Information Booklet for Small & Medium Enterprises Experiencing Financial Difficulties
Our ultimate goal is to find a resolution to your financial difficulties

At Link Asset Services, we understand that there are many factors that may affect your financial situation. If you're worried that your business won't be able to meet the next repayment or if your business is behind with its repayments, we recommend that you contact us as early as possible, so we can consider the various options available to you.

Our ultimate goal is to find a resolution to your financial difficulties – so please talk to us so we can start working with your business today.

Please note that Link Asset Services is servicing your loan on behalf of your Loan Owner, i.e. the company to whom your loan is owed. From time to time processes outlined in this booklet will require Link Asset Services to engage with your Loan Owner or will refer to steps Link Asset Services is taking on behalf of your Loan Owner.
Regulations on Lending to Small and Medium-sized Enterprises

On 17th December 2015, the Central Bank of Ireland (‘CBI’) issued the Central Bank (Supervision and Enforcement) Acts 2013 (Section 48) (Lending to Small and Medium-sized Enterprises) Regulations 2015 (‘the SME Regulations’), effectively replacing the previous Code of Conduct for Business Lending to Small and Medium Enterprises (‘CCSME’).

The SME Regulations provide protection for SMEs when they are either applying for or have credit facilities and also for guarantors of SME credit.

The SME Regulations include the steps we must take when dealing with Micro, Small and Medium-sized Enterprises (‘SMEs’) in or facing “financial difficulties”.

Under the SME Regulations a borrower must be classified as being in “financial difficulties” where:

a) the borrower’s credit facility agreement or alternative arrangement is in arrears for three consecutive months; or

b) in the case of an overdraft credit facility, where the approved limit on the facility is exceeded by the borrower for 90 consecutive days; or

c) following an assessment of the borrower’s financial circumstances by Link Asset Services, the borrower has been deemed to be in financial difficulties, and the provisions of the SME Regulations should be applied to the Borrower.

This information booklet outlines the steps we will take when dealing with SMEs in financial difficulties and the support which will be provided by us to borrowers in this situation. We recommend that you read this information booklet carefully and contact us as soon as possible if you are in or facing financial difficulties. Please note that should you be classified as being in “financial difficulties”, it may impact your credit rating.

If you would like a copy of the SME Regulations, the full document is available to download from the Central Bank website at www.centralbank.ie
1. Communication

Communication is the most important step for you and your business. Please contact us as early as possible if your business is already encountering financial difficulties, or if you are worried that it may soon be. Please contact your designated Link Asset Services Case Manager. Alternatively, you may contact our main desk or email us at the details below:

Call 1890 100 045 (Mon-Fri 9am to 5.30pm excluding bank holidays)
Email: customersupport@linkgroup.ie

It would be beneficial if you could have your account details to hand when contacting us.

Contact details, and a copy of this booklet, are also available on our website at www.linkassetservices.com

Once you get in touch, your Link Asset Services Case Manager can work with you to explore the different options available to your business to address your financial difficulties.

It is very important that if you are in, or are facing “financial difficulties” that you fully engage and co-operate with Link Asset Services. This includes fulfilling information requests within specified timeframes so that a comprehensive and timely assessment of your financial situation can be completed.

Failure to engage may result in you being classified as “not co-operating” under the SME Regulations as discussed later in this information booklet.

Link Asset Services will appoint a designated contact point to your case and advise you of their contact details should you enter financial difficulties.

It is always a good idea to consult with your financial advisor/accountant and/or legal advisor to seek assistance and/or to review any proposal in advance of submission to and/or meeting with Link Asset Services. You may also decide to bring your financial advisor and/or legal advisor to meetings with Link Asset Services.
2. Financial information
- Understanding your Finances

Once you have contacted us, your designated Link Asset Services Case Manager may recommend that you arrange to meet with us to discuss the circumstances specific to your business. Prior to or following your meeting certain information is likely to be requested from you in order for us to complete an assessment of the financial position of your business. The information we will require will depend on the nature of your business and whether you are an individual, partnership, or an unincorporated or incorporated body. The type of information required will typically include the following:

1. Financial information/projections, including:
   - Most recent/up-to-date financials including audited / certified (or draft) accounts as appropriate
   - Current management accounts
   - Up-to-date list of debtors / creditors
   - Financial and cash flow projections for the next 12 months and underlying assumptions

2. Tax information, including:
   - Tax Clearance Certificate (where appropriate)
   - Other details related to your current tax position

3. Details of the security held over your loan(s)

4. Current Account statements

This list is not exhaustive and, depending on the type and size of your business, other information may be necessary e.g. a Business Plan or Statement of Affairs. The information you provide should be up-to-date, comprehensive, and should demonstrate an in-depth knowledge of your business, the environment in which your business operates and the reason for the financial difficulty.

The required information will be requested from you by your Case Manager. Link Asset Services recommends that you seek independent advice from a financial advisor or accountant. With your consent they are also welcome to attend any meetings with your Link Asset Services Case Manager.

Link Asset Services shall require a “Letter of Authority” signed by the Borrowers so that we may engage with Third-Parties on your behalf.
3. Assessment

Following receipt of the required information, your Link Asset Services Case Manager will complete a comprehensive assessment of your financial situation based on the information provided by you to determine whether there are any alternative arrangement options available to your business.

The criteria used to assess your financial situation may include:

- Your repayment history and future repayment capacity
- The viability of your business
- The total indebtedness of all relevant parties
- Any other relevant information

We will communicate to you in writing details of the outcome of our assessment based on the information provided by you within 15 working days of receiving all the required information.

If we are unable to form a decision within 15 working days, we will write to you explaining the reasons for the delay and confirming when the assessment will now be completed.

Throughout the assessment process, we will continue to work constructively with you to develop a sustainable solution for the business where possible. To help us do this it is important throughout the assessment process that you:

- Keep us informed of any developments that will impact your business or your financial situation
- Always make honest and full disclosures
- Consider any third party recommendations
- Act in good faith
4. Resolution

Having completed our assessment, Link Asset Services will then determine whether a particular alternative arrangement option would assist in resolving your financial difficulties. We will write to you detailing the revised terms and associated charges (where applicable).

It is important that you are fully aware of the implications of any alternative arrangement before you commit to it, and we recommend you seek independent legal and/or financial advice in this regard.

It is very important that you keep to the terms of any agreed arrangement and advise us immediately of any change to your financial situation and circumstances.

Where we decide that it is not possible to offer you an alternative arrangement, we will advise you of the reason for the decline and where possible we will continue to make every effort to work with you and advise you of the next steps that we may take.
Appeals

You have the right to appeal our decision where:

• You are unhappy with the term or condition attached to an alternative arrangement offered by Link Asset Services; or
• Link Asset Services have declined to offer you an alternative arrangement; or
• You have been classified as “not co-operating” under the SME Regulations.

You must submit your appeal in writing within 20 business days of receipt of our decision. All appeal letters should be sent to:

Appeals Board, c/o Customer Relations Team, Link Asset Services, Block C, Maynooth Business Campus, Maynooth, Co Kildare W23 F854

We shall acknowledge receipt of your appeal within 5 working days.

Your appeal will be independently reviewed by the Appeals Board, consisting of 3 senior Link Asset Services personnel who were not previously involved in the original decision. This will ensure that a fresh perspective will be obtained on your request.

Link Asset Services will provide a written response on the outcome of the appeal to you and/or your nominated adviser within 15 working days of the receipt of your appeal.

If we are unable to adjudicate on your appeal within 15 business days of receipt, we shall write to you explaining the reason for the delay and detailing how long it will take to reach a decision. We will also provide you with the name and contact details of the person who will be your point of contact during the appeals process.

Complaints

We aim to treat all of our customers in a fair and professional manner, but if you have any complaints about our service or our treatment of your case under the SME Regulations, please let us know. We will investigate your complaint fully and seek to ensure that any issues identified are remedied so that they do not happen again.

You can make a complaint directly to your Link Asset Services Case Manager or by phoning us on 1890 100 045 or writing to our Customer Relations Team at:

Customer Complaints, c/o Customer Relations Team, Link Asset Services, Block C, Maynooth Business Campus, Maynooth, Co Kildare W23 F854.

You can also email us at complaints@linkgroup.ie
We will acknowledge receipt of your complaint in writing within 5 business days of receiving it. We will also provide you with the name and contact details of the person who will be your point of contact during the complaints process. We will then write to you every 20 business days to update you on the status of your complaint, and will endeavour to resolve your complaint within 40 business days of receipt. If we are unable to resolve your complaint within this timeframe, we will write to you to inform you of the anticipated timeframe within which we hope to resolve your complaint.

Link Asset Services will make every effort to agree a fair and reasonable resolution with you, and we will write to you with a final response within 5 business days of the completion of our investigation to advise you of the outcome.

Micro and small enterprises may have the right to refer to the Financial Services and Pensions Ombudsman if you are unhappy with Link Asset Services’ final response to your complaint, with our conduct during this process or if we have been unable to resolve your complaint within 40 days.

Other Important Information

Confidentiality agreements

Link Asset Services may require that you sign a Confidentiality Agreement when we make an alternative arrangement or other resolution proposal to you. Such an agreement requires you to keep details related to your alternative arrangement or other resolution options confidential. You must not disclose this information to anyone except to your advisors, agents, employees and/or directors and you must ensure that they also keep this information confidential.

Your credit rating

Link Asset Services may provide data about the performance of your loan to the Central Credit Register or any other credit reference agency or credit register, where permitted by contract or required by law. This may affect your credit rating, which may limit your ability to access credit in the future.

Fees and charges

Please note that surcharge interest may be charged in addition to existing interest due in accordance with the terms and conditions of the credit facility agreement where an account has fallen into arrears. To avoid surcharge interest being applied you should ensure that all repayments on your facility are made when due.
Not co-operating

As mentioned previously it is important that Borrowers in or facing ‘financial difficulties’ fully engage and co-operate with Link Asset Services and provide the necessary information requested by Link Asset Services to enable a comprehensive and timely assessment of their financial situation.

Under the SME Regulations a borrower may be deemed to be “not co-operating” under the following circumstances:

a) Where the Borrower has failed to make a full and truthful disclosure to Link Asset Services regarding the information that we require to enable us to assess the Borrowers financial situation within the timeframe we have specified; or

b) Where we have issued the Borrower with a warning letter in accordance with the SME Regulations 20(8) and the Borrower has not carried out the action(s) within the timeframe specified in the letter.

The consequences of being deemed not co-operating may include:

• We may refuse to consider an alternative arrangement

• A Receiver may be appointed over the assets that were provided as security in connection with the Borrower’s credit facility agreement

• Legal action may commence for the repossession of any secured property(ies) or recovery of monies owed. Where legal proceedings are initiated the Borrower shall incur legal costs.

• Where security is realised, the Borrower will remain liable for any outstanding debt

• Fees, charges and surcharge interest may be applied to the Borrower’s loan account

• The guarantor in place (if any) may be pursued for any remaining debt following the exhaustion of the recovery attempts as outlined above.

Third-Party Advisors

You may engage a third party adviser to accompany you to any meeting or discussion which occurs whether these discussions are held face-to-face or over the phone. Link Asset Services shall require a “Letter of Authority” signed by the Borrowers so that we may engage with Third Parties on your behalf.
Glossary

**Alternative Arrangement**
An alternative arrangement is an agreement to discharge the borrower’s debt obligations that is entered into in order to address arrears or financial difficulties and which is an amendment to the terms and conditions of the credit facility agreement.

**Arrears**
Arrears arise where a borrower has not made a full repayment, or only make(s) a partial repayment on a credit facility as per the terms of the credit facility or an alternative arrangement by the scheduled payment date or where the approved limit on an overdraft has been exceeded for 30 consecutive days.

**Borrower**
Borrower for the purpose of this booklet means a micro, small or medium-sized enterprise in the Republic of Ireland that has a credit facility agreement that is serviced by Link Asset Services.

**Financial Difficulties**
A borrower is classified as in financial difficulties where:

- a) the borrower’s credit facility agreement or alternative arrangement is in arrears for three consecutive months; or
- b) in the case of an overdraft credit facility, where the approved limit on the facility is exceeded by the borrower for 90 consecutive days; or
- c) The borrower has been deemed to be in financial difficulties, following an assessment carried out by Link Asset Services.

**Loan Owner**
Loan Owner refers to the company to which your loan is owed and for whom Link Asset Services is servicing your loan on behalf of.

**Micro, Small and Medium-Sized Enterprises (SMEs)**
“‘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;”.

**Micro and Small Enterprises**
“‘micro and 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.”

Useful Contacts

**Central Bank of Ireland**
www.centralbank.ie

**Financial Services and Pensions Ombudsman**
www.fsopo.ie

**Insolvency Service of Ireland**
www.isi.gov.ie

**Office of the Revenue Commissioners**
www.revenue.ie

**Chambers Ireland**
www.chambers.ie

**Irish Credit Bureau**
www.icb.ie

**Irish Business and Employers Confederation (IBEC)**
www.ibec.ie

**Irish Small and Medium Enterprises Association (ISME)**
www.isme.ie

**Banking & Payments Federation Ireland**
www.bpfi.ie

**Small Firms Association**
www.sfa.ie

**Social Finance Foundation**
www.sff.ie