**ANNEX 1:**

**FOR ALL APPLICATIONS TO CARRY ON CREDIT PROVISION IN RELATION TO REGULATED AGREEMENTS**

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| **What is a regulated agreement?**  “Regulated agreements” are defined under section 6(1) of *The Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 (“the Law”)*:  ‘A regulated agreement is one made by or on behalf of, and between –   1. a provider of credit and a customer who is an individual acting for purposes wholly or mainly outside that individual’s trade, business or profession, whereby credit is provided and interest or other charges may be levied on the customer, or 2. a provider of credit and any customer, whereby credit is provided and interest or other charges may be levied on the customer and the credit is secured against real property situated in the Bailiwick and used for residential purposes.’   **What if I provide credit, but none of the credit arrangements are regulated agreements?**  A financial firm business (Part III) licence may instead be required; please check the FAQs and the financial firm business decision tree to check whether you/your firm should instead apply under this licence type. If so, please complete annex 3 to the application form.  **What if I provide credit under both regulated agreements and non-regulated agreements?**  Only a credit provision (Part II) licence is required (i.e., a financial firm business licence is not required), as per section 1(2)(a) of Part 1 of Schedule 1 to the Law. |

Name of Applicant:

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1. Please provide a list of all appointed retailers and/or appointed motor traders (if applicable):

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| --- | --- |
| Retailers/motor traders may be considered appointed retailers/appointed motor traders provided that they meet the criteria set out in section 7.5 of *The Lending, Credit and Finance Rules and Guidance, 2023*; i.e., there must be a formal, written, contract of engagement between the appointed retailer/appointed motor trader and the applicant/licensee, and the applicant/licensee must remain responsible for the conduct of any appointed retailer(s) and/or appointed motor trader(s).  If the Applicant uses any appointed retailer(s) and/or appointed motor trader(s), please provide the company name(s) and any trading names (if different) below, along with the relevant address(es). | |
| Company name (and any trading names): | Address: | |
|  |  | |

1. Names of brokers by whom lending is being/will be introduced (where such brokers are not appointed retailers or appointed motor traders):

|  |  |
| --- | --- |
| Company name (and any trading names): | Address: |
|  |  |

1. Please provide copies of the following:

|  |
| --- |
| Please only provide the below documentation in respect of the regulated activity(ies) to which this application relates. |

|  |  |
| --- | --- |
|  | Submitted |
| 1. Policy in relation to vulnerable customers; |  |
| 1. Procedures for assessing affordability; |  |
| 1. Policies and procedures in respect of instances of defaults and arrears; and |  |
| 1. Forbearance policy. |  |

1. Does the Applicant have any other sources of external finance (including facilities unused at the time of application)?

Yes  No

1. If yes, please give the following details:

* Name of lender (in the case of a subordinated loan, please submit a copy of the loan agreement)
* Amount
* Nature (e.g., secured, unsecured)
* Repayment terms
* Interest payable

Attached: Yes ☐ N/A ☐

1. Please give details of any financial guarantees or other financial commitments given to, or in respect of, the Applicant, by any of its directors:

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1. Please state whether the Applicant has any other charge on its assets not disclosed above and, if so, please give details:

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|  |

1. Please state whether the Applicant has given or intends to give, in writing, any financial guarantees, indemnities or other commitments, including letters of comfort which are in effect at the date of the application, including those relating to other group companies. If such financial guarantees etc. have been given, please provide details:

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1. Please state whether any financial guarantees, indemnities or other commitments, including letters of comfort, have been given to the Applicant including those received from other group companies. If there are such financial guarantees etc., please provide details:

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**ANNEX 1(a):**

**OTHER INFORMATION – APPLICANTS PROVIDING/PROPOSING TO PROVIDE HOME FINANCE LENDING**

1. Please provide a list of all staff who provide home finance advice (if applicable):

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| --- | --- | --- |
| Full name and address of individual | Date of birth | Home finance qualifications |
|  |  |  |

1. Please provide copies of the following:

|  |
| --- |
| Please only provide the below documentation in respect of the regulated activity(ies) to which this application relates. |

|  |  |  |
| --- | --- | --- |
|  | Submitted | N/A |
| 1. Execution-only policy (if the lender offers direct to customer mortgages without advice); |  |  |
| 1. Exception policy (i.e., demonstrating how the Applicant deals with lending applications that fall outside of the normal lending criteria); |  |  |
| 1. An explanation of niche product criteria (e.g., lending into retirement, newly self-employed, impaired credit, etc.); |  |  |
| 1. A copy of the cover note/acceptance in principle in respect of the professional indemnity insurance for the Applicant to include the sums insured, deductibles, significant exclusions and geographical limitations; and |  |  |
| 1. A copy of the cover note/acceptance in principle in respect of the insurance against employee dishonesty or fraud for the Applicant to include the sums insured, deductibles, significant exclusions and geographical limitations. |  |  |

**ANNEX 1(b):**

**OTHER INFORMATION – APPLICANTS PROPOSING TO ACT AS APPOINTED SERVICE PROVIDERS:**

1. Names of private lenders who are exempt from the requirement to be licensed, on behalf of whom the Applicant acts as Appointed Service Provider:

|  |  |
| --- | --- |
| Lender name or trading name(s) (if different): | Address: |
|  |  |

**SUPPLEMENTARY QUESTIONS TO ANNEX 1 (*for existing firms only*):**

**FOR ALL APPLICATIONS TO CARRY ON CREDIT PROVISION IN RELATION TO REGULATED AGREEMENTS**

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| For the avoidance of doubt, figures requested in respect of “consumer credit” and “home finance” relate to existing credit arrangements which will become regulated agreements under the Law from 1 July 2023. |

1. Number of customers to whom credit is provided as at 31 December 2022:

|  |  |  |
| --- | --- | --- |
| Number of consumer credit customers: | Number of home finance customers: | Total number of customers (including loans/credit arrangements that are not regulated agreements): |
|  |  |  |

1. Number of agreements as at 31 December 2022:

|  |  |  |
| --- | --- | --- |
| Number of consumer credit agreements: | Number of home finance agreements: | Total number of agreements (including loans/credit arrangements that are not regulated agreements): |
|  |  |  |

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| --- |
| In question 1, “number of customers” refers to the number of individuals to whom credit is provided.  For example – a credit provider issues the following agreements:   * Loan 1 to Mr A * Loan 2 to Mrs B * Loan 3 to Mr A and Mrs B * Loan 4 to Mr A and C Ltd   In this example, the number of individual customers is 2 and the “number of agreements” is 4. |

1. Value of loan/credit book as at 31 December 2022:

|  |  |  |
| --- | --- | --- |
| Value of consumer credit book (£): | Value of home finance book (£): | Total value of loan/credit book (including loans/credit arrangements that are not regulated agreements) (£): |
|  |  |  |

1. Total gross income from all business activity during the year ending 31 December 2022 (£):

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| --- |
|  |

1. Total gross income from the provision of credit (in relation to regulated agreements) during the year ending 31 December 2022 (£):

|  |  |  |
| --- | --- | --- |
| Income from consumer credit activity (£): | Income from home finance activity (£): | Total income from all lending activity (including loans/credit arrangements that are not regulated agreements) (£): |
|  |  |  |

1. Number and total value of loans/credit rolled over or extended during the year ending 31 December 2022:

|  |  |  |
| --- | --- | --- |
|  | Number of loans: | Total value of loans (£): |
| Loans/credit relating to regulated agreements: |  |  |
| Loans/credit not relating to regulated agreements: |  |  |

|  |
| --- |
| “Loans/credit rolled over” refers to the renewal of a loan/credit agreement. This may include, for example, consolidation of an existing loan facility with a new one or extension of the term of an interest-only loan, etc.  This does not include loans that have been rolled over due to going into arrears. |

1. Total number and total value of loans that went into arrears at any time during the year ending 31 December 2022:

|  |  |  |
| --- | --- | --- |
|  | Number of loans/credit agreements: | Total value of loans/credit agreements (at the time each of these went into arrears) (£): |
| Loans/credit relating to regulated agreements: |  |  |
| Loans/credit not relating to regulated agreements: |  |  |

1. Number of complaints received in the course of credit provision during the year ending 31 December 2022:

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| --- |
|  |

Of these, how many were considered “significant complaints”? Please provide a brief explanation of the nature of these complaints:

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| Going forward, a significant complaint will be defined as a complaint alleging a breach of the Law, bad faith, malpractice, impropriety, or repetition or recurrence of a matter previously complained of, whether significant or otherwise, as per section 13.1 [Interpretation] of *The Lending, Credit and Finance Rules and Guidance, 2023* |

**SUPPLEMENTARY QUESTIONS TO ANNEX 1(a):**

**(TO BE COMPLETED BY APPOINTED SERVICE PROVIDERS ONLY)**

1. For each lender where the Applicant acts as an Appointed Service Provider, the number of customers and value of loan/credit book, as at 31 December 2022 (£):

|  |  |  |
| --- | --- | --- |
| Lender: | Number of customers: | Value (£): |
|  |  |  |

1. For each lender, the number and total value of loans (in respect of this activity) rolled over or extended during the year ending 31 December 2022:

|  |  |  |
| --- | --- | --- |
| Lender: | Number of loans: | Total value of loans (£): |
|  |  |  |

1. For each lender, the number and total value of loans (in respect of this activity) placed in arrears during the year ending 31 December 2022:

|  |  |  |
| --- | --- | --- |
| Lender: | Number of loans: | Total value of loans (£): |
|  |  |  |