



### Payment Businesses Applying for Authorisation – A Few Pointers

Given the number of payments firms (payment institutions, electronic money institutions and account information service providers) authorised / registered recently by the Central Bank of Ireland (Central Bank), a number of industry bodies asked if the Payments Authorisation Team in the Central Bank's Consumer Protection Directorate had any pointers for potential applicants based on its recent experience of applications. Here are the top issues identified by the team as areas that applicants should ensure are addressed when making an application for authorisation. Addressing these issues will help avoid delays in the assessment of the application.

The following list should not be regarded in any way as replacing the relevant forms for application for authorisation/registration and the Central Bank's updated [Guidance Note on Completing an Application for Authorisation/Registration](#).

#### When Making an Application

1. **General:** Applicants should ensure that every [EBA Guideline requirement](#) is responded to. Where an applicant cannot respond, or feels the Guideline requirement is not applicable, the applicant should include its rationale for this. Failure to respond, or simply including a '*not applicable*' response, is likely to lead to the application being returned as incomplete and not progressing to the assessment phase of the application process.
2. **Referencing:** Where separate documentation to a Guideline response is required, please ensure these separate documents are clearly and specifically labelled, and clearly and unambiguously referenced in the Guideline response. Appendices that are not explicitly requested by the application Guideline must be provided to enhance rather than replace a firm's response.
3. **Use of Company Name** – Avoid the use of generic group or brand names. Where a company name is being used, this should only reference the legal entity seeking authorisation (or registration) unless otherwise necessary. In circumstances where other group firms are referenced, these should be clearly identified using their correct legal titles. Failure to distinguish between group entities hinders the ability of the Central Bank to make its assessment and can result in an application being delayed or returned.
4. **Check the Checklist:** There is a checklist at the back of each application form. Please use it. This is there to help applicants make sure they are including the minimum necessary information to allow its application to be assessed by the Central Bank. An applicant should not submit an application, nor sign the declaration, without first ensuring the checklist has been completed.
5. **Ensure Complete Responses for All Guideline Requirements:** Make sure a full response, covering all components of the question, is included for each Guideline requirement. Responses such as "*this will be addressed after authorisation*" or "*the firm will finalise this later*" are not appropriate and generally impair the Central Bank's ability to conclude its

assessment of an application submission. Never assume the Central Bank has a discretion to waive regulatory requirements. It doesn't.

6. **Payment Services:** Applicants should make sure to fully and clearly describe any proposed electronic money related payment services and/or any non electronic money related payments services. In each case, the proposed payment services should be clearly identified as fitting into any of the legal categories of payment services listed in the Schedule of the European Union (Payments Services) Regulations 2018.
7. **Outsourcing:** The Central Bank recognises that outsourcing is a common feature of most applications. Applicants should ensure that all outsourced activities are fully and clearly set out in the *Structural Organisation* Guideline. They should also ensure that, for all outsourced activities, a description of the outsourced activity, accountable owner, and oversight arrangements for each of these outsourced activities are clearly set out in the *Governance Arrangements and Internal Controls Mechanism* Guideline. Additionally the application should make it clear that the applicant is satisfied that it is, or will be, in compliance with the [EBA Guidelines on Outsourcing Arrangements](#).
8. **IQ (Individual Questionnaires):** While IQs are not required to be submitted with the initial application, they should be submitted at the earliest possible opportunity thereafter. These can take some time to process, so delays in submission of IQs commonly lead to delays in the Central Bank concluding its assessment of applications.
9. **Staffing Levels:** Where it is proposed that staff are going to be performing multiple roles, or are only fulfilling roles on a part-time basis, the firm should clearly explain the rationale for this and justify how such arrangements are appropriate and how the proposed resources are adequate for the nature, scale and complexity of the proposed business.
10. **Financial Projections:** These should clearly depict a summary balance sheet **as of authorisation date (Day 1)** as well as for each of Years 1, 2 and 3 and be sure to include notes describing **each** line item in the profit & loss and balance sheet projections.
11. **Methods A, B and C:** Where an applicant intends to provide non electronic money related payment services, they should ensure that calculations under A, B and C are all provided. The Central Bank is obliged to direct the firm to calculate its own funds requirement under one of these 'Methods'.
12. **Policy and Procedure Documents:** Applicants should ensure that any such documentation supplied is specific to the applicant firm itself and not for a group or other entity.
13. **Three Lines of Defence:** When responding to in the *Governance Arrangements and Internal Controls Mechanism* Guideline, please ensure that each of the applicant's three lines of defence (typically frontline operations, compliance and internal audit) are clearly distinct and adequately described.