



STATUTORY INSTRUMENTS.

S.I. No. 568 of 2016



CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013
(SECTION 48) (HOUSING LOAN REQUIREMENTS) (AMENDMENT)
REGULATIONS 2016

CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013
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In exercise of the powers conferred on the Central Bank of Ireland (the “Bank”) by section 48 of the Central Bank (Supervision and Enforcement) Act 2013 (No. 26 of 2013) (the “Act”), the Bank, having consulted the Minister for Finance and other persons that the Bank considers appropriate to consult in the circumstances in accordance with section 49 of the Act, hereby makes the following regulations:

1. (1) These Regulations may be cited as the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) (Amendment) Regulations 2016.

(2) These Regulations come into operation on 1 January 2017.

2. In these Regulations “Principal Regulations” means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015 (S.I. No. 47 of 2015).

3. Regulation 2 of the Principal Regulations is amended—

(a) in the definition of “borrower”, by inserting “, subject to Regulation 3(1)” after “advances a housing loan”, and

(b) by inserting the following definitions:

“ ‘consumer’ means—

(a) a natural person who is acting for purposes outside his or her trade, business or profession, or

(b) a person who satisfies both of the following:

(i) has an annual turnover of €3 million or less in the financial year before the housing loan is advanced;

(ii) is not a member of a group of persons having a combined annual turnover of more than €3 million in the financial year before the housing loan is advanced;

‘group’ includes the following associations, relationships and arrangements:

*Notice of the making of this Statutory Instrument was published in
“Iris Oifigiúil” of 25th November, 2016.*

- (a) associated undertakings within the meaning of paragraph 20 of Schedule 4 to the Companies Act 2014 (No. 38 of 2014);
- (b) related companies within the meaning of section 2 of the Companies Act 2014;
- (c) a partnership;
- (d) where the businesses of the persons are carried on in such a way that the separate business of each person, or a substantial part thereof, is not readily identifiable;
- (e) where the decision as to how and by whom the businesses of the persons shall be managed can be made either by the same person or by the same group of persons acting in concert;”.

4. Regulation 3 of the Principal Regulations is amended by substituting the following for paragraph (1):

“(1) These Regulations apply to a housing loan—

- (a) secured or to be secured on residential property in the State, and
- (b) advanced to—
 - (i) a borrower who is a consumer, or
 - (ii) more than one borrower where at least one of these borrowers is a consumer.”

5. Regulation 6 of the Principal Regulations is amended—

- (a) in paragraph (1), by substituting “paragraphs (2) and (2A)” for “paragraph (2)”,
 - (b) in paragraph (1)(b), by substituting “90 per cent” for “the maximum loan-to-value ratio calculated in accordance with the Schedule”,
- and
- (c) by substituting for Regulation 6(2) the following:

“(2) A lender shall ensure that the total aggregate monetary amounts advanced in a relevant period under housing loans—

- (a) made to borrowers who are not first-time buyers,
- (b) made for principal home purposes, and
- (c) which do not comply with paragraph (1)(a),

does not exceed 20 per cent of the total aggregate monetary amounts advanced to borrowers who are not first-time buyers under housing loans made for principal home purposes in that relevant period.

(2A) A lender shall ensure that the total aggregate monetary amounts advanced in a relevant period under housing loans—

- (a) made to first-time buyers,
- (b) made for principal home purposes, and
- (c) which do not comply with paragraph (1)(b),

does not exceed 5 per cent of the total aggregate monetary amounts advanced to first-time buyers under housing loans made for principal home purposes in that relevant period.”

6. Regulation 7 of the Principal Regulations is amended by substituting “4 months” for “two months” in both places where it occurs.

7. The Schedule to the Principal Regulations is revoked.

Signed for and on behalf of the CENTRAL BANK OF IRELAND
23 November 2016.

PHILIP LANE,
Governor of the Central Bank of Ireland.

EXPLANATORY NOTE

(This note does not form part of the Instrument and does not purport to be a legal interpretation)

These Regulations amend the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015 (S.I. No. 47 of 2015).

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