

# **Credit Assessment Policy Statement**

## **1. Objective**

The objective of eircom's credit assessment policy is to achieve revenue assurance for eircom and those operators who provide access to their services via eircom national transit. eircom has a responsibility to all its customers and shareholders to ensure that its commercial interests are safeguarded.

## **2. Policy**

Through its cross-functional credit assessment team, eircom seeks to ensure:

- Transparency
- Compliance with regulatory obligations
- Different risks associated with new and existing operators will be recognised
- A comprehensive evaluation of a company's financial performance – this includes but is not limited to:
  - The results of an Operator's credit report from an established credit bureau;
  - The type of services and level of spend';
  - Recent publicly available information on the Operator;
  - For existing customers, payment history with eircom.
- A sign-off process that ensures sufficient checks and balances
- Security will only be sought where credit vetting indicates a specific financial risk in the context of the Operator contract business value.
- A reasonable, proportionate and fair request if security is required – the level of security sought will be commensurate with the risk identified
- A request for security that is achievable
- A level of credit that is appropriate to an Operator's business
- Ongoing updates to reflect any material fluctuation in the level of risk will occur quarterly.
- Active monitoring of accounts to ensure best practice credit management

### **3. Credit Statement**

eircom will implement its credit policy in a fair, reasonable and non-discriminatory manner. eircom recognises that operators' circumstances may vary and will operate its credit assessment activities in a sufficiently flexible manner.

In the event that a Credit Assessment results in a request for financial security or guarantees, eircom will on notification of the request offer to meet with the Operator to explain how any credit security or guarantee levels have been set. Where eircom has relied on internal information for the purposes of setting an Operator security level, eircom will make this information available to the Operator. Where eircom has relied on external information, eircom will identify external sources to the Operator. Where the basis for, the level and type of security/guarantee is challenged by the Operator, it will be subject to negotiation between eircom and the Operator in the first instance. If agreement is not reached, the dispute resolution processes as set out in the Reference Interconnect Offer or another applicable standard offer will be invoked.

eircom will continue to monitor the Operator's payment pattern, level of risk, and financial information and make necessary adjustments to ensure the level of credit or security is appropriate as circumstances evolve.

The intention is to achieve the Objective in a commercially practicable manner. As a supplier of services, eircom needs to ensure that amounts due for services delivered are received in full and on time. The credit assessment is the means to achieve this and avoid disruption of services.