

**Application for Authorisation as an Electronic Money Institution (AEMI)**

**Full name of applicant firm**

|  |
| --- |
|  |

**Important information you should read before completing this form**

This application for authorisation as a Payment Institution can be used to provide information:

1. required by Schedule 1 of the EMRs and suggested by section 4.3 of the EBA Authorisation Guidelines.
2. as part of an application for authorisation to enable us to assess whether the applicant firm satisfies conditions specified in Regulation 6 of the Electronic Money Regulations 2011.
3. we need to process the application and prepare for the ongoing supervision of the firm

In some circumstances we may require further information to be able to make a determination on an application. Please keep a copy of your completed forms and any supporting documents you include in your application pack for future reference.

The FCA processes personal data in line with the requirements of The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notice available on our website: [www.fca.org.uk/privacy](http://www.fca.org.uk/privacy).

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence and it may increase the time taken to assess your application.**

**It is also important that you understand the** [**authorisation process**](https://www.fca.org.uk/firms/authorisation/apply)**,** [**our expectations**](https://www.fca.org.uk/firms/apply-emoney-payment-institution) **and pay the** [**correct application fee**](https://www.fca.org.uk/firms/authorisation/apply/fees)**.**

**Terms in this application pack**

In this application pack we use the following terms:

* **‘AIS’** refers to Account Information Services
* **‘Applicant’, or ‘Applicant firm’** refers to the firm applying for authorisation
* **‘Approach Document’** refers to our guidance document entitled *‘Payment Services and Electronic Money – Our Approach’*
* **‘EBA Authorisation Guidelines’** refers to section 3.4 of the European Banking Authority’s ‘Guidelines on the information to be provided for the authorisation as payment institutions and e-money institutions and for the registration as account information service providers’. The FCA’s approach to EU non-legislative materials can be found here <https://www.fca.org.uk/publication/corporate/brexit-our-approach-to-eu-non-legislative-materials.pdf> (See <https://www.fca.org.uk/firms/payment-services-regulations-e-money-regulations#4> for an explanation)
* **‘EBA PII Guidelines’** refers to the Guidelines on the criteria on how to stipulate the minimum monetary amount of the professional indemnity insurance or other comparable guarantee under Article 5(4) of PSD2. See link above for the FCA’s approach to EU non-legislative materials.
* **‘FS Register’** refers to the Financial Services Register
* **‘EMD’** refers to the revised Electronic Money Directive (Directive 2009/110/EC)
* **‘EMRs’** refers to The Electronic Money Regulations 2011
* **‘Handbook’** refers to FCA Handbook
* **‘PI’** refers to Payment Institution
* **‘PIS’** refers to Payment Initiation Services
* **‘PSRs ’** refers to the Payment Services Regulations 2017
* **‘Qualifying holding’** refers to a controller of the applicant firm
* **‘We’, 'our', ‘us’ or ‘FCA’** refers to the Financial Conduct Authority
* **'You'** refers to the person(s) signing the form on behalf of the applicant firm



**Filling in the form**

**1** If you are using your computer to complete the pack:

* use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question
* save all the parts of the pack you have completed and attach to your application

**2** If you think a question is not relevant to you, write 'not applicable' and explain why.

**3** If you leave a question blank or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

**4** If there is not enough space on the forms you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.

**5** Ensure you:

* save all parts of the form you have completed
* attach this form, together with the relevant attachments below to your application on Connect:
  + EMD Individual form(s)
  + additional information requested in this form
  + supporting documents
* pay the application fee via Connect (this is non-refundable).

Where you are required to attach supporting documents (eg structure chart) to your application, if you do not your application will not be progressed.



**Contents**

1 Identification details and timings 4

2 Programme of operations 8

3 Unrelated payment services 10

4 Business Plan 13

5 Structural organisation 14

6 Evidence of initial capital 15

7 Measures to safeguard the funds of payment service users 16

8 Governance arrangements and internal control mechanisms 19

9 Procedure to monitor, handle and follow up on a security  
 incident and security related customer complaints 21

10 Process to file, monitor, track and restrict access to sensitive  
 payment data 22

11 Business continuity arrangements 23

12 The principles and definitions applicable to the collection of   
 statistical data on performance, transactions and fraud 24

13 Security policy document 25

14 Internal control mechanisms to comply with obligations  
 in relation to money laundering and terrorist financing 27

15 Identity and suitability assessment of persons with qualifying   
 holdings in the applicant 29

16 Identity and suitability assessment of directors and persons   
 responsible for the management of the electronic   
 money institutions 32

17 Identity of statutory auditors and audit firms 33

18 Professional indemnity insurance or comparable guarantee 34

19 Fees and levies 35

|  |  |
| --- | --- |
| 1 | Identification details and timings  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 2 (Identification Details) of section 4.3 of the EBA Authorisation Guidelines, as well as related information that we need for domestic purposes. Please note you will be asked for your application fee when applying via Connect.  If your application is successful, the applicant firm’s details will be entered onto the FS Register which is our public record of authorised and registered firms, their agent(s) and third country branches (if applicable). |

* 1. Has the applicant firm submitted any other applications to the FCA within the last twelve months?

For example, another New Authorisation or Registration, an application for an Approved Person, Variation of Permission, Cancellation, Waiver or a notification for a Change in Control etc.

No

Yes 4 Give details below including any relevant FRN’s or application numbers

|  |
| --- |
|  |

**1.2 What type of firm is the applicant?**

Private limited company

Limited liability partnership (LLP)

Public limited company

Limited partnership (LP)

UK branch of a third country firm

Other4Give details below

|  |
| --- |
|  |

1.3 Date of incorporation or formation of the applicant firm (dd/mm/yyyy)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | / |  |  | / |  |  |  |  |

1.4 Does the applicant firm have a registered number eg Companies House number or other identification number?

No

Yes4Give number below

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |

**1.5 Where was the applicant firm incorporated or formed?**

England/Wales

Scotland

Northern Ireland

1.6 Date of the applicant’s financial year end (dd/mm)

This question should be answered by all applicants (for all incorporated firms the financial year end should match the date recorded with Companies House)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | / |  |  |

**1.7 Please attach the following:**

Certificate of incorporation  Attached

Articles of Association  Attached

Copy of Partnership agreement deeds (if applicable)  Attached

Copy of Limited Liability Partnership agreement deeds   
(if applicable)  Attached

Other names

1.8 Does the applicant intend to use any trading names in addition to the name given on the front of this application form?

No

Yes4Give details below

|  |  |
| --- | --- |
| Name |  |
| Name |  |
| Name |  |
| Name |  |
| Name |  |

Addresses

1.9 Head office address

|  |  |
| --- | --- |
| Head office address |  |
|  |
|  |
| Postcode |  |

|  |  |
| --- | --- |
| Phone number (including STD code) |  |

|  |  |
| --- | --- |
| Email address |  |

**1.10 Registered office address**

Is the registered office address the same as the head office address above?

Yes4Continue to Question 1.11

No4Give details below

|  |  |
| --- | --- |
| Registered office address |  |
|  |
|  |
| Postcode |  |

**1.11 Does the applicant firm have a website address?**

No

Yes, live4Give address below

Yes, being developed4Give address (if known) and launch date below

|  |
| --- |
|  |

**1.12 Has the applicant firm ever been regulated by us or any other competent authority in the financial services sector?**

No4Continue to Question 1.13

Yes4Give details below

Name of regulator

|  |
| --- |
|  |

Address of regulator

|  |
| --- |
|  |

Applicant firm’s identification number with that regulator

|  |
| --- |
|  |

1.13 Does the applicant firm intend to join any trade association(s) in relation to the provision of e-money services and/or payment services?

No

Yes4Give details below

|  |
| --- |
|  |

Details of professional advisers

**1.14 Has the applicant firm used a professional adviser to help with this application?**

No4Continue to Question 1.18

Yes

**1.15 Name of professional adviser's firm**

|  |
| --- |
|  |

**1.16 Do you want us to copy all correspondence to the professional adviser?**

No4Continue to Question 1.18

Yes

**1.17 Name and contact details of professional adviser**

|  |  |
| --- | --- |
| Title |  |

|  |  |
| --- | --- |
| First name(s) |  |

|  |  |
| --- | --- |
| Surname |  |

|  |  |
| --- | --- |
| Business address |  |
|  |
|  |
|  |
| Postcode |  |

|  |  |
| --- | --- |
| Phone number (including STD code) |  |

|  |  |
| --- | --- |
| Mobile number (optional) |  |

|  |  |
| --- | --- |
| Email address |  |

Timings for this application

**1.18 Does the applicant firm have any timing factors that it would like us to consider?**

If the applicant firm wishes to be authorised by a specific date, we will try to meet it. This is dependent on the applicant firm providing complete and timely information.

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 2 | Programme of operations  This section asks applicants to identify the main activity or activities of the business and is used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 3 (Programme of operations) of section 4.3 of the EBA Authorisation Guidelines. |

**2.1 Please provide a description of the e-money services that the applicant firm intends to provide**

You must include a breakdown of the e-money issuance, distribution and redemption as well as the payment services linked to the e-money:

|  |
| --- |
|  |

**2.2 Will the applicant firm at any point enter into the possession of funds?**

Yes

No

**2.3 Please provide a description of the execution of the different e-money services (and, if applicable, payment services), detailing all parties involved, and including for each e-money (and, if applicable, payment) service provided:**

* a diagram of flow of funds
* settlement arrangements
* draft contracts between the parties involved in the provision of payment services including those with payment card schemes (if applicable)
* processing times

|  |
| --- |
|  |

**2.4 Please provide a copy of the draft contract between the e-money issuer and the e-money holder**

Attached

**2.5 Please enter the estimate number of different premises from which the applicant firm intends to provide services?**

|  |
| --- |
|  |

**2.6 Please provide a description of any ancillary services to the e-money services (if applicable) to the payment services**

|  |
| --- |
|  |

**2.7 Where the applicant firm intends to provide payment services in addition to e-money services, please confirm whether the applicant firm intends to grant credit**

Not applicable

No

Yes 4Give details below including the limits in which the firm intends to grant credit

|  |
| --- |
|  |

**2.8 Does the applicant firm intend to provide e-money and, if applicable payment services in countries outside the UK once authorised?**

No

Yes 4Give details below

|  |
| --- |
|  |

**2.9 Does the applicant firm currently provide (or intend to provide in the next 3 years), any other business activities in addition to e-money and, if applicable, payment services?**

No

Yes 4Give details below, including a description of the type and the expected volume of the activities

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 3 | Unrelated payment services  Where the applicant firm intends to also provide payment services unrelated to its e-money issuance, you must provide details here. Please note that we require applicants to only notify us of those unrelated payment services that they will provide.  This section is also used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 3 (Programme of operations) of section 4.3 of the EBA Authorisation Guidelines. |

**3.1 Does the applicant firm intend to carry out unrelated payment services in addition to e-money services?**

Yes

No4Continue to Section 4

**3.2 Please confirm the payment services activities the applicant intends to carry out from the list below.**

|  |  |
| --- | --- |
| **1** Services enabling cash to be placed on a payment account and all of the operations required for operating a payment account. |  |
| **2.** Services enabling cash withdrawals from a payment account and all of the operations required for operating a payment account. |  |
| **3.** The execution of the following types of payment transaction: |  |
| (i) direct debits, including one-off direct debits |  |
| (ii) payment transactions executed through a payment card or a similar device |  |
| (iii) credit transfers, including standing orders |  |
| **4.** The execution of the following types of payment transaction, where the funds are covered by a credit line for the payment service user: |  |
| (i) direct debits, including one-off direct debits |  |
| (ii) payment transactions executed through a payment card or a similar device |  |
| (iii) credit transfers, including standing orders |  |
| **5** Issuing payment instruments or acquiring payment transactions. |  |
| **6** Money remittance. |  |
| **7** Payment initiation services (PIS). |  |
| **8** Account information services (AIS). |  |

**3.3 Is the applicant firm currently providing PIS or AIS?**

Yes

No4Continue to Question 3.4

**3.3.1 Please specify when the applicant began providing PIS or AIS (dd/mm/yyyy)?**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | / |  |  | / |  |  |  |  |

**3.4 Please provide a step-by-step description of the types of payment services that the applicant firm has selected from the list above.**

You must include an explanation of how the activities and the operations which will be provided are identified by the applicant firm as fitting into any the legal categories of payment services listed in Part 1 of Schedule 1 to the PSRs (i.e. those listed above).

|  |
| --- |
|  |

**3.5 Please provide a description of the execution of the different payment services. You must detail all parties involved, and include settlement arrangements for each payment service provided (unless the applicant firm intends to provide PIS / AIS only) and processing times.**

|  |
| --- |
|  |

**3.6 Please attach both the following**

A diagram of flow of funds (unless the applicant firm intends to provide PIS /AIS only)

Draft contracts between the parties involved in the provision of payment services, including those with payment card schemes (if applicable)

**3.7 Please provide a copy of the draft framework contract as defined in Regulation 2 of the PSRs**

Attached

**3.8 Please provide a description of any ancillary services to the payment services (if applicable)**

|  |
| --- |
|  |

**3.9 Where an applicant has selected either PIS, AIS or both in Question 3.2, please provide the information specified in Guideline 2 of the EBA PII Guidelines on the criteria and indicators for stipulating the minimum monetary amount of the professional indemnity insurance or other comparable guarantee**

|  |
| --- |
|  |

EMD Requirement

**3.10 Applicants who have not selected PIS or AIS in question 3.2 above will have the following requirement added to their record on the FCA’s Register once authorised:**

***‘The institution is required to refrain from providing account information services or payment initiation services for an indefinite period’***

Where the applicant has not selected PIS or AIS in 3.2 above but wishes to provide these activities after authorisation, a Variation of EMD Authorisation/Registration application will need to be made to obtain approval for these activities.

**Please confirm****the applicant firm has understood the above requirement?**

Yes

|  |  |
| --- | --- |
| 4 | Business Plan  This section asks applicants to explain the how they intend to carry out their business and must include a forecast budget for the first three years. This section is also used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 4 (Business Plan) of section 4.3 of the EBA Authorisation Guidelines.  The level of detail you provide should reflect the scale and complexity of the applicant’s proposed business. Applicants must provide the information outlined [here](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.fca.org.uk%2Ffirms%2Fauthorisation%2Fapply%2Fpreparing-financial-information&data=05%7C02%7CGavin.Davies%40fca.org.uk%7Caffaadef2ae5454f5ccb08dc8fa447a8%7C551f9db3821c44578551b43423dce661%7C1%7C0%7C638543182950557745%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=BcrQ1RfwOlTJHlFF%2Fw2nOtZVXcWWpTLSz4L%2FbX4n1fk%3D&reserved=0) as minimum.  If any of the information is missing, we may reject your application. If any of the information you provide is unclear, we will ask you about it. |

**4.1 Please attach a business plan that includes the following information:**

a) marketing plan consisting of:

1. an analysis of the applicant firm’s competitive position in the e-money market and, if applicable, payment market segment concerned
2. a description of e-money holders and payment service users, marketing materials and distribution channels

b) where available, certified annual accounts of the previous three years. If the applicant firm has not yet produced annual accounts, a summary of the financial situation

c) forecast budget calculation for the first three financial years that demonstrates that the applicant firm is able to employ appropriate and proportionate systems, resources and procedures that allow the applicant firm to operate soundly. The forecast budget should include:

* 1. an income statement and balance sheet forecast, including target scenarios and stress scenarios as well as base assumptions, such as volume and value of transactions, number of clients, pricing, average amount per transaction and expected increase profitability threshold
  2. an explanation of the main lines of income and expenses, the financial debts and the capital assets
  3. a diagram and detailed breakdown of the estimated financial flows for the next three years

d) information on own funds, including the amount and a detailed breakdown of the composition of initial capital as set out in Part 1 of Schedule 2 to the EMRs

e) Where the applicant intends to provide e-money services only, information on, and calculation of, minimum own funds requirements in accordance with the Method D as referred to in Part 2 of Schedule 2 to the EMRs

f) Where the applicant intends to provide payment services in addition to e-money services, information on, and calculation of, minimum own funds requirements in accordance with regulation 22 of the PSRs and the applicant firm’s preferred method referred to in Schedule 3, Part 2 of the PSRs (unless the applicant intends to provide AIS only), including:

1. an annual projection of the breakdown of the own funds for three years according to the method used
2. an annual projection of the breakdown of the own funds for three years according to the other methods

Attached4Please indicate how many separate sheets of paper you have used

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 5 | Structural organisation  This section asks applicants to describe the plan for how the work of the business will be organised. It must include (where applicable), a description of the intended use of agents and branches, its outsourcing arrangements and its participation in a national or international payment system. This section is also used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 5 (Structural organisation) of section 4.3 of the EBA Authorisation Guidelines. |

**5.1 Please provide a description of the structural organisation of the applicant’s business on a separate sheet of paper.**

This should include the following:

a) a detailed organisational chart, showing each division, department or similar structural separation, including the name of the person(s) responsible, in particular those in charge of internal control functions. The chart should be accompanied by description of the functions and responsibilities of each division, department or similar structural separation

b) an overall forecast of the staff numbers for the next three years

c) a description of relevant operational outsourcing arrangements consisting of:

1. i. the identity and geographical location of the outsourcing provider
2. ii. the identity of the persons within the applicant firm that will be responsible for each of the outsourced activities
3. iii. a clear description of the outsourced activities and its main characteristics

d) a copy of draft outsourcing agreements

e) a description of the use of branches, agents and distributors, where applicable, including:

1. a mapping of the off-site and on-site checks that the applicant intends to perform on branches, agents and distributors
2. the IT systems, processes and infrastructure used by the applicant firm’s agents and distributors to perform activities on its behalf
3. in the case of agents and distributors, the selection policy, monitoring procedures and agents’ and distributors’ training and where available, the draft terms of engagement of agents and distributors
4. an indication of the national and/or international payment system which the applicant firm will access, if applicable
5. a list of all natural or legal persons that have close links with the applicant firm, indicating their identity and the nature of those links (this information can be included with the corporate structure chart submitted in accordance with Section 15)

Attached4Please indicate how many separate sheets of paper you have used

|  |
| --- |
|  |

**5.2 You must attach a copy of the draft outsourcing agreements**

Draft outsourcing agreements attached

|  |  |
| --- | --- |
| 6 | Evidence of initial capital  By the time of authorisation, the applicant must provide evidence that they hold initial capital at the level required.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 6 (Evidence of initial capital) of section 4.3 of the EBA Authorisation Guidelines. |

**6.1 You must confirm the applicant firm will hold initial capital of at least €350,000 immediately before authorisation**

Yes

**6.2 Initial capital must be comprised of one or more of the items specified in Article 26(1)(a) to (e) of the Capital Requirements Regulation (EU) 575/2013 (see Schedule 2, Part 1 of the EMRs ).**

**Please explain how the applicant firm going to meet its initial capital**

|  |
| --- |
|  |

**6.3 Please attach evidence of your initial capital. This should be in the form of an audited account statement or public register certifying the amount of capital of the applicant firm.**

Attached

|  |  |
| --- | --- |
| 7 | Measures to safeguard the funds of payment service users  Safeguarding is a specific set of requirements for protecting relevant funds that are held by the firm. This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 7 (Measures to safeguard to the funds of payment service users) of section 4.3 of the EBA Authorisation Guidelines. |

**7.1 Please indicate the applicant firm’s method(s) for safeguarding relevant funds from the table below (Regulation 20 of the EMRs 2011):**

|  |  |  |
| --- | --- | --- |
| Option 1(as set out in regulation 21 of the EMRs)  (Go to Question 7.2) | Segregating funds and, where necessary, placing the relevant funds in a separate account that it holds with an authorised credit institution or the Bank of England or investing the relevant funds in such secure, liquid assets as the FCA may approve and placing those assets in a separate account with an authorised custodian. |  |
| Option 2 (as set out in regulation 22 of the EMRs)  (Go to Question 7.3) | Coverage of relevant funds by an insurance policy from an authorised insurer, or a comparable guarantee from an authorised insurer or credit institution. |  |

If the applicant firm uses a combination of both safeguarding methods, please complete all questions.

**7.2 If you have selected Option 1, please provide a description of the safeguarding measures including:**

a) a description of the investment policy which demonstrates that the assets chosen are liquid secure and low risk, if applicable

b) the number of person (s) that have access to the safeguarding account and their functions

c) a description of the administration and reconciliation process for e-money users. (and, if applicable, payment service users) It must show that customers’ funds are insulated in the interest of customers against the claims of other creditors of the payment institution, in particular in the event of insolvency

|  |
| --- |
|  |

**7.2.1 Please attach a copy of the draft contract with the credit institution**

Attached

**7.2.2 Please confirm that the applicant firm complies with the relevant parts of regulation 21 of the EMRs**

Confirmed

**7.3 If you have selected Option 2, please provide a description of the safeguarding measures including:**

a) confirmation that the insurance policy or comparable guarantee from an insurance company or a credit institution is from an entity that is not part of the same group of firms as the applicant firm

b) details of the reconciliation process in place to ensure that the insurance policy or comparable guarantee is sufficient to meet the applicant firm’s safeguarding obligations at all times

c) duration and renewal of the coverage

|  |
| --- |
|  |

**7.3.1 Please attach a copy of the (draft) insurance agreement or of the (draft) comparable guarantee.**

Attached

Unrelated payment services

In addition to complying with the safeguarding requirements in the EMRs, applicants who intend to provide unrelated payment services **(activities 1-6 only)** must alsocomply with safeguarding requirements in the PSRs in relation to funds received for the execution of payment transactions that are not related to the issuance of e-money (see Regulation 20(6) EMRs). This does not apply to applicant firms that are intending to provide PIS or AIS only.

**If you do not intend to provide unrelated payment services, or only intend to provide PIS or AIS, continue to Section 8,**

**7.4 Please indicate the applicant firm’s method(s) for safeguarding relevant funds from the table below (Regulation 20 of the EMRs 2011):**

|  |  |  |
| --- | --- | --- |
| Method 1 (as set out in Regulation 23(5)-(11) of the PSRs  (Go to Question 7.5) | Segregating funds and, where necessary, placing the relevant funds in a separate account that it holds with an authorised credit institution or the Bank of England or investing the relevant funds in such secure, liquid assets as the FCA may approve and placing those assets in a separate account with an authorised custodian. |  |
| Method 2 (as set out in Regulation 23(12) – (13) of the PSRs (Go to Question 7.6) | Coverage of relevant funds by an insurance policy from an authorised insurer, or a comparable guarantee from an authorised insurer or credit institution. |  |

If the applicant uses a combination of both safeguarding methods in respect of the payment services, please complete all questions

**7.5 If you have selected Method 1, please provide a description of the safeguarding measures including:**

a) a description of the investment policy which demonstrates that the assets chosen are liquid secure and low risk, if applicable

b) the number of person (s) that have access to the safeguarding account and their functions

c) a description of the administration and reconciliation process to ensure that customers’ funds are insulated in the interest of customers against the claims of other creditors of the payment institution, in particular in the event of insolvency

|  |
| --- |
|  |

**7.5.1 Please attach a copy of the draft contract with the credit institution**

Attached

**7.5.1 Please confirm that the applicant firm complies with the relevant parts of Regulation 23 of the PSRs**

Confirmed

**7.6 If you have selected Method 2, please provide a description of the safeguarding measures including:**

a) confirmation that the insurance policy or comparable guarantee from an insurance company or a credit institution is from an entity that is not part of the same group of firms as the applicant firm

b) details of the reconciliation process in place to ensure that the insurance policy or comparable guarantee is sufficient to meet the applicant firm’s safeguarding obligations at all times

c) duration and renewal of the coverage

|  |
| --- |
|  |

**7.6.1 Please attach a copy of the (draft) insurance agreement or of the (draft) comparable guarantee.**

Attached

|  |  |
| --- | --- |
| 8 | Governance arrangements and internal control mechanisms  The description of the governance arrangements and internal control mechanisms must include a clear organisational structure with well-defined, transparent and consistent lines of responsibility. We will assess if the arrangements, controls and procedures are appropriate, sound and adequate.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 8 (Governance arrangements and internal control mechanisms) of section 4.3 of the EBA Authorisation Guidelines. |

**8.1 Please provide a description of the applicant’s governance arrangements and internal control mechanisms on a separate sheet of paper.**

This should include:

1. a mapping of the risks identified by the applicant firm, including the type of risks and the procedures it will put in place to assess and prevent such risks in relation to e-money services and (if applicable) payment services
2. the different procedures to carry out periodical and permanent controls including the frequency and the human resources allocated
3. the accounting procedures by the which the applicant firm will record and report its financial information
4. the identity of the person(s) responsible for the internal control functions, including the periodic, permanent and compliance control. You must provide an up-to-date curriculum vitae for such person(s). (EMD individual form(s) may be required if the person(s) is responsible for the management of the payment services activities of the payment institution)
5. the identity of any auditor other than the statutory auditor named in Section 17
6. the composition of the management body and, if applicable, of any other oversight body or committee
7. a description of the way outsourced functions are monitored and controlled to maintain the quality of the applicant’s internal controls
8. a description of the way any agents, branches and distributors are monitored and controlled within the framework of the applicant’s internal controls
9. where the applicant firm is the subsidiary of a regulated entity outside of the UK, a description of the group governance
10. a wind-down plan

Attached4Please indicate how many separate sheets of paper you have used

|  |
| --- |
|  |

Regulatory returns – RegData

All regulated firms have to supply regular regulatory returns. RegData is the mandatory reporting tool that the applicant firm must use when completing and submitting the majority of these regulatory returns. To complete the returns the applicant firm must have access to a computer with an internet connection.

**8.2 You must confirm that the applicant firm has the ability to complete its regulatory returns via RegData.**

Yes

**8.3 Does the applicant firm agree to supply to us, at regular and stated intervals, financial information that can be used to help supervise and assess the applicant firm on an ongoing basis as specified in the Handbook?**

Yes

**8.4 Does the applicant firm agree to submit this information using RegData in a timely manner?**

Yes

|  |  |
| --- | --- |
| 9 | Procedure to monitor, handle and follow up on a security incident and security related customer complaints  Every payment service providers which includes e-money issuers, must notify the FCA as soon as possible if they become aware of a major operational or security incident. We will assess that the applicant firms have adequate procedures to meet their obligations under the EMRs, the PSRs (if applicable) and our Handbook.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 9 (Procedure to monitor, handle and follow up on a security incident and security related customer complaints) of section 4.3 of the EBA Authorisation Guidelines. |

**9.1 Please provide a description of the applicant firm’s procedures in place to monitor, handle and follow up on security incidents and security-related customer complaints.**

This should include:

1. the measures and tools to prevent fraud
2. the individual(s) and bodies responsible for assisting customers in case of fraud, technical issues and/or claim management
3. the reporting lines in case of fraud
4. the procedures for reporting incidents to the FCA under Regulation 99 PSRs in line with the EBA Guidelines on incident reporting
5. the monitoring tools used and the follow-up measures and procedures in place to mitigate security risks

|  |
| --- |
|  |

**9.2 Please provide the contact point for customers, including name, address, email address and telephone number**

|  |  |
| --- | --- |
| Name |  |

|  |  |
| --- | --- |
| Email address |  |

|  |  |
| --- | --- |
| Complaints contact address |  |
|  |
|  |
| Postcode |  |

|  |  |
| --- | --- |
| Phone number (including STD code) |  |

|  |  |
| --- | --- |
| 10 | Process in place to file, monitor, track and restrict access to sensitive payment data  Every applicant has obligations to protect its customers’ sensitive payment data. Sensitive payment data is defined as ’information, including personalised security credentials, which could be used to carry out fraud‘.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 10 (Process in place to file, monitor, track and restrict access to sensitive payment data) of section 4.3 of the EBA Authorisation Guidelines. |

**10.1 Please provide a description of the process in place to file, monitor, track and restrict access to sensitive payment data on a separate sheet of paper.**

This should include:

* a description of the flows of data classified as sensitive payment data in the context of the electronic money institution’s business model
* the procedures in place to authorise access to the sensitive payment data
* a description of the monitoring tool
* the access right policy, detailing access to all relevant infrastructure components and systems, including databases and back-up infrastructures
* a description of how the collected data is filed
* the expected internal and/or external use of the collected data, including by counterparties
* the IT system and technical security measures that have been implemented, including encryption and/or tokenisation
* identification of the individual(s), bodies and/or committees with access to the sensitive payment data
* an explanation of how breaches will be detected and addressed
* an annual internal control program in relation to the safety of the IT systems

Attached4Please indicate how many separate sheets of paper you have used

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 11 | Business continuity arrangements  This section asks applicants to describe the business continuity and disaster recovery plans for the business and IT systems. This section is also to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 11 (Business continuity arrangements) of section 4.3 of the EBA Authorisation Guidelines. |

**11.1 Please provide a description of the business continuity arrangements on a separate sheet of paper.**

This should include:

1. a business impact analysis, including the business processes and recovery objectives such as recovery time objectives, recovery point objectives and protected assets
2. the identification of the back-up site, access to IT infrastructure and the key software and data to recover from a disaster or disruption
3. an explanation of how the applicant firm will deal with significant continuity events and disruptions, eg key systems failure, the loss of key data, inaccessibility of premises, and loss of key persons;
4. the frequency with which the applicant intends to test the business continuity and disaster recovery plans, including how the results of the testing will be recorded
5. a description of the applicant firm’s mitigation measures, in case of termination of its payment services, to avoid adverse effects on payment systems and on payment services users ensuring execution of pending payment transactions and termination of existing contracts

Attached4Please indicate how many separate sheets of paper you have used

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 12 | The principles and definitions applicable to the collection of statistical data on performance, transactions and fraud  At least every year, payment service providers which includes e-money issuers, must send the FCA statistical data on fraud affecting different types of payment. This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 12 (The principles and definitions applicable to the collection of statistical data on performance, transactions and fraud) of section 4.3 of the EBA Authorisation Guidelines. |

**12.1 Please provide a description of the principles and definitions applicable to the collection of the statistical data on performance, transaction and fraud on a separate sheet of paper.**

This should include:

1. the type of data that is collected, in relation to customers, type of payment service, channel, instrument, jurisdictions and currencies
2. scope of the collection, in terms of activities and entities concerned, including branches, agents and distributors
3. the means, purpose and frequency of collection
4. any supporting documents such as manuals that describes how the system works

Attached4Please indicate how many separate sheets of paper you have used

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 13 | Security policy document  Every applicant firm has to satisfy us that they have an operational and security risk management framework in place and the questions in this section help us to assess whether this framework is adequate.  This section is also to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 13 (Security policy document) of section 4.3 of the EBA Authorisation Guidelines. |

**13.1 Please attach the applicant firm’s security policy document.**

This should include:

1. a detailed risk assessment of the e-money and payment services (if applicable) the applicant firm intends to provide. This must include risks of fraud and the security control and mitigation measures taken to adequately protect customers against the risks identified
2. a description of the IT systems including:
   * the architecture of the systems and their network elements
   * the business IT systems supporting the business activities provided, such as the applicant firm’s website, wallets, the payment engine, the risk and fraud management engine and customer accounting
   * the support IT systems used for the organisation and administration of the applicant firm, such as accounting, legal reporting systems, staff management, customer relationship management, email servers and internal file servers
   * information on whether those systems are already used by the applicant or its group, and estimated date of installation, if applicable
3. the type of authorised connections from outside, such as with partners, service providers, entities of the group and employees working remotely, including the rationale for such connections
4. for each of the connections listed under point c), the logical security measures and mechanisms in place. This must specify the control the applicant firm will have over these accesses. It must also detail:
   * the nature and frequency of each control, such as technical versus organisational, preventive vs detective; real-time monitoring vs regular reviews, such as the use of an Active Directory separate from the group
   * the opening/closing of communication lines
   * security equipment configuration
   * generation of keys or client authentication certificates
   * system monitoring
   * authentication
   * confidentiality of communication
   * intrusion detection
   * antivirus and logs
5. the logical security measures and mechanisms in place that will govern the internal access to IT systems including:
   * the technical and organisational nature and frequency of each measure, such as whether it is preventive or detective, or if it is carried out in real time
   * how the issue of client environment segregation is dealt with in cases where the applicant’s IT resources are shared
6. the physical security measures and mechanisms of the premises and the data centre of the applicant firm, such as access controls and environmental security
7. the security of e-money and, if applicable, payment processes, which should include:
   * the customer authentication procedure used for both consultative and transactional access, and for all underlying payment instruments
   * an explanation on how the safe delivery to the legitimate e-money and (if applicable) payment service user and the integrity of authentication factors such as hardware tokens and mobile application is ensured, at initial enrolment time and renewal
   * a description of the systems and procedures that the applicant firm has for transaction analysis and identification of suspicious or unusual transactions
8. a detailed risk assessment in relation to its e-money services and (if applicable) payment services, including fraud and with a link to the control and mitigations explained in the application file, demonstrating that the risks are addressed
9. a list of the main written procedures in relation to the applicant’s IT systems or, for procedures that have not yet been formalised, an estimated date for their finalisation

Security policy document attached

|  |  |
| --- | --- |
| 14 | Internal control mechanisms to comply with obligations in relation to money laundering and terrorist financing  Every payment service provider including e-money issuers, must comply with legal requirements to deter and detect financial crime. This includes money laundering and terrorist financing. We expect applicants to show they have appropriate and risk-sensitive policies and procedures for countering the risk that they may be used to further financial crime.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 14 (Internal control mechanisms to comply with obligations in relation to money laundering and terrorist financing) of section 4.3 of the EBA Authorisation Guidelines. |

**If the applicant firm had an existing or draft anti-money laundering and terrorist financing policy document that addresses the items below, then this can be provided.**

Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

**14.1 Will the applicant be required to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and supervised by the FCA?**

No

Yes

Some applicants may also be subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in respect of other professional activities eg legal or accountancy activities. For these activities, applicant firms may have a different supervisor (e.g. the Solicitors Regulation Authority or the Institute of Chartered Accountants in England and Wales) under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

**14.2 Please provide a description of the internal control mechanisms that the applicant firm has established to comply with its obligations under money laundering and counter terrorism financing legislation on a separate sheet of paper. The description should cover:**

1. the applicant firm's assessment of the money laundering and terrorist financing risks associated with its business. This must include the risks associated with the applicant firm's customer base, the products and services provided, the distribution channels used and the geographic areas of operation
2. the measures the applicant firm has or will put in place to mitigate the risks and comply with applicable anti money laundering and counter terrorist financing obligations. This includes the applicant firm's risk assessment process, the policies and procedures to comply with customer due diligence requirements and the policies and procedures to detect and report suspicious transactions or activities
3. the systems and controls the applicant firm has or will put in place to ensure that their branches and agents comply with applicable anti money laundering and terrorist financing requirements. This includes in cases where the agent, distributor or branch is located in another Member State
4. arrangements the applicant firm has or will put in place to ensure that staff, agents and distributors are appropriately trained in anti-money laundering and counter terrorist financing matters
5. the identity of the person in charge of ensuring the applicant firm's compliance with anti-money laundering and counter-terrorism obligations. They must provide evidence that their anti-money laundering and counter-terrorism expertise is sufficient to enable them to fulfil this role effectively
6. the systems and controls the applicant firm has or will put in place to ensure their anti-money laundering and counter terrorist financing policies and procedures remain up to date, effective and relevant
7. the systems and controls the applicant has or will put in place to ensure that the agents and distributors do not expose the applicant to increased money laundering and terrorist financing risk
8. the anti-money laundering and counter terrorism manual for the staff of the applicant

Attached4Please indicate how many separate sheets of paper you have used

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 15 | Identity and suitability assessment of persons with qualifying holdings in the applicant  A condition of authorisation under the EMRs is that the applicant must satisfy us that any persons having a qualifying holding in it are fit and proper persons. It must show they have regard to the need to ensure the sound and prudent conduct of the affairs of the payment institution.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 15 (Identity and suitability assessment of persons with qualified holdings in the applicant) of section 4.3 of the EBA Authorisation Guidelines. |

Under Regulation 2 of the EMRs, ‘qualifying holding’ has the meaning given in Article 4(1)(36) of the Capital Requirements Regulation (EU) 575/2013.

A ‘qualifying holding’ is broadly an individual or firm that:

* holds 10% or more of the shares in the applicant firm (including via a parent firm)
* is able to exercise significant influence over the management of the applicant firm through a controlling interest in the applicant firm or a parent
* is entitled to control or exercise control of 10% or more of the voting power in the applicant firm (including via a parent firm)
* is able to exercise significant influence over the management of the applicant firm through their voting power in it or a parent

Limited Liability Partnership (LLP) applicants should note that some (or sometimes all) individual members may be controllers of the LLP. Usually this will depend on the number of members and the terms of the membership agreement, especially regarding voting power or significant influence.

**15.1 Please attach a corporate structure chart setting out the shareholder or ownership structure of the applicant firm, including a breakdown of the capital and voting rights and any close links.**

Corporate structure chart attached

**15.2 Who controls (owns) the applicant firm?**

You must detail in the boxes below the names and the percentage holding (capital/voting right) of each person(s) that has or will have a direct or indirect holding in the share capital of the applicant. You must identify the people considered as qualifying holders and the reasons for such qualifications.

You must also complete and attach a Qualifying Holding (Controller) form to this application for each person.

**Person 1**

Name

|  |
| --- |
|  |

Is this person an individual (eg Director/Partner) or a firm?

|  |
| --- |
|  |

Percentage of shares or voting rights held in the applicant firm

|  |
| --- |
| % |

Percentage of shares or voting rights held in the applicant firm's parent(s) if applicable

|  |
| --- |
| % |

Reason for qualification

|  |
| --- |
|  |

**Person 2**

Name

|  |
| --- |
|  |

Is this person an individual (eg Director/Partner) or a firm?

|  |
| --- |
|  |

Percentage of shares or voting rights held in the applicant firm

|  |
| --- |
| % |

Percentage of shares or voting rights held in the applicant firm's parent(s) if applicable

|  |
| --- |
| % |

Reason for qualification

|  |
| --- |
|  |

**Person 3**

Name

|  |
| --- |
|  |

Is this person an individual (eg Director/Partner) or a firm?

|  |
| --- |
|  |

Percentage of shares or voting rights held in the applicant firm

|  |
| --- |
| % |

Percentage of shares or voting rights held in the applicant firm's parent(s) if applicable

|  |
| --- |
| % |

Reason for qualification

|  |
| --- |
|  |

**Person 4**

Name

|  |
| --- |
|  |

Is this person an individual (eg Director/Partner) or a firm?

|  |
| --- |
|  |

Percentage of shares or voting rights held in the applicant firm

|  |
| --- |
| % |

Percentage of shares or voting rights held in the applicant firm's parent(s) if applicable

|  |
| --- |
| % |

Reason for qualification

|  |
| --- |
|  |

**Person 5**

Name

|  |
| --- |
|  |

Is this person an individual (eg Director/Partner) or a firm?

|  |
| --- |
|  |

Percentage of shares or voting rights held in the applicant firm

|  |
| --- |
| % |

Percentage of shares or voting rights held in the applicant firm's parent(s) if applicable

|  |
| --- |
| % |

Reason for qualification

|  |
| --- |
|  |

If you have used separate sheets of paper please indicate how many below.

|  |  |
| --- | --- |
| Number of additional sheets |  |

|  |  |
| --- | --- |
| 16 | Identity and suitability assessment of directors and persons responsible for the management of the electronic money institution  A condition of authorisation under the EMRs is that the applicant must satisfy us that any persons who are responsible for the management of the applicant firm or its e-money issuance and payment services activities, are of good repute and possess appropriate knowledge and experience to issue e-money and perform payment services.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 16 (Identity and suitability assessment of Directors and persons responsible for the management of the payment institution) of section 4.3 of the EBA Authorisation Guidelines. |

16.1 Please complete and submit an EMD Individual form for each person responsible for the management of the applicant firm.

The following are examples of persons required to complete and submit an EMD Individual form:

1. all the members of the management board
2. in the case of an e-money institution that only issues e-money and provides payment services, all the management staff
3. in the case of e-money institutions that carry on activities other than e-money and payment services, the persons with direct responsibility for running the firm’s e-money and payment services activities on a day-to-day basis

How many EMD Individual forms are you attaching to this application?

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 17 | Identity of statutory auditors and audit firms  Where an authorised PI is required under UK legislation to appoint an auditor, the name and contact details must be provided below.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 17 (Identity of statutory auditors and audit firms) of section 4.3 of the EBA Authorisation Guidelines. |

**17.1** **Is the applicant firm required to have a statutory auditor?**

Yes4Give details below

No4Have you got an auditor that is not a statutory auditor

Yes4Give details below

No4Continue to Section 18

|  |  |
| --- | --- |
| Firm name of auditor / reporting accountant |  |

|  |  |
| --- | --- |
| Contact name |  |

|  |  |
| --- | --- |
| Address |  |
|  |
|  |
|  |
| Postcode |  |

|  |  |
| --- | --- |
| Phone number (including STD code) |  |

**17.2 Date of appointment of auditor (dd/mm/yyyy).**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | / |  |  | / |  |  |  |  |

|  |  |
| --- | --- |
| 18 | Professional indemnity insurance or comparable guarantee  Where an applicant firm intends to provide PIS or AIS, it must satisfy the FCA that it holds appropriate PII or a comparable guarantee. To complete this section you must have a quotation from a PII provider.  This section is to be used to provide the information required under Schedule 1 of the EMRs and suggested by Guideline 18 (Professional indemnity insurance or comparable guarantee for payment initiation services and account information services) of section 4.3 of the EBA Authorisation Guidelines. |

**18.1 Will the applicant firm be undertaking PIS and /or AIS as unrelated payment services?**

Yes

No 4Continue to Section 19

**18.2** **Please provide details of the PII cover the applicant will have in place that complies with the minimum standards as set out in the EBA PII Guidelines; showing the coverage of the respective liabilities\***

|  |  |
| --- | --- |
| Insurer name |  |
| Annual premium |  |
| Limit of indemnity (single claim) |  |
| Limit of indemnity (aggregate) |  |
| Policy excess |  |
| Increased excess(es) for specific business types: | Business type:  Amount: £  Business type:  Amount: £ |
| Amount of additional capital required for increased excesses(es) | £ |
| Amount of additional capital required for excluded business or liabilities. | £ |

\*You will be asked to provide evidence of the PII before we authorise your firm i.e. the insurance contract or other equivalent document.

**18.3** **Please provide documentation of how the applicant has calculated the minimum amount in a way that conforms with the EBA Guidelines on PII, including all applicable components of the formula specified therein.**

Please indicate how many separate sheets of paper you have used below.

|  |  |
| --- | --- |
| Number of additional sheets |  |

|  |  |
| --- | --- |
| 19 | Fees and levies  This section is included to provide the applicant information on periodic fees and levies payable to the FCA, the Financial Ombudsman Service (FOS) and the Money Advice Service where relevant. We also explain the relevant FCA and FOS fee-blocks. See Chapters 3 and 16 of the Approach Document and Regulation 59 of the EMRs. |

Once authorised, an electronic money issuer will be allocated to fee-block(s) based on its activities. The fees and levies in each fee-block are based on the tariff data provided in the sections below. Electronic money issuers will fall within either FCA fee block G.10 or G.11. Authorised electronic money institutions in fee-block G.10 are required to give us tariff data to enable us to calculate their periodic fees and levies in the first year of authorisation. Depending on the quarter in which an applicant firm becomes authorised, we will also use the data provided here to calculate the fees and levies in the second year of authorisation.

If an electronic money issuer will carry out unrelated payment services not covered by the Electronic Money Regulations, it will also be allocated to FCA fee-block G.3 or G.4.

Electronic money issuers whose activities fall within the jurisdiction of the FOS will be allocated to the corresponding the FOS industry block I18. The tariff base for this is same as FCA fee block G.10. So applicant firms do not need to report separately for this as we will use data reported in fee block G.10. Electronic money issuers carrying out unrelated payment services not covered by the Electronic Money Regulations will also be allocated to industry block 11.

You should provide a projected valuation, covering the first 12 months from the date of authorisation (measured according to the relevant tariff base(s)), see FEES 4.2.7A G (FCA fees) of our Handbook at:<https://www.handbook.fca.org.uk/handbook/FEES/4/2.html> (see FEES 4 Annex 11)

and <https://www.handbook.fca.org.uk/handbook/FEES/5/> for the FOS industry blocks.

Please round your answers up for this section to the nearest whole number in GBP. If the answer is ‘nil’ please write ‘nil’ – do not leave blank.

FCA fees

**19.1** **Fee-block G.10 – Authorised Electronic Money Institutions**

What is the average outstanding electronic money the applicant firm projects at the end of the first year of authorisation?

|  |  |
| --- | --- |
| Amount GBP |  |
| Confirm amount in words |  |

**19.2 Fee-block G.3 – Large payment institutions**

How much relevant income does the applicant firm project for the first year of authorisation in relation to its unrelated payment services business?

|  |  |
| --- | --- |
| Amount GBP |  |
| Confirm amount in words |  |

Declaration of the Financial Ombudsman Service (FOS) exemption

Please note that if the applicant firm will carry on business with consumers then exemption will not be available because they qualify as eligible complainants.

19.3 The FOS exemption – if the applicant firm will not conduct business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below:

Applicant firm is exempt from the FOS – Continue to Section 12.

**If you have indicated the applicant firm is exempt from the FOS, please provide supporting evidence for this exemption.**

Attached

19.4 Industry block 11 – Fee-paying payment service providers

How much relevant income does the applicant firm project for the first year of authorisation in relation to its unrelated payment services business? *Relevant income refers to income expected from business with consumers.*

|  |  |
| --- | --- |
| Amount GBP |  |
| Confirm amount in words |  |