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**"Establishing a payment institution in the EU:
legislative framework and key legal
requirements of the authorisation procedure
in Estonia as an example"**

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EU legislation

- Notion of payment / e-money institution
 - Payment Services Directive 2007/64/EC (PSD)
 - E-Money Directive (2009/110/EC) (EMD)
- Applicability of EU law principles

Estonian Legislation

- Payment Institutions and E-money Institutions Act
- Money Laundering and Terrorist Financing Prevention Act

Estonian Supervision Authorities

- Main supervisory body: Estonian Financial Supervision Authority (*Finantsinspektsioon*, EFSA)
- Estonian Financial Intelligence Unit (*Rahapesu Andmehüüroo*, AML authority)

Payment Services

1. Services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account.
2. Services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account.
3. Execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider or with another payment service provider.
4. Execution of payment transactions where the funds are covered by a credit line for a payment service user.
5. Issuing and/or acquiring of payment instruments.
6. Money remittance.
7. Execution of payment transactions where the consent of the payer to execute a payment transaction is given by means of any telecommunication, digital or IT device and the payment is made to the telecommunication, IT system or network operator.

Application

- To be submitted to the EFSA
- Duration: 3 to 6 months
- Powers of the EFSA
- Issue or refusal to issue an authorisation

Documentation required

- Business plan
- Internal rules of procedure
 - AML
 - Provision of services
 - Accounting
- Ownership structure
- Organisational structure
- IT solutions
- Financial reports / data

Capital requirements

- 125 000 (350 000) EUR
- Source and origin of the funds
- Investment policy

Management

- 2 + 3
- Fit & Proper
 - Education and experience
 - Professional qualifications
 - Impeccable business reputation

Level of technological organisation


- Security
- Trustworthiness
- Sufficient level of organisation

Cross-border activity

- Registration of payment agents
- Establishing branches

Recent tendencies

- Number of registered payment institutions – 11;
- Creditors and Credit Intermediaries Act in force since 29 March 2015;
- Short and middle-term loan providers to go under the supervision of the EFSA.



Thank you!
Спасибо!

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