



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Guidance on Fitness and Probity for a Payment Institution, Electronic Money Institution or Account Information Service Provider

Under the European Union (Payment Services)
Regulations 2018 and the European Communities
(Electronic Money) Regulations 2011 (as amended)

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Glossary

AISP	Account Information Service Provider
Central Bank	Central Bank of Ireland
EBA Guidelines	EBA Guidelines on the Information to be Provided for Authorisation and Registration under PSD2
ED	Executive Director
EMI	E-Money Institution
EMR	European Communities (Electronic Money) Regulations 2011 (as amended)
F&P	Fitness and Probity
FSP	Financial Service Provider
IQ	Individual Questionnaire
INED	Independent Non-Executive Director
NED	Non-Executive Director
ONR	Online Reporting System
PI	Payment Institution
PCF	Pre-Approval Controlled Function
PSD2	2 nd Payment Services Directive (EU) 2015/2366
PSR	European Union (Payment Services) Regulations 2018
RFSP	Regulated Financial Service Provider

Introduction

Persons seeking approval for Pre-Approval Controlled Function (PCF) roles in a payment institution (PI), electronic money institution (EMI), or account information service provider (AISP) must comply with the requirements of the [EBA Guidelines on the Information to be Provided for Authorisation and Registration under PSD2](#) (EBA Guidelines).

The Central Bank of Ireland (Central Bank) has made a number of amendments to the standard Fitness and Probity Individual Questionnaire (F&P IQ) to reflect the requirements outlined in the EBA Guidelines. Guidelines 11 (AISPs) and 16 (PIs/EMIs) relate to the “*identity and suitability assessment of directors and persons responsible for the management of the payment institution or electronic money institution*”. These amendments are only applicable to applicants seeking approval for PCF roles in a PI, EMI, or AISP.

Additional information on the Fitness and Probity process:

- [PCF Assessment for Regulated Financial Service Providers](#)
- [Fitness and Probity Frequently Asked Questions](#)
- [Fitness and Probity Standards](#)
- [Guidance on Fitness and Probity Standards](#)

The purpose of this document is to provide guidance on the requirements under the *European Union (Payment Services) Regulations 2018 (PSR)* and/or the *European Communities (Electronic Money) Regulations 2011 (as amended) (EMR)* that apply to persons seeking approval for a Pre-Approval Controlled Function role in a PI, EMI, or AISP. Any F&P IQ submitted to the Central Bank via its Online Reporting System (ONR) must be in accordance with these requirements.

If individual applicants do not provide all required information, the Central Bank will reject the F&P IQ as incomplete:

- Complete all questions in the F&P IQ
- Provide additional information and supporting documentation as necessary
- Provide English language translations of supporting documentation, if applicable

Guidance on Required PCF Roles

While the Central Bank takes under consideration nature, scale, and complexity when considering a firm's proposed PCF appointments, it expects a minimum standard to be met regardless of proportionality. The below tables set out the specific PCF roles required in an EMI, PI, or AISP. Where an individual applicant proposes to hold multiple PCF roles, the IQ must demonstrate that the individual has adequate qualifications and experience for each role. In addition, the firm's application must describe how the holding of multiple roles does not present a conflict of interest, e.g. between the first, second, and third lines of defence within an organisation.

All Applicant Firms

- PCF-1 Executive Director
- PCF-2 Non-Executive Director (*including at least one Independent Non-Executive Director*)
- PCF-3 Chairman of the board (*generally expected to be assumed by the Independent Non-Executive Director*)
- PCF-8 Chief Executive Officer
- PCF 11 Head of Finance
- PCF 14 Chief Risk Officer
- PCF Head of Compliance
 - PCF 15 Head of Compliance with responsibility for Anti-Money Laundering and Counter Terrorist Financing Legislation (*PI/EMIs*)

OR

 - PCF 12 Head of Compliance (*AISPs*)
- PCF 42 Chief Operating Officer

Subject to Proportionality

1. PCF-13 Head of Internal Audit
2. PCF-49 Chief Information Officer

Guidance on Additional Questions

Section 1: Preliminary Questions

Question 1.8	
<p>Do you have any Directorships, Chairmanships, Senior Management positions and/or Service Provider roles in financial or other organisations, including the non-financial sector, charitable and/or not-for-profit organisations? (All applicants)</p> <p>And / Or</p> <p>Have you ever been assessed by an authority from a non-financial sector? (PI or EMI applicants only)</p>	<p>Applicants applying for a PCF role in a PI/EMI firm must consider both parts of this question when responding.</p> <p>A “Yes” response to this question will open up section 9 of the F&P IQ, including question 9.3, which is applicable to PI/EMI applicants only.</p> <p>Should your answer “Yes” only relate to the second part of the question, you must answer “n/a” to questions 9.1 and 9.2.</p>

Section 2: Applicant Personal Details

Question 2.5	
<p>Current Valid Passport/Driver’s Licence Number</p> <p>Country where current passport/driver’s licence was issued</p> <p>Date of current passport/driver’s licence expiry (mm/yyyy)</p>	<p>These sections of question 2.5 are mandatory for applicants applying for a PCF role in a PI/EMI firm.</p> <p>If a person is not in a position to provide this information, they should contact the Central Bank in advance of submitting an F&P IQ.</p> <ul style="list-style-type: none"> ▪ If the F&P IQ is being submitted as part of an entity application for authorisation, please contact applications@centralbank.ie; or ▪ If the F&P IQ is being submitted in respect of a Regulated Financial Service Provider (RFSP), please contact paymentservicessupervision@centralbank.ie

Section 5: Applicant Reputation and Character

Question 5.21

Has the applicant ever been convicted of a criminal offence or been subject to criminal investigations and proceedings or civil proceedings?

This question is only relevant to applicants applying for a PCF role in a PI/EMI firm.

If the applicant has provided a “Yes” or “No” response to this question, evidence will need to be provided in section 10 of the F&P IQ application to confirm the response provided to this question.

Question 5.22

Are there any criminal proceedings pending relating to the applicant or any organisation managed by the applicant?

If the applicant has provided a “Yes” response to this question, evidence will need to be provided in section 10 of the F&P IQ application to confirm the response provided to this question.

Section 9: Positions as an Executive/Non-Executive Director, Chairman, Manager or Financial Service Provider in a Financial or Other Entity

Subsection 9.3: Non-Financial Sector Assessment (PI or EMI Applicants Only)

Please identify all non-financial sector authorities who conducted the assessment(s), including the date and outcome of assessment

Applicants are required to enter the following information into the free text box for each assessment:

- Position Assessed for
- Name of Entity
- Sector
- Country
- Outcome of Assessment
- Date of Outcome (mm/yyyy)

Applicants are also required to provide supporting evidence in section 10 under the heading ‘Documentation to Support Information in Section 9.3’.

Guidance on Supporting Documentation

Evidence to Support ‘No’ Answers in Section 5

Guideline 16.1(d)(i) of the EBA Guidelines states that applicants must provide:

‘Criminal records and relevant information on criminal investigations and proceedings, relevant civil and administrative cases, and disciplinary actions, including disqualification as a company director, bankruptcy, insolvency and similar procedures, notably through an official certificate or any objectively reliable source of information concerning the absence of criminal conviction, investigations and proceedings, such as third party investigation, testimony made by a lawyer or a notary established in the European Union.’

Supporting evidence must be provided if the applicant answers “No” to questions 5.4, 5.7, 5.13, 5.14, 5.17, 5.18, 5.19, 5.20 or 5.21 of the IQ application.

1. **Evidence must be clearly labelled to correspond to relevant IQ question.** For example, *Section 5.4_Disciplinary Proceedings_Evidence*.
2. **Evidence must explicitly cover all questions.** One document or source of evidence may not cover all questions. In this case, multiple documents or sources may be required.
3. **Evidence must cover the applicant’s current residency,** provided the applicant has been resident in the jurisdiction for at least 12 months. Where the applicant has not been resident in the jurisdiction for at least 12 months, evidence must include the two most recent residencies – i.e. current residency and the jurisdiction where the applicant resided prior to moving to current residency.
4. **Evidence must be an official certificate or an objectively reliable source of information.**

Official Certificate

Issued by a Public Service body such as An Garda Síochána, the Companies Office, the Revenue Commissioners and/or its equivalent in another Member State or relevant jurisdiction.

Objectively Reliable Source of Information

1. Testimony made by a lawyer (in any jurisdiction in which the applicant has resided). Such testimony must declare that to the best of the lawyer’s knowledge the applicant has not been subject to criminal convictions, investigations, or proceedings.
2. Testimony made by a notary public, peace commissioner, or commissioner for oaths established in the European Union. Such a testimony must declare that to the best of the

notary's knowledge the applicant has not been subject to criminal convictions, investigations, or proceedings.

3. Third party investigation from a reputable firm that performs 3rd party due diligence checks, for example Experian or Stubbs Gazette.

Evidence to Support 'Yes' Answers in Section 6

Guideline 16.1(d)(iii) of the EBA Guidelines states that applicants must provide:

*'Information concerning...whether an assessment of reputation of the individual as an acquirer or a person who directs the business of an institution has already been conducted by another competent authority, including the identity of that authority, the date of the assessment, and **evidence of the outcome of the assessment**, and the consent of the individual where required to seek such information to be able to process and use the provided information for the suitability assessment.'*

Supporting evidence must be provided if the applicant answers "Yes" to questions 6.4, 6.5, 6.6 or 6.8. Evidence must include a source document from the relevant financial regulatory authority confirming the current or historic status of the applicant.

Evidence to Support 'Yes' Answers in Section 9

Guideline 16.1(d)(iii) of the EBA Guidelines states that applicants must provide:

'Information concerning...whether any previous assessment of the individual, on authority from another, non-financial, sector has already been conducted, including the identity of that authority and evidence of the outcome of this assessment.'

Supporting evidence must be provided if the applicant answers "Yes" to the second part of Section 1.8, i.e. an assessment from a non-financial regulatory authority has previously been conducted. Evidence must include one of the following for each non-financial sector authority assessment:

1. A copy of the letter issued by the regulatory authority to the person confirming their approval;
2. A copy of the register which the person appeared on (if applicable);
3. A letter from the relevant regulatory authority confirming that the applicant was assessed by the regulatory authority and details of the outcome of the assessment.

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