

Lending to SMEs

The Irish Central Bank has today – 18 December 2015 - published new regulations for lending to SMEs, which regulated lenders must comply with from second half of 2016.

The regulations are aimed at giving SME borrowers greater transparency around the loan application process. Under the new rules lenders will have to provide SME borrowers with written reasons for declining credit and set up an internal appeals panel, while providing greater protections for guarantors.

In addition, those lending to SMEs will have to contact borrowers who have been in arrears for 15 working days, and warn them if they are in danger of being classified as non co-operative.

ISME (Irish Small and Medium Enterprises Association) has welcomed the new regulations and hopes it will address some of the issues in the banking sector.