



Guidance

The purpose of the Pre-Application Key Facts Document ('KFD') is to provide sufficient detail to the Central Bank of Ireland ('Central Bank') on the applicant firm's proposal for authorisation in advance of the initial pre-application meeting. In this regard:

- The completed KFD, in order to be comprehensive, is expected to be c.15-20 pages in Word format.
- Applicant firms must submit the completed KFD no less than 5 working days prior to the date of the pre-application meeting.

Prior to submitting the KFD, the Central Bank expects applicant firms to:

1. Be familiar with the **Payment Institutions** and/or **Electronic Money Institutions** guidance and information available and the corresponding **Guidance Note for Submitting an Application under PSD2**, all of which are available on the Central Bank's website.
- Have a detailed awareness and understanding of the governing legislation, regulatory definitions, regulatory guidelines, and regulatory technical standards for payment and electronic money institutions. This includes the following:
 - o Regulation 2 of **S.I. No. 6/2018 - European Union (Payment Services) Regulations 2018** which defines a 'payment institution', and each of the eight payment services in the accompanying schedule.
 - o Regulation 3 of **S.I. No. 183/2011 - European Communities (Electronic Money) Regulations 2011** which defines what constitutes 'electronic money'.
 - o Part 4 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended ('CJA 2010') sets out the AML/CFT obligations for payment and electronic money institutions. Applicant firms must have an AML/CFT control framework compliant with the CJA 2010 and the relevant guidance issued by the Central Bank and the European Supervisory Authorities **at the point of authorisation or registration**.
 - o The guidelines and regulatory technical standards applicable to payment and electronic money institutions issued by the European Supervisory Authorities. The onus is on the applicant firm to understand its obligations under the wider European regulatory framework in addition to its obligations under Irish law.
 - Ensure appropriate internal due diligence and Board and senior management sign-off on the KFD.

Depending on the nature of the proposal, applicant firms may consider it beneficial to obtain appropriate consulting or legal advice in advance of a pre-application meeting



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Information to be provided

1. Type of Authorisation/Registration Sought

Please indicate the nature of the authorisation/registration being sought:

- a) Authorisation as an Electronic Money Institution.
- b) Authorisation as a Payment Institution.
- c) Registration as an Account Information Service Provider.
- d) Registration as a Small Electronic Money Institution.

2. Background to the applicant

Please provide details of the applicant entity. This should include, inter alia, the following:

- Legal status.
- Proposed location.
- If already incorporated and active, details of:
 - Activities undertaken; and
 - Staffing.
- Where the applicant entity is part of a Group:
 - A Group organisation chart.
 - Geographical location of all group entities and details of the activities undertaken.
 - Details as to how the group generates its revenue.
 - Details of any group entities that are/have been authorised and regulated by other competent authorities.
- Current/proposed applications for licensing of group entities.
- Whether any applications for licensing have been refused or withdrawn.

3. Rationale for seeking authorisation in Ireland

Please indicate the reasons for seeking authorisation in Ireland.



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4. Business model

Please provide a description of the applicant's proposed business and operational model, to include, inter alia:

- A clear and detailed description of proposed activities (in a coherent and unambiguous manner) – distinguishing between regulated, unregulated activities and ancillary/other activities including details of any crypto-asset related activities.
- Proposed customer base:
 - Type (e.g. consumers; corporates/SMEs etc.);
 - Verticals; and
 - Geographical location.
- Details of distribution strategy and sales channels.
- Estimates of the number of transactions per annum (for the first three years) for each type of proposed transaction.
- Proposed passporting – details of branches to be established and/or cross border activity.
- Competitive advantage/USP of the applicant firm versus competitors.
- Description of the operating model.

5. Financial viability

- Please provide a summary Income Statement and Balance Sheet for the first three years of operation.
- Please indicate the month in which the applicant is proposed to break even.

6. Regulatory capital

Please indicate the proposed quantum, source, and timing of capital injections demonstrating that the applicant will be in a position to meet its regulatory capital requirements over at least the first three years of operation including an indication of the method of calculation used to determine the regulatory capital requirements.

7. Key risks

Please provide:

- Details of the key risks which will arise from the proposed operations.
- An overview of the proposed risk management framework.



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8. Details of any proposed outsourcing arrangements

Please provide details of the proposed outsourcing arrangements, where applicable. This includes outsourcing to other group entities. Please indicate how outsourced activities will be managed by the applicant firm.

9. Safeguarding

Please provide:

- An overview of proposed safeguarding arrangements.
- The level of safeguarded funds over the first three years of operation.
- If applicable, details of proposed safeguarding banking partners.

10. Business Continuity and Wind Down

Please provide an overview of proposed business continuity and wind down arrangements.

11. Organisational Structure and Staffing

Please provide details of:

Proposed Board composition; and

- The firm's recruitment plans for Board members and Senior Executives.

Please provide a high level overview of staffing for each of the first three years of operation.

Please provide an organisation chart including reporting lines within the entity and reporting lines to other group entities.

12. Qualifying Shareholders

Please provide an organisation chart detailing all shareholders of the applicant. This should indicate the percentage shareholding of each shareholder.

13. Application Timeframe

Please provide an indication of when the applicant proposes to submit its application for authorisation/registration.



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14. Timeframe for commencement of regulated activities

Please indicate when the applicant plans to commence operations.

15. Clarification required (if any)

Please outline any items that the Firm wishes to clarify at the pre-application meeting.