



# Consumer credit companies may need a licence under the Banking and Financing Business Act



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**On 7 May, the Ministry of Finance published a memorandum proposing stricter requirements for consumer credit institutions. The proposal aims to strengthen consumer protection in the consumer credit market and counteract over-indebtedness. The proposed measures include the repeal of the Act on Certain Consumer Credit Activities and the inclusion of such activities in the Banking and Financing Business Act.**

This means that consumer credit institutions and other companies that want to continue to provide consumer credit will have to apply for new licenses. However, it will still be possible to sell goods and services on credit, e.g. against an invoice, without requiring authorization under the Banking and Financing Business Act. The requirement for authorization would also not apply to consumer loans permitted under other legislation, such as housing loans granted under the Housing Credit Activities Act or credit granted through credit cards under the Payment Services Act.

The proposal is set to enter into force in July 2025. However, companies that already have a license under the Act on Certain Consumer Credit Activities have until July 2026 to apply for a new license.

*At DLA Piper, we specialize in guiding businesses through the authorization application process with the Financial Supervisory Authority. Our goal is to ensure a seamless transition to these updated requirements. If you have any questions about how this proposal impacts your business, feel free to reach out to us!*

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