

---

STATUTORY INSTRUMENTS

---

**2011 No. 99**

**The Electronic Money Regulations 2011**

**PART 2**

**REGISTRATION**

*Registration as a small electronic money institution*

**Conditions for registration**

**13.**—(1) The Authority may refuse to register an applicant as a small electronic money institution only if any of the conditions set out in paragraphs (2) to (10) is not met.

(2) The application must comply with the requirements of, and any requirements imposed under, regulation 12.

(3) The total business activities of the applicant immediately before the time of registration must not generate average outstanding electronic money that exceeds 5,000,000 euro.

(4) The monthly average over the period of 12 months preceding the application of the total amount of relevant payment transactions must not exceed 3,000,000 euro.

(5) The applicant must immediately before the time of registration hold such amount, if any, of initial capital as is required in accordance with Part 1 of Schedule 2.

(6) The applicant must satisfy the Authority that, taking into account the need to ensure the sound and prudent conduct of the affairs of the institution, it has—

- (a) robust governance arrangements for its electronic money and payment services business, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility; and
- (b) effective procedures to identify, manage, monitor and report any risks to which it might be exposed,

which are comprehensive and proportionate to the nature, scale and complexity of electronic money to be issued and payment services to be provided by the institution.

(7) The applicant must satisfy the Authority that—

- (a) the directors and persons responsible for the management of its electronic money and payment services business are of good repute and possess appropriate knowledge and experience to issue electronic money and provide payment services;
- (b) it has a business plan (including for the first three years, a forecast budget calculation) under which appropriate and proportionate systems, resources and procedures will be employed by the institution to operate soundly; and
- (c) it has taken adequate measures for the purpose of safeguarding electronic money holders' funds in accordance with regulation 20.

(8) None of the individuals responsible for the management or operation of the business has been convicted of—

- (a) an offence under Part 7 of the Proceeds of Crime Act 2002 (money laundering)(**1**) or under the Money Laundering Regulations 2007;
  - (b) an offence under section 15 (fund-raising), 16 (use and possession), 17 (funding arrangements), 18 (money laundering) or 63 (terrorist finance: jurisdiction) of the Terrorism Act 2000(**2**);
  - (c) an offence under the 2000 Act;
  - (d) an offence under the Terrorist Asset-Freezing etc. Act 2010(**3**) or the Al-Qaida and Taliban (Asset-Freezing) Regulations 2010(**4**);
  - (e) an offence under these Regulations or the Payment Services Regulations 2009; or
  - (f) any other financial crime.
- (9) The applicant must be a body corporate whose head office is situated in the United Kingdom.
- (10) The applicant must comply with a requirement of the Money Laundering Regulations 2007 to be included in a register maintained under those Regulations where such a requirement applies to the applicant.
- (11) For the purposes of paragraph (4), where the applicant has yet to commence the provision of payment services which are not related to the issuance of electronic money, or has been providing such payment services for less than 12 months, the monthly average may be based on the projected total amount of relevant payment transactions over a 12 month period.
- (12) In paragraph (4) “relevant payment transactions” in respect of a small electronic money institution means payment transactions which—
- (a) are not related to the issuance of electronic money; and
  - (b) are executed by the institution, including any of its agents who are in the United Kingdom.
- (13) In paragraph (8) “financial crime” includes any offence involving fraud or dishonesty and, for this purpose, “offence” includes any act or omission which would be an offence if it had taken place in the United Kingdom.

---

(1) [2002 c.29](#). Part 7 was amended by [S.I. 2007/3398](#).  
(2) [2000 c.11](#).  
(3) [2010 c.38](#).  
(4) [S.I. 2010/1197](#).