) an annual balance sheet total which does not exceed €12 million.

### Micro, Small and Medium Sized Enterprise

Micro, Small and Medium Sized Enterprise means an enterprise which employs fewer than 250 persons and which has either or both of the following:

- a) an annual turnover not exceeding €50 million;
- b) an annual balance sheet total not exceeding €43 million.

### Not Co-operating

Not co-operating is a situation in which:

- a) the borrower has failed to make a full and truthful disclosure to DLL about the information required by DLL to assess the borrower's financial situation, within the timeframe specified,
- b) the warning letter outlining the action or actions required to be carried out by the borrower within the specified timeframe has issued, and
- c) the borrower has not carried out the specified actions or actions within the time frame specified in the warning letter.

### Small Enterprise

Small Enterprise means an enterprise which employs fewer than 50 persons and which has either or both of the following:

- a) an annual turnover which does not exceed €10 million;
- b) an annual balance sheet total which does not exceed €10 million.



We recommend those customers who are in or facing financial difficulty engage as early as possible with us so that we can jointly discuss and agree a potential solution.

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## Helping borrowers in or facing Financial Difficulties

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- 1** It is in your own interest to contact us as soon as possible if your business is in or may be facing financial difficulties, as this may affect your ability to meet your financial commitments to DLL.

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- 2** We will ask you to provide up to date business information so that we can better determine whether an alternative arrangement can be offered to assist in resolving the financial difficulties. You will also be offered the option of a review meeting to discuss your current credit facilities with us. We will also designate a point of contact for you and will confirm these details to you.

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- 3** If you fall into arrears and you remain in arrears for 15 business days after the arrears first arose, we will promptly;
  - a)** contact you to notify you that you are in arrears and, where possible, seek to identify the reason why you are in arrears, and
  - b)** based on the information available to us, assess whether your circumstances are such that you should be classified as being in or at risk of financial difficulty.

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- 4** In order to assess whether an alternative arrangement is suited to your circumstances, we may request up to date business information from you to assist us to do so. We will complete this assessment within 15 business days, and where we do not we will write to you to confirm the reason why, and an expected date of the outcome of this assessment.

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- 5** Where a borrower enters financial difficulties, we will provide details of a designated point of contact at DLL, including the relevant contact details of that designated point of contact.

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- 6** You may employ the services of a third party advisor to assist you in your discussions with DLL, regardless of whether these discussions are face-to-face or in another medium.

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- 7** If you are not satisfied with the outcome of the assessment, you will have a right to appeal the decision within 21 business days of the receipt of our correspondence. Further information on making an appeal can be found on page 10 of this booklet.

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## Impact on Credit Rating

Your credit rating may be affected by arrears on your account. Where applicable, the Central Credit Register records and/or any other credit reference agency or credit register, where permitted by contract or required by law, are updated when arrears arise on accounts. This may also have an impact on your ability to avail of credit products in the future.

## Not Co-operating

It is essential that you co-operate with DLL in relation to your arrears or financial difficulties. If you fail to co-operate with us, you will be classified as 'not co-operating', which may affect our consideration for an alternative arrangement on any accounts you have with us. It may also have an impact on our consideration of exercising any existing legal or contractual rights we have to enforce security over borrowings, and where any security is realised, you will remain liable for any outstanding debt.

## Business Information that may be required for our review

Where a review meeting has been scheduled with you to discuss the financial position of your business, there are certain documents we require from you to allow us to carry out the review of your position.

The type of information required will vary by individual but may include all or some of the following:

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- Up to date financials including annual audited (or draft) quarterly management accounts.

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  - Cash flow projections for the next 12 months.

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  - Up to date business plan including details of your trading performance in the last 12 months plus the outlook for the next 12 months.

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  - Up to date list of debtors and creditors.

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  - Estimate or independent report on property valuation (if applicable).

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  - Six months current account bank statements for the business.

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  - Up to date statement of affairs for all named borrowers, material shareholders or guarantors as required.

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  - Confirmation that the tax affairs of the business and named borrowers and/or material shareholders are up to date and in order.

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  - Completion of a standard financial statement (SFS) where you have been advised to do so.

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  - Any other information we feel is relevant for the review and the assessment. Where we require additional information, we will communicate this to you in advance of any meetings that are scheduled with you.
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## Assessment and Decision

Assessment and Decision Following receipt of the required information, we will complete a full assessment of your situation with the view to providing you with an alternative repayment / payment option or alternative arrangement appropriate to your circumstances. Any offer we may make to you for an alternative repayment/ payment option or any other alternative arrangement will be subject to you meeting our assessment criteria, which determines the affordability and sustainability of your situation.

Please note there may be cases where DLL will be unable to provide an alternative repayment arrangement.

We will communicate to you in writing details of the outcome of the assessment based on the information provided by you within 15 business days of receiving all of the requested information. We may write to you requesting additional information, which we may need in order to complete our assessment.

Where we are unable to make a decision within 15 business days, we will write to you outlining the reason why and confirmation of a revised timeframe for making a decision to you.

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## Appeals Process

DLL have an appeals process in place for customers who wish to appeal the refusal to offer an alternative arrangement. If you decide to appeal a decision by DLL, you will need to send your appeal in writing within 21 business days from the date of our correspondence to you for which you are making the appeal against.

### **The appeal letter should be sent to;**

DLL Operations Department at:

#### **DLL Leasing DAC**

76 Sir John Rogerson's Quay

Dublin 2

D02 C9D0

DLL will acknowledge receipt of your appeal within 5 working days. Two independent reviewers will review the appeal. In some circumstances, we may require additional information from you in support of your appeal.

Where we are unable to adjudicate on your appeal within 15 days and require additional time, we will write to you within the timeframe of 15 business days of receiving your appeal to advise the reason why and when we expect to communicate our decision to you.

It is essential that you co-operate with DLL in relation to your arrears or financial difficulties. If you fail to co-operate with us, you will be classified as 'not co-operating', which may affect our consideration for an alternative arrangement on any accounts you have with us. It may also have an impact on our consideration of exercising any existing legal or contractual rights we have to enforce security over borrowings, and where any security is realised, you will remain liable for any outstanding debt.

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## Making a Complaint

DLL endeavour to resolve the matter to your satisfaction in a timely manner through our internal complaint procedures. You can make a complaint through the following channels:

	<b>Online</b>
	<b>See form on DLL website:</b> <a href="http://www.dllgroup.com/ie/en-ie/about-us/complaints-handling">www.dllgroup.com/ie/en-ie/about-us/complaints-handling</a>
	<b>Email</b>
	<b>Email our Customer Service Team at:</b> E <a href="mailto:operations-ireland@dllgroup.com">operations-ireland@dllgroup.com</a>
	<b>Phone</b>
	<b>Call our Customer Service Team at:</b> T +353 01 4814100
	<b>Write</b>
	<b>Write to our Customer Complaints team at:</b> <b>DLL Leasing DAC</b> 76 Sir John Rogerson's Quay Dublin 2 D02 C9D0

**Please provide your phone number so we can discuss your complaint with you if necessary.**

Where possible we aim to acknowledge complaints within 24 hours following receipt of a complaint. We will advise you of your point of contact for your complaint within 5 working days. DLL aim to resolve all complaints within 5 working days of receipt.

If we cannot resolve your complaint in 5 working days we endeavour to resolve it within 40 working days and you will receive regular updates on our progress every 20 days. If we cannot resolve your complaint within 20 working days, we will provide you with a regular update in a durable medium on the progress of the complaint. If we cannot resolve your complaint within 40 days, we will write to the complainant explaining the reason for the delay and indicate when we might expect to have a solution.

If you feel your complaint has not been adequately resolved, you may take your case to the Financial Services Ombudsman who will act as an independent arbitrator. More information on this can be found at [www.fspo.ie](http://www.fspo.ie).

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## Fees and Charges

In accordance with the terms and conditions of a credit facility agreement, DLL may be entitled to impose additional fees and charges on borrowers in financial difficulties. Where a repayment or payment is not made to a loan account or credit product on the due date, an interest surcharge will apply to the amount in arrears.

**Further information on DLL's fees and charges can be found here:**

[www.dllgroup.com/ie/en-ie/about-us/Fees-and-Charges](http://www.dllgroup.com/ie/en-ie/about-us/Fees-and-Charges)

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## SME Regulations

The Central Bank (Supervision & Enforcement) Act 2013 (Section 48) (Lending to Small & Medium Sized Enterprises) Regulations 2015 is available in the Financial Regulation Section on [www.centralbank.ie](http://www.centralbank.ie).

The Central Bank of Ireland has also published A Guide for Micro and Small Enterprises and Guarantors: Regulations on Lending to Small & Medium Sized Enterprises, a copy of which is available in the Public Information Section on [www.centralbank.ie](http://www.centralbank.ie).

