



## **Payment Institutions Licensed Under the Payment Services Directive 2007/64/EC (“PSD”)**

The PSD was implemented into Irish law in 2009. All applicants are required to make a submission to the Central Bank of Ireland (the “CBI”). A decision will be taken within 90 days of acceptance of an application by the CBI:

A number of obligations will apply to a newly licensed Payment Institution, these include;

### **Irish Presence Requirements**

The CBI requires that the so called “mind and management” of every firm authorised by it be located in Ireland, there must be effective segregation of duties between staff and outsourcing must be properly supervised.

**Compliance** – The CBI will require a compliance function commensurate with the size. This could be a contractor but the preference will be for a full time staff member to be responsible for compliance even if that person is assisted by a contractor on a part time basis.

**Risk** – A risk officer is required though this function can be performed by an individual with other roles such as the compliance officer. This role should report to the board. Again it would be expected that this person would also report to a group risk team or person.

### **Capital requirements**

The capital and prudential requirements for a payment institution are similarly set out in regulation. There are minimum amounts of capital required depending on the type of institution of; € 20,000, € 50,000 or € 125,000. These amounts are supplemented by capital amounts required based on the activities undertaken and as you might expect the size of the institution.

### **Outsourcing Possibilities**

The key concern of the CBI will be the extent of the supervision being undertaken by a company over the outsource provider(s). The CBI would usually see a Chief Operating Officer or similar tasked with oversight of any outsourcing.

### **Anti-Money Laundering Obligations**

Once a company is authorised by the CBI it becomes a “designated person” pursuant to section 25 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended) and have the associated obligations.

## Data Protection in Ireland

As a company incorporated in Ireland, a company will be subject to the Data Protection Acts 1988 and 2003 including with regard to the processing of personal data for the purposes of, and in carrying out, business in other countries.

The process of authorisation a payment institution is as follows;

<b>Stage</b>	<b>Detail</b>
<b>Stage 1 Meeting</b>	A preliminary meeting can be arranged with the CBI in advance of any application being made, the objective of which is for the CBI to get comfortable with the application in principle.
<b>Stage 2 Submit Application</b>	The next step is to submit a completed application form to the CBI. The review process is a desktop one, that is to say further meetings are generally not necessary. A decision should take no more than 90 days from when the complete application is submitted and accepted by the CBI.
<b>Stage 3 Key Information Check</b>	This stage will provide an indication of any major barriers to progress with the application. If the application is deemed incomplete at this stage a completely new application shall be required. A statement of omitted information will be provided to assist with any future application.
<b>Stage 4 Decision (Notification of Intent)</b>	<p>Once the process is complete the Central Bank will notify the applicant of its overall assessment. In the case of favourable assessments the authorisation is granted with or without conditions. Where conditions are set out the Central bank shall provide an opportunity to make representations in respect of the proposed conditions.</p> <p>In the case of an unfavourable assessment the reasons for the assessment are set out. The applicant is also afforded the opportunity to respond and to make representations in respect of the unfavourable assessment.</p> <p>No fee is payable to the CBI to make an application.</p>