
STATUTORY INSTRUMENTS

2011 No. 99

The Electronic Money Regulations 2011

PART 5

ISSUANCE AND REDEEMABILITY OF ELECTRONIC MONEY

Application of Part 5

38. This Part applies to the issuance and redemption of electronic money where the issuance or redemption is carried on from an establishment maintained by an electronic money issuer or its agent in the United Kingdom.

Issuance and redeemability

39. An electronic money issuer must—

- (a) on receipt of funds, issue without delay electronic money at par value; and
- (b) at the request of the electronic money holder, redeem—
 - (i) at any time; and
 - (ii) at par value,

the monetary value of the electronic money held.

Conditions of redemption

40. An electronic money issuer must ensure—

- (a) that the contract between the electronic money issuer and the electronic money holder clearly and prominently states the conditions of redemption, including any fees relating to redemption; and
- (b) that the electronic money holder is informed of those conditions before being bound by any contract.

Fees for redemption

41.—(1) Redemption may be subject to a fee only where the fee is stated in the contract in accordance with regulation 40(a), and—

- (a) redemption is requested before the termination of the contract;
- (b) the contract provides for a termination date and the electronic money holder terminates the contract before that date; or
- (c) redemption is requested more than one year after the date of termination of the contract.

(2) Any fees for redemption must be proportionate and commensurate with the costs actually incurred by the electronic money issuer.

Amount of redemption

42.—(1) Where before the termination of the contract an electronic money holder makes a request for redemption, the electronic money holder may request redemption of the monetary value of the electronic money in whole or in part, and the electronic money issuer must redeem the amount so requested subject to any fee imposed in accordance with regulation 41.

(2) Where an electronic money holder makes a request for redemption on, or up to one year after, the date of the termination of the contract, the electronic money issuer must redeem—

- (a) the total monetary value of the electronic money held; or
- (b) if the electronic money issuer carries out any business activities other than the issuance of electronic money and it is not known in advance what proportion of funds received by it is to be used for electronic money, all the funds requested by the electronic money holder.

Requests for redemption

43. An electronic money issuer is not required under regulation 39(b) to redeem the monetary value of electronic money where the electronic money holder makes a request for redemption more than six years after the date of termination of the contract.

Redemption rights of persons other than consumers

44. Regulations 41 and 42 shall not apply in the case of a person, other than a consumer, who accepts electronic money and, in such a case, the redemption rights of that person shall be subject to the contract between that person and the electronic money issuer.

Prohibition of interest

45. An electronic money issuer must not award—

- (a) interest in respect of the holding of electronic money; or
- (b) any other benefit related to the length of time during which an electronic money holder holds electronic money.

Termination of a contract

46. For the purposes of this Part a contract between an electronic money issuer and an electronic money holder terminates when the right to use electronic money for the purpose of making payment transactions ceases.

Changes to legislation:

The Electronic Money Regulations 2011, PART 5 is up to date with all changes known to be in force on or before 09 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Regulations power to amend conferred by [2021 c. 22 s. 23](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)