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STATUTORY INSTRUMENTS

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**2011 No. 99**

**FINANCIAL SERVICES AND MARKETS**

**The Electronic Money Regulations 2011**

*Made - - - - 18th January 2011*

*Laid before Parliament 19th January 2011*

*Coming into force in accordance with  
regulation 1(2)*

**THE ELECTRONIC MONEY REGULATIONS 2011**

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1. Citation and commencement
2. Interpretation
3. Electronic money: exclusions

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4. The register of certain electronic money issuers

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6. Conditions for authorisation
7. Imposition of requirements
8. Variation etc at request of an authorised electronic money institution
9. Determination of application for authorisation or variation of authorisation
10. Cancellation of authorisation
11. Variation of authorisation on Authority's own initiative

*Registration as a small electronic money institution*

12. Application for registration as a small electronic money institution or variation of an existing registration
13. Conditions for registration
14. Average outstanding electronic money

15. Supplementary provisions
16. Application to become an authorised electronic money institution where a financial limit is exceeded

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17. Duty to notify changes
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19. Capital requirements

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22. Safeguarding option 2
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24. Insolvency events
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#### 47. Functions of the Authority

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79. Amendments to primary and secondary legislation  
Signature

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SCHEDULE 1 — Information to be included in or with an application for authorisation

1. A programme of operations, setting out, in particular, the type...
2. A business plan including a forecast budget calculation for the...
3. Evidence that the applicant holds initial capital for the purposes...
4. A description of the measures taken for safeguarding the electronic...
5. A description of the applicant's governance arrangements and internal control...
6. A description of the internal control mechanisms which the applicant...
7. A description of the applicant's structural organisation, including, where applicable,...
8. In relation to each person holding, directly or indirectly, a...
9. (1) The identity of directors and persons who are or...
10. The identity of the auditors of the applicant, if any...
11. (1) The legal status of the applicant and, where the...
12. The address of the head office of the applicant.
13. For the purposes of paragraphs 4, 5 and 7, a...

SCHEDULE 2 — Capital Requirements

PART 1 — Initial capital

1. For the purposes of these Regulations “initial capital” comprises the...
2. An applicant for authorisation as an electronic money institution must...
3. (1) Where the business activities of an applicant for registration...

PART 2 — Own funds

*Qualifying items*

4. For the purposes of these Regulations “own funds” means the...
5. The items specified in paragraph 4(a) to (d) must be—...
6. Own funds are not to include guarantees provided by the...

*Deductions from own funds*

7. The deductions from own funds are— (a) own shares at...
8. Where shares in another credit institution, financial institution, insurance undertaking,...

*Limits on qualifying items*

9. — (1) The limits referred to in paragraph 4 are—...
10. The Authority may in temporary and exceptional circumstances direct that...
11. An electronic money institution must not include in its own...
12. An authorised electronic money institution that carries on activities other...

*Own funds requirement*

13. An authorised electronic money institution must calculate its own funds...
14. Where a small electronic money institution is required by regulation...

*Adjustment by the Authority*

15. The Authority may direct in respect of an authorised electronic...
16. The Authority may direct in respect of a small electronic...
17. A direction made under paragraph 15 or 16 must be...
18. The Authority may make a reasonable charge for making an...

*Provision for start-up electronic money institutions*

19. If an electronic money institution has not completed a full...

*Method A*

20. (1) “Method A” means the calculation method set out in...

*Method B*

21. (1) “Method B” means the calculation method set out in...

*Method C*

22. (1) “Method C” means the calculation method set out in...
23. (1) “Method D” means the calculation method set out in...
24. (1) Where— (a) an electronic money institution provides payment services...

*Application of accounting standards*

25. Except where this Schedule provides for a different method of...

SCHEDULE 3 — Application and modification of legislation

PART 1 — Application and modification of the 2000 Act

1. Disciplinary powers
  2. The Tribunal
  3. Information gathering and investigations
  4. Control over electronic money institutions
  5. Auditors and actuaries
  6. Restriction on disclosure of information
  7. Insolvency
  8. Warning notices and decision notices
  9. Limitation on powers to require documents
- PART 2 — Application and modification of secondary legislation
10. The Financial Services and Markets Act 2000 (Service of Notices) Regulations 2001
  11. The Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001

SCHEDULE 4 — Amendments to primary and secondary legislation

PART 1 — Amendments to primary legislation

1. Consumer Credit Act 1974
2. The 2000 Act

3. The Terrorism Act 2000
4. The Proceeds of Crime Act 2002
5. The Companies Act 2006
6. The Counter-Terrorism Act 2008
  - PART 2 — Amendments to secondary legislation
7. The Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975
8. The Financial Markets and Insolvency (Settlement Finality) Regulations 1999
9. The Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000
10. The Competition Act 1998 (Determination of Turnover for Penalties) Order 2000
11. The Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001
12. The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001
13. The Enterprise Act 2002 (Merger Fees and Determination of Turnover) Order 2003
14. The Conduct of Employment Agencies and Employment Business Regulations 2003
15. The Financial Services (Distance Marketing) Regulations 2004
16. The Credit Institutions (Reorganisation and Winding Up) Regulations 2004
17. The Building Societies Act 1986 (Modification of the Lending Limit and Funding Limit Calculations) Order 2004
18. The Pension Protection Fund (Entry Rules) Regulations 2005
19. The Money Laundering Regulations 2007
20. Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008
21. The Payment Services Regulations 2009

Explanatory Note