**Application for Registration as a Small Electronic Money Institution (SEMI)**

**Full name of applicant firm**

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

This application for registration as a Small Electronic Money Institution can be used to provide information:

1. as part of an application for registration to enable us to assess whether the applicant firm satisfies the conditions specified in Regulation 13 of the Electronic Money Regulations 2011
2. 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 the forms you complete and any supporting documents you include with this application pack for your 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 pack**

In this form we use the following terms:

* **‘Applicant’ or ‘Applicant firm’** refers to the firm applying for registration
* **‘Approach Document’** refers to our guidance document entitled “*Payment Services and Electronic Money – Our Approach*”
* **‘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
* **‘FSMA’** refers to the Financial Services and Markets Act 2000
* **‘Handbook’** refers to FCA Handbook
* **‘MLRs’** refers to The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
* **‘PSRs’** refers to the Payment Services Regulations 2017
* **‘Qualifying holding’** refers to a controller of the applicant firm
* **‘Regulation(s)’, or ‘EMRs’** refers to The Electronic Money Regulations 2011
* ‘**SEMI’** refers to Small Electronic Money Institution
* ‘**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
* **authorisation as an**

**Money Institution**

**Financial Services Authority**

**Filling in the form**

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

* 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 form 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 need to 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 (if applicable)
	+ 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.

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**Application for authorisation as an**

**Authorised Electronic Money Institution**

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| 1 | Identification details and timings We need to know general information about the applicant firm so we can process this application as efficiently as possible. 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)... |

 1.1 Has the applicant firm submitted any other applications to the FCA within the last twelve months?

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

[ ]  No

[ ]  Yes ⏵ Give details below including any relevant FRN’s or application numbers

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 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

[ ]  Other⏵Give details below

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 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?

[ ]  No

[ ]  Yes⏵Give details below

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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 **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).

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Other names

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

[ ]  No

[ ]  Yes ⏵Give details below

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

 **1.8 Principal place of business / Head office address**

This information will be displayed on the FS Register

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

|  |  |
| --- | --- |
| UK telephone number |       |

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

The key issue in identifying the head office is the location of its central management and control. By this we mean the location of the directors and other senior management who make decisions relating to the applicant’s central direction, the material management decisions of the applicant on a day-to-day basis and the central administrative functions of the applicant.

 **1.9 Does the applicant have a registered office?**

[ ]  Yes

[ ]  No⏵Continue to Question 1.11

**1.10 Is the registered office address the same as the principal place of business/head office address above?**

[ ]  Yes

[ ]  No⏵Give details below

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

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

[ ]  No

[ ]  Yes, live⏵Give address below

[ ]  Yes, being developed⏵Give address (if known) and launch date below

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

[ ] [ ]  No⏵Continue to Question 1.13

[ ] [ ] [ ]  Yes⏵Give details below

Name of regulator

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Address of regulator

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Applicant firm identification number with that regulator

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Details of professional advisers

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

[ ]  No⏵Continue to Question 1.17

[ ]  Yes

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

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

[ ]  No

[ ]  Yes

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

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

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

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

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

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

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

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

Timings for this application

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

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

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| 2 | Conditions for registrationEvery applicant for registration as a SEMI has to satisfy us that they meet the conditions set out in Regulation 13 of the EMRs. The following questions help us to assess whether the conditions are met. See Regulation 13 of the EMRs and Chapter 3 of the Approach Document. |

 2.1 You must confirm that the total business activities of the applicant firm immediately before the time of registration do not generate average outstanding electronic money exceeding €5,000,000.

[ ]  Yes

[ ]  No⏵You will need to apply to be an Authorised EMI. You must complete the Application for Authorisation as an Authorised Electronic Money Institution form on Connect.

Where a SEMI provides payment services unrelated to issuing electronic money, or carries out other business activities, the amount of outstanding electronic money may be unknown in advance.

In this case the applicant firm may assess the amount of average outstanding electronic money on the basis of a representative portion assumed to be used for the issuance of electronic money.

This is provided we are satisfied that the representative portion can be reasonably estimated on the basis of historical data. If the applicant firm is unable to base this calculation on relevant historical data, it may use a projection supported by the business plan.

 2.2 Does the applicant’s business include the provision of account information services or payment initiation services?

[ ]  No⏵A requirement will be added to your record on the FCA’s Financial Services Register once registered

[ ]  Yes⏵You will need to apply for Authorisation

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

 **2.3 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.

2.4 Have any of the individuals responsible for the management or operation of the applicant been convicted of:

* **an offence under Part 7 of the Proceeds of Crime Act 2002 (money laundering) or under the MLRs**
* **an offence under section 15 (fund raising), 16 (use and possession), 17 (funding arrangements), 18 (money laundering) or 63 (terrorist finance; jurisdiction) of the Terrorism Act 2000**
* **an offence under the Financial Services and Markets Act 2000**
* **an offence under Regulation 3, 4 or 6 of the Al-Qaida and Taliban (Asset-Freezing) Regulations 2010, or Regulation 10 of the ISIL (Da‘esh) and Al-Qaida (Asset Freezing) Regulations 2011 (contravention and circumvention of prohibitions)**
* **an offence under section 11, 12, 13, 14, 15 or 18 of the Terrorist Asset-Freezing etc Act 2010 (offences relating to the freezing of funds etc. of designated persons)**
* **an offence under the PSRs or the EMRs**
* **any other financial crimes**

Financial crimes include any offence involving fraud or dishonesty. For this purpose ’offence‘ includes any act or omission which would be an offence if it had taken place in the UK.

[ ]  Yes⏵ Please ensure you provide full disclosure in the relevant EMD Individual form(s)

[ ]  No

EMD Individuals

 2.5 Please complete and submit an EMD Individual form for each director or person(s) responsible for the management of the applicant, where relevant the person(s) responsible for the management of the applicant’s e-money and payment services.

You need to provide us with an EMD Individual form for each and every person who falls within the above description. You must satisfy us that each of these persons is of good repute, and possesses appropriate knowledge and experience.

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

* all the directors and members of the management board
* in the case of an applicant that only provides e-money and payment services, all the management staff
* in the case of an applicant that carries on activities other than e-money and payment services, all the persons with direct responsibility for running the applicant’s e-money and payment services activities on a day-to-day basis

How many EMD Individual forms are you sending with this application?

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| 3 | Business planWe need to know how the applicant firm intends to carry out its business so we can assess that (i) the proposal has been carefully thought out, and (ii) the adequacy of its financial and non-financial resources, systems and procedures have been considered. The applicant firm must satisfy the FCA that it has a business plan (including for the first three years, a forecast budget calculation) under which appropriate and proportionate systems, resources and procedures will be employed by the applicant to operate sounds before we can grant registration. See Regulation 13(7)(b). |

The level of detail you provide should reflect the scale and complexity of the applicant firm’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%7C638543182950563556%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=EUF9PXv6ZkJbHNC4VKPk1DtVpdQhqpNoHkFy1K5oA9A%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.

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

* background to the application
* types of e-money to be issued and payment services to be provided including a description of clients and distribution channels
* a diagram of the flow of funds that includes all parties involved
* a marketing plan consisting of an analysis of the applicant firm’s competitive position in the e-money/payments market
* a forecast budget calculation for the first three financial years. This must demonstrates that the applicant firm is able to employ appropriate and proportionate systems, resources and procedures that allow the applicant firm to operate soundly. This should include explanation as to how those figures have been estimated

 **You must confirm you have attached the following:**

Opening balance sheet [ ]  Attached

Forecast closing balance sheet [ ]  Attached

Monthly cash flow forecast [ ]  Attached

Monthly profit and loss forecast [ ]  Attached

Last year’s accounts (if already trading) [ ]  Attached

[ ]  Business plan attached⏵ Please indicate how many separate sheets of paper you have used

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

EMD Distributors (if applicable)

 3.2 Will the applicant firm distribute and redeem e-money through distributors?

[ ]  No⏵Continue to Question 3.3

[ ]  Yes

3.2.1 Please provide a description of the use of distributors, including:

* the estimated number of distributors over the first three years following registration, and their locations
* the monitoring procedures including the off-site and on-site checks that the applicant intends to perform and their frequency
* the IT systems and processes which are used by the applicant firm’s distributors to perform activities on its behalf
* the key points of the agreement containing the terms of the mandate, selection policy, and distributor’s training

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EMD Agents (if applicable)

 3.3 Will the applicant firm provide payment services related to the e-money issuance through agents?

[ ]  No⏵Continue to Section 4

[ ]  Yes

3.3.1 Please provide a description of the use of agents, including:

* the estimated number of agents over the first three years following registration, and their locations
* the monitoring procedures including the off-site and on-site checks that the applicant intends to perform and their frequency
* the IT systems and processes used by the applicant firm’s agents to perform activities on its behalf. The key points of the agreement containing the terms of the mandate, selection policy, and agent’s training

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| 4 | Capital resources and requirementsBefore registration, the applicant firm must, where applicable, confirm that it will hold initial capital at the level required in accordance with Part 1 of Schedule 2 to the Regulations. See Regulation 19(2) and 13(5). Once registered, if a SEMI generates outstanding electronic money of €500,000 or more it must maintain funds equal to or in excess of the amount of the own funds requirement calculated in accordance with paragraph 14 of Schedule 2 (subject to any adjustment by the FCA). Please refer to Chapter 9 of the Approach Document for more information. |

Initial capital

 4.1 You must confirm the applicant firm will hold, immediately prior to registration, initial capital of at least 2% of its average outstanding electronic money, where the business activities generate average outstanding electronic money of €500,000 or more.

Where the applicant firm has not been in business long enough to calculate the amount of average outstanding electronic money, it must estimate on the basis of projected outstanding electronic money, as supported by its business plan. This is subject to any adjustments to that plan required by us.

**Is the applicant firm required to hold initial capital?**

[ ]  Yes

[ ]  No⏵Continue to Question 4.3

 4.2 Please provide your calculations on initial capital, including a detailed breakdown of how the own funds are to be held (eg whether by paid-up capital, reserves and/or retained earnings).

[ ]  Attached

Own funds

 4.3 Once registered, if the business activities of a SEMI generate average outstanding electronic money of €500,000 euro or more, it must maintain, at all times, own funds equal to or in excess of the amount of the own funds requirement calculated in accordance with paragraph 14 of Schedule 2 of the EMRs, subject to any adjustment directed by the FCA under paragraph 16 of that Schedule.

 **Under paragraph 14 of Schedule 2, any SEMI required to maintain own funds must calculate its own funds requirement as an amount equal to 2% of the average outstanding e-money.**

Please provide your forecast of the average outstanding e-money for the first three years post-registration. You must do this on a month by month basis if you have not already done so as part of the Business Plan financial forecasts. These forecasts should also show a calculation of the minimum own funds requirements ( in accordance with paragraph 14 of Schedule 2 of EMRs if the own funds requirement is triggered).

[ ]  Attached

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| 5 | Safeguarding measuresSafeguarding is a specific set of requirements for protecting funds that have been received in exchange for e-money that has been issued. See Chapters 3 and 10 of the Approach Document for more information. |

It is a condition of registration under Regulation 13(7)(c) of the EMRs that the applicant firm satisfies the FCA that the institution ‘has taken adequate measures for the purpose of safeguarding electronic money holders’ funds in accordance with Regulation 20’.

Please note that this section relates to the safeguarding of funds held in exchange for e-money only. Safeguarding of funds held in connection to payment services is covered in Section 6 Unrelated payment services (if applicable).

**5.1 Please indicate the applicant firm’s method(s) for safeguarding relevant funds from the table below:**

|  |  |  |
| --- | --- | --- |
| [ ]  | Option 1 (as set out in regulation 21 of the EMRs)(Go to Question 5.2) | Segregating funds and, where necessary , placing the relevant funds in a separate account that it holds with an authorised credit institution or investing the relevant funds in secure, liquid, low-risk assets 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 5.3) | 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.**

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

* a description of the investment policy which demonstrates that the assets chosen are liquid, secure and low risk, if applicable
* a description of the administration and reconciliation process for e-money users which demonstrates that payment service users’ funds are insulated in the interest of payment service users against the claims of other creditors of the payment institution, in particular in the event of insolvency

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 **5.2.1 Please attach copy of the draft contract with the credit institution.**

[ ]  Attached

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

[ ]  Yes

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

* 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
* 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
* duration and renewal of the coverage

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

[ ]  Attached

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| 6 | Unrelated payment servicesWhere the applicant firm will provide payment services unrelated to its e-money issuance, you must provide details here.  |

**Only complete this section if the applicant firm intends to carry out payment services unrelated to its e-money issuance business.**

**6.1 You must select the unrelated payment services the applicant firm will be providing 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. | [ ]  |

6.2 You must confirm that the monthly average of the total amount of payment transactions not related to issuing e-money, executed by the applicant firm, including any of its agents, in the 12 months preceding the application does not exceed €3,000,000. If the applicant firm is unable to base this calculation on relevant historical data, it may use a projection supported by the business plan.

[ ]  Yes

[ ]  No⏵You will need to apply to be an Authorised EMI. You must complete the Application for Authorisation as an Authorised Electronic Money Institution form on Connect.

**6.3 Please provide a description of the payment services that you have selected from the list in Question 6.1 above.**

This description should include: (i) an explanation on how these activities fit into any of the legal categories of payment services (ii) the different ways through which these services are provided and processing times

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Safeguarding

In addition to complying with the safeguarding requirements in the EMRs, SEMIs may also opt to comply 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 23 of the PSRs and Regulation 20(6) EMRs).

 **6.4 Will the applicant be safeguarding relevant funds received for the execution of unrelated payment transactions?**

[ ]  Yes

[ ]  No⏵Continue to Section 7

 **6.5 Please indicate the applicant firm’s method(s) for safeguarding relevant funds from the table below**

|  |  |  |
| --- | --- | --- |
| [ ]  | Method 1 (as set out in Regulation 23(5)-(11) of the PSRs ) (Go to Question 6.6) | 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 6.7) | Coverage of relevant funds by an insurance policy from an authorised insurer, or a comparable guarantee from an authorised insurer or credit institution. |

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

* a description of the investment policy to ensure the assets chosen are liquid secure and low risk, if applicable
* a description of the administration and reconciliation process to ensure that payment service users’ funds are insulated in the interest of payment service users against the claims of other creditors of the payment institution, in particular in the event of insolvency

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**6.6.1 Please attach copy of the draft contract with the credit institution.**

[ ]  Attached

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

[ ]  Yes

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

* 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
* 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
* duration and renewal of the coverage

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

[ ]  Attached

|  |  |
| --- | --- |
| 7 | Governance arrangements and risk managementApplicant firms are required to provide descriptions of their governance arrangements and risk management. This will enable us to assess if the arrangements and procedures are comprehensive and proportionate. Please note the applicant firm must satisfy us on this point before we can grant registration. See Regulation 13(6) of the EMRs and chapter 3 of the Approach document. |

The level of detail you provide for the questions in this section should reflect the scale and complexity of the applicant firm’s proposed business. We will assess if the arrangements, controls and procedures are appropriate, sound and adequate.

 **7.1 Please provide a description of its governance arrangements on a separate sheet of paper. This should include the following:**

* the decision making procedures, reporting lines and processes, and the measures that would be taken to address any deficiencies
* the accounting procedures by the which the applicant firm will monitor the average outstanding e-money and payment services does not exceed the thresholds
* the identity of the person(s) responsible for the internal control functions, including compliance control (we would expect an EMD individual form for this person(s)
* the identity of any auditor(s) if applicable
* details of the way outsourced functions are monitored and controlled so as to avoid an impairment in the quality of the applicant firm‘s internal controls

[ ]  Attached⏵Please indicate how many separate sheets of paper you have used.

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| Number of additional sheets |       |

 **7.2 Please provide a description of the anti-money laundering policies, procedures and internal controls that you have put in place.**

We may ask to see copies of any relevant anti-money laundering policies.

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**7.3 Please provide a description of the applicant’s risk management procedures, including the type of risks and the procedures it will put in place to assess and prevent such risks. Such risks may include:**

* Settlement risk (a settlement of a payment transaction does not take place as expected)
* Operational risk (loss from inadequate or failed internal processes, people or systems)
* Counterparty risk (that the other party to a transaction does not fulfil its obligations)
* Liquidity risk (inadequate cash flow to meet financial obligations)
* Market risk (risk resulting from the movement in market prices)
* Financial crime risk (see chapter 11 of the Approach document) Foreign exchange risk (fluctuation in exchange rates)

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**7.4 Please provide a description of the business continuity arrangements that you have put in place.**

This should include a business impact analysis of how the applicant firm will deal with significant continuity events and disruptions. This includes failure of key systems, loss of key data, inaccessibility of premises, and loss of key persons. It should also include the frequency with which the applicant intends to test the business continuity and disaster recovery plans, and how the results of the testing will be recorded.

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| 8 | Qualifying holdings and close linksAlthough not a condition of registration, we require information on the individual(s) with a qualifying holding in the applicant firm, and the applicant’s close links in order to facilitate our ongoing supervision of the applicant firm. |

A ‘qualifying holding’ is defined in the Regulations by reference to Article 4(1)(36) of the Capital Requirements Regulation (EU) 575 /2013. The definition in the Capital Requirements Regulations is a ‘direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking’.

We also refer to those with ‘qualifying holdings’ as ‘controllers’.

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

* holds 10% or more of the shares in the applicant firm (or 10% or more of the shares in a parent firm)
* is able to exercise significant influence over the management of the applicant firm through a shareholding 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 (or 10% or more of the voting power in 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.

 8.1 Who controls (owns) the applicant firm?

You must detail in the boxes below the individual(s) with a ‘qualifying holding’ in the applicant firm.

**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)

|  |
| --- |
|      % |

Do they have significant influence over the management of the applicant firm?

 [ ]  Yes [ ]  No

**Person 2**

Name

|  |
| --- |
|       |

Is this person is 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)

|  |
| --- |
|      % |

Do they have significant influence over the management of the applicant firm?

 [ ]  Yes [ ]  No

**Person 3**

Name

|  |
| --- |
|       |

Is this person is 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)

|  |
| --- |
|      % |

Do they have significant influence over the management of the applicant firm?

 [ ]  Yes [ ]  No

**Person 4**

Name

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

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|       |

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)

|  |
| --- |
|      % |

Do they have significant influence over the management of the applicant firm?

 [ ]  Yes [ ]  No

**Person 5**

Name

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

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|       |

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)

|  |
| --- |
|      % |

Do they have significant influence over the management of the applicant firm?

 [ ]  Yes [ ]  No

Please use a separate sheet of paper if necessary to provide details (in the format above) of any additional controllers. If you have used a separate sheet of paper please indicate how many below:

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

Close-links

Applicants that are body corporates must satisfy the FCA that any ’close links‘ it has are not likely to prevent the effective supervision of the applicant by the FCA or, where a close link is subject to the laws of a territory which is outside the UK, that the laws of the foreign territory would not prevent the effective supervision of the applicant by the FCA. A close link is defined in the EMRs at Regulation 6 as:

* a parent undertaking of the applicant
* a subsidiary undertaking of the applicant
* a parent undertaking of a subsidiary undertaking of the applicant
* a subsidiary undertaking of a parent undertaking of the applicant
* an owner of 20% or more of the capital or voting rights in the applicant
* an entity in which the applicant owns or controls 20% or more of the capital or voting rights

Subsidiary and parent undertaking have the meanings given in section 1162 of, and Schedule 7 to the Companies Act 2006.

Please refer to the diagram in Chapter 3 of the Approach Document, which sets out the types of relationships between firms and individuals that we consider to be close links.

 **8.2 Does the applicant firm have close links?**

[ ] [ ] [ ]  Yes

[ ]  No⏵ Continue to Section 9

**8.2.1 You must provide a structure chart to show:**

* **the identity of the close link; and**
* **the nature of the relationship between the applicant firm and each close link**

If you are also providing a structure chart to illustrate the applicant firm's controller(s) or group, that chart should include all of the applicant firm's close link(s).

[ ]  [ ] Ownership structure chart attached

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

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| Number of additional sheets |       |

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| 9 | Procedure to monitor, handle and follow up on a security incident and customer complaints Every payment service provider 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 firm have adequate procedures to meet their obligations under the EMRs, the PSRs (if applicable) and our Handbook. |

 **9.1 Please provide a description of the processes you have in place to meet your obligations to report major incidents to the FCA.**

The incident reporting requirement is set out in Regulation 99 of the PSRs and the Supervision Manual of our Handbook.

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 **9.2 Please provide a description of the complaint procedures that you have in place for your customers**

The dispute resolution and complaint handling requirements are set out in Regulation 101 of the PSRs for non-eligible complainants and in our Dispute Resolution Sourcebook for eligible complainants.

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 **9.3 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) |       |

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| 10 | Process in place to file, monitor, track and restrict access to sensitive payment dataEvery 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‘. The following questions help us to assess whether these procedures have been carefully thought out.  |

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

This should include:

* the procedures in place to authorise access to the sensitive payment data
* a description of how the data is used internally and/or externally
* an explanation of how breaches will be detected and addressed

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| 11 | The principles and definitions applicable to the collection of statistical data on performance, transactions and fraudAt least every year, payment service providers which includes e-money issuers, must send to the FCA statistical data on fraud affecting different types of payment. The following questions help us to assess whether these procedures are adequate. More information can be found in chapter 13 of the Approach document.. |

 **11.1 Please provide a description of the procedures you have in place for collecting statistical data on performance, transactions and fraud.**

This should include the means of collecting data.

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| 12 | Security policy Every applicant for registration as a SEMI has to satisfy us that they have an operational and security risk management framework in place. The following questions help us to assess whether this framework is adequate.  |

**12.1 Please provide a description of the key IT systems in use at the applicant firm which will support the provision of e-money issuance and payment services, including off-the-shelf and bespoke packages.**

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12.2 Is the applicant firm already using these systems?

[ ]  Yes

[ ]  No⏵State below when you expect them to be installed

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**12.3 Please provide a description of the applicant’s security policy.**

This should include:

* a detailed risk assessment of the payment service(s) intended, including risks of fraud and the security control and mitigation measures taken to adequately protect customers against the risks identified
* a description of the IT security measures and mechanisms in place, specifying the control the applicant will have over these such as security equipment configuration, confidentially of communication, intrusion detection, antivirus
* the physical security measures and mechanisms of the head office and other premises and the location of the data centre of the applicant, such as access controls and environmental security
* the security of payment processes including customer authentication procedures used for both consultative and transactional accesses, and for underlying payment instruments
* a description of the systems and procedures that the applicant has in place for transaction analysis and identification of suspicious or unusual transactions

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**If the applicant firm has an existing or draft security policy document that addresses the items above, then this can be provided.**

[ ]  Security policy document attached

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| 13 | Fees and leviesThis section is included to provide the applicant information on periodic fees and levies payable to the FCA, the Financial Ombudsman Service and Money Advice Service (MAS). We also explain the relevant FCA and Ombudsman Service fee-blocks. |

The activities the applicant firm undertakes when it becomes registered will determine which fee-block(s) the applicant firm is allocated to. The fees and levies in each fee-block are often based on the tariff data; however, Small EMIs will pay flat periodic fees and levies in line with FEES 4 Annex 11 Part 5 of our Handbook. See <https://www.handbook.fca.org.uk/handbook/FEES/4/Annex11.html>

Please see below for fee and industry blocks that apply to a Small EMI.

FCA fees

 **13.1 Fee-block G.11- Small Electronic Money Institutions**

If an applicant firm is providing unrelated payment services, it will also be allocated to fee-block G.4 - Small Payment Institutions. We do not require data for fee-block G.4 as this is a flat fee.

 **13.2 Financial Ombudsman Service (Ombudsman Service) General Levy**

An applicant firm will come under the jurisdiction of the Ombudsman Service for issuing electronic money except if it is an exempt electronic money issuer. A SEMI will fall within Industry block 18 – Electronic Money Issuers. A flat fee is payable for this industry block.

If the applicant firm will provide unrelated payment services, ie not directly related to its electronic money business, it will also be allocated to Industry block 11. A flat levy is payable for this industry block. So there are no data requirements for the Ombudsman Service levy.

Declaration of the Financial Ombudsman Service 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.

 **13.3 The Financial Ombudsman Service exemption**

If the applicant firm will not carry on 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 Financial Ombudsman Service

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

[ ] [ ]  Attached

 **13.4 Money Advice Service (MAS) levy**

For SEMIs, a flat fee is payable. The fee block(s) mirrors FCA fee block(s). So there are no data requirements for the MAS levy.