
STATUTORY INSTRUMENTS

2009 No. 209

The Payment Services Regulations 2009

PART 2

REGISTRATION

Authorisation as a payment institution

Conditions for authorisation as a payment institution

6.—(1) The Authority may refuse to grant all or part of an application for authorisation as a payment institution only if any of the conditions set out in paragraphs (2) to (8) is not met.

(2) The application must comply with the requirements of, and any requirements imposed under, regulation 5.

(3) The applicant must immediately before the time of authorisation hold the amount of initial capital required in accordance with Part 1 of Schedule 3.

(4) The applicant must be a body corporate constituted under the law of a part of the United Kingdom having—

- (a) its head office, and
- (b) if it has a registered office, that office,

in the United Kingdom.

(5) 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 payment service business, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility;
- (b) effective procedures to identify, manage, monitor and report any risks to which it might be exposed;
- (c) adequate internal control mechanisms, including sound administrative, risk management and accounting procedures,

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

(6) The applicant must satisfy the Authority that—

- (a) any persons having a qualifying holding in it are fit and proper persons having regard to the need to ensure the sound and prudent conduct of the affairs of an authorised payment institution;
- (b) the directors and persons responsible for the management of the institution and, where relevant, the persons responsible for the management of payment services, are of good repute and possess appropriate knowledge and experience to provide payment services;

- (c) 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
 - (d) it has taken adequate measures for the purpose of safeguarding payment service users' funds in accordance with regulation 19.
- (7) The applicant must comply with a requirement of the Money Laundering Regulations 2007⁽¹⁾ to be included in a register maintained under those Regulations where such a requirement applies to the applicant.
- (8) If the applicant has close links with another person ("CL") the applicant must satisfy the Authority—
- (a) that those links are not likely to prevent the Authority's effective supervision of the applicant; and
 - (b) if it appears to the Authority that CL is subject to the laws, regulations or administrative provisions of a territory which is not an EEA State ("the foreign provisions"), that neither the foreign provisions, nor any deficiency in their enforcement, would prevent the Authority's effective supervision of the applicant.
- (9) For the purposes of paragraph (8), an applicant has close links with CL if—
- (a) CL is a parent undertaking of the applicant;
 - (b) CL is a subsidiary undertaking of the applicant;
 - (c) CL is a parent undertaking of a subsidiary undertaking of the applicant;
 - (d) CL is a subsidiary undertaking of a parent undertaking of the applicant;
 - (e) CL owns or controls 20% or more of the voting rights or capital of the applicant; or
 - (f) the applicant owns or controls 20% or more of the voting rights or capital of CL.

(1) [S.I. 2007/2157](#); amended by [S.I. 2007/3299](#).