

**CREDIT AGREEMENTS FOR CONSUMERS RELATING TO RESIDENTIAL IMMOVABLE
PROPERTY LAWS OF 2017 TO L.77(I)/2021**

UNOFFICIAL CONSOLIDATION OF LAWS 41(I)/2017, 149(I)/2017, 30(I)/2019 AND 77(I)/2022.

This translation and consolidation of laws is not official. It has been prepared by the Central Bank of Cyprus to assist users and it comprises the grouping of the text of the basic law and of the amendments to the law in one consolidated but unofficial document and its subsequent translation into the English language, to serve as a reference tool.

	PART I
	INTRODUCTORY PROVISIONS
Preamble	For the purpose of harmonisation-
Official Journal of the E.U.: L60 28.2.2017, p.34.	(a) With the European Union Act titled "Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010", and
Official Journal of the E.U.: L171 29.6.2016, p.1.	(b) with the Article 58 of the European Union Act titled "Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no. 596/2014".
Official Journal of the E.U.: L 60, 28.2.2014, p. 34· EE: L 171, 29.6.2016, p. 1.	For purposes of better harmonisation with Articles 15.2, 15.3 and 35, and again harmonisation with Article 23.1, of the European Union Act titled «Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending directives 2008/48/EC and 2013/36/EU and of the Regulation (EU) no. 1093/2010», as last amended by the Regulation (EU) 2016/2011 of the European Parliament and of the Council of 8 June 2016,
	The House of Representatives votes as follows:
Short title. 41(I) του 2017 149(I) του 2017 30(I)/2019 77(I)/2021.	1. This Law shall be referred to as the Credit Agreements for Consumers relating to Residential Immovable Property Laws of 2017 to 2021.
Interpretation.	2.-(1) For the purposes of the present Law, unless the text gives a different meaning-

66(I) of 1997 74(I) of 1999 94(I) of 2000 119(I) of 2003 4(I) of 2004 151(I) of 2004 231(I) of 2004 235(I) of 2004 20(I) of 2005 80(I) of 2008 100(I) of 2009 123(I) of 2009 27(I) of 2011 104(I) of 2011 107(I) of 2012 14(I) of 2013 87(I) of 2013 102(I) of 2013 141(I) of 2013 5(I) of 2015 26(I) of 2015	“authorised credit institution” or “ACI” has the meaning attributed to the term, under the provisions of subsection (1) of section 2 of the Business of Credit Institutions Law;
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35(I) of 2015 71(I) of 2015 93(I) of 2015 109(I) of 2015 152(I) of 2015 168(I) of 2015 21(I) of 2016 5(I) of 2017 38(I) of 2017 169(I) of 2017 28(I) of 2018 89(I) of 2018 153(I) of 2018 80(I) of 2019 149(I) of 2017 21(I) of 2020 73(I) of 2020 28(I) of 2021 94(I) of 2021 95(I) of 2021 162(I) of 2021 163(I) of 2021.	
	“credit analyst” means the employee of the creditor who is entitled to carry out an evaluation of the application for granting a new or revising an existing credit agreement;
	“senior management” has the meaning attributed to this term, under the provisions of subsection (1) of section 2 of the Business of Credit Institutions Law;
	“competent authority” means the competent authority of the Republic as defined under the provisions of subsection (1) of section 5;
	“competent authority of a member state” means the competent authority appointed by a member state other than the Republic, to be competent, pursuant to Article 5 of the Directive 2014/17/EU;
	“credit approval authority” means the committee or any other competent persons of the creditor who are authorised by the management body to approve the granting, disbursement and renewal of credit agreements;
	“creditworthiness assessment” means the evaluation of the prospect for repaying the debt obligations resulting from the credit agreement;
	“foreign currency loan” means a credit agreement, where the credit is-
	(a) denominated in a currency other than that in which the consumer receives the income or holds the assets from which the credit is to be repaid, or
	(b) denominated in a currency other than that of the Member State in which the consumer is resident;
	“Republic” means the Republic of Cyprus;

	<p>“advertisement” means any form of communication broadcast whether in return for payment or for similar consideration or broadcast for self-promotional purposes by a public or private undertaking in connection with a trade, industrial or craft activity or profession in order to promote the supply of goods or services, including immovable property, rights and obligations and includes any form of advertising published either on the radio or the television, with an exposure of advertisements, signs, inscriptions, posters or merchandise with the distribution of samples, circulars, catalogues, pricelists or other material, with the exhibition of photographs, models or cinematographic films or by any other way and any reports on the publication of advertisements will be interpreted accordingly;</p>
	<p>“Court” means a court of competent jurisdiction;</p>
	<p>“EBA” means the European Supervisory Authority (European Banking Authority) established by virtue of the Regulation (EU) N. 1093/2010;</p>
	<p>“Contingent liability or guarantee” means a credit agreement which acts as a guarantee to another separate but ancillary transaction, and where the capital secured against an immovable property is only drawn down if an event or events specified in the contract occur;</p>
	<p>“Bridging loan” means a credit agreement either of no fixed duration or which is due to be repaid within 12 months, used by the consumer as a temporary financing solution while transitioning to another financial arrangement for the immovable property;</p>
	<p>“appointed representative” has the meaning attributed to this term by the Directive 2017/14/EU;</p>
	<p>“European Commission” means the Commission of the European Communities;</p>
Annex II.	<p>“European Standardised Information Sheet” or “ESIS” means the standardised information sheet set out in Annex II;</p>
	<p>“Regulation (EU) 2016/1011” means the Regulation of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (EE L 171 of 29.6.2016, p. 1);</p>
	<p>“consumer” means any natural person who, for transaction purposes within the scope of this Law, acts outside its trade, business or professional activity;</p>
	<p>It is provided that, in the case of dual purpose contracts, where the contract is concluded for purposes partly within and partly outside the person’s trade activity, business activity or profession and the trade, business or professional purpose is so limited as not to be predominant in the overall context of the contract, that person should also be considered as a consumer;</p>

Official Gazette, Annex Three (I): 18.3.2016 16.9.2016.	“Personal Financial Statement” or “PFS” means the Statement of Personal Financial Data which is the Annex IV of the Directives on Credit Granting and Review Processes of 2016;
	“Central Bank” means the Central Bank of Cyprus;
	“Member State” means a member state of the European Union or one of the other States party to the Agreement on the European Economic Area, signed in Porto on 2 May 1992, and adjusted by the Protocol signed in Brussels on 17 May 1993, as this Agreement may be amended;
	“home Member State” means, where applicable:
	(a) the Member State in which the head offices of the creditor or credit intermediary is situated, where the creditor or credit intermediary is a natural person,
	(b) the Member State in which the registered office of the creditor or credit intermediary is situated or, if under national law it has no registered office, the Member State in which its head offices are situated, where the creditor or credit intermediary is a legal person.
	“Host Member State” means the Member State, other than the home Member State, in which the creditor or credit intermediary has a branch or provides services;
65(I) of 2015.	“reasonable living expenses” has the meaning attributed to this term, under the provisions of section 2 of the Insolvency of Natural Persons (Personal Repayment Plans and Debt Relief Orders) Law;
	“Credit intermediary” means a natural or legal person who is not acting as a creditor and not merely introducing, either directly or indirectly, a creditor or credit intermediary to a consumer, and who, in the course of his trade, business or professional activity, in return for remuneration which may take a pecuniary form or any other agreed form of financial consideration, performs one or more of the following activities:
	(a) presents or offers credit agreements to consumers,
	(b) assists consumers by undertaking preparatory work or other pre-contractual administration in respect of credit agreements other than as referred to in point (a); or
	(c) concludes credit agreements with consumers on behalf of the creditor;
	“Non-credit institution” means any creditor that is not a credit institution;

	“Directive 2014/17/EU” means the Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010;
Official Journal of the E.U.: L182, 29.6.2013, p. 19.	“Group” means a group of creditors which are to be consolidated for the purposes of drawing up consolidated accounts, as defined in Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings;
	“Creditor” means a legal person who grants or promises to grant credit falling within the scope of section 4 in the course of his trade, business or professional activity;
Official Journal of the E.U.: L176, 27.6.2013, p. 1.	“Credit institution” means credit institution as defined in Article 4, paragraph 1 point 1) of Regulation (EU) No 575/2013;
	“Tying practice” means the offering or the selling of a credit agreement in a package with other distinct financial products or services where the credit agreement is not made available to the consumer separately;
	“Bundling practice” means the offering or the selling of a credit agreement in a package with other distinct financial products or services where the credit agreement is also made available to the consumer separately but not necessarily on the same terms or conditions as when offered bundled with the ancillary services;
	“Staff” means:
	(a) any natural person working for the creditor, or credit intermediary who is directly engaged in the activities covered by this Law or who has contacts with consumers in the course of activities covered by this Law;
	(b) any natural person directly managing or supervising the natural persons referred to in paragraph (a);
144(I) of 2007 106(I) of 2009 141(I) of 2012 154(I) of 2012 193(I) of 2014 8(I) of 2016.	“regulated market” has the meaning attributed to the term, under the provisions of section 2 of the Investment Services And Activities And Regulated Markets Law;
106(I) of 2010 176(I) of 2012 40(I) of 2013 50(I) of 2013 42(I) of 2017.	“Durable medium” has the meaning attributed to the term, under the provisions of section 2 of the Consumer Credit Law;
	“Credit Agreement” means an agreement under which a creditor grants or promises to grant to a consumer, credit which falls within the scope of section 4, in the form of a deferred payment, loan or other similar financial accommodation;

	“Advisory services” means the provision of personal recommendations to a consumer in respect of one or more transactions relating to credit agreements and constitutes a separate activity from the granting of a credit and from the credit intermediation activities as defined in the term “credit intermediary”;
	“Shared equity credit agreement” means a credit agreement where the capital repayable is based on a contractually set percentage of the value of the immovable property at the time of the capital repayment or repayments;
	“Ancillary service” means a service offered to the consumer in conjunction with the credit agreement;
	“Tied credit intermediary” means any credit intermediary who acts on behalf of and under the full and unconditional responsibility of:
	(a) only one creditor; or
	(b) only one group;
Official Journal of the E.U.: L176, 27.6.2013, p. 1.	“Connected persons” shall mean the term “group of connected clients” as defined in point (39) of Article 4 of Regulation (EU) No. 575/2013/EU;
	“Annual percentage rate of charge” (“APRC”) means the total cost of the credit to the consumer, expressed as an annual percentage of the total amount of credit, where applicable, including the costs referred to in subsection 2 of section 17 and equates, on an annual basis, to the present value of all future or existing commitments (drawdowns, repayments and charges) agreed by the creditor and the consumer;
	“Total cost of the credit to the consumer” has the meaning attributed to the term, under the provisions of section 2 of the Consumer Credit Law, including the cost of valuation of property where such valuation is necessary to obtain the credit but excluding registration fees for the transfer of ownership of the immovable property and any charges payable by the consumer for non-compliance with the commitments laid down in the credit agreement;
	“Total amount payable by the consumer” means the sum of the total amount of the credit and of the total cost of the credit to the consumer.
	“Total amount of credit” has the meaning attributed to the term, under the provisions of section 2 of the Consumer Credit Law;
	“Service” means the Consumer Protection Service of the Ministry of Energy, Commerce, Industry and Tourism, acting through its Director and any officer who has written authorisation by the Director to act on his behalf;
	“Borrowing rate” has the meaning attributed to the term, under the provisions of section 2 of the Consumer Credit Law;

84(I) of 2010 1255(I) of 2014 1266(I) of 2014 125(I) of 2015.	"Financial Ombudsman" means the ombudsman as determined under the provisions of the Law relating to the Establishment and Operation of a Single Agency for the Out of Court Settlement of Disputes of Financial Nature.
	(2) Under this Law and the Directives issued thereunder, any reference to a Directive, Regulation, Decision or any other legal act of the European Union means the act in question as it is amended, modified or replaced, unless the context otherwise requires.
	(3) Under this Law and the directives issued thereunder, any reference to a Law or regulatory administrative act of the Republic, means the said Law or regulatory administrative act, as corrected, amended, or replaced from time to time, unless the context otherwise requires.
Purposes of this Law.	3. This Law governs the credit agreements for consumers secured by a mortgage or similar collateral and relating to immovable property intended for residential use, including an obligation to carry out a creditworthiness assessment before granting a credit, as a basis for the development of effective underwriting standards in relation to residential immovable property in the Member States, and for certain prudential and supervisory requirements, including for the establishment and supervision of credit intermediaries.
Scope of this Law.	4.-(1) This Law shall apply to:
	(a) Credit agreements secured either by a mortgage or by another comparable security commonly used in a Member State on residential immovable property or secured by a right related to residential immovable property, provided that the person to whom the credit is granted is a consumer; and
	(b) credit agreements the purpose of which is to acquire or retain property rights in land or in an existing or projected building, provided that the person to whom the credit is granted is a consumer.
	(2) This Law shall not apply to:
	(a) Equity release credit agreements where the creditor:
	(i) contributes a lump sum, periodic payments or other form, and in return, receives a sum deriving from the future sale of a residential immovable property or acquires a right relating to residential immovable property; and
	(ii) will not seek repayment of the credit until the occurrence of one or more specified life events of the consumer, as defined in a directive issued by the Central Bank for this purpose, unless the consumer breaches his contractual obligations which allow the creditor to terminate the credit agreement,
	(b) credit agreements where the credit is granted by an employer to his employees as a secondary activity, either free of interest or at an APRC lower than those prevailing on the market and not offered to the general public,

	(c) credit agreements where the credit is granted free of interest and without any other charges except those that recover costs directly related to the securing of the credit,
	(d) credit agreements in the form of an overdraft facility and where the credit has to be repaid within one month,
	(e) credit agreements which are the outcome of a settlement reached in court or before another public authority,
	(f) credit agreements which relate to the deferred payment, free of charge, of an existing debt and which does not fall within the scope of point (a) of subsection 1.
	(3) The Minister of Finance may, by decree, exempt from the scope of this Law all or part of the provisions of credit agreements for residential immovable property granted relating to credit granted to a restricted public under statutory provisions with a public interest purpose, either free of interest or with a lower interest rate than that prevailing on the market or on other terms which are more favourable to the consumer than those prevailing on the market and at interest rates not higher than those prevailing on the market, identifying the necessary information requirements to ensure that consumers receive timely information on the main features, risks and costs of such credit agreements at the pre-contractual stage and that advertising of such credit agreements is accurate, clear and not misleading.
Competent Authorities.	5.-(1) (a) The CPS shall be designated as the competent authority to ensure the application and enforcement of the provisions of subsection (1) of section 6, section 10, section 11 with the exception of paragraph (b) in subsection (3), section 14, paragraph (f) in subsection (1) of section 15, of subsections (7), (9) and (10) of section 23 and Section 25 of this Law.
	(b) The Central Bank and the CPS, are designated as the competent authorities for ensuring the application and enforcement of the provisions of paragraph (b) subsection (3) of section 11, of subsection (1) and (2) of section 13, paragraph (b) subsection (3) of section 13, section 16, subsections (4) and (5) of section 22, paragraph (a) of section 24 and paragraphs (a) and (b) of subsection (1) of section 36 of this Law and shall carry out their duties jointly in accordance with the provisions of those sections.
	(c) The competent authority for ensuring the application and enforcement of the provisions of this Law, not mentioned in paragraphs (a) and (b) shall be the Central Bank.
	(2) The competent authorities, as well as all persons working or having worked for them, as well as the auditors and experts appointed by the competent authorities;
	(a) Are bound by professional secrecy,
	(b) no confidential information that those persons receive in the course of their duties shall be divulged to any person or authority, except in summary or aggregate form and without prejudice to cases covered by criminal law or this Law or upon an order by a Court of competent jurisdiction:

	It shall be understood that, the provisions of paragraphs (a) and (b) shall not prevent the competent authorities from exchanging or transmitting confidential information in accordance with national and Union law.
	(3) The Central Bank shall inform the EBA of the initial designation of the competent authorities and any changes thereto, indicating any division of the respective duties between different competent authorities.

	(4) Without prejudice to the provisions of paragraph (b) of subsection (2), the competent authorities shall exercise their powers:
	(a) Directly or
	(b) by application to courts which are competent to grant the necessary decision, including, where appropriate, by appeal, except for cases provided in sections 9, 29, 31, 32, 33, and 34.
	(5) Without prejudice to the provisions of paragraph (b) of subsection (2), the CPS shall collaborate closely with the Central Bank which cooperates with EBA as provided for in this Law, so that both can discharge their respective duties effectively.
	PART II
	FINANCIAL EDUCATION
Consumer financial education.	6.-(1)(a) The CPS shall promote measures that support the education of consumers in relation to responsible borrowing and debt management, in particular in relation to mortgage credit agreements.
	(b) The CPS shall provide for the information that consumer organisations may provide in relation to consumer guidance.
	(2) The Central Bank shall promote measures to ensure that creditors and credit intermediaries provide clear and general information on the credit granting process, necessary to guide consumers, especially those who take out a mortgage credit for the first time.
	PART III
	CONDITIONS APPLICABLE TO CREDITORS AND CREDIT INTERMEDIARIES
Conduct of business obligations when providing credit to consumers.	7.-(1)(a) The creditor and the credit intermediary shall act honestly, fairly, transparently and professionally, taking account of the rights and interests of the consumers in:
	(i) Designing credit products, or
	(ii) granting, intermediating or providing advisory services on credit and, where appropriate, of ancillary services to consumers, or
	(iii) executing a credit agreement.
	(b) The granting, intermediating or provision of advisory services and, where applicable, of ancillary services in relation to credit facilities are based on:
	(i) Information about the consumer's circumstances,
	(ii) any specific requirement made known by a consumer, and
	(iii) reasonable assumptions about the consumer's situation over the term of the credit agreement.

	(c) In accordance with paragraph (b), the provision of advisory services is further based on the information required under paragraph (a) of subsection (3) of section 22.
	(2) The manner in which creditors remunerate their staff and credit intermediaries and the manner in which credit intermediaries remunerate their staff, do not impede compliance with the obligation set out in subsection (1).
	(3) In case that the creditor establishes and applies remuneration policies for staff responsible for the assessment of creditworthiness, the creditor shall comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:
	(a) The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the creditor;
	(b) The remuneration policy is in line with the business strategy, objectives, values and long-term interests of the creditor, and incorporates measures to avoid conflicts of interest, in particular by providing that remuneration is not contingent on the number or proportion of applications accepted.
	(4) In case that the creditor or credit intermediary provide advisory services the remuneration structure of the staff involved does not prejudice their ability to act in the consumer's best interest and in particular is not contingent on sales targets:
	It shall be understood that, it is forbidden for the creditor to pay any commission to the credit intermediary.
	(5) The Central Bank may adopt rules aimed at specifying the provisions of this section, including the possibility of prohibiting a particular type of remuneration structure or forms of financial consideration.
	(6) Payments from a consumer to a creditor or credit intermediary prior to the conclusion of a credit agreement are prohibited.
	(7) (a) Notwithstanding the provisions of subsection (6), the creditor or credit intermediary may require the consumer to make a payment before a credit agreement to cover only its actual expenses towards third parties.
	(b) Where a creditor or credit intermediary requires the consumer to make a payment under the provisions of paragraph (a) and before the conclusion of the credit agreement, the creditor or credit intermediary -
	(i) shall inform the consumer, in writing or on another durable medium, of the amount of the charge,
	(ii) explains the nature of the costs covered, and
	(iii) receives the consumer's written consent for this charge.

	(8) Where collateral is provided in favour of the creditor in the form of a mortgage on immovable property, the creditor shall obtain the written consent of the spouse of the collateral provider for the provision of such collateral.
Obligation to provide information to the consumer free of charge.	8. The information provided to the consumer towards compliance with the requirements set out in this Law, is provided free of charge or any other fee.
Requirements of knowledge and competence of staff.	9.-(1)(a) The creditor and the credit intermediary require their staff to possess and to keep up-to-date, as applicable, an appropriate level of knowledge and competence in relation to:
	(i) The manufacturing, offering and granting of credit agreements,
	(ii) the carrying out of credit intermediation activities set out in Section 2, and
	(iii) the provision of advisory services.
	(b) Where the conclusion of a credit agreement includes an ancillary service, the creditors and credit intermediaries shall ensure that their staff possess appropriate knowledge and competence in relation to that ancillary service.
Annex III.	(2) Except in the cases referred to in subsection 3, the creditor and the credit intermediary shall ensure that their staff possess the minimum knowledge and competence requirements in accordance with the principles set out in Annex III.
Annex III.	(3)(a) Where a creditor or credit intermediary licensed in a Member State other than the Republic provides its services in the Republic through a branch, it shall comply with the minimum knowledge and competence requirements established under Annex III of this Law applicable to the staff of that branch.
Annex III.	(b) Where a creditor or credit intermediary licensed in a Member State other than the Republic provides his services in the Republic under the freedom to provide services, it shall comply, for the staff employed in the Republic, with the minimum knowledge and competence requirements set by the home Member State, except for the provisions transposing points b), c), e) and f) of paragraph 1 of Annex III of Directive 2014/17/EU where it shall apply the requirements of points (b), (c), (e) and (f) of paragraph 1 of Annex III of this Law.
	(c) Where a creditor or credit intermediary licensed in the Republic provides its services within the territory of one or more other Member States;
	(i) implements through a branch the minimum knowledge and competence requirements established by the host Member State in respect of branch staff;
	(ii) applies to its staff in the other Member State, under the freedom to provide services, the minimum knowledge and competence requirements established by this Law, except for the requirements

	under points b), c), e) and f) of paragraph 1 of Annex III where it applies the relevant minimum requirements established by the host Member State.
	(4) The Central Bank shall supervise the compliance of creditors and credit intermediaries with the requirements of subparagraph (1) and shall have the power to require them to provide such evidence as it deems necessary to enable such supervision.
	(5)(a) For the effective supervision of creditors and credit intermediaries providing their services within the territory of other Member States under the freedom to provide services, the Central Bank shall cooperate closely with the other competent authorities of the Member States in relation to the enforcement of the minimum knowledge and competence requirements established by the host Member State.
	(b) For the purpose of effective supervision of the creditor and the credit intermediary providing their services in the Republic, under the freedom to provide services, the Central Bank shall cooperate closely with the competent authorities of the home Member States to effectively supervise and implement the minimum knowledge and competence requirements established under this Law.
	(c) For the purposes of paragraphs (a) and (b), the Central Bank may delegate tasks and responsibilities to the competent authorities of Member States and may take over tasks and responsibilities delegated to it by the competent authorities of Member States under paragraph (5) of Article 9 of Directive 2014/17/EU.
	PART IV
	INFORMATION AND PRACTICES PRELIMINARY TO THE CONCLUSION OF THE CREDIT AGREEMENT
General provisions on advertising and marketing. 103 (I) of 2007 81 (I) 2013 135 (I) 2013.	10. -(1) Without prejudice to the provisions of the Unfair Business-To-Consumer Commercial Practices Law, any advertising and marketing communication concerning credit agreements must be fair, clear and not misleading.
	(2) Without prejudice to the generality of the provisions of subparagraph (1), any wording that may create false expectations for a consumer regarding the availability or the cost of a credit shall be prohibited.
	(3) It is forbidden for any person to knowingly send to a person under the age of eighteen (18), any document in relation to obtaining credit or information or advice in obtaining credit or leasing of goods.
Standard information to be included in the advertisement.	11. -(1) Any advertising concerning credit agreements which indicates an interest rate or any figures relating to the cost of the credit to the consumer, includes the standard information set out in subsection (2).
	(2) The standard information set out in subsection (1) shall specify in a clear, concise and prominent way:

	(a) the identity of the creditor or, where applicable, the credit intermediary;
	(b) where applicable, that the credit agreement will be secured by a mortgage or another comparable security on residential immovable property or by a right related to residential immovable property, as appropriate;
	(c) the borrowing rate, indicating whether this is fixed or variable or a combination of both, together with particulars of any charges included in the total cost of the credit to the consumer;
	(d) the total amount of credit;
	(e) the APRC which shall be included in the advertisement at least as prominently as any interest rate;
	(f) where applicable, the duration of the credit agreement, the amount of the instalments, the total amount payable by the consumer, the number of instalments;
	(g) in the case of a loan denominated in a foreign currency, a warning regarding the fact that possible fluctuations of the exchange rate could affect the amount payable by the consumer, and
	(h) a concise and appropriate case-by-case warning for credit-related risks.
	(3) (a) The information referred to in paragraphs (c), (d), (e) and (f) of subparagraph (2) shall be specified by means of a representative example, shall adhere to that representative example throughout the advertisement.
	(b) The CPS, upon recommendation of the Central Bank, issues a Directive on the criteria used by creditors for determining a representative example.
	(4) Where the conclusion of a contract regarding an ancillary service, in particular insurance, is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed, and the cost of that service cannot be determined in advance, the obligation to enter into that contract shall be stated in a clear, concise and prominent way, together with the APRC.
	(5) The information referred to in subsections (2) and (4) shall be easily legible or clearly audible as appropriate, depending on the medium used for advertising.
	(6) This section applies notwithstanding the provisions of the Unfair Business-To-Consumer Commercial Practices Law.
Tying and bundling practices.	12.-(1) Without prejudice to the provisions of subparagraphs (2), (3) and (4), the creditor and the credit intermediary when offering or selling a credit agreement under the provisions of this Law may exercise bundling practices, but it is prohibited to exercise tying practices.
	(2) Notwithstanding subsection (1), the creditor may request from the consumer to open or maintain a payment or a savings account, where the only purpose

	of such an account is to service the credit, or it is required to pool resources to obtain the credit;
	(3) Notwithstanding subsection (1), the creditor may allow tying practices only when the creditor can demonstrate to the Central Bank that the tied products or categories of product offered, on terms and conditions similar to each other, which are not made available separately, result in a clear benefit to the consumer taking due account of the availability and the prices of the relevant products offered on the market:
	It is provided that, the provisions of this paragraph shall apply only to products placed on the market after the entry into force of this Law.
	(4) Where a creditor asks the consumer to hold a relevant insurance policy related to the credit agreement, the creditor shall accept the insurance policy from a supplier different to his preferred supplier where such policy has a level of guarantee equivalent to the one the creditor has proposed.
Disclosure of information by the creditor and the credit intermediary.	13.-(1) The creditor and the credit intermediary shall make available at all times clear and comprehensible general information about credit agreements offered, on paper or on another durable medium or in electronic form.
	(2) Such general information referred to in subsection (1) shall include at least the following:
	(a) the identity and the geographical address of the issuer of the information as well as the identity of the staff providing the information;
	(b) the purposes for which the credit may be used;
	(c) the forms of security, including, where applicable, the possibility for it to be located in a different Member State;
	(d) the possible duration of the credit agreements;
	(e) types of available borrowing rate, indicating whether fixed or variable or both, with a short description of the characteristics of a fixed and variable rate, including related implications for the consumer;
	(f) in case the contracts refer to a benchmark as defined in Article 3, paragraph 1, point 3 of the Regulation (EU) 2016/1011, the names of the benchmarks and their administrators and the potential impact on consumers;
	(g) where foreign currency loans are available, an indication of the foreign currency or currencies, including an explanation of the implications for the consumer where the credit is denominated in a foreign currency;
	(h) a representative example of the total amount of credit, the total cost of the credit to the consumer, the total amount payable by the consumer and the APRC;

	(i) an indication of possible further costs, not included in the total cost of the credit to the consumer, to be paid in connection with a credit agreement;
	(j) the range of different options available for reimbursing the credit to the creditor, including the number, frequency and amount of the regular repayment instalments;
	(k) where applicable, a clear and concise statement that compliance with the terms and conditions of the credit agreement does not guarantee repayment of the total amount of credit under the credit agreement;
	(l) a description of the conditions directly relating to early repayment,
	(m) whether a valuation of the property is necessary and, where applicable, who is responsible for ensuring that the valuation is carried out, and whether any related costs arise for the consumer;
	(n) indication of ancillary services the consumer is obliged to acquire in order to obtain the credit or to obtain it on the terms and conditions marketed and, where applicable, a clarification that the ancillary services may be purchased from a provider that is not the creditor; and
	(o) a general warning concerning possible consequences of non-compliance with the commitments linked to the credit agreement.
	(3)(a) Creditors and credit intermediaries shall provide visible and prominent warnings about the risks of disposal or seizure of the residential property in the event of failure to comply with the consumer's contractual obligations.
	(b) The Central Bank in association with the CPS, may issue instructions to the creditor and the credit intermediary regarding the warnings they have to provide, for risks associated with the credit agreements.
	It is provided that, the Central Bank shall notify the European Commission of the directives issued, in accordance with the provisions of this subsection.
Pre-contractual information.	14.-(1) The creditor and, where applicable, the credit intermediary, provides the consumer with the personalised information needed to compare the credits available on the market, assess their implications and make an informed decision on whether to conclude a credit agreement:
	(a) Without undue delay after the consumer has filed an application and has given the necessary information on his needs, financial situation and preferences in accordance with section 20; and
	(b) in good time before the provision of an offer binding on the creditor in accordance with the provisions of subsection (4) and in any case, before the consumer is bound by any credit agreement.
Annex II.	(2) The personalised information referred to in subsection (1), shall be provided on paper or on another durable medium, by means of the European Standardised Information Sheet (ESIS), as set out in Annex II.

	(3) The consumer shall confirm in writing to the creditor and, where appropriate, to the credit intermediary the receipt of the personalised pre-contractual information provided for in this section.
	(4) When an offer binding on the creditor is provided to the consumer, it shall be provided on paper or on another durable medium and accompanied by an ESIS where:
	(a) no ESIS has been provided to the consumer previously; or
	(b) the characteristics of the offer are different from the information contained in the ESIS previously provided.
	(5) Prior to concluding the credit agreement, the creditor provides the consumer with a 15-day reflection period calculated from the day the offer becomes binding on the creditor in order for the consumer to have sufficient time to compare offers, assess their implications and make an informed decision.
	(6) During the reflection period referred to in subsection (5):
	(a) the offer shall be binding on the creditor for the duration of the reflection period; and
	(b) the consumer cannot accept the offer before the first five (5) working days from the start of the reflection period have passed.
	(7)(a) The consumer has the right of withdrawal from the credit agreement within five (5) working days from the conclusion of the credit agreement, without penalty and without giving any reason:
	It is provided that, in the event that the consumer proceeds to obtain any amount which is the subject of the credit agreement before the expiry of the period for exercising his right of withdrawal, that right of withdrawal shall be dismissed.
242(I) of 2004 94(I) of 2007 127(I) of 2009.	(b) In the event that paragraph (a) applies, the provisions of section 10 of the Distance Marketing of Consumer Financial Services Law do not apply.
	(8) Where the borrowing rate or other costs applicable to the offer are determined on the basis of the selling of underlying bonds or other long-term funding instruments, the borrowing rate or other costs may vary from that stated in the offer in accordance with the value of the underlying bond or other long-term funding instrument.
	(9) In the case of distance contracts, the creditor and, where applicable, the credit intermediary who has supplied the ESIS to the consumer, in accordance with the provisions of this section shall be deemed to have fulfilled the requirements regarding information provision to the consumer prior to the conclusion of a distance contract, as defined in paragraph (a) of section 4 of the Distance Marketing of Consumer Financial Services Law and are deemed to fulfil the requirements of subsection (1) of section 9 of this Law only where they have at least supplied the ESIS prior to the conclusion of the contract.

Annex II.	(10)(a) The creditor and the credit intermediary shall not modify the standard European Standardized Information Sheet, other than as provided for in Annex II.
	(b) Any additional information which the creditor or, where applicable, the credit intermediary, may provide to the consumer or is required to provide to the consumer by other relevant legislation shall be given in a separate document which may be annexed to the ESIS.
Annex II.	(11) In the case of voice telephony communications, as referred to in paragraph (c) of section 4 of the Distance Marketing Consumer Financial Services Law , the description of the main characteristics of the financial service to be provided pursuant to the subparagraph (ii) of paragraph (c) of section 4 of this Law shall include at least the items referred to in Annex II, Part A, sections 3 to 6 of this Law.
	(12) The creditor or, where applicable, the credit intermediary, provides the consumer with a copy of the draft credit agreement, at the time of the provision of an offer binding on the creditor.
Requirements for the provision of information by the credit intermediary.	15.-(1) In good time before the carrying out of any of the credit intermediation activities, the credit intermediary shall provide the consumer, with at least the following information on paper or on another durable medium;
	(a) the identity and the geographical address of the credit intermediary;
	(b) the register in which he has been included, the registration number and the means for verifying such registration;
	(c) whether the credit intermediary:
	(i) is tied to or works exclusively for one or more creditors, in which case he shall provide the names of the creditors for which he is acting.
	(ii) is independent;
	It is provided that, the credit intermediary is independent, only where he meets the conditions laid down in accordance with subsection (4) of section 22 and any directives adopted under the provisions of subsection (5) of section 22,
	(d) whether the credit intermediary offers advisory services;
	(e) the fee, where applicable, payable by the consumer to the credit intermediary for his services or where this is not possible, the method for calculating the fee;
	(f) the procedures allowing consumers or other interested parties to register complaints internally about credit intermediaries and, where appropriate, the procedures for complaints to the Financial Ombudsman, in order to resort to out-of-court complaint and redress procedures.
	(g) where applicable, the existence and where known, the amounts corresponding to commissions or other inducements, which are paid or

	provided by the creditor or third parties to the credit intermediary for his services in relation to the credit agreement;
	It is provided that, where the amount is not known at the time of disclosure, the credit intermediary shall inform the consumer that the actual amount will be disclosed at a later stage in the ESIS.
	(1A)(a) A credit intermediary, who is not tied but who receives commission from one or more creditors shall,, at the consumer's request, provide information on the variation in levels of commission payable by the different creditors providing the credit agreements being offered to the consumer.
	(b) The credit intermediary shall inform the customer of his right to request the information referred to in paragraph (a).
	(1B) Where the credit intermediary charges a fee to the consumer and additionally receives commission from the creditor or a third party, the credit intermediary shall explain to the consumer whether or not the commission is offset against the fee , either in part or in full.
	(2) If the consumer pays any fee to the credit intermediary for his services, the credit intermediary shall inform the creditor for the purpose of calculating the APRC.
Adequate explanations.	16. -(1) The creditor and, where applicable, credit intermediary provide adequate explanations to the consumer on the proposed credit agreements and any ancillary services, in order to place the consumer in a position enabling him to assess whether the proposed credit agreements and ancillary services are adapted to his needs and financial situation.
	(2) The explanations referred to in subsection (1), shall include in particular:
	(a) the pre-contractual information to be provided in accordance with:
	(i) the provisions of section 14 in the case of creditors,
	(ii) the provisions of sections 14 and 15 in the case of credit intermediaries,
	(b) the essential characteristics of the products proposed,
	(c) the specific effects the products proposed may have on the consumer, including the consequences of default in payment by the consumer, and
	(d) where ancillary services are bundled with a credit agreement, whether each component of the bundle can be terminated separately and the implications for the consumer of doing so.
	(3) The CPS in consultation with the Central Bank may issue directives in order to adapt the manner by which and the extent to which the explanations referred to in paragraphs (1) and (2) is given, as well as by whom it is given, to the circumstances of the situation in which the credit agreement is offered, the person to whom it is offered and the nature of the credit offered.

	(4)(a) The creditor and, where applicable, the credit intermediary should provide such assistance in relation to the credit products which they offer to the consumer by explaining the relevant information including in particular the essential characteristics of the products proposed to the consumer in a personalised manner so that the consumer can understand the effects which they may have on his economic situation.
	(b) The creditor and, where applicable, the credit intermediary are required to adapt the manner in which the explanations referred to in paragraph (a) are given, the conditions under which the credit is offered and the consumer's need for assistance, taking into account the knowledge and experience of the consumer on credit and the nature of the individual credit products;
	It is provided that, such explanations do not in themselves, constitute a personal recommendation.
	PART V
	ANNUAL PERCENTAGE RATE OF CHARGE
APRC calculation. Annex I.	17.-(1) The APRC shall be calculated in accordance with the mathematical formula set out in Annex I.
	(2) The costs of opening and maintaining a specific account, of using a means of payment for both transactions and drawdowns on that account and of other costs relating to payment transactions shall be included in the total cost of credit to the consumer whenever the opening or maintaining of an account is obligatory in order to obtain the credit or to obtain it on the terms and conditions marketed.
	(3) The calculation of the APRC shall be based on the assumption that the credit agreement is to remain valid for the period agreed and that the creditor and the consumer will fulfil their obligations under the terms and by the dates specified in the credit agreement.
	(4) In the case of credit agreements containing clauses allowing variations in the borrowing rate and, where applicable, in the charges contained in the APRC but unquantifiable at the time of calculation, the APRC shall be calculated on the assumption that the borrowing rate and other charges will remain fixed in relation to the level set at the conclusion of the contract.
	(5) For credit agreements for which a fixed borrowing rate is agreed in relation to the initial period of at least five (5) years, at the end of which a negotiation on the borrowing rate takes place to agree on a new fixed rate for a further material period, the calculation of the additional, illustrative APRC disclosed in the ESIS shall cover only the initial fixed rate period and shall be based on the assumption that, at the end of the fixed borrowing rate period, the capital outstanding is repaid.
	(6)(a) Where the credit agreement allows for variations in the borrowing rate, the creditor, and where applicable, the credit intermediary, shall inform the consumer of the possible impacts of variations on the amounts payable and on the APRC at least by means of the ESIS and for this purpose the consumer is

	provided with an additional APRC which illustrates the possible risks linked to a significant increase in the borrowing rate.
	(b) Where the borrowing rate is not capped, this information referred to in paragraph (a), shall be accompanied by a warning highlighting that the total cost of the credit to the consumer, shown by the APRC, may change.
	(c) This provision shall not apply to credit agreements where the borrowing rate is fixed for an initial period of at least five years, at the end of which a negotiation on the borrowing rate takes place in order to agree on a new fixed rate for a further material period, for which an additional, illustrative APRC is provided for in the ESIS.
Annex I.	(7) Where applicable, the additional assumptions set out in Annex I shall be used in calculating the APRC.
	PART VI
	CREDITWORTHINESS ASSESSMENT
Obligation to assess the consumer's creditworthiness. Annex V.	18.-(1) (a) Before concluding a credit agreement, the creditor makes a thorough assessment of the consumer's creditworthiness in accordance with Annex V.
	(b) The creditworthiness assessment shall take appropriate account of factors relevant to verifying the prospect of the consumer to meet his obligations under the credit agreement.
	(2) The creditor establishes, documents and maintains the procedures and information on which the assessment is based.
	(3) For the purposes of the creditworthiness assessment, the creditor shall not rely predominantly on the value of the residential immovable property exceeding the amount of the credit or the assumption that the residential immovable property will increase in value unless the purpose of the credit agreement is to construct or renovate the residential immovable property.
	(4)(a) After the conclusion of the credit agreement, the creditor shall not subsequently cancel or alter the credit agreement to the detriment of the consumer on the grounds that the assessment of creditworthiness was incorrectly conducted.
	(b) Paragraph (a) shall not apply where it is demonstrated that the consumer knowingly withheld or falsified the information within the meaning of section 20.
	(5) The creditor:
	(a) only makes the credit available to the consumer where the result of the creditworthiness assessment indicates that the obligations resulting from the credit agreement are likely to be met in the manner required under that agreement;

138(I) of 2001 37(I) of 2003 105(I) of 2012.	(b) in accordance with Section 11 of the Processing of Personal Data (Protection of Individuals) Law, shall inform the consumer in advance that a database is to be consulted;
	(c) where the credit application is rejected, shall inform the consumer without delay of the rejection and, where applicable, that the decision is based on automated processing of data;
	(d) Where the rejection is based on the result of the database consultation, under paragraph (c), the creditor shall inform the consumer of the result of such consultation and of the particulars of the database consulted.
	(6) The creditor re-assesses the consumer's creditworthiness on the basis of updated information before any significant increase in the total amount of credit is granted after the conclusion of the credit agreement unless such additional credit was envisaged and included in the original creditworthiness assessment.
	(7) This section shall apply subject to the provisions of the Personal Data Processing (Protection of Individuals) Law.
Assessment of the value of the property.	19.(1)(a) The assessment of the value of the property for credit agreement purposes, is carried out by approved appraisers with standards and procedures provided in accordance with the RICS (Red Book) Valuation Standards or under the European Valuation Standards (Blue Book) or the International Valuation Standards (White Book).
224 of 1990 106(I) of 1992 15(I) of 1993 31(I) of 1993 53(I) of 1993 44(I) of 1996 34(I) of 1997 15(I) of 2003 24(I) of 2002 221(I) of 2002 19(I) of 2003 151(I) of 2006 105(I) of 2006 61(I) of 2009 101(I) of 2012 167(I) of 2013 100(I) of 2014 38(I) of 2015 100(I) of 2016.	(b) The valuation of the property is carried out by an approved appraiser who meets the requirements to practice the profession of a land appraiser, in accordance with the provisions of the Cyprus Scientific and Technical Chamber Law.
	(c) The creditor shall keep a list of the approved appraisers selected on a case-by-case basis, in accordance with the appropriate selection criteria.
	(d) The creditor should re-assess annually if the appraisers included in the list possess appropriate and valid professional indemnity insurance.

	(e) The creditor sets limits on the valuations made by each appraiser or appraiser firm; as a minimum, the limits are determined on the basis of overall valuations, valuations by type of property and geographical area.
	(f) The creditor requires that appraisers disclose whether they are related to the buyer or the seller of the property and whether they have any interest in the property being valued prior to accepting the assignment of the valuation.
	(2) The creditor shall ensure that internal and external appraisers who carry out real estate valuations are professionally competent and sufficiently independent from the credit underwriting process so that they can provide an impartial and objective valuation, which shall be documented in a durable medium and of which a record shall be kept by the creditor.
Disclosure and verification of consumer information.	20.-(1)(a) The assessment of creditworthiness referred to in section 18 shall be carried out on the basis of information on the consumer's income and expenses and other financial and economic circumstances which is necessary, sufficient and proportionate.
	(b) The information shall be obtained by the creditor from relevant internal or external sources, including the consumer, and including information provided to the credit intermediary or appointed representative during the credit application process.
	(c) The information shall be appropriately verified, including through reference to independently verifiable documentation when necessary.
	(2) The credit intermediary accurately submits the necessary information obtained from the consumer, in order to enable the creditworthiness assessment to be carried out.
	(3)(a) The creditor specifies in a clear and straightforward way at the pre-contractual phase the necessary information and independently verifiable evidence that the consumer needs to provide and the timeframe within which the consumer needs to provide the information.
	(b) The request referred to in paragraph (a) shall be proportionate and limited to what is necessary to conduct a proper creditworthiness assessment.
	(c) The creditor may seek clarification of the information received in response to that request where necessary to enable the assessment of creditworthiness.
	(d) A creditor shall not be allowed to terminate the credit agreement on the grounds that the information provided by the consumer before the conclusion of the credit agreement was incomplete, unless it is proved that the consumer knowingly withheld or falsified the information which would affect the decision to grant the credit.
	(4)(a) The creditor shall ensure that consumers are aware of the need to provide correct information in response to the request referred to in point (a) of

	subsection (3) and that such information is as complete as necessary to conduct a proper creditworthiness assessment.
	(b) The creditor and the credit intermediary shall warn the consumer that, where the creditor is unable to carry out an assessment of creditworthiness because the consumer chooses not to provide the information or verification necessary for an assessment of creditworthiness, the credit cannot be granted.
	(c) That warning referred to in paragraph (b) may be provided in a standardised format.
	(5) This Section shall be without prejudice to the provisions of the Processing of Personal Data (Protection of Individuals) Law and in particular section 6 thereof.
	PART VII
	DATABASE ACCESS
Access to databases.	21.-(1) All creditors from all Member States shall have access to databases used in the Republic or in another Member State as provided for in subsection (2), for assessing the creditworthiness of the consumer and for the sole purpose of monitoring the consumer's compliance with the credit obligations over the life of the credit agreement.
	It is provided that, the conditions for such access shall be non-discriminatory.
Official Journal, Annex Three (I): 19.6.2015.	(2) For the purposes of paragraph (1), the creditor shall have access to the databases of the data exchange mechanisms that are maintained under the Directive for the Operation of a System or a Mechanism for the Exchange, Collection and Provision of Data of 2015, as well as to the databases which are operated by private credit bureaux or credit reference agencies and to public registers of the Republic or other Member States.
	(3) This Section shall be without prejudice to the provisions of the Processing of Personal Data (Protection of Individuals) Law.
	PART VIII
	ADVISORY SERVICES
Standards of advisory services.	22.-(1) The creditor and the credit intermediary explicitly inform the consumer, in the context of a given transaction, whether advisory services are being or can be provided to the consumer.
	(2)(a) Before the provision of advisory services or, where applicable, the conclusion of a contract for the provision of advisory services, the creditor and the credit intermediary provide the consumer with the following information on paper or another durable medium:
	(i) whether the recommendation will be based on considering only their own product range in accordance with point (b) of subsection 3 or a wide range of products from across the market in accordance with point (c) of subsection 3 so that the consumer can understand the basis on which the recommendation is made,

	(ii) where applicable, the fee payable by the consumer for the advisory services or, where the amount cannot be ascertained at the time of disclosure, the method used for its calculation.
	(b) The information referred to in this subsection may be provided to the consumer in the form of additional pre-contractual information.
	(3) Where advisory services are provided to consumers, in addition to the requirements set out in articles 7 and 9:
	(a) creditors and credit intermediaries obtain the necessary information regarding the consumer's personal and financial situation, his preferences and objectives so as to enable the recommendation of suitable credit agreements:
	It is provided that such an assessment shall be based on information that is up to date at that moment in time and shall take into account reasonable assumptions as to risks to the consumer's situation over the term of the proposed credit agreement;
	(b) the creditor and tied credit intermediary consider a sufficiently large number of credit agreements in their product range and recommend a suitable credit agreement or several suitable credit agreements from among their product range for the consumer's needs, financial situation and personal circumstances;
	(c) the non-tied credit intermediary considers a sufficiently large number of credit agreements available on the market and recommends a suitable credit agreement or several suitable credit agreements available on the market for the consumer's needs, financial situation and personal circumstances;
	(d) the creditor and credit intermediary act in the best interests of the consumer by:
	(i) informing themselves about the consumer's needs and circumstances; and
	(ii) recommending suitable credit agreements in accordance with points (a), (b) and (c).
	(e) the creditor and credit intermediary shall give the consumer a record on paper or on another durable medium of the recommendation provided.
	(4) The use of the term 'independent advice' or 'independent advisor' by a creditor or credit intermediary who provides advisory services is prohibited, except where:
	(a) he considers a sufficiently large number of credit agreements available on the market, and
	(b) is not remunerated for those advisory services by one or more creditors.
	It is provided that, the provisions of paragraph (b) shall apply only where

	the number of creditors considered is less than a majority of the market.
	(5) The Central Bank, in consultation with the CPS, may, if it considers appropriate, impose more stringent requirements in relation to the use of the terms 'independent advice' or 'independent advisor' than those provided for in subsection (4).
	(6) The creditor and the credit intermediary may warn the consumer when, considering the consumer's financial situation, a credit agreement may induce a specific risk for the consumer.
	(7) Advisory services are only provided by:
	(a) A creditor,
	(b) a credit intermediary,
	(c) a person who practises the legal profession, a qualified accountant or approved auditor and who conducts business as a credit intermediary as provided for in paragraphs (a) and (b) of the term "credit intermediary" according to the provisions of section 2, incidentally, in the context of his professional activity, provided that:
	(i) this professional activity is regulated by legal or regulatory provisions or a professional code of ethics which do not exclude carrying out of those activities or the provision of those services, and
	(ii) when providing the advisory services, that person shall inform the consumer that such advisory services are provided in an incidental manner in the course of his professional activity as a lawyer, qualified accountant or approved auditor, as the case may be, and the provision of such advisory services does not constitute their principal activity.
	(8) The persons referred to in paragraph (c) of subsection (7) do not have the right referred to in paragraph (a) of subsection (1) of section 31 and section 32.
	(9) This section shall be without prejudice to the provisions of section 16 and the powers of the competent authorities to ensure that services are made available to consumers to help them understand their financial needs and which types of products are likely to meet those needs.
	PART IX
	FOREIGN CURRENCY LOANS AND VARIABLE RATE LOANS
Foreign currency loans.	23.-(1) Without prejudice to the other provisions of this Law, prior to the conclusion of a credit agreement relating to a foreign currency loan, the creditor asks the consumer to provide information about his knowledge and experience in relation to the currency risk posed by the proposed credit agreement, so that the creditor can assess whether the intended credit agreement is appropriate for that consumer and that the consumer is in a position to assess the risk posed by the contract and the likely consequences.
	(2) Where the creditor considers on the basis of the information received pursuant to the provisions of subsection (1) that the intended credit agreement is not appropriate for the consumer in question and / or that the consumer is not in a position to assess the risk of the proposed contract and its possible

	implications, the consumer must be warned of it, and that warning may be provided in a standardised form.
	(3) If the consumer fails to provide the necessary information regarding his knowledge and experience in accordance with the provisions of subsection (1), or the information he provides is inadequate, the creditor must warn him that this failure will not enable the creditor to assess whether the intended credit agreement is appropriate for that consumer and that the consumer is in a position to assess the risk posed by the intended contract and its possible impact, that warning may be provided in a standardised form.
	(4) At the time that the credit agreement in a foreign currency is concluded, the consumer shall acquire the right to convert the credit agreement into an alternative currency:
	It is provided that, if the conversion would result in the cancellation of the guarantee agreement or any other collateral securing the consumer's liabilities under the credit agreement, the consumer's right to convert the agreement shall be subject to one of the following conditions:
	(a) Any such guarantor or security provider shall consent in writing to the conversion in an alternative currency, or
	(b) the consumer shall ensure that an equivalent or a corresponding guarantee or security shall be provided to the creditor.
	(5) The alternative currency referred to subsection 4 shall be either:
	(a) the currency in which the consumer primarily receives income or holds assets from which the credit is to be repaid, as indicated at the time of the most recent creditworthiness assessment in relation to the credit agreement; or
	(b) the currency of the Member State in which the consumer either was resident at the time the credit agreement was concluded or is currently resident;
	It is provided that, the creditor may specify whether both of the choices referred to in points (a) and (b) are available to the consumer or only one of them.
	(6) Where a consumer has a right to convert the credit agreement into an alternative currency in accordance with subsection (4), the exchange rate at which the conversion is carried out is the exchange rate applicable on the day of conversion unless otherwise specified in the credit agreement.
	(7) (a) Where a consumer has a foreign currency loan, the creditor warns the consumer on a regular basis on paper or on another durable medium, at least for the cases where:
	(i) the value of the total amount payable by the consumer, or
	(ii) the amount of the instalments due,

	varies by more than 20% from what it would be if the exchange rate between the currency of the credit agreement and the currency of the Member State applicable at the time of the conclusion of the credit agreement were applied.
	(b) For the purposes of paragraph (a), the creditor shall inform the consumer of:
	(i) any rise in the total amount payable by the consumer,
	(ii) any right to convert to an alternative currency and the conditions for doing so, and
	(iii) any other applicable mechanisms for limiting the exchange rate risk to which the consumer is exposed.
	(8) The Central Bank, as competent authority, may issue directives for further regulation of foreign currency loans, including arrangements for limiting the foreign currency risk to which the consumer is exposed under a credit agreement for a foreign currency loan, provided that such directives shall not have a retrospective effect.
	(9) The arrangements applicable under this section shall be disclosed by the creditor to the consumer, in the context of providing pre-contractual information, and included clearly in the ESIS and in the credit agreement.
	(10) Where there is no provision in the credit agreement to limit the exchange rate risk to which the consumer is exposed to a fluctuation in the exchange rate of less than 20%, the creditor must include in the ESIS an illustrative example of the impact of a 20% fluctuation in the exchange rate.
Variable rate credits.	24. Where the credit agreement is a variable rate credit, the creditor shall ensure that:
	(a) the indexes or reference rates used to calculate the borrowing rate are clear, accessible, objective and verifiable by the parties to the credit agreement and the competent authorities; and
	(b) historical records of indexes for calculating the borrowing rates are maintained.
	PART X
	SOUND EXECUTION OF CREDIT AGREEMENTS AND RELATED RIGHTS
Early repayment.	25.(1) Every consumer has a right to discharge fully or partially his obligations under a credit agreement prior to the expiry of that agreement.
	(2) In such cases, the consumer shall be entitled to a reduction in the total cost of the credit to the consumer, such reduction consisting of the interest and the costs for the remaining duration of the contract.
Ch. 149. 22(I) of 1995 99(I) of 2013.	(3) Subject to the provisions of section 74 of the Contract Law:

Annex IV.	(a) Where the consumer makes a full repayment of his obligations under the credit agreement, the creditor's compensation shall be calculated in accordance with the mathematical formula set out in Annex IV.
	(b) Where the consumer makes a partial repayment of his obligations under the credit agreement, the creditor shall be entitled to a fair and objective compensation, if justified, for possible costs directly linked to the early repayment, and in particular the cost to the creditor for the placing back on the interbank market of an amount equal to the amount of the early repayment;
	It is provided that, the compensation shall not exceed the financial loss of the creditor;
	It is further provided that, the creditor shall not impose a sanction on the consumer.
	(4) Notwithstanding the provisions of subsection (3), the creditor does not claim compensation for early repayment -
	(a) Where the repayment is the product of an insurance policy providing security for the repayment of the credit;
	(b) where the repayment is made within a period of time when the borrowing rate is variable.
	(5) Notwithstanding the provisions of this section, in every event of early repayment of the credit agreement, the creditor may claim administrative costs directly related to the early repayment, which shall not exceed:
	(i) One and twenty five percent (1,25%) of the reduction referred to in subsection (2), or
	(ii) the amount of one hundred euro (€100),
	whichever is lower.
	(6) The amount of any compensation is fair, objective and fully justified in order to cover any costs directly linked to the early repayment.
	(7) Where a consumer seeks to discharge his obligations under a credit agreement prior to the expiry of the agreement, the creditor shall provide the consumer without delay after receipt of the request, on paper or on another durable medium, with the information necessary to consider that option.
	(8) The information provided by the creditor, under the provisions of subsection (7) shall at least quantify the implications for the consumer of discharging his obligations prior to the expiry of the credit agreement and clearly set out any assumptions used which shall be reasonable and justifiable.
Flexible and reliable markets.	26.-(1) The creditor shall keep appropriate records concerning the types of immovable property accepted as collateral as well as the related mortgage credit underwriting policies used.

	(2) The creditor uses either the Property Price Index developed by the Central Bank or another appropriate index to monitor the value of residential properties.
Information on changes in the borrowing rate.	27.-(1) The creditor shall inform the consumer on paper or another durable medium, of any change in the borrowing rate before the new interest rate takes effect.
	(2) The information shall include at least:
	(a) the amount of the payment instalments to be made after the new borrowing rate takes effect, and
	(b) in cases where the number or frequency of the instalments changes, particulars thereof.
	(3) Notwithstanding the provisions of paragraph (1), where the change in the borrowing rate is correlated to a change in the reference rate, the parties to the contract may agree that the information provided in subsections (1) and (2) will be provided to the consumer on a periodic basis; the new reference rate is made publicly available by appropriate means and the information concerning the new reference rate is kept available in the premises of the creditor and communicated personally to the consumer together with the amount of new periodic instalments.
	(4) Where changes in the borrowing rate are determined by way of auction on the capital markets and it is therefore impossible for the creditor to inform the consumer of any change before the change takes effect, the creditor shall, in good time before the auction, inform the consumer on paper or on another durable medium of the upcoming procedure and provide an indication of how the borrowing rate could be affected.
Arrears and debt settlement.	28.-(1) The Central Bank shall adopt measures to encourage creditors to exercise reasonable forbearance before debt settlement and sale of assets procedures for the recovery of debts are initiated.
	(2) Without prejudice to the provisions of any other applicable law, the creditor is permitted to impose charges on the consumer in case of default provided that:
	(a) It specifies in the ESIS the conditions and method of calculating default charges, and
160(I) of 1999 141(I) of 2014 66(I) of 2015.	(b) subject to the provisions of The Liberalisation of the Interest Rate and Related Matters Law, those charges are no greater than is necessary to compensate the creditor for loss incurred as a result of the consumer's default.
	(3) The parties to a credit agreement may expressly agree that the return or transfer, as the case may be, to the creditor, of the collateral or proceeds from the sale of the collateral is sufficient to repay the credit.

9 of 1965 51 of 1970 81 of 1970 3 of 1978 6 of 1981	(4) Where the price obtained for the immovable property, either in the case of a sale to third parties or in the event of a transfer to the creditor, affects the amount still owed by the consumer, unless otherwise agreed by the creditor, the consumer and any other person involved, this price shall be determined in accordance with the procedure provided for in section 44D of The Immovable
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181(I) of 2002 59(I) of 2006 122(I) of 2007 52(I) of 2008 26(I) of 2010 120(I) of 2011 142(I) of 2014 197(I) of 2014 4(I) of 2015 27(I) of 2015 32(I) of 2015 42(I) of 2015 46(I) of 2015 53(I) of 2015 75(I) of 2015 76(I) of 2015 133(I) of 2015 139(I) of 2015 198(I) of 2015.	Property (Transfer and Mortgage) Law, the provisions of which shall apply mutatis mutandis:
	It is provided that, for the implementation of this subsection, the references of section 44D of The Immovable Property (Transfer and Mortgage) Law to "mortgage lender" and "mortgage borrower" are considered to constitute references to "creditor" and "consumer" respectively, and reference to "mortgage property" shall be deemed to constitute reference to real property which is referred to in this subsection:
	It is further provided that, for the implementation of this paragraph, the references of subsection (1) of section 44D of The Immovable Property (Transfer and Mortgage) Law in the provisions of subsection (3) of section 44C of The Immovable Property (Transfer and Mortgage) Law are omitted and the obligation under subsection (2) of section 44D of The Immovable Property (Transfer and Mortgage) Law to notify the mortgage borrower according to the Type "IB" of the Second Annex of The Immovable Property (Transfer and Mortgage) Law, shall be replaced by an obligation on the creditor to provide the consumer with a notice stating that within ten (10) days of delivering the letter he shall proceed to the appointment of a valuer:
	It is further provided that, the provisions of this section shall not be interpreted in such a way that they create an obligation to conduct a disposal procedure or other form of public sale and do not restrict the application of this subsection to cases falling within the scope of Part VIA of The Immovable Property (Transfer and Mortgage) Law.
	(5) Where outstanding debt remains after foreclosure or disposal procedures , the repayment terms imposed by the creditor to repay the remaining outstanding debt may not provide for:
	(a) The disposal of assets which are not part of the bankrupt's property distributed among the creditors, in accordance with the provisions of section 42 of the Bankruptcy Law, or
Ch.5. 49 of 1985	(b) payments of such amount that the consumer does not have sufficient income for reasonable living costs for himself and his family members.

197 of 1986 156(I) of 1999 2(I) of 2008 74(I) of 2008 206(I) of 2012 61(I) of 2015 80(I) of 2016.	
	PART XI
	REQUIREMENTS FOR AUTHORISATION AND SUPERVISION OF CREDIT INTERMEDIARIES AND NON CREDIT INSTITUTIONS
Authorisation of Credit intermediary.	29.-(1) It is prohibited for any person to exercise in the Republic all or some of the activities of the credit intermediary as defined in the term "credit intermediary" or to provide advisory services under this Law unless-
	(a) It has been authorised for this purpose by the Central Bank, or
	(b) it has been authorised by a competent authority of its home Member State, pursuant to Article 29 of the Directive 2014/17/EU.
	(2) The Central Bank shall ensure that the admission of the credit intermediary is subject to the fulfilment of professional requirements in addition to the requirements set out in section 9, as follows:
	(a) The credit intermediary shall hold professional indemnity insurance covering the territories in which he offers services, or some other comparable guarantee against liability arising from professional negligence:
	It is provided that, the professional indemnity insurance covers also the staff of the credit intermediary:
	It is further provided that, in case of a tied credit intermediary, such insurance or other comparable guarantee may be provided by the creditor on whose behalf the credit intermediary is authorised to act.
	(b) A natural person established as a credit intermediary, the members of the board of a credit intermediary established as a legal person, the staff of the credit intermediary and natural persons performing equivalent tasks within a credit intermediary which is a legal person, but does not have a board, shall possess the following evidence of good repute-
	(i) A clean police record,
	(ii) they shall not have previously been declared bankrupt, unless they have been rehabilitated in accordance with relevant law, and
	(iii) shall meet the eligibility criteria set out in a Directive issued by the Central Bank.
Annex III.	(c) A natural person established as a credit intermediary, the members of the board of a credit intermediary established as a legal person, the staff of the credit intermediary and natural persons performing equivalent tasks within a credit intermediary which is a legal person but does not have a

	board, shall possess the appropriate level of knowledge and competence in relation to credit agreements, which is established in accordance with the principles set out in Annex III of this Law.
	(3) The Central Bank sets and publishes the minimum criteria in order for the credit intermediary's and the creditor's staff to meet their professional requirements.
	(4)(a) The Central Bank, as competent authority of the home Member State, shall keep a register of all credit intermediaries who have been authorised under this Law.
	(b) The Central Bank shall regularly update and post the register of credit intermediaries on its website.
	(c) The register of credit intermediaries maintained by the Central Bank shall contain at least the following information-
	(i) the names of the persons within the management who are responsible for the credit intermediation business,
	(ii) the names of staff who meet the requirements for an appropriate level of knowledge and competence in accordance with the provisions of section 9, in order to exercise a client-facing function in an undertaking that pursues the activity of credit intermediation,
	(iii) the Member States in which the credit intermediary conducts business under the right of establishment or under the freedom to provide services and for which the credit intermediary has informed the Central Bank as competent authority of the home Member State, in accordance with the provisions of section 32;
	(iv) whether the credit intermediary is tied to a creditor and if so, the details of the creditors with which the credit intermediary is tied,
	(v) if the tied credit intermediary is authorised by a creditor in accordance with the provisions of section 30, the creditor's details on behalf of which the tied credit intermediary acts,
	(vi) any other information that the Central Bank may specify concerning the credit intermediary and its activities, under directives issued for that purpose.
Ch.113. 9 of 1968 76 of 1977 17 of 1979 105 of 1985 198 of 1986 19 of 1990 41(I) of 1994 15(I) of 1995 21(I) of 1997	(5)(a) A credit intermediary who is a legal entity registered as a company under the provisions of the Companies Law, has its head office in the Republic.

82(I) of 1999 149(I) of 1999 2(I) of 2000 135(I) of 2000 151(I) of 2000 76(I) of 2001 70(I) of 2003 167(I) of 2003 92(I) of 2004 24(I) of 2005 129 9(I) of 2005 130 0(I) of 2005 98(I) tou 2006 124(I) of 2006 70 (I) of 2007 71 (I) of 2007 131(I) of 2007 186(I) of 2007 87(I) of 2008 41(I) of 2009 49(I) of 2009 99(I) of 2009 42(I) of 2010 60(I) of 2010 88(I) of 2010 53(I) of 2011 117(I) of 2011 145(I) of 2011 157(I) of 2011 198(I) of 2011 64(I) of 2012 98(I) of 2012 64(I) of 2012 98(I) of 2012 190(I) of 2012 203(I) of 2012 6(I) of 2013 90(I) of 2013 74 (I) of 2014 75 (I) of 2014 18(I) of 2015 62 (I) of 2015 63 (I) of 2015 89(I) of 2015 120(I) of 2015 40(I) of 2016 90(I) of 2016 97(I) of 2016 17(I) of 2017 33(I) of 2017.	

	(b) A credit intermediary that is not a legal person or is a legal entity that is not registered as a company under the provisions of the Companies Law and carries on its principal business activities in the Republic, has its head office in the Republic.
	(6) The Central Bank shall establish a single information point to allow quick and easy public access to information from the Register referred to in subsection (4), which shall be compiled electronically and kept constantly updated. These information point shall provide the identification details of the competent authority of each member state.
	(7) Subject to the provisions of section 30, the Central Bank shall ensure that the credit intermediary admitted under the provisions of this Law shall comply with the requirements referred to in subsection (2) on a continuing basis.
	(8) The provisions of this section shall not apply to persons carrying out the credit intermediation activities set out in paragraphs (a) and (b) of the term "credit intermediary" as defined in section 2, where those activities are carried out in an incidental manner in the course of a professional activity and that activity is regulated by legal or regulatory provisions or a code of ethics governing the profession which do not exclude the carrying out of those activities:
	It is provided that, the persons referred to in this subsection do not have the right referred to in paragraph (a) of subsection (1) of section 31 and in section 32.
	(9) This section shall not apply to-
	(a) ACIs and credit institutions operating in the Republic under the provisions of section 10A of the Business of Credit Institutions Law, and
	(b) for any other financial institution operating in the Republic under the provisions of the Section 10Bbis of the Business of Credit Institutions Law.
Credit intermediaries tied to only one creditor.	30.-(1)(a) A tied credit intermediary as defined in paragraph (a) of the definition of "tied credit intermediary" in section 2, may be allowed to be admitted by the Central Bank through the creditor on whose behalf the tied credit intermediary is exclusively acting.
	(b) In the case referred to in paragraph (a), the creditor shall remain fully and unconditionally responsible for any action or omission on the part of the tied credit intermediary that is acting on behalf of the creditor in areas regulated by this Law.
	(c) The creditor shall ensure that the tied credit intermediary that is acting on behalf of the creditor shall comply with at least the professional requirements set out in subsection (2) of section 29.
	(2) Without prejudice to section 34, a creditor shall monitor the activities of tied credit intermediaries specified in paragraph (a) of the definition "tied credit intermediary" in section 2, in order to ensure that they continue to comply with this Law and in particular, the creditor shall be responsible for monitoring

	compliance with the knowledge and competence requirements of the tied credit intermediary and its staff.
Freedom of establishment and freedom to provide services by the credit intermediary.	31.-(1)(a) A credit intermediary authorised under the provisions of section 29, may conduct the activities for which he is authorised, in the territory of all Member States, provided that the credit intermediary shall not provide his services in relation to credit agreements offered by non-credit institutions to consumers in a Member State where such non-credit institutions are not allowed to operate.
	(b) The Central Bank, as the competent authority of the Republic, being a host Member State, shall recognise an admission granted to a credit intermediary by a home competent authority of a member state other than the Republic, based on the national law of the home member state transposing the provisions of paragraph (1) of Article 29 of the Directive 2014/17/EU, to carry out the activities and provision of the services covered by the admission, without requiring any other authorisation from the Central Bank as a host member state competent authority, provided that the activities that the credit intermediary intends to carry out in the Republic as a host Member State, are covered by that admission.
	(2) Appointed representatives appointed in Member States which avail themselves of the option under Article 31 of Directive 2014/17/EU are not allowed to carry out part or all of the credit intermediation activities or to provide advisory services in the Republic.
	(3) The Central Bank, as the host member state competent authority, receives information from a home Member State pursuant to Article 32 (3) of the Directive 2014/17/EU and records the necessary information in its register.
	(4) The Central Bank, acting as the competent authority of the host Member State, shall, within two (2) months of receiving the notification from the competent authority of the home Member State under Article 32 (3) of Directive 2014/17/EU, shall prepare for the supervision of the credit intermediary in accordance with the provisions of section 34.
	(5) Within the framework for preparing for the supervision referred to in subsection (4), the Central Bank shall indicate to the credit intermediary the conditions under which, in areas not harmonised in Union law, those activities are to be carried out in the Republic.
Establishment and provision of services in other Member States.	32.-(1) Subject to the provisions of subsection (8) of section 22, any credit intermediary authorised by the Central Bank pursuant to section 29 of this Law and intending to carry out business for the first time in one or more Member States , under the freedom to provide services or when establishing a branch, shall inform in writing the Central Bank as the home Member State.
	(2)(a) The Central Bank shall, within one month of receiving the information referred to in subsection (1), notify the competent authorities of the host Member States concerned-
	(i) of the intention of the credit intermediary to carry out business in the territory of the member state and shall at the same time inform the credit intermediary concerned of that notification,

	(ii) of the creditors to which the credit intermediary is tied, and
	(iii) whether the creditors take full and unconditional responsibility for the activities of the credit intermediary acting on their behalf.
	(b) The credit intermediary may start business in the host Member State, one month after the date on which he was informed by the competent authorities of the home Member State of the notification referred to in the subparagraph (i) of paragraph (a).
Withdrawal of credit intermediary's admission.	33.-(1) The Central Bank, acting as the competent authority of the home Member State may withdraw the authorisation granted to a credit intermediary, in accordance with the provisions of section 29 where such credit intermediary-
	(a) Expressly renounces the authorisation or has carried out neither credit intermediation activities nor provided advisory services for the preceding six (6) months, unless the Central Bank has laid down a condition that in such cases the authorisation ceases to apply automatically,
	(b) has obtained the authorisation through false or misleading statements or any other irregular means,
	(c) no longer fulfils the requirements under which authorisation was granted,
	(d) falls within any of the cases where national law, in respect of matters outside the scope of this Law, provides for withdrawal of authorisation,
	(e) has seriously or systematically infringed the provisions adopted pursuant to this Law governing the operating conditions for credit intermediaries.
	(2) Where the authorisation of a credit intermediary is withdrawn by the Central Bank as the competent authority of the home Member State, the latter shall notify the competent authorities of the host Member States of such withdrawal as soon as possible and at the latest within 14 days, by any appropriate means.
	(3) The Central Bank shall ensure that credit intermediaries whose authorisation has been withdrawn are deleted from the register without undue delay.
Supervision of the credit intermediary.	34.-(1)(a) Credit intermediaries are subject to supervision of their ongoing activities by the Central Bank, as the competent authority of the home Member State.
	(b) Tied credit intermediaries are to be subject to supervision by the Central Bank-
	(i) Either directly, or
	(ii) as part of the supervision of the creditor on behalf of which they act, if the creditor is an ACI.

	(c) Notwithstanding the provisions of this subsection, if the tied credit intermediary who has been authorised in the Republic, provides services in a Member State other than the Republic, then the tied credit intermediary shall be subject to supervision from the Central Bank directly.
	(2)(a) Where the Central Bank acts as the competent authority of host member state of a credit intermediary operating in the Republic through a branch, it shall be responsible for ensuring that the services provided by the credit intermediary within the Republic comply with the obligations laid down in subsection(1) of section 7 and in sections 8, 9, 10, 11, 13, 14, 15, 16, 17, 20, 22 and 42 and in the measures adopted pursuant thereto.
	(b) Where the Central Bank as the competent authority of a host Member State ascertains that a credit intermediary that has a branch within the Republic is in breach of the measures adopted in the Republic pursuant to Article 7(1) and the provisions of sections 8, 9, 10, 11, 13, 14, 15, 16, 17, 20, 22 and 42, shall require the credit intermediary concerned to put an end to its irregular situation.
	(c) If the credit intermediary concerned fails to take the necessary steps referred to in paragraph (b), the Central Bank shall take all appropriate action to ensure that the credit intermediary concerned puts an end to its irregular situation. The nature of that action shall be communicated to the competent authority of the home Member State.
	(d) If, despite the action taken by the Central Bank as the competent authority of the host Member State, the credit intermediary persists in breaching the measures referred to in paragraph (a) that are in force in the Republic, the Central Bank may, after informing the competent authorities of the home Member State, take appropriate action to prevent or to penalise further irregularities and, in so far as necessary, to prevent the credit intermediary from initiating any further transactions within the Republic.
	(e)The Central Bank shall inform the European Commission of any action pursuant to paragraph (d) without undue delay.
Official Journal of the E.U.:L287 29.10.2013, p. 5.	(3) Where the Central Bank as the competent authority of the home Member State disagrees with action taken by the host Member State under paragraph (2) of Article 34 of Directive 2014/17/EU, in relation to irregular conduct in which a credit intermediary who is active in that Member State may have committed, the Central Bank may refer the matter to EBA and request its assistance in accordance with article 19 of Regulation (EU) No 1093/2010.
	(4) The Central Bank shall have the right, in relation to a credit intermediary's branch in the Republic, to examine branch arrangements and to request such changes as are strictly needed to fulfil its responsibilities under subsection 2 and shall enable the competent authorities of the home Member State to enforce the obligations under Article 7(2), (3) and (4) of the Directive 2014/17/EU and measures adopted pursuant thereto with respect to the services provided by the branch.

	(5)(a) Where the Central Bank acting as the competent authority of the host Member State, has clear and demonstrable grounds for concluding that a credit intermediary acting within the Republic under the freedom to provide services is in breach of the obligations arising from the measures adopted pursuant to the Directive 2014/17/EU or that a credit intermediary that has a branch within the Republic is in breach of the obligations arising from the measures adopted pursuant to the Directive 2014/17/EU, other than those specified in subsection (2) of this section, it shall refer those findings to the competent authority of the home Member State which shall take the appropriate action.
	(b) Where the competent authority of the home Member State fails to take any action within one month from the date that the Central Bank informs it in accordance with the provisions of paragraph (a) or where, despite the action taken by the competent authority of the home Member State, a credit intermediary persists in acting in a manner that is clearly prejudicial to the interests of the consumers in the Republic or orderly functioning of the markets, the Central Bank as the competent authority of the host Member State-
	(i) shall, after having informed the competent authority of the home Member State, take all appropriate action needed to protect consumers and ensure the proper functioning of the markets, including by preventing the offending credit intermediary from initiating any further transactions within the Republic. The Commission and EBA shall be informed of such action without undue delay,
	(ii) may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010.
	(6) Where a credit intermediary admitted in another Member State has established a branch within the Republic, the competent authorities of the home Member State, in the exercise of their responsibilities and after having informed the Central Bank as the competent authority of the host Member State, may carry out on-site inspections in that branch.
	(7) The Central Bank, as the competent authority of the home Member State of a branch, may carry out on-site inspections at that branch in the performance of its duties and after informing the competent authority of the host Member State of the branch.
	(8) The allocation of tasks between the competent authority of the Republic under the provisions of this Law and the competent authorities of other Member States under provisions established for the purpose of applying Article 34 of Directive 2014/17/EU shall be without prejudice to the competencies of the competent authority of the Republic and those of competent authorities of the Member States in conformity with their obligations under European Union Law, in relation to fields not covered by this Law and the Directive 2014/17/EU.
Authorisation and supervision of a non-credit institution.	34A. -(1) Any non-credit institution intending to provide a credit agreement governed by this Law shall submit to the Central Bank an application for authorisation to carry out the activity of providing credit under the provisions of this Law.

	(2) The Central Bank in the event that it is not fully satisfied that the company established in the Republic and applying for a non-credit institution authorisation, which in this Part shall be referred to as the "applicant company", fulfils all the conditions set out in this Law and the directives issued by virtue of this Law, shall not grant the requested authorisation.
	(3) The Central Bank shall issue a Directive on the authorisation procedure, the procedure for obtaining a qualifying holding, the suspension procedure and the procedure for the withdrawal of authorisation and the supervision of the non-credit institution referred to in subsection (1).
	(4) The Central Bank grants an authorisation if it is satisfied that the applicant company cumulatively meets the following criteria-
	(a) It is in a position to comply fully with the provisions of this Law and the directives issued under it;
	(b) the shareholders who possess a qualifying holding are of sufficiently good repute and satisfy the criteria of honesty and suitability, as laid down in a directive issued by the Central Bank;
	(c) the members of the management body possess at all times sufficiently good repute, sufficient knowledge, skills and experience to exercise their duties and meet the suitability criteria as defined in a directive issued by the Central Bank;
	(d) has an organisational structure enabling it to provide services in accordance with the provisions of this Law;
	(e) has no close links with any other persons who, in the Central Bank's view, may prevent the effective conduct of supervision; and
	(f) has an initial capital of five hundred thousand euros (€ 500,000).
	(5) The application for authorisation must be accompanied by the following documents:
	(a) The founding document and the articles of association of the applicant company;
	(b) the identity of the direct and/or indirect shareholders with a qualifying holding and the amount of this holding or, in the absence of qualifying holdings, the identity of the twenty (20) largest shareholders with a participation of five per cent (5%) or more individually;
	(c) the identity of the members of the management body;
	(d) the organisational structure of the applicant company;
	(e) the applicant company's programme of operations for the first three (3) years of its operation;
	(f) any additional information and / or records and / or documents that the Central Bank considers important for assessing the application and which

	are set out in a directive issued in accordance with the provisions of subsection (3).
	(6) In case the Central Bank is not satisfied that the applicant company meets the criteria set out in a Directive issued under the provisions of subsection (3) and / or the criteria set out in subsection (4) and / or has not submitted the documents and the information referred to in subsection (5) the Central Bank refuses to grant the requested authorisation in accordance with the provisions of this Law and informs the applicant company accordingly by a reasoned decision.
Annex III.	(7) The members of the management body of the non-credit institution and its senior management and the personnel responsible for the granting of credits under the provisions of this Law, shall possess the qualities of ethics and honesty and shall have sufficient knowledge, skills and experience to perform their duties in accordance with Annex III.
	(8) The Central Bank may reject an application for authorisation where it is not satisfied-
	(i) About the honesty and knowledge of the persons who effectively direct the applicant company or the staff who provide credit agreements, and
	(ii) that the involvement of those persons in the management of the applicant company does not constitute a threat to its sound and prudent management.
	(9) The decision to grant or refuse to grant the authorisation required under the provisions of this Section, shall be notified to the applicant company within six (6) months from the date of receipt of the full application for authorisation.
	(10) The Central Bank may authorise a non-credit institution with or without conditions, to modify or revoke, permanently or temporarily, any conditions imposed on an authorisation granted or impose new conditions on it, as it deems appropriate.
	(11) The Central Bank keeps a register and publishes on its website a list of all non-credit institutions to which it has granted authorisation under the provisions of this Law.
	(12) The Central Bank shall perform its functions and tasks, under the provisions of this Law and shall monitor and supervise the activities of non-credit institutions, towards ensuring compliance with the requirements of this Law.
	(13)(α) The Central Bank shall obtain the necessary information for the assessment of the conformity of non-credit institutions with the provisions of this Law, and for the investigation of potential violations of this Law.
	(β) Non-credit institutions shall provide the Central Bank with all the necessary information requested by it, for the assessment of their compliance with the provisions of this Law.
	PART XII
	LEGAL INVESTIGATION OF A TITLE

Costs of legal investigation for a title.	35. Any costs incurred by a mortgage lender in respect of a legal investigation for a title of any immovable property offered as mortgage by the borrower, shall be borne by the mortgage lender and not by the borrower either as rights clearly stated to be related to such expenses or as part of any rights or any other charge associated with the housing loan.
	PART XIII
	COOPERATION BETWEEN COMPETENT AUTHORITIES OF DIFFERENT MEMBER STATES
Obligation to cooperate.	36.-(1)(a) Competent authorities of different Member States shall cooperate with each other whenever necessary for the purpose of carrying out their duties under this Law, making use of their powers, whether set out in this Law or in other relevant law.
	(b) Competent authorities shall render assistance to competent authorities of the other Member States. In particular, they shall exchange information and cooperate in any investigation or supervisory activities.
	(c) In order to facilitate and accelerate cooperation, and particularly the exchange of information, the Central Bank shall be designated as a contact point for the purposes of this Law.
	(d) The Central Bank shall communicate to the Commission and to the other Member States the fact that it has been designated to receive requests for exchange of information or cooperation pursuant to this subsection.
	2. Member States shall take the necessary administrative and organisational measures to facilitate the cooperation provided for in subsection (1), by issuing directives or in any other appropriate way.
	(3)(a) The Central Bank shall without undue delay supply to the competent authorities of Member States having been designated as contact points under Article 36 of the Directive 2014/17/EU as transposed into national legislation of the said Member States, with all the information required for the purposes of carrying out the duties of the competent authorities, designated in accordance with Article 5 of this Directive.
	(b) If the Central Bank transmits information to competent authorities of other Member States under the provisions of paragraph (a), may indicate at the time of communication that such information must not be disclosed without its express agreement.
	(c) If the Central Bank receives information from competent authorities of other Member States, under the provisions transposing into the national law of the other Member States the provisions of the Directive 2014/17/EU, which authorities shall specify at the time of communication that such information shall not be disclosed without their express agreement, the Central Bank does not disclose this information without their express agreement and in such case the information is exchanged only for the

	purposes for which the relevant competent authority has given its agreement.
	(d) The Central Bank, as the contact point, may transmit the information received to the other competent authorities, however it shall not transmit the information to other bodies or natural or legal persons without the express agreement of the competent authorities of Member States which disclosed it and solely for the purposes for which the other competent authorities of Member States gave their agreement, except in duly justified circumstances in which case the Central Bank shall immediately inform the contact point of the competent authority of the Member State that supplied the information.
	(4) The Central Bank may refuse to act on a request for cooperation in carrying out an investigation or supervisory activity or to exchange information as provided for in subsection (3) only where-
	(a) such an investigation, on-the-spot verification, supervisory activity or exchange of information might adversely affect the sovereignty, security or public policy of the Republic,
	(b) judicial proceedings have already been initiated in respect of the same actions and the same persons before the authorities of the Republic,
	(c) final judgement has already been delivered in the Republic in respect of the same persons and the same actions.
	(5) If the Central Bank refuses a request for cooperation, under the provisions of subsection (4), it shall notify the requesting competent authority accordingly, providing as detailed information as possible.
Dispute settlement between competent authorities of different Member States.	37. The Central Bank may refer the situation to EBA in accordance with Article 19 of Regulation (EU) No 1093/2010, where a request submitted by the Central Bank to a competent authority of another Member State for cooperation, in particular the exchange of information, has been rejected or has not been acted upon within a reasonable time.
	PART XIV
	FINAL PROVISIONS
Tasks and responsibilities of the competent authorities.	38.-(1) Each competent authority, within the scope of its powers under the provisions of section 5-
	(a) Shall ensure the application of the provisions of this Law by creditors and credit intermediaries;
	(b) shall conduct investigations for the purpose of examining any potential breach of the provisions of this Law;
	(c) in the case of the CPS, shall take all or any of the measures referred to in section 40, where a creditor or credit intermediary violates any relevant provision of this Law;
	(d) shall take all necessary steps for the issuance of court injunctions in accordance with the provisions of section 43; and

	(e) shall impose administrative fines in the event of breach of any prohibitive and/or mandatory provisions of this Law.
	(2) The CPS may provide information or advice to a consumer regarding credit agreements and in particular the obligations imposed on the creditor or other persons under the provisions of this Law.
Powers of the competent authorities in relation to investigations and examinations.	39. -(1) Each competent authority may, within the scope of its powers under section 5, require a person who, in its opinion possesses information or has under its control or authority relevant documents or data, to provide such information, documents or data to the competent authority and, where necessary, may require that person to present himself or herself at the working location of the competent authority or competent authorities, as the case may be:
	It is provided that, in order to obtain information, documents or data relating to consumer complaints, his or her prior written consent is obtained.
	(2) A person to whom any claim is made under the provisions of subsection (1), shall be obliged to comply with this claim, without prejudice to the immunities and privileges enjoyed by a witness who is required to appear before a Court of Justice.
	(3) It is forbidden for any person to prohibit or impede by any act or omission, any competent authority in the performance of its duties under the provisions of this Law.
	(4) Everyone is required to comply with any claim addressed to him by any competent authority under the provisions of this Law.
Examining infringements affecting the interests of the consumer by the Service.	40. -(1) The CPS shall, following a complaint or on its own initiative, examine any infringement of any provision of this Law which falls within the scope of its powers under the provisions of section 5.
	(2) If the CPS, during the investigation of a complaint or an own-initiative inquiry, in accordance with subsection (1), finds out that there is an infringement of any provision of this Law that is prohibitive or protective of the consumer's interests, has the jurisdiction to take one or more of the following actions, , depending on the nature, duration and gravity of the infringement:
	(a) To order or recommend to the infringer to end the infringement within a specified time limit and avoid its repetition in the future or, in the event that the infringement has been terminated before the decision of the CPS, to confirm by decision the infringement,
	(b) to order or recommend to the infringer to take corrective measures which, in its opinion, restore the unlawful situation created by the infringement,
	(c) to impose an administrative fine according to the nature, gravity and duration of the infringement, in accordance with the provisions of section 41 and / or

	(d) to apply to the Court for the adoption of a prohibitive or mandatory decree, including a temporary decree, against any person who, in its opinion, is involved in or responsible for this infringement.
	(3) During the inquiry of any infringement, under subsection (1), the CPS may, where appropriate, take into account any commitment against the consumer by the alleged infringer or on behalf of the alleged infringer, in relation to the infringement committed and the prospect of eliminating or restoring it.
	(4) The CPS duly justifies its decision in relation to the exercise of any of the powers provided for in subsection (2).
Sanctions.	41.-(1) In the event of an infringement of the provisions of this Law, each competent authority may, within the framework of its powers under section 5, after having called the infringer to account, impose on the infringer an administrative fine not exceeding two hundred and fifty thousand euro (€250,000) and, in case of repetition or continuation of the infringement, an administrative fine not exceeding five thousand euros (€ 5,000) for each day for which the infringement continues.
	(2) Where a person has benefited from an infringement of this Law and/or the directives and/or decrees issued thereunder, and which benefit exceeds the amount of the administrative fine laid down in this Law for the infringement, the competent authorities may impose an administrative fine of up to two times the benefit obtained by the person concerned:
	It is provided that, the sum of the amounts of the administrative fine imposed by each competent authority, does not exceed the amount which is twice the benefit obtained by the person carrying out the infringement:
	(3) Without prejudice to the provisions of subsections (1) and (2), where a competent authority finds an infringement of this Law and / or the directives and / or decrees issued under it, it may impose an administrative fine within the framework of its powers-
	(a) To legal persons; and
	(b) to a director, senior executive or official or secretary of legal persons, or if the infringer legal person and his responsible persons, in case it has been found that the infringement was attributable to their fault, deliberate omission or serious negligence.
	(4) Each competent authority may publicly disclose any measures or sanctions imposed in the event of violation of the provisions of this Law and / or the directives and / or decrees issued thereunder, unless such disclosure could cause disproportionate damage to the parties involved.
	(5) In the event of failure to pay an administrative fine imposed by the CPS, legal action shall be taken in order to collect it.
	(6) The administrative fines imposed by the CPS in accordance with the provisions of this Law constitute revenue of the Republic's Consolidated Fund.

	(7) In the event of failure to pay an administrative fine imposed by the Central Bank, the Central Bank takes legal action to recover it and collects the amount due as a civil debt owed towards the Republic.
	(8) The administrative fines imposed by the Central Bank in accordance with the provisions of this Law shall be considered as revenue of the Central Bank.
	(9) The administrative fines imposed pursuant to the provisions of this section shall be collected as financial penalties imposed by the Court in the exercise of its criminal jurisdiction.
Appeal against decisions of the CPS.	42.-(1) The CPS shall impose an administrative fine or other measures on the infringer under the provisions of this Law upon hearing or giving the infringer or his representative the opportunity to be heard orally or in writing and duly justifying such decisions, measures and administrative fine.
	(2) A hierarchical appeal may be brought before the Minister within thirty (30) days of notification of the decision to the infringer or appeal to the Supreme Court within seventy-five (75) days of notification of the decision to the infringer in accordance with Section 146 of the Constitution against the measures and administrative fines imposed by the CPS.
	(3) The Minister shall examine the appeal and, after hearing the parties concerned or giving them an opportunity to present their views, shall decide in accordance with the provisions of subsection (4) of this section.
	(4) The Minister may issue one of the following decisions-
	(a) Uphold the contested decision,
	(b) annul the contested decision,
	(c) amend the contested decision,
	(d) to issue a new decision to replace the contested one.
	(5) The amount of the administrative fine shall be collected by the CPS only if the time limit for the submission of an appeal to the Minister pursuant to the provisions of subsection (2) of this section elapses or immediately after the notification of the Minister's decision on the hierarchical appeal against the decision of the CPS.
Appeal against decisions of the Central Bank.	43.-(1) The Central Bank shall impose an administrative fine or other measures on the infringer under the provisions of this Law after hearing or giving the opportunity to the infringer or his representative to be heard orally or in writing, duly justifying those decisions, measures and administrative fines.
	(2) A proceeding may be instituted in accordance with the provisions of Section 146 of the Constitution against the decisions, measures and administrative fines imposed by the Central Bank under the provisions of this Law.

Issuance of decrees.	44. -(1) A Court before which any application under paragraph (e) of subsection (2) of section 40 is being brought, is empowered to adopt a prohibitive or prescriptive decree, including an interim injunction, ordering-
	(a) The immediate cessation and / or non-repetition of the infringement,
	(b) to adopt, within a prescribed period, such corrective measures that in the Court's view, shall dispel the unlawful situation created by the infringement in question,
	(c) the publication of all or part of the relevant Court decision or the publication of a corrective statement in order to eliminate any continuing impact of the infringement, and/or
	(d) any other action or measure deemed necessary or reasonable under the circumstances of the particular case.
	(2) The decree issued under the provisions of subsection (1) may relate not only to the specific acts, omissions or conduct of the creditor towards the particular consumer, but also to similar future acts or omissions or behaviour of the creditor towards the consumers.
Instructions by the CPS regarding communications and notices.	45. -(1) Subject to the provisions of this Law, the CPS may, in any way it considers fit, issue instructions regarding the form, content, position and size of any communication or notice required to be published under the provisions of this Law.
	(2) A person, to whom a directive issued under the provisions of subsection (1) is addressed to or relates to, shall comply with this directive.
Amendment of Annexes.	46. In case any Annex of Directive 2014/17/EU is amended, the Minister of Finance may, by decree, make a corresponding amendment to any relevant Annex to this Law.
Repeal of contrary provisions.	47. The provisions of this Law are considered specific with respect to the matters they regulate, and any provisions in any other Law or secondary legislation, which are contrary to a provision of this Law, shall not apply with the entry into force of this Law.
Repeal of Law. 39(I) of 2001 166(I) of 2001 34(I) of 2002 77(I) of 2002 33(I) of 2004 92(I) of 2007 126(I) of 2009 107(I) of 2010.	48. With the entry into force of this Law, the Consumer Credit (Mortgage Loans and Hire Purchase Agreements) Law is abolished.
Right of appeal. 131(I) of 2015.	49. The decisions of the competent authorities issued pursuant to the provisions of this Law shall be subject to appeal before the Administrative Court, in accordance with the provisions of section 3 of the Establishment and Operation of the Administrative Court Law.

Dispute resolution mechanism.	50. The Financial Ombudsman shall deal with the out-of-court settlement of disputes between consumers on the one hand and creditors and/or credit intermediaries on the other, in relation to the activities of creditors and credit intermediaries and credit agreements falling within the scope of this Law.
Non-waiver of consumer's rights.	51.-(1) A consumer cannot renounce the rights granted to him under the provisions of this Law.
	(2) The measures adopted pursuant to the provisions of this Law shall not be circumvented in a way which could lead to consumers losing the protection granted by this Law as a result of the way in which agreements are formulated or in any other way, in particular-
	(a) By integrating credit agreements falling within the scope of this Law into credit agreements the character or purpose of which would make it possible to avoid the application of those measures or
	(b) by virtue of a contractual clause or condition that cancels or limits any obligation imposed on a creditor or credit intermediary or which cancels or limits any right or protection granted to a consumer under the provisions of this Law and any such clause or condition is considered null and void.
Responsibility of the Authorities.	52. Each competent authority, and any consultant, officer or employee thereof, shall not be liable in any action, claim or other legal process for damages in respect of any act or omission in the performance of its duties under this Law, except if it is established that the act or omission is not in good faith or is the result of serious negligence.
Costs.	53.-(1) Each competent authority may determine all costs related to the performance of its tasks under the provisions of this Law and require their reimbursement by any creditor and credit intermediary: It is provided that the costs will not be passed on to the consumer.
	(2) Each competent authority may issue instructions on the establishment and payment of the costs referred to in subsection (1) by any creditor and credit intermediary.
Power of the Central Bank and the CPS to issue directives.	54. For the purpose of achieving the objectives of this Law as well as the fulfilment of their obligations under the provisions of this Law, the Central Bank and the CPS may, as competent authorities, issue general or specific directives for the better implementation and enforcement of the provisions of this Law.
Transitional provisions.	55.-(1) This Law shall not apply to credit agreements concluded before the entry into force of this Law.
	(2) Paragraph (f) of subsection (1) of section 13 shall not apply to credit agreements concluded by 1 July 2018.
	(3) Creditors and credit intermediaries which performed activities regulated by this Law before 20 March 2014 shall comply with the provisions of section 9 of this Law by 21 March 2017.

Entry into force of the present Law.	56. Subject to the provisions of section 55, this Law shall enter into force on the day of its publication in the Official Gazette of the Republic.

ANNEX I

(Section
17)

CALCULATION OF THE TOTAL ANNUAL PERCENTAGE RATE OF CHARGE (APRC)
I. The basic equation expressing the equivalence of drawdowns on the one hand and repayments and charges on the other.
The basic equation, which establishes the annual percentage rate of charge (APRC), equates, on an annual basis, the total present value of drawdowns on the one hand and the total present value of repayments and payments of charges on the other hand, i.e.:
$\sum_{k=1}^m C_k (1 + X)^{-t_k} = \sum_{l=1}^{m'} D_l (1 + X)^{-s_l}$
where:
— X is the APRC
— m is the number of the last drawdown
— k is the number of a drawdown, thus $1 \leq k \leq m$
— C_k is the amount of drawdown k
— t_k is the interval, expressed in years and fractions of a year, between the date of the first drawdown and the date of each subsequent drawdown, thus $t_1 = 0$,
— m' is the number of the last repayment or payment of charges
— l is the number of a repayment or payment of charges

— DI is the amount of a repayment or payment of charges
— SI is the interval, expressed in years and fractions of a year, between the date of the first drawdown and the date of each repayment or payment of charges
Comments:
(a) The amounts paid by both parties at different times shall not necessarily be equal and shall not necessarily be paid at equal intervals.
(b) The starting date shall be that of the first drawdown.
(c) Intervals between dates used in the calculations shall be expressed in years or in fractions of a year. A year is presumed to have 365 days (for leap years 366 days), 52 weeks or 12 equal months. An equal month is presumed to have 30.41666 days (i.e. 365/12) regardless of whether or not it is a
Where intervals between dates used in the calculations cannot be expressed as a whole number of weeks, months or years, the intervals shall be expressed as a whole number of one of those periods in combination with a number of days. Where using days:
(i) every day shall be counted, including weekends and holidays,
(ii) equal periods and then days shall be counted backwards to the date of the initial drawdown,
(iii) the length of the period of days shall be obtained excluding the first day and including the last day and shall be expressed in years by dividing this period by the number of days (365 or 366 days) of the complete year counted backwards from the last day to the same day of the previous year.
(d) The result of the calculation shall be expressed with an accuracy of at least one decimal place. If the figure at the following decimal place is greater than or equal to 5, the figure at the preceding decimal place shall be increased by one.
(e) The equation can be rewritten using a single sum and the concept of flows (A_k), which will be positive or negative, in other words either paid or received during periods 1 to n, expressed in years,
$S = \sum_{k=1}^n A_k (1 + X)^{-t_k},$
S being the present balance of flows. If the aim is to maintain the equivalence of flows, the value will be zero.
II. Additional assumptions for the calculation of the APRC
(a) If a credit agreement gives the consumer freedom of drawdown, the total amount of credit shall be deemed to be drawn down immediately and in full.
(b) If a credit agreement provides different ways of drawdown with different charges or borrowing rates, the total amount of credit shall be deemed to be drawn down at the highest charge and borrowing rate applied to the most common drawdown mechanism for this type of credit
(c) If a credit agreement gives the consumer freedom of drawdown in general but imposes, amongst the different ways of drawdown, a limitation with regard to the amount of credit and period of time, the amount of credit shall be deemed to be drawn down on the earliest date provided for in the credit agreement and in accordance with those drawdown limits.
(d) If different borrowing rates and charges are offered for a limited period or amount, the highest borrowing rate and charges shall be deemed to be the borrowing rate and charges for the whole duration of the credit agreement.
(e) For credit agreements for which a fixed borrowing rate is agreed in relation to the initial period, at the end of which a new borrowing rate is determined and subsequently periodically adjusted according to an agreed indicator or internal reference rate the calculation of the APRC shall be based on the assumption that, at the end of the fixed borrowing rate period, the borrowing rate is the same as at the time of calculation of the APRC, based on the value of the agreed indicator or internal reference rate at that time, but is not less than the fixed borrowing rate.
(f) If the ceiling applicable to the credit has not yet been agreed, that ceiling is assumed to be EUR 170 000. In the case of credit agreements — other than contingent liabilities or guarantees — the purpose of which is

not to acquire or retain a right in immovable property or land, overdrafts, deferred debit cards or credit cards this ceiling is assumed to be EUR 1 500 .
(g) In the case of credit agreements other than overdrafts, bridging loans, shared equity credit agreements, contingent liabilities or guarantees and open-ended credit agreements as referred to in the assumptions set out in points (i), (j), (k), (l) and (m):
(i) if the date or amount of a repayment of capital to be made by the consumer cannot be ascertained, it shall be assumed that the repayment is made at the earliest date provided for in the credit agreement and is for the lowest amount for which the credit agreement provides,
(ii) if the interval between the date of initial drawdown and the date of the first payment to be made by the consumer cannot be ascertained, it shall be assumed to be the shortest interval.
(h) Where the date or amount of a payment to be made by the consumer cannot be ascertained on the basis of the credit agreement or the assumptions set out in points (g), (i), (j), (k), (l) and (m) it shall be assumed that the payment is made in accordance with the dates and conditions required by the creditor and, when these are unknown:
(i) interest charges are paid together with the repayments of the capital,
(ii) non-interest charges expressed as a single sum are paid at the date of the conclusion of the credit agreement,
(iii) non-interest charges expressed as several payments are paid at regular intervals, commencing with the date of the first repayment of capital, and if the amount of such payments is not known they shall be assumed to be equal amounts,
(iv) the final payment clears the balance of capital, interest and other charges, if any.
(i) In the case of an overdraft facility, the total amount of credit shall be deemed to be drawn down in full and for the whole duration of the credit agreement. If the duration of the overdraft facility is not known, the APRC shall be calculated on the assumption that the duration of the credit is three months.
(j) In the case of a bridging loan, the total amount of credit shall be deemed to be drawn down in full and for the whole duration of the credit agreement. If the duration of the credit agreement is not known the APRC shall be calculated on the assumption that the duration of the credit is 12 months.
(k) In the case of an open ended credit agreement, other than an overdraft facility and bridging loan, it shall be assumed that:
(i) for credit agreements, the purpose of which is to acquire or retain rights in immovable property the credit is provided for a period of 20 years starting from the date of the initial drawdown, and that the final payment made by the consumer clears the balance of capital, interest and other charges, if any; in the case of credit agreements the purpose of which is not to acquire or retain rights in immovable property or which are drawn down by deferred debit cards or credit cards, this period shall be of one
(ii) the capital is repaid by the consumer in equal monthly payments, commencing 1 month after the date of the initial drawdown. However, in cases where the capital must be repaid only in full, in a single payment, within each payment period, successive drawdowns and repayments of the entire capital by the consumer shall be assumed to occur over the period of one year. Interest and other charges shall be applied in accordance with those drawdowns and repayments of capital and as
For the purposes of this point, an open-ended credit agreement is a credit agreement without fixed duration and includes credits which must be repaid in full within or after a period but, once repaid, become available to be drawn down again.
(l) In the case of contingent liabilities or guarantees, the total amount of credit shall be deemed to be drawn down in full as a single amount at the earlier of:
(i) the latest draw down date permitted under the credit agreement being the potential source of the contingent liability or guarantee; or
(ii) in the case of a rolling credit agreement at the end of the initial period prior to the rollover of the agreement.
(m) In the case of shared equity credit agreements:
(i) the payments by consumers shall be deemed to occur at the latest date or dates permitted under the credit agreement,

(ii) percentage increases in value of the immovable property which secures the shared equity credit agreement, and the rate of any inflation index referred to in the agreement, shall be assumed to be a percentage equal to the higher of the current central bank target inflation rate or the level of inflation in the Member State where the immovable property is located at the time of conclusion of the credit agreement or 0 % if those percentages are negative.

ANNEX II

(Section
14)

EUROPEAN STANDARDISED INFORMATION SHEET (ESIS)
PART A
The text in this model shall be reproduced as such in the ESIS. Indications between square brackets shall be replaced with the corresponding information. Instructions for the creditor or, where applicable, credit intermediary on how to complete the ESIS are provided in Part B.
Wherever the words 'where applicable' are indicated, the creditor shall provide the information required if it is relevant to the credit agreement. Where the information is not relevant, the creditor shall delete the information in question or the entire ESIS section (for example, in cases where the section is not applicable). Where the entire section is deleted, the numbering of the ESIS sections shall be adjusted accordingly.
The information below shall be provided in a single document. The font used shall be clearly readable. Bold font, shading or larger font sizes shall be used for the information elements to be highlighted. All applicable risk warnings shall be highlighted.
ESIS model
(Introductory text)
This document was produced for [name of consumer] on [current date].
This document was produced on the basis of the information that you have provided so far and on the current financial market conditions.

The information below remains valid until [validity date], (where applicable) apart from the interest rate and other costs. After that date, it may change in line with market conditions.
(Where applicable) This document does not constitute an obligation for [name of creditor] to grant you a loan.
1. Creditor
[Name]
[Telephone number]
[Postal address]
(optional) [electronic mail address]
(optional) [Fax number]
(optional) [Web address]
(Optional) [Contact person/point]
(Where applicable information as to whether advisory services are being provided :) [(We recommend, having assessed your needs and circumstances that you take out this mortgage. /We are not recommending a particular mortgage for you. However, based on your answers to some questions, we are giving you information about this mortgage so that you can make your own choice)].
2. (Where applicable) Credit intermediary
[Name]
[Telephone number]
[Postal address]
(optional) [electronic mail address]
(optional) [Fax number]
(optional) [Web address]
(Optional) [Contact person/point]
(Where applicable information as to whether advisory services are being provided :) [(We recommend, having assessed your needs and circumstances that you take out this mortgage. /We are not recommending a particular mortgage for you. However, based on your answers to some questions, we are giving you information about this mortgage so that you can make your own choice)].
[Remuneration]
3. Main features of the loan
Amount and currency of the loan granted: [value][currency]
(Where applicable) This loan is not in [national currency].
(Where applicable) The value of your loan in [national currency of the borrower] could change.
(Where applicable) For example, if the value of [national currency of the borrower] fell by 20 % relative to [credit currency], the value of your loan would increase to [insert amount in national currency of the borrower]. However, it could be more than this if the value of [national currency of the borrower] falls by more than 20 %.
(Where applicable) The maximum value of your loan will be [insert amount in national currency of the borrower]. (Where applicable) You will receive a warning if the credit amount reaches [insert amount in national currency of the borrower]. (Where applicable) You will have the opportunity to renegotiate foreign currency loan or right to convert loan into [relevant currency] and conditions].
Duration of the loan: [duration]
[Type of loan]
[Type of applicable interest rate]
Total amount to be reimbursed:
This means that you will pay back [amount] for every [unit of the currency] borrowed.

(Where applicable) [This loan/part of this loan] is an interest-only loan. You will need to make separate arrangements to repay the [insert amount of loan on an interest-only basis] at the end of the mortgage term.
(Where applicable) Value of the property assumed to prepare this information sheet: [insert amount]
(Where applicable) Maximum available loan amount relative to the value of the property [insert ratio] or Minimum value of the property required to borrow the illustrated amount [insert amount]
(Where applicable)[Guarantee]
4. Interest and other charges
The annual percentage rate of charge (APRC) is the total cost of the loan expressed as an annual percentage. The APRC is provided to help you to compare different offers.
The APRC applicable to your loan is [APRC].
The following are included:
Interest rate [value in percentage or, where applicable, indication of a reference rate and percentage value of creditor's spread]
[Other components of the APRC]
One-off costs
(Where applicable) You will need to pay a fee to register the mortgage. [Insert amount of fee where known or basis for calculation.]
Recurring costs
(Where applicable) This APRC is calculated using assumptions regarding the interest rate.
(Where applicable) Because [part of] your loan is a variable interest rate loan, the actual APRC could be different from this APRC if the interest rate for your loan changes. For example, if the interest rate rose to [scenario as described in Part B], the APRC could increase to [insert illustrative APRC corresponding to the scenario].
Where applicable) Please note that this APRC is calculated on the basis that the interest rate remains at the level fixed for the initial period throughout the duration of the contract.
(Where applicable) The following costs are not known to the lender and are therefore not included in the APRC: [Costs]
(Where applicable) You will need to pay a fee to register the mortgage.
Please make sure that you are aware of all other taxes and costs associated with your loan.
5. Frequency and number of payments
Repayment frequency: [frequency]
Number of payments: [number]
6. Amount of each instalment
[Amount] [currency]
Your income may change. Please make sure that if your income falls you will still be able to afford your [frequency] repayment instalments.
(Where applicable) Because [this/part of this] is an interest-only loan you will need to make separate arrangements to repay the [insert amount of loan on an interest-only basis] you will owe at the end of the mortgage term. Remember to add any extra payments you will need to make to the instalment amount shown here.
(Where applicable) The interest rate on [part of] this loan can change. This means the amount of your instalments could increase or decrease. For example, if the interest rate rose to [scenario as described in Part B] your payments could increase to [insert instalment amount corresponding to

(Where applicable) The value of the amount you have to pay in [national currency of the borrower] each [frequency of instalment] could change. (Where applicable) Your payments could increase to [insert maximum amount in national currency of the borrower] each [insert period]. (Where applicable) For example, if the value of [national currency of the borrower] fell by 20 % relative to [credit currency], the value of your loan would increase to [insert amount in national currency of the borrower] each [insert period]. Your payments could increase by more than this.

(Where applicable) The exchange rate used for converting your repayment in [credit currency] to [national currency of the borrower] will be the rate published by [name of institution publishing exchange rate] on [date] or will be calculated on [date] using [insert name of benchmark or method of calculation].
(Where applicable) [Details on tied savings products, deferred-interest loans]
7. (Where applicable) Illustrative repayment table
This table shows the amount to be paid every [frequency].
The instalments (column [relevant no.]) are the sum of interest to be paid (column [relevant no.]), where applicable, capital paid (column [relevant no.]) and, where applicable, other costs (column [relevant no.]). (Where applicable) The costs in the other costs column relate to [list of costs]. Outstanding capital (column [relevant no.]) is the amount of the loan that remains to be reimbursed after each instalment.
[Table]
8. Additional obligations
The borrower must comply with the following obligations in order to benefit from the lending conditions described in this document.
[Obligations]
(Where applicable) Please note that the lending conditions described in this document (including the interest rate) may change if these obligations are not complied with.
(Where applicable) Please note the possible consequences of terminating at a later stage any of the ancillary services relating to the loan:
[Consequences]
9. Early repayment
You have the possibility to repay this loan early, either fully or partially.
(Where applicable) [Conditions]
(Where applicable) Exit charge: [insert amount or, where not possible, the method of calculation]
(Where applicable) Should you decide to repay this loan early, please contact us to ascertain the exact level of the exit charge at that moment.
10. Flexibilities
(Where applicable) [Information on portability/subrogation] You have the possibility to transfer this loan to another [lender][or] [property].
[Conditions]
(Where applicable) You do not have the possibility to transfer this loan to another [lender] [or] [property].
(Where applicable) Additional features: [insert explanation of additional features listed in Part B and, optionally, any other features offered by the lender as part of the credit agreement not referred to in previous ESIS sections].
11. Other rights of the borrower
(Where applicable) You have [length of reflection period] after [point in time when the reflection period begins] to reflect before committing yourself to taking out this loan. (Where applicable) Once you have received the credit contract from the lender, you may not accept it before the end of [length of reflection period].
(Where applicable) For a period of [length of withdrawal period] after [point in time when the withdrawal period begins] you may exercise your right to cancel the agreement. [Conditions] [Insert

(Where applicable) You may lose your right to cancel the agreement if, during that period, you buy or sell a property connected to this credit agreement.
(Where applicable) Should you decide to exercise your right of withdrawal [from the credit agreement], please verify whether you will remain bound by your other obligations relating to the loan [including the ancillary services relating to the loan] [, referred to in ESIS Section 8].
12. Complaints
If you have a complaint please contact [insert internal contact point and source of information on procedure].
(Where applicable) Maximum time for handling the complaint [period of time]
(Where applicable) [If we do not resolve the complaint to your satisfaction internally,] you can also contact: [insert name of external body for out-of-court complaints and redress] (Where applicable) or you can contact FIN-NET for details of the equivalent body in your own country.
13. Non-compliance with the commitments linked to the loan: consequences for the borrower
[Types of non-compliance]
[Financial and/or legal consequences]
Should you encounter difficulties in making your [frequency] payments, we invite you to contact us as quickly as possible to explore possible solutions.
(Where applicable) As a last resort, your home may be repossessed if you do not keep up with payments.
(Where applicable) 14. Additional information
(Where applicable) [Indication of the law applicable to the credit contract].
(Where the lender intends to use a language different from the language of the ESIS) Information and contractual terms will be supplied in [language]. With your consent, we intend to communicate in [language/s] during the duration of the credit agreement.
[Insert statement on right to be provided with or offered, as applicable, a draft credit agreement]
15. Supervisory authority
This lender is supervised by [Name(s), postal address(es) and web address(es) of supervisory authority].
(Where applicable) This credit intermediary is supervised by [Name, postal address and web address of supervisory authority].
PART B
Instructions to complete the ESIS
In completing the ESIS, at least the following instructions shall be followed.
Section 'Introductory text'
(1) The validity date shall be properly highlighted. For the purpose of this section, the 'validity date' means the length of time the information, e.g. the borrowing rate, contained in the ESIS will remain unchanged and will apply should the creditor decide to grant the credit within this period of time. Where the determination of the applicable borrowing rate and other costs depends on the results of the selling of underlying bonds, the eventual borrowing rate and other costs may be different from those stated. In those circumstances only, it shall be stipulated that the validity date does not apply to the borrowing rate and other costs by adding the words: 'apart from the interest rate and other costs'.
Section "1. Creditor"
(1) Name, telephone number, and postal address of the creditor shall refer to the contact information that the consumer may use for future correspondence.
(2) Information on the e-mail address, fax number, web address and contact person/point is optional.

(3) In line with Article 3 of Directive 2002/65/EC, where the transaction is being offered at a distance, the creditor shall indicate, where applicable, the name and postal address of its representative in the Member

State of residence of the consumer. Indication of the telephone number, e-mail address and web address of the representative of the credit provider is optional.
(4) Where ESIS Section 2 is not applicable, the creditor shall inform the consumer whether advisory services are being provided and on what basis using the wording in Part A.
(Where applicable) Part “2. Credit intermediary”
Where the product information is being provided to the consumer by a credit intermediary, that intermediary shall include the following information:
(1) Name, telephone number and postal address of the credit intermediary shall refer to the contact information that the consumer may use for future correspondence.
(2) Information on the e-mail address, fax number, web address and contact person/point is optional.
(3) The credit intermediary shall inform the consumer whether advisory services are being provided and on what basis using the wording in Part A.
(4) An explanation of how the credit intermediary is being remunerated. Where it is receiving commission from a creditor, the amount and, where different from the name in section 1, the name of the creditor shall be provided.
Section “3. Main features of the loan”
(1) This section shall clearly explain the main characteristics of the credit, including the value and currency and the potential risks associated with the borrowing rate, including the ones referred to in point (8), and amortisation structure.
(2) Where the credit currency is different from the national currency of the consumer, the creditor shall indicate that the consumer will receive a regular warning at least when the exchange rate fluctuates by more than 20 %, where applicable the right to convert the currency of the credit agreement or to the possibility to renegotiate the conditions and any other arrangements available to the consumer to limit their exposure to exchange rate risk. Where there is a provision in the credit agreement to limit the exchange rate risk, the creditor shall indicate the maximum amount the consumer could have to pay back. Where there is no provision in the credit agreement to limit the exchange rate risk to which the consumer is exposed to a fluctuation in the exchange rate of less than 20 %, the creditor shall indicate an illustration of the effect of a 20 % fall in the value of consumer’s national currency relative to the credit currency on the value of the credit.
(3) The duration of the credit shall be expressed in years or months, whichever is the most relevant. Where the duration of the credit can vary during the lifetime of the contract, the creditor shall explain when and under which conditions this can occur. Where the credit is open-ended, for example, for a secured credit card, the creditor shall clearly state that fact.
(4) The type of credit shall be clearly indicated (e.g. mortgage credit, home loan, secured credit card). The description of the type of credit shall clearly indicate how the capital and the interest shall be reimbursed during the life of the credit (i.e. the amortisation structure), specifying clearly whether the credit agreement is on capital repayment or interest-only basis, or a mixture of the two.
(5) Where all or part of the credit is an interest-only credit, a statement clearly indicating that fact shall be inserted prominently at the end of this section using the wording in Part A.
(6) This section shall explain whether the borrowing rate is fixed or variable and, where applicable, the periods during which it will remain fixed; the frequency of subsequent revisions and the existence of limits to the borrowing rate variability, such as caps or floors.
The formula used to revise the borrowing rate and its different components (e.g. reference rate, interest rate spread) shall be explained. The creditor shall indicate, e.g. by means of a web address, where further information on the indices or rates used in the formula can be found, e.g. Euribor or central bank reference rate.
(7) If different borrowing rates apply in different circumstances, the information shall be provided on all applicable rates.

(8) The 'total amount to be reimbursed' corresponds to the total amount payable by the consumer. It shall be shown as the sum of the credit amount and the total cost of the credit to the consumer. Where the borrowing rate is not fixed for the duration of the contract, it shall be highlighted that this amount is illustrative and may vary in particular in relation with the variation in the borrowing rate.
(9) Where the credit will be secured by a mortgage on the immovable property or another comparable security or by a right related to immovable property, the creditor shall draw the consumer's attention to this. Where applicable the creditor shall indicate the assumed value of the immovable property or other security used for the purpose of preparing this information sheet.
Where applicable, the creditor shall state:
(a) 'maximum available loan amount relative to the value of the property', indicating the loan-to-value ratio. This ratio is to be accompanied by an example in absolute terms of the maximum amount that can be borrowed for a given property value; or
(b) the 'minimum value of the property required by the creditor to lend the illustrated amount'.
(10) Where credits are multi-part credits (e.g. concurrently part fixed rate, part variable rate), this shall be reflected in the indication of the type of credit and the required information shall be given for each part of the credit.
Section "4. Interest rate" and other costs
(1) The reference to 'interest rate' corresponds to the borrowing rate or rates.
(2) The borrowing rate shall be mentioned as a percentage value. Where the borrowing rate is variable and based on a reference rate the creditor may indicate the borrowing rate by stating a reference rate and a percentage value of creditor's spread. The creditor shall however indicate the value of the reference rate valid on the day of issuing the ESIS.
Where the borrowing rate is variable the information shall include: (a) the assumptions used to calculate the APRC; (b) where relevant, the applicable caps and floors and (c) a warning that the variability could affect the actual level of the APRC. In order to attract the consumer's attention the font size used for the warning shall be bigger and shall figure prominently in the main body of the ESIS. The warning shall be accompanied by an illustrative example on the APRC. Where there is a cap on the borrowing rate, the example shall assume that the borrowing rate rises at the earliest possible opportunity to the highest level foreseen in the credit agreement. Where there is no cap the example shall illustrate the APRC at the highest borrowing rate in at least the last 20 years, or where the underlying data for the calculation of the borrowing rate is available for a period of less than 20 years the longest period for which such data is available, based on the highest value of any external reference rate used in calculating the borrowing rate where applicable or the highest value of a benchmark rate specified by a competent authority or EBA where the creditor does not use an external reference rate. Such requirement shall not apply to credit agreements where the borrowing rate is fixed for a material initial period of several years and may then be fixed for a further period following negotiation between the creditor and the consumer. For credit agreements where the borrowing rate is fixed for a material initial period of several years and may then be fixed for a further period following negotiation between the creditor and the consumer, the information shall include a warning that the APRC is calculated on the basis of the borrowing rate for the initial period. The warning shall be accompanied by an additional, illustrative APRC calculated in accordance with Article 17(5). Where credits are multi-part credits (e.g. concurrently part fixed rate, part variable rate), the information shall be given for each part of the credit.

(3) In the section on 'other components of the APRC' all the other costs contained in the APRC shall be listed, including one-off costs such as administration fees, and regular costs, such as annual administration fees. The creditor shall list each of the costs by category (costs to be paid on a one-off basis, costs to be paid regularly and included in the instalments, costs to be paid regularly but not included in the instalments), indicating their amount, to whom they are to be paid and when. This does not have to include costs incurred for breaches of contractual obligations. Where the amount is not known, the creditor shall provide an indication of the amount if possible, or if not possible, how the amount will be calculated and specify that the amount provided is indicative only. Where certain costs are not included in the APRC because they are unknown to the creditor, this shall be highlighted.

Where the consumer has informed the creditor of one or more components of his preferred credit, such as the duration of the credit agreement and the total amount of credit, the creditor shall, where possible, use those components; if a credit agreement provides different ways of drawdown with different charges or borrowing rates and the creditor uses the assumptions set out in Part II of Annex I, it shall indicate that other drawdown mechanisms for this type of credit agreement may result in a higher APRC. Where the conditions for drawdown are used for calculating the APRC, the creditor shall highlight the charges associated with other drawdown mechanisms that are not necessarily the ones used in calculating the APRC.
(4) Where a fee is payable for registration of the mortgage or comparable security that shall be disclosed in this section with the amount, where known, or where this is not possible the basis for determining the amount. When the fees are known and included in the APRC, the existence and amount of the fee stated under "One-off charges". When the fees are not known to the creditor and therefore not included in the APRC, the existence of the fee is stated clearly in the list of charges which are not known to the creditor. In either case the standardised wording in Part A shall be used under the appropriate heading.
Section "5. Frequency and number of payments"
(1) Where payments are to be made on a regular basis, the frequency of payments shall be indicated (e.g. monthly). Where the frequency of payments will be irregular, this shall be clearly explained to the consumer.
(2) The number of payments indicated shall cover the whole duration of the credit.
Section "6. Amount of each instalment"
(1) The credit currency and currency of the instalments shall be clearly indicated.
(2) Where the amount of the instalments may change during the life of the credit, the creditor shall specify the period during which that initial instalment amount will remain unchanged and when and how frequently afterwards it will change.
(3) Where all or part of the credit is an interest-only credit, a statement clearly indicating that fact, shall be inserted prominently at the end of this section using the wording in Part A.
If there is a requirement for the consumer to take out a tied savings product as a condition for being granted an interest-only credit secured by a mortgage or another comparable security, the amount and frequency of any payments for this product shall be provided.
(4) Where the borrowing rate is variable the information shall include a statement indicating that fact, using the wording in Part A and an illustration of a maximum instalment amount. Where there is a cap, the illustration shall show the amount of the instalments if the borrowing rate rises to the level of the cap. Where there is no cap, the worst case scenario shall illustrate the level of instalments at the highest borrowing rate in the last 20 years, or where the underlying data for the calculation of the borrowing rate is available for a period of less than 20 years the longest period for which such data is available, based on the highest value of any external reference rate used in calculating the borrowing rate where applicable, or the highest value of a benchmark rate specified by a competent authority or EBA where the creditor does not use an external reference rate. The requirement to provide an illustrative example shall not apply to credit agreements where the borrowing rate is fixed for a material initial period of several years and may then be fixed for a further period following negotiation between the creditor and the consumer. Where credits are multi-part credits (e.g. concurrently part fixed rate, part variable rate), the information shall be given for each part of the credit.

(5) (Where applicable) Where the credit currency is different from the consumer's national currency or where the credit is indexed to a currency which is different from the consumer's national currency, the creditor shall include a numerical example clearly showing how changes to the relevant exchange rate may affect the amount of the instalments using the wording in Part A. That example shall be based on a 20 % reduction in the value of the consumer's national currency together with a prominent statement that the instalments could increase by more than the amount assumed in that example. Where there is a cap which limits that increase to less than 20 %, the maximum value of the payments in the consumer's currency shall be given instead and the statement on the possibility of further increases omitted.

(6) Where the credit is fully or partly a variable rate credit and point 3 applies, the illustration in point 5 shall be given on the basis of the instalment amount referred to in point 1.
(7) Where the currency used for the payment of instalments is different from the credit currency or where the amount of each instalment expressed in the consumer's national currency depends on the corresponding amount in a different currency, this section shall indicate the date at which the applicable exchange rate is calculated and either the exchange rate or the basis on which it will be calculated and the frequency of their adjustment. Where applicable such indication shall include the name of institution publishing the exchange rate.
(8) Where the credit is a deferred-interest credit under which interest due is not fully repaid by the instalments and is added to the total amount of credit outstanding, there shall be an explanation of: how and when deferred interest is added to the credit as a cash amount; and what the implications are for the consumer in terms of their remaining debt.
Section "7. Illustrative repayment table"
(1) This section shall be included where the credit is a deferred interest credit under which interest due is not fully repaid by the instalments and is added to the total amount of credit outstanding or where the borrowing rate is fixed for the duration of the credit agreement.
Where the consumer has the right to receive a revised amortisation table, this shall be indicated along with the conditions under which the consumer has that right.
(2) Where the borrowing rate may vary during the lifetime of the credit, the creditor shall indicate the period during which that initial borrowing rate will remain unchanged.
(3) The table to be included in this section shall contain the following columns: 'repayment schedule' (e.g. month 1, month 2, month 3), 'amount of the instalment', 'interest to be paid per instalment', 'other costs included in the instalment' (where relevant), 'capital repaid per instalment' and 'outstanding capital after each instalment'.
(4) For the first repayment year the information shall be given for each instalment and a subtotal shall be indicated for each of the columns at the end of that first year. For the following years, the detail can be provided on an annual basis. An overall total row shall be added at the end of the table and shall provide the total amounts for each column. The total cost of the credit paid by the consumer (i.e. the overall sum of the 'amount of the instalment' column) shall be clearly highlighted and presented as such.
(5) Where the borrowing rate is subject to revision and the amount of the instalment after each revision is unknown, the creditor may indicate in the amortisation table the same instalment amount for the whole credit duration. In such a case, the creditor shall draw that fact to the attention of the consumer by visually differentiating the amounts which are known from the hypothetical ones (e.g. using a different font, borders or shading). In addition, a clearly legible text shall explain for which periods the amounts represented in the table may vary and why.
Section "8. Additional obligations"
(1) The creditor shall refer in this section to obligations such as the obligation to insure the immovable property, to purchase life insurance, to have a salary paid into an account with the creditor or to buy any other product or service. For each obligation, the creditor shall specify towards whom and by when it must meet the obligation.
(2) The creditor shall specify the duration of the obligation, e.g. until the end of the credit agreement. The creditor shall specify for each obligation any costs to be paid by the consumer, which are not included in the APRC.
(3) The creditor shall state whether it is compulsory for the consumer to hold any ancillary services to obtain the credit on the stated terms, and if so whether the consumer is obliged to purchase them from the creditor's preferred supplier or whether they may be purchased from a provider of consumer's choice.

Where such possibility is conditional on the ancillary services meeting certain minimum characteristics, such characteristics shall be described in this section.
Where the credit agreement is bundled with other products the creditor shall state the key features of those other products and clearly state whether the consumer has a right to terminate the credit agreement or the bundled products separately, the conditions for and implications of doing so, and, where applicable, of the possible consequences of terminating the ancillary services required in connection with the credit agreement.
Section “9. Early repayment”
(1) The creditor shall indicate under what conditions the consumer can repay the credit early, either fully or partially.
(2) In the section on exit charges the creditor shall draw the consumer’s attention to any exit charge or other costs payable on early repayment in order to compensate the creditor and where possible indicate their amount. In cases where the amount of compensation would depend on different factors, such as the amount repaid or the prevailing interest rate at the moment of the early repayment, the creditor shall indicate how the compensation will be calculated and provide the maximum amount that the charge might be, or where this is not possible, an illustrative example in order to demonstrate to the consumer the level of compensation under different possible scenarios.
Section “10. Flexibilities”
(1) Where applicable, the creditor shall explain the possibility to and conditions for transferring the credit to another creditor or immovable property.
(2) (Where applicable) Additional features: Where the product contains any of the features listed in point 5, this section must list these features and provide a brief explanation of: the circumstances in which the consumer can use the feature; any conditions attached to the feature; if the feature being part of the credit secured by a mortgage or comparable security means that the consumer loses any statutory or other protections usually associated with the feature; and the firm providing the feature (if not the creditor).
(3) If the feature contains any additional credit, then this section must explain to the consumer: the total amount of credit (including the credit secured by the mortgage or comparable security); whether the additional credit is secured or not; the relevant borrowing rates; and whether it is regulated or not. Such additional credit amount shall either be included in the original creditworthiness assessment or, if it is not, this section shall make clear that the availability of the additional amount is dependent on a further assessment of the consumer’s ability to repay.
(4) If the feature involves a savings vehicle, the relevant interest rate must be explained.
(5) The possible additional features are: ‘Overpayments/Underpayments’ [paying more or less than the instalment ordinarily required by the amortisation structure]; ‘Payment holidays’ [periods where the consumer is not required to make payments]; ‘Borrow back’ [ability for the consumer to borrow again funds already drawn down and repaid]; ‘Additional borrowing available without further approval’; ‘Additional secured or unsecured borrowing’ [in accordance with point 3 above]; ‘Credit card’; ‘Linked current account’; and ‘Linked savings account’.
(6) The creditor may include any other features offered by the creditor as part of the credit agreement not mentioned in previous ESIS sections.
Section “11. Other rights of the borrower”
(1) The creditor shall clarify the right(s) of e.g. withdrawal or reflection and where applicable other rights such as, portability (including subrogation) that exist, specify the conditions to which this/these right(s) is subject, the procedure that the consumer will need to follow in order to exercise this/these right(s), inter alia, the address to which the notification of withdrawal shall be sent, and the corresponding fees (where applicable).
(2) The reflection period for the consumer shall be clearly mentioned (where applicable). If a right of withdrawal has been agreed, this shall be clearly mentioned.

(3) In line with Article 3 of Directive 2002/65/EC, where the transaction is being offered at a distance, the consumer shall be informed of the existence or absence of a right of withdrawal.
Section “12. Complaints”
(1) This section shall indicate the internal contact point [name of the relevant department] and a means of contacting them to complain [Postal address] or [Telephone number] or [Contact person:] [contact details] and a link to the complaints procedure on the relevant page of a website or similar
(2) It shall indicate the name of the relevant external body for out-of-court complaints and redress and where using the internal complaint procedure is a precondition for access to that body, indicate that fact using the wording in Part A.
In case of credit agreements with consumers residing in another member state, the creditor Shall refer to FIN-NET (http://ec.europa.eu/internal_market/fin-net/).
Section “13. Non-compliance with the commitments linked to the credit: consequences for the
(1) Where non-observance of any of the consumer’s obligations linked to the credit may have financial or legal consequences for the consumer, the creditor shall describe in this section the different main cases (e.g. late payments/default, failure to respect the obligations set out in ESIS section 8 ‘Additional obligations’) and indicate where further information could be obtained.
(2) For each of those cases, the creditor shall specify, in clear, easy comprehensible terms, the sanctions or consequences to which they may give rise. Reference to serious consequences shall be highlighted.
(3) Where the immovable property used to secure the credit may be returned or transferred to the creditor, if the consumer does not comply with the obligations, this section shall include a statement indicating that fact, using the wording in Part A.
Section “14. Additional information”
(1) In the case of distance marketing, this section will include any clause stipulating the law applicable to the credit agreement or the competent court.
(2) Where the creditor intends to communicate with the consumer during the life of the contract in a language different from the language of the ESIS that fact shall be included and the language of communication named. This is without prejudice to point (g) of point 3 of paragraph 1 of Article 3 of Directive 2002/65/EC.
(3) The creditor or credit intermediary shall state the consumer’s right to be provided with or offered, as applicable, a copy of the draft credit agreement at least once an offer binding on the creditor has been made.
Section “15. Supervisory authority”
The relevant authority or authorities for the supervision of the pre-contractual stage of lending shall be indicated.

ANNEX III
(Section 9, 29)

MINIMUM KNOWLEDGE AND COMPETENCE REQUIREMENTS
(1) The minimum knowledge and competence requirements for creditors' and credit intermediaries' staff referred to in Article 9 and for persons involved in the management of credit intermediaries need to include at least:
(a) appropriate knowledge of credit products within the scope of section 4 of the law and the ancillary services typically offered with them,
(b) appropriate knowledge of the laws related to the credit agreements for consumers, in particular consumer protection,
(c) appropriate knowledge and understanding of the immovable property purchasing process,
(d) appropriate knowledge of security valuation,
(e) appropriate knowledge of organisation and functioning of land registers,
(f) appropriate knowledge of the market in the Republic,
(g) appropriate knowledge of business ethics standards,

(h) appropriate knowledge of the consumer's creditworthiness assessment process or where applicable, competence in assessing consumers' creditworthiness,
(i) appropriate level of financial and economic competency.
(2) When establishing minimum knowledge and competence requirements the Central Bank may differentiate between the levels and types of requirements applicable to the staff of creditors or the staff of credit intermediaries and the management of credit intermediaries.
(3) The Central Bank shall determine the appropriate level of knowledge and competence on the basis of:
(a) professional qualifications, e.g. diplomas, degrees, training, competency tests; or
(b) professional experience, which may be defined as a minimum number of years working in areas related to the origination, distribution or intermediation of credit products.
After 21 March 2019, the determination of the appropriate level of knowledge and competence shall not be based solely on the methods listed in point (b).

ANNEX IV

(Section 25)

Computation of the maximum compensation of the creditor for early repayment of the entire credit agreement

<p>The equation, on the basis of which, the creditor's right to compensation for early repayment of the entire credit agreement is calculated, shall take into account the difference in interest rates in the money market (inter-bank market) between the time of initiation of the fixed interest rate and the time of placing the prematurely paid-in capital. The fixed rate (R_d) of the interbank market which was in force at the beginning of the fixed rate period, for a period equal to the period of the validity of the fixed interest rate in the credit agreement, under which the creditor's compensation is calculated, shall be accurately determined in the credit agreement.</p>
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<p>In addition, to complete the calculation of the compensation, the economic term of "present value" shall be used, which recognises that the value of a given amount of money today is different from the future value of the same amount due to the change in the value of money over time. The difference between interest rate calculation also takes into account the fact that the rest of the credit is reduced at each payment date.</p>

$\text{Compensation} = \max \left\{ (R_d - R_c) \times \sum_{t=1}^n \frac{B_t}{(1+R_i)^t}, 0 \right\} + \text{Administrative costs}$	
<p>Where:</p> <p>Compensation = the maximum amount of compensation which the Creditor is entitled for early repayment of the entire credit, in decimal format (up to two decimal places).</p>	
<p>B_t = the existing loan balance at time t, provided that there has not been any early repayment of the entire credit agreement,</p>	
<p>R_d = the fixed interbank interest rate existing at the start of the fixed rate period, for a period equal to the time duration of fixed interest rate in the credit agreement.</p>	
<p>R_c = the fixed interbank interest rate existing on the day preceding the early repayment of the entire or part of the credit agreement, for a period equal to the time duration from the date of prepayment to the contractual maturity of the fixed interest rate.</p>	
<p>t = the time corresponding to the period from the date of the early repayment of all of the credit agreement until the maturity date of the outstanding balance.</p>	
<p>n=</p>	<p>For loans with a fixed interest rate until maturity: the remaining loan repayment period expressed in years or in fractions of a year</p> <p>For loans with fixed interest rate for a material initial period x: the remaining time duration of fixed rate expressed in years or in fractions of a year</p>
<p>R_i = the discount rate equals to the fixed rate of the loan.</p>	
<p>Comments:</p>	
<p>i. The calculation of the compensation the creditor is entitled due to early repayment of the entire credit, shall be calculated after repayment of any amount relating to overdue instalments, overdue interest, default interest and any other charges included in the total loan balance on the early</p>	
<p>ii. In the event of a negative interest rate differential, where the fixed rate of the interbank market R_c exceeds the fixed rate of the interbank market R_d, the Creditor may only be compensated for administrative expenses as defined in this law.</p>	
<p>iii. The time intervals t between the dates taken into account in the calculation shall be expressed in years or in fractions of a year. A year is presumed to have 365 days (or 366 days for leap years), 52 weeks or 12 equal months. An equal month is presumed to have 30.41666 days (i.e. 365/12) regardless of whether or not it is a leap year.</p>	
<p>iv. In the case of a loan with a fixed rate for a certain initial period x, the amount of compensation is calculated on the balance of the fixed rate period.</p>	
<p>v. The interest rates R_d, R_c and R_i are adjusted so as to correspond to the respective validity period t of the outstanding balance of the loan (B_t). For example, if the time is expressed in months, the interest rates are divided by 12.</p>	

ANNEX V

(Section
18)

PART A - Financial information obtained from consumers
1. Financial information
In the process of granting credit agreements within the framework of this Law creditors must collect enough financial information and documents in order to assess the consumer's income, his repayment ability, the value of the collateral, if applicable, and, to properly evaluate the new risks undertaken.
The following financial information may be requested directly from the consumer and may be relied upon to provide evidence of the income and repayment capacity of the consumer:
(a) Natural persons – employees:

(i) Original salary slips for the last three (3) months, and
(ii) Documents supporting any other type of steady income, for example alimony income, interest income, income from immovable property, income from welfare benefits.
(b) Natural persons – Self-employed:
(i) Confirmation of income by the consumer's accountant or auditor, or
(ii) Social insurance statement,
(iii) If registered for Value Added Tax, a copy of VAT statements submitted since last balance sheet date,
(iv) Documents evidencing any other type of income and
(v) Tax declaration.
2. Supplementary information
Creditors must request the following documents from the consumers, as appropriate:
(a) Loan application form fully completed and duly signed by the consumer in the presence of creditor's officers, who sign as witnesses to the signature of the consumer.
(b) Documents that substantiate the purpose of the credit, for example, where applicable, written offer or proforma invoices or private agreement for the purchase of goods/services.
(c) In relation to applications for credit facilities for the purchase or construction of immovable property:
(i) Proof of down-payment, where applicable.
(ii) Letter of intent of release of mortgage by current owner and letter of intent of consent to release from the creditor as mortgage lender, if applicable.
(iii) (a) For the property to be financed, the creditor must ensure that the following documents are submitted the latest before the first disbursement on the approved loan:
1. Title deed of current owner.
2. Building permit.
3. Planning permit.
4. Letter of release of mortgage by current owner and letter of intent of consent to release from the creditor as mortgage lender, if applicable.
(b) In case where the property to be mortgaged is different from the property to be financed the creditor must ensure that the title deed is submitted the latest before the first disbursement on the approved loan.
(iv) In case of construction or completion of construction or renovation of immovable property, a detailed cost analysis and time plan signed by a professional quantity surveyor or other qualified professional, as applicable. In case of renovation or repairs for estimated total costs that do not exceed €75.000 where a quantity surveyor or other qualified professional is not employed, the original invoices and payment receipts must be submitted by the consumer. The creditor must make disbursements only on the basis of this documentation.
3. Collateral Information
(1) When the creditor obtains collateral over immovable property, then it must:

(a) Obtains a valuation of the immovable property that is carried out by a valuer who is independent of the consumer,

(b) Carefully and thoroughly examines the valuation report of the property, and ensures that all factors affecting the value of the property have been adequately considered,
(c) in case the collateral is a property other than the one to be financed, requires a valuation report for both properties,
(d) ensures that the property is properly insured and the insurance contract is assigned to the creditor for the purpose of the credit facility, and
(e) in the case of a property under construction, requires insurance coverage for all construction related risks to covering the full construction period of the project, and to be assigned to the creditor for the purpose of granting the credit.
(2)(a) When a creditor registers a floating charge over the assets of a company, it must require an insurance contract adequately covering the assets under the floating charge and must ensure that the insurance contract is assigned in favour of the creditor.
(b) In case of registration of multiple floating charges by multiple creditors, the insurance contract must clearly indicate that it is assigned in favour of all creditors in direct proportion to the amounts of the relevant floating charges and in the same ranking priority as their registration.
(3) In cases where personal guarantees are obtained, the creditors must collect the documents mentioned in paragraph 1(a) and (b).
PART B - Application Assessment
1. Application assessment
When assessing the repayment ability of consumers the creditors should :
(a) (i) Assess the completeness of the financial information submitted by the consumer, and
(ii) critically assess the reasonableness of the data presented in the financial information submitted by the consumer.
(b) (i) The credit analysts have the responsibility of performing a thorough assessment of the financial situation of the consumer and to clearly justify their proposal to approve or decline the application for granting credit.
(ii) The credit analysts and the credit approving authorities must take into account the creditor's credit policy, the creditor's risk appetite, concentration limits and risk diversification efforts, as well as the relevant directives and circulars issued by the Central Bank.
(iii) The credit analysts and the credit approving authorities, when assessing a credit application
(a) examine the consumer's income, future cash flows, and source of repayment in order to evaluate the consumer's ability to repay:
(aa) In case the consumer is a member of a group of connected persons, the assessment must also be carried out at group level, especially where repayment relies on cash flows from other connected parties, in order to avoid turning a viable group into a non-viable one, on account of granting the new credit.
(bb) The creditors must ensure that the consumer's ability to meet loan obligations is not based on an expected significant increase in the consumer's income unless there is sufficient evidence. In this context, they may only consider estimated future cash flows under reliable and reasonable assumptions.
(b) assess the consumer's financial position and, where applicable, financial indicators, for example leverage ratio and cost to income ratio.
(c) calculate the consumer's credit scoring / rating, where applicable.

(d) in case the credit facility will be used for financing the purchase of an asset, assess whether the credit facility can be repaid over the useful life of the asset financed.
(e) give due regard to the prevailing market conditions and their estimated impact on the industry segment in which the consumer operates and on the consumer's own financial situation.
(f) evaluate other qualitative elements such as, an assessment of the consumer's corporate governance including dividend policy, compliance with the audit requirements on the financial statements and compliance with tax obligations.
(c) The credit analysts must include in their proposal a full analysis of the consumer's repayment ability and in case of a positive recommendation this must be fully justified.
(d) The credit approving authority must fully justify its decision to approve or decline an application.
2. Credit servicing amount
Creditors must calculate the total credit servicing amount for each consumer as follows:
(a) Credit servicing amount is defined as the instalment amount of the credit facility to be granted plus all other instalments (Loan instalments, overdraft and credit card instalments) of existing credit facilities with the same and with other creditors.
(b) The overdraft servicing amount is calculated as the overdraft limit multiplied by the interest rate charged divided by twelve (12).
(c) The credit card instalment amount is calculated as the credit card limit multiplied by the interest rate and divided by twelve (12).
(d) The credit servicing amount must be adjusted by using the long term average relevant interest rates for variable interest rate loans to enable the repayment even when interest rates fluctuate.
3. Repayment ability of consumers
The creditors must calculate the "Total Monthly Income" on the basis of the calculations presented on the "Personal Financial Statement (PFS)".
(a) In the case of self-employed / freelancers who have no monthly salary, creditors must calculate the annual income using the PFS and divide it by twelve (12) for the purpose of computing the total monthly income.
(b) Creditors must verify the total monthly income presented on the PFS with reference to the documents submitted under Part A in this Annex. Income such as interest income, alimony and any other income such as overtime, bonuses and other exceptional income may only be taken into consideration, after the creditor has confirmed and verified to his full satisfaction that this income is steady and recurring.
(c) If the term of the credit extends past the consumer's expected retirement age, the creditor should take appropriate account of the adequacy of the consumer's likely income and ability to continue to meet the credit obligations following retirement.
(d) In case where the credit instalments are gradually increasing, then the creditor must assess the repayment ability in conjunction with the corresponding estimated future income.
(e) Creditors must assess the reasonableness of the net disposable income.
(i) In assessing the repayment ability of the consumer, the total credit servicing amount should be limited to 80% of the net disposable income.
(ii) In the case of loans in foreign currency, the total credit servicing amount should be limited to 65% of the net disposable income.
(f) The net disposable income is calculated as the difference between the "Total Monthly Income" and the "Total Monthly Expenditure" presented in column "Average Monthly Charge" on the PFS.
(g) Creditors must verify, on a best effort basis, that the information presented on the PFS is as accurate as possible. For this purpose creditors must:

(i) take into account relevant factors that could influence the consumer's ability to meet the credit obligations, without inducing undue hardship and over-indebtedness. These factors may include on a best effort basis other servicing obligations, their interest rates, and the outstanding amount on such debt, evidence of any outstanding payments, as well as relevant taxes and insurance;

(ii) make reasonable allowances for committed and other non-discretionary expenditures, such as the consumer's actual obligations, including consideration of the living expenses of the consumer; and
(iii) make prudent allowances for potential negative scenarios in the future, including for example, the reduced income following retirement; an increase in reference interest rates in the case of variable rate mortgage loans; negative amortisation, balloon payments, or deferred payments of principal or interest.
(h) (i) In cases where the obligors of a credit facility are more than one, the credit servicing amount is the total of the credit servicing amounts of all obligors of the subject credit facility.
(iii) In the case where the co-obligor is the spouse, the assessment of repayment ability and the calculation of the debt servicing amount must take into account the total income and expenditure of the household and for this purpose a single PFS may be completed by the spouses.