Banc Ceannais na hÉireann
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Newsletter

Payments and E-Money Newsletter

Issue 2 – July 2026

Welcome to the second edition of our Payments and E-Money Newsletter. Since our last publication, significant supervisory activity and market developments have shaped the sector landscape. This Newsletter aims to keep you informed of key regulatory changes, share insights from our recent engagements, and highlight important upcoming requirements.

Our Supervisory Priorities: In February 2026, we published our Regulatory and Supervisory Outlook Report, which outlines our sector assessment and key focus areas. This Newsletter builds on that report by sharing feedback from recent supervisory work. Whether or not your firm was directly involved in these engagements, we encourage you to carefully consider how our findings may be relevant to your operations.

The Newsletter also provides information on our expectations and processes in areas that firms continue to raise with us, and we have a spotlight piece on the changing AML/CFT supervisory framework.

I am taking this opportunity to highlight two items of importance:

1. **EBA Q&A 6336** – Following our December 2025 communication, we have found that many firms have not thoroughly assessed the impact of this Q&A on their business models. We will intensify our engagement with industry in the coming months to drive

necessary changes and ensure alignment with our European counterparts. **Please prioritise this analysis now** to enable productive discussions with us.

2. **Mark Your Calendar –** We are hosting a Payments and E-Money industry seminar on **21 October 2026** at our North Wall Quay office. Agenda details and invitations will follow shortly.

We look forward to strengthening the sector together.

Tommy Hannafin

Head of Payments Regulation and Supervision Division

Material Changes of Business Model

The EMR and PSR Regulations 18 and 27 maintenance of *a*uthorisation and the licencing conditions attached to the authorisation of Payments or E-Money Institutions requires that a *"firm shall notify the Central Bank of Ireland, in advance, of any proposed material changes in its business model and may not proceed with the material changes proposed unless and until it receives approval."*

The Central Bank acknowledges early engagement by a number of firms on planned material changes to their business models, in particular those firms who clearly demonstrate that they have the appropriate governance and risk management frameworks, together with sufficient financial and operational capacity to deliver their proposed business strategy. However, the Central Bank has experienced significant inconsistency in engagement by firms with respect to material changes and has set out its expectations of firms below in this regard.

The Central Bank continues to see evidence of firms' strategic ambitions outpacing their internal control environment frameworks and capacity, particularly at local entity level where firms are part of a larger group. Furthermore, firms are not fully considering the entire suite of financial and non-financial risks arising from their ambitions, including new and emerging risks. Moreover, we have experienced some firms actioning regulatory obligations in a tick box manner rather than being adopted as a strategic enabler to enhance business model sustainability, the safety and soundness of the firm and ultimately the delivery of better consumer outcomes.

As stated in the Central Bank's Dear CEO letter of December 2021 firms must notify the Central Bank, at the earliest possible opportunity, where there is an expectation of a material change to the firm's business model.

While acknowledging the scale and complexity of firms differ in the sector, appropriate leadership and oversight by boards and senior management must form the foundations of all firms. In this regard, the legislation does not specifically define the materiality criteria that warrants a material change notification to the Central Bank, rather it is a responsibility of the board of each firm to clearly articulate its firm specific approach to materiality in the context of changes to its business model. This should be clearly documented in a board approved policy that is regularly reviewed.

Changes to a firm's business model should be supported by a holistic strategy over an appropriately defined time horizon and not be approached in an ad-hoc or siloed manner. Examples of a material change to a firm's business model may include, but are not limited to, the following areas:

1. The firm is seeking to make a substantive change to its service or product offering;
2. The firm is seeking to materially change the way in which its service/product offerings are provided - examples include but are not limited to; the introduction of agent, distributor or branch networks.
3. The firm's business projections are forecast to be significantly in excess of that outlined as part of the authorisation process, either organically or through acquisition.
4. The implementation of the change is likely to result in changes to the firm's overall risk profile.
5. The implementation of the change is likely to result in changes to the firm's target market or customer profile.

In this regard, the Central Bank expects that a notification to the Central Bank of a material change to a firm's business model is accompanied by a detailed risk assessment which is signed off by the Board. The risk assessment should assess at a minimum, but not limited to, the effect of the proposed change on the firm's safeguarding risk, AML/CFT risk, operational and IT risk, and consumer risk. This assessment must provide evidence, inter alia, that the internal governance, risk management and control framework, including the availability of financial (capital, liquidity etc.) and operational resources (resilience, capacity, staffing, infrastructure etc.) supports the material change. The board approved submission should set out proposed timelines for the execution of the material change.

The Central Bank recognises the open and transparent nature of engagement from firms notifying of changes to their respective business models that do not constitute a material change. In this regard, it is incumbent on the board to ensure materiality and any consequent assessment of changes as not material are appropriately documented. The Central Bank may periodically, as part of its ongoing supervisory engagement, test a sample of business model changes that a firm deemed to be non-material.

The Central Bank expects firms' business ambitions to include a full consideration of the appropriate evolution of its control environment and will intervene where this is not occurring.

In the event of any questions in respect of changes of business model, please contact your supervision team directly and include paymentservicessupervision@centralbank.ie.

Consumer Protection Code Update

The Central Bank in its Regulatory & Supervisory Outlook Report 2026 identified *securing consumer and investor interests in a rapidly changing world as* a key supervisory priority.

The Consumer Protection Code 2025 (the Code) is applicable for firms within the Payments and E-Money sector, and took effect on 24 March 2026, following a 12-month implementation period, allowing industry time to make relevant process and system changes to ensure compliance with the Code.

Through the Code, the Central Bank aims to:
- Deliver a modernised Code that reflects how financial services are delivered in a digital world.
- Ensure firms effectively incorporate customers' interests into their strategy and decision-making.
- Create a package of updated protections that reflect how consumers are accessing financial services today.
- Provide clarity and predictability for firms on their consumer protection obligations
- Support consumers and firms in accessing and navigating the Code.

The Code, encompassing Standards for Business Regulations and Consumer Protection Regulations, is supplemented by a range of tools and guidance to aid a better understanding of the Code. The Central Bank conducted extensive industry engagement to outline the changes set out within the Code and to support implementation.

Application of the Code:
Regulation 9 of Consumer Protection Regulations "*Restricted application where providing payment services or issuing electronic money"* sets out the provisions of those regulations which *apply to payment and e-money firms, alongside* the obligations under the European Union (Payment Services) Regulations 2018 (the PSR) and/or the European Communities (Electronic Money) Regulations 2011 (as amended) (the EMR) with respect to a "consumer[1]" as a 'payment service user[2]' or electronic money holder.

Who are your consumers?
It is important for the sector to understand who their customers and/or end users are and how they should be treated. Per the Consumer Protection Code 2025, *"consumer" means, subject to paragraph (4), a customer that is –*

(a) a natural person,
(b) a group of natural persons, including a partnership, club, charity, trust or other unincorporated body, or
(c) an incorporated body, that is not –
(i) an incorporated body that had an annual turnover in excess of €5 million in the previous financial year, or
(ii) an incorporated body that is a member of a group of companies having a combined turnover greater than €5 million;

[1] Under the PSR and EMR means a natural person who, in payment service contracts covered by the second Payment Service Directive (PSD2) or in electronic money contracts covered by the Electronic Money Directive (EMD) is acting for purposes other than his or her trade, business or profession.
[2] Means a natural or legal person making use of a payment service in the capacity of payer, payee, or both.

This means that there are instances whereby a firm within the sector that provides services to businesses may have business customers that are consumers, as per the definition set out above, and therefore are subject to the Code.

Furthermore, for all firms (including those with B2B, B2C and B2B2C business models) the Standards for Business Regulations apply. These regulations place a number of obligations on firms including the obligation to secure their customers' interests, to inform them effectively and to counter the risks of financial abuse. Firms must take a holistic approach to the customer journey and establish future-focused frameworks to support the ongoing delivery of their services, i.e. not a tick box or a one and done approach. These frameworks should also align with obligations under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended).

Central Bank focus area:

A key focus of the Central Bank to support better outcomes for consumers is to drive improvements in how firms service and support customers through the customer experience[3], particularly how firms engage with customers in resolving complaints.

As part of our 2025/2026 supervisory work-programme to assess this risk area, the Central Bank undertook a cross-sectoral thematic review examining customer experience through the lens of customer complaints.

In the course of this cross sectoral supervisory work, the Central Bank continues to see instances where customers are not receiving the quality of service we would expect. Poor customer service can create potential consumer risks and lead to a heightened risk of consumer harm. These risks can manifest through a firm's complaints handling process. The Code, PSR and EMR set out obligations on firms to resolve complaints efficiently, fairly and in a timely manner. The complaints handling process and related regulatory requirements are crucial in ensuring consumers' rights and interests are protected.

The output from this cross-sectoral thematic including expectations of firms will be published on the Central Bank's website later in H2 2026.

The Consumer Protection Code places an obligation on regulated firms including Payments and E-Money firms to ensure that all information it provides to customers is presented in a way that informs the customer effectively. In this regard, the Central Bank will host a webinar on 29 July 2026 for regulated firms to provide an overview of the "Informing Effectively" obligation and share observations and good practice examples of implementation approaches observed through recent supervisory activity. Invitations have been issued to firms across all relevant sectors, including Payments and E-Money firms, for this webinar.

Firms are also reminded of the Central Bank's letters of 9 December 2021 and 20 January 2023 and clear expectations around conduct and culture.

[3] References to 'customer experience' relate to all aspects of engagement between a customer and a firm throughout the entire product or service lifecycle, including design, marketing, sales, post-sales and engagement.

Authorisation Update:

To date in 2026 the Central Bank has authorised five firms and the authorisation pipeline remains strong with a large number of firms, exhibiting a wide variety of business models, at various stages of the authorisation process.

A growing feature of the pipeline in recent times has been the increase in the number of firms seeking multiple licences within a single legal entity. As well as Payments and E-Money Institutions, these encompass Crypto Asset Service Providers and MiFID firms. Such applications can be complex as they involve different licensing regimes operating under different legislation and standards (MiCAR, PSD2, EMD2 and MiFID II). This also introduces the risk of duplicative information requests from firms creating unnecessary compliance costs for firms.

In order to address the challenges outlined above, the Central Bank has implemented an approach to multi-licence applications based on the following four principles:

1. **Cross-Team Coordination:**
    - Designated single points of contact within the Central Bank for applicant firms; and
    - Ongoing sharing of firm-submitted information and internal insights between different authorisation teams.

2. **Holistic Assessment:**
    - Single Key Facts Documents addressing multiple regulatory requirements simultaneously; and
    - Alignment of internal governance processes across teams.

3. **Reliance on Previous Assessments:**
    - Placing considerable reliance on previous authorisation assessments where already completed, subject to the information previously provided remaining current and accurate;
    - Identifying precisely where the assessment requirements differ and focusing new information requests in those areas; and
    - Addressing gaps in a pragmatic manner, including, where possible and prudent, through targeted conditions on a subsequent authorisation to prevent delays in firms becoming fully operational.

4. **Proportionate Burden Reduction:**
    - Where appropriate, requesting attestations from firms that previously submitted information remains accurate, rather than requiring resubmission; and
    - Minimising duplication of documentation requests.

Our experience to date in managing multiple licence applications demonstrates that the approach set out above has proven effective in delivering timely authorisations whilst maintaining robust regulatory standards. As fintech business models continue to evolve and regulatory perimeters expand, our approach to multiple licence holders will likely become increasingly important to our mission of maintaining financial stability and protecting consumers. In this regard, in a recent speech by Deputy Governor McMunn to FSI (Speech) she advised that following the success of our F&P Unit we are centralising our broader gatekeeping functions to make it more effective, while bringing greater clarity, consistency and efficiency to this work.

Introduction to the Anti-Money Laundering Authority and the EU AML/CFT Single Rulebook

The AML Package

The AML Package, published in the Official Journal of the European Union in June 2024, is intended to strengthen the European Union's (EU) framework for anti-money laundering and countering the financing of terrorism (AML/CFT). The AML Package is comprised of the AML Regulation (AMLR), the sixth AML Directive (6AMLD) and the Anti-Money Laundering Authority Regulation (AMLAR).

The AMLR sets out the AML/CFT obligations for obliged entities. It will be directly applicable in Member States to ensure consistent application of harmonised AML/CFT requirements throughout EU Member States. The AMLR will be legally binding on obliged entities across the EU from July 2027 and 6AMLD must be transposed into national law by the same date[4]. 6AMLD sets out the obligations on Member States, national AML/CFT supervisors (NCAs), national Beneficial Ownership and Bank Account Registrars, and national Financial Intelligence Units (FIUs). This includes a framework of supervision and enforcement powers and obligations for NCAs.

AMLA

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) was legally established in June 2024 and is at the centre of an integrated supervisory system made-up of AMLA itself, financial and non-financial AML/CFT NCAs and FIUs. AMLA will directly supervise up to forty of the EU's most complex high-risk credit and financial institutions or groups from 2028. This will include at least one credit or financial institution from each Member State. All firms not directly supervised by AMLA will continue to be supervised by their respective NCAs. AMLA will oversee the effective implementation by NCAs of the harmonised AML/CFT rules set out in the AMLR. In addition, AMLA will play a crucial role in supporting and coordinating FIUs across the EU by facilitating joint analysis of financial intelligence and enabling effective information sharing between FIUs.

The AML/CFT Single Rulebook

The AMLR builds on existing AML/CFT obligations by providing greater granularity. It also introduces new requirements, by way of example, existing requirements for Customer Due Diligence, outsourcing, Politically Exposed Persons and AML/CFT governance structures have been amended. The AMLR also contains new obligations in respect of third country ML/TF threats, targeted financial sanctions, partnerships for information sharing, de-risking, cash transaction limits and the identification of virtual IBAN users.

AMLA is tasked with completing the EU's Single AML Rulebook by drafting the many Level 2 and Level 3 texts required under the AML Package. AMLA published it Single Programming Document for 2026 to 2028 (the SPD) in February 2026, wherein AMLA set-out its key priorities and timelines. The SPD gives an overview of AMLA's strategic objectives across three core deliverables: namely, completing the Single Rulebook, advancing supervisory convergence, and strengthening cooperation among FIUs. Annex XI to the SPD provides an overview of its scheduled mandates for 2026.

[4] Certain provisions relating to the Beneficial Ownership Registers, and the information to be provided to Beneficial Ownership Registers will come into force at an earlier date, in mid-2026.

In recent messaging, AMLA has called on obliged entities to prepare themselves not only to comply with the new AML framework, but also to operate effectively within it. AMLA recognises that many institutions are managing implementation pressures alongside uncertainty about certain legal provisions. To this end, AMLA is encouraging obliged entities to participate in their ongoing public consultations and public hearings, so that obliged entities can play their part in shaping the Single Rulebook and ensuring that the AML framework that AMLA is currently developing will be credible, resilient and operationally effective.

In this regard, significant work is required now for obliged entities to make effective preparations. Obliged entities should continue to familiarise themselves with the AMLR and ensure that they regularly check the Public Consultations and Public Hearing sections of the AMLA website in order to ensure that they avail of the opportunity to influence AMLA's development of regulatory technical standards, implementing standards and guidelines.

Roll out of New AML/CFT Risk Evaluation Questionnaires (REQ)

In 2025, the Central Bank commenced the rollout of a new sector specific enhanced REQ to the Payments and E-Money sector. We are using the new sector specific REQs to assess risk using the AMLA mandated methodology, inform our decision-making and supervisory strategy both at firm and sector level, and to assist in identifying emerging and thematic trends.

In 2026, we are staggering submission dates for sectors submitting REQs. This phased approach allows firms time to familiarise themselves with the new REQs and data requirements, enabling them to implement changes effectively. The first submissions of the Payments and E-Money Institutions REQs were received in February 2026. These REQs related to 2024 data.

The dates for the second REQ submission from Payments and E-Money firms is 9 September 2026. This REQ will relate to 2025 data. There are some minor changes to the 2025 REQ, mainly to reflect changes in the AMLA Regulatory Technical Standards which were published after the first Payments and E-Money REQ was launched. Firms were contacted via the Central Bank's Portal on the 5th of June 2026 to advise of the changes. They were also published on the Central Bank website here.

From 2027 onwards, to align with and accommodate AMLA reporting requirements, the Central Bank must standardise submission dates for **all** sectors including Payments and E-Money Institutions as follows:

- **March 2027:** REQs relating to 2026 data. This is to align with AMLA's reporting framework.
- **From 2028 onwards:** Annual submission in March, based on the preceding calendar year's data.

Regulatory Returns Calendar - Key dates for H2 2026 returns:

Return Type	Due Date
Quarterly returns Accounts & Supplementary (for firms with a 31 December year-end)	31/07/2026 31/10/2026
Annual Audited Accounts	Due 6 months after financial year end.
AML REQ Return (2025)	09/09/2026
The schedule of reporting dates for Payment Statistics Returns is available here.	

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