

FMA-Guidance 2019/8 – Licence as a payment institution

Guidance for the granting of a licence as a payment institution in accordance with the Liechtenstein Payment Services Act (*Zahlungsdienstegesetz, ZDG* – hereinafter referred to as the “PSA”) of 6 June 2019 and the Liechtenstein Payment Services Ordinance (*Zahlungsdiensteverordnung, ZDV* – hereinafter referred to as the “PSO”) of 17 September 2019

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Annexes:	<ul style="list-style-type: none">• Annex 1: Legal basis• Annex 2: <u>Payment institution licence checklist</u>• Annex 3: <u>Registration checklist for account information service providers</u>

1. General information

These Guidelines provide an overview of the procedure for obtaining a licence when establishing a payment institution in Liechtenstein in accordance with the PSA and PSO. Decisions regarding individual cases will be made solely on the basis of legislative provisions and instructions issued by the Financial Market Authority Liechtenstein (hereinafter referred to as the “FMA”) in the capacity of supervisory authority. In particular, the guidelines on the information to be provided for the authorisation of e-money institutions ([EBA/GL/2017/09](#)) must be applied. Please contact the FMA for further information.

Companies wishing to provide payment services, as defined in Article 2(2) PSA, in Liechtenstein as a business activity must obtain a licence as a payment institution from the FMA prior to commencing business. Any payment service provider wishing to provide solely account information services, as defined in Article 4(1)(25) PSA, in Liechtenstein as a business activity requires only registration by the FMA.

In accordance with Article 2(2)(a) to (h) PSA, payment services include the following activities:

- Disbursement business: services enabling cash disbursements from a payment account, as well as all the operations required for operating a payment account;
- Deposit business: services enabling cash to be placed on a payment account, as well as all the operations required for operating a payment account;
- Money remittance: a payment service where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee;
- Account information service: an online service to provide consolidated information on one or more payment accounts held by a payment service user with either a different payment service provider or with more than one payment service provider;
- Payment initiation service: a service to initiate a payment order at the request of the payment service user with respect to a payment account held at another payment service provider;
- Payment business:
 - Direct debit business
 - Credit transfer business
 - Payment card business;
- Payment business involving the extension of credit: the execution of payment transactions where the funds are covered by a credit line for a payment service user. The requirements of Article 7(7) PSA must be observed in this regard;
- Payment instrument business: the issuing of payment instruments and/or the acquiring of payment instruments.

Apart from the provision of payment services, payment institutions are entitled to engage in the following activities in accordance with Article 7(3) PSA:

- The provision of operational and closely related ancillary services, such as ensuring the execution of payment transactions, foreign exchange services, safekeeping activities and the storage and processing of data;

- The operation of payment systems in accordance with Article 5 PSA;
- Other business activities in accordance with the applicable provisions of EEA or national law.

A licence to operate a payment institution will only be granted if all the conditions set out in Article 9 PSA are met.

2. Licensing conditions in accordance with Article 9 PSA

2.1 Applicant

The applicant must be a legal person (Article 9(1)(a) PSA). The application for a licence cannot be submitted before the establishment of the company, as the applicant lacks legal personality.

2.2 Registered office and head office

The registered office and the head office of the payment institution must be situated in Liechtenstein (Article 9(1)(b) PSA).

2.3 Governance arrangements

Article 9(1)(e) PSA requires the sound and prudent management of the payment institution, robust governance arrangements, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective procedures to identify, manage, monitor and report risks, and adequate internal control mechanisms, including sound management and accounting practices. The procedures and mechanisms in place in this regard must be comprehensive and proportionate to the nature, scale and complexity of the payment services provided by the payment institution.

2.4 Board of Directors and Executive Board

Members of the Board of Directors and the Executive Board of a payment institution must guarantee the proper conduct of business in both professional and individual terms. In particular, the members of the Executive Board must be appropriately qualified for the intended position on the basis of their education and career history (see [FMA Communication 2013/7](#)). In order to ensure its sound and prudent management, the payment institution, must have an Executive Board responsible for business operations, with a total full-time equivalent (*Stellenprozent*) of at least 200 per cent, consisting of at least two members who perform their activities with joint responsibility and who may not simultaneously be members of the Board of Directors, as well as a Board of Directors with at least three members responsible for overall direction, supervision and control.

2.5 Qualifying holdings

Shareholders with direct or indirect qualifying holdings in the applicant within the meaning of Article 4(1)(36) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 646/2012 (Capital Requirements Regulation; hereinafter referred to as the “CRR”) must satisfy the applicable suitability requirements in view of the requirement to ensure sound and prudent management of the payment institution (Article 9(1)(f) PSA). Article 17(6) PSA refers in this context to Articles 58 to 60 of the Liechtenstein Law on the Activities and Supervision of Banks, financial holding companies and mixed financial holding companies

(*Gesetz über die Tätigkeit und Beaufsichtigung von Banken, Finanzholdinggesellschaften und gemischten Finanzholdinggesellschaften, BankG – Banking Act, BA*), and for this reason, in accordance with FMA Guidelines 2019/9 and FMA Guidelines 2017/20 are applicable.

2.6 Effective supervision

There may be no close links between the payment institution and other natural or legal persons or other circumstances that prevent effective supervision (e.g. laws, regulations or administrative procedures of a third country governing one or more natural or legal persons with which the payment institution has close links) (Article 9(1)(h) PSA).

2.7 Capital

Payment institutions must have adequate initial capital at their disposal at the time the licence is granted, which must be freely available without restriction or encumbrance. Initial capital within the meaning of Article 9(1)(c) PSA in conjunction with Article 10 PSA is composed of paid-in capital, including any share premium account, and any reserves and profit carried forward, and it must be fully paid up.

The initial capital must amount to at least:

- in the case of payment institutions providing money remittances, CHF 20,000 or the equivalent in euros;
- in the case of payment institutions providing payment initiation services, CHF 50,000 or the equivalent in euros;
- in the case of payment institutions providing payment services defined in Article 2(2)(a), (b) and (f) to (h) PSA, CHF 125,000 or the equivalent in euros.

Please note that the initial capital simultaneously constitutes the minimum amount of the payment institution's own funds, and it may not fall below this amount at any time (Article 18(2) PSA).

In addition, payment institutions must have sufficient own funds in accordance with Article 18(1) PSA. Own funds may not fall below the amount of the statutory capital specified in Article 10 PSA or the amount of own funds as calculated in accordance with Article 19 PSA, whichever is higher. Payment institutions offering solely a combination of account information services and payment initiation services are required to hold current own funds only in the amount of their statutory initial capital. No calculation in accordance with Article 19 PSA is required.

2.8 Safeguarding of funds received from customers

In accordance with Article 20 PSA, payment institutions that provide payment services as referred to in Article 2(2)(a) to (c) and (f) to (h) PSA must safeguard funds that have been received from the payment service users or through another payment service provider for the execution of payment transactions. The methods for safeguarding funds can be found in Article 20(1) PSA.

2.9 Outsourcing of functions

The outsourcing of functions in Liechtenstein or abroad is permitted only if the conditions set out in Article 24 PSA are met. The FMA is required to prohibit the outsourcing of important operational functions if the requirements laid down in Article 24(2) to (4) PSA are not met. In connection with outsourcing, the relevant provisions of EBA/GL/2019/02 must also be observed.

2.10 Use of agents

If a payment institution intends to provide payment services via an agent, the payment institution must transmit the information listed in Article 25 PSA to the FMA for the purpose of verification by the FMA. Reference is made to [FMA Guidelines 2018/22](#) in this regard.

2.11 Accounting

The provisions of the BA and the Liechtenstein Persons and Companies Act (*Personen- und Gesellschaftsrecht, PGR* – PCA) apply mutatis mutandis to the accounting activities of payment institutions. Under the circumstances set out in Article 21(2) PSA, payment institutions are obliged to provide separate accounting information, which is subject to a detailed audit report prepared by an audit firm.

2.12 Auditors

In accordance with Article 22 PSA, payment institutions are required to submit to an audit of their business activities each year by an independent external audit office recognised by the FMA.

3. Informal preliminary application

Prior to submitting the licence application in accordance with Article 8 EMA, a draft version of the application (preliminary application) may be submitted to the FMA without the original documents.

As a rule, the preliminary application must have the same structure and contain the same information and documents as the definitive licence application. Here, it is important to comment on each issue with reference to any relevant documents appended, which must be consecutively numbered.

It should be noted that only key sub-aspects are checked for red flags concerning licence eligibility as part of the informal preliminary application. These checks cover the following topics:

- Business plan
To be submitted: a draft of the business plan together with a description of the programme of operations, as well as the forecast budget calculation for the first three years;
- Qualifying holdings (taking account of the entire group) and beneficial owners (direct and indirect [attributable])
To be submitted: passport copy and company register excerpts at all levels of the group organisational chart;
- Origin of funds
To be submitted: a description of the origin of the funds that are to be used for the establishment of the company (including the statutory capital);
- Complete group structure with details of relationships (share capital and voting rights)
To be submitted: a group organisational chart (all group companies including ultimate beneficial owners).

Please note that the preliminary application does not constitute a legally binding or conclusive review by the FMA, especially as only the aforementioned framework information is used for this application.

4. Licensing procedure

During the licensing procedure, the FMA will undertake a formal and substantive assessment of the licence application. The FMA will inform the applicant of any matters that are unclear and need to be corrected and can instruct the applicant to remedy the application.

A fee will be charged in respect of the licensing procedure (see section 5.1).

If there are any changes in material facts during the licensing procedure, they must be reported to the FMA immediately, and updated documents must be submitted if necessary.

All information provided by the applicant will be treated as confidential and is subject to official secrecy in accordance with Article 31 PSA.

The duration of the licensing procedure will depend primarily on the coherence and completeness of the information and the documents provided in connection with the application. Within three months of receipt of an application or, should the application be incomplete, within three months of submission of all the information required for the licence, the FMA must either grant the licence or communicate in writing and with reasons that the application has been rejected (Article 9(4) PSA).

The FMA will inform the applicant as soon as all of the information required for the licence has been received.

4.1 Licence application (Article 8 PSA)

The licence application must be structured in accordance with the checklist in Annex 2. All enclosures (including the application documents listed in section 4.2) must be consecutively numbered and referenced in the checklist and in the licence application.

The applicant must submit the original application for approval including the numbered annexes. For a digital submission, the checklist and any application document must be signed electronically by the applicant in a qualified manner. If original annexes exist, these must be submitted in the original. Annexes with a qualified electronic signature or with a digital official signature must be submitted digitally, while annexes with a hand-written signature or documents with an official stamp etc. must be submitted physically by post or messenger. Alternatively, the checklist and any application document can be signed by hand and submitted by post or courier to the FMA, Banking Division, Landstrasse 109, P.O. Box 279, LI-9490 Vaduz.

Regardless of the chosen method of submission, the documents for the assessment of the proof of the guarantee in respect of the proper conduct of business must be submitted digitally using the application form "*BankG/EGG/ZDG: Beurteilung der Gewähr für einwandfreie Geschäftstätigkeit*" provided on the e-Service Portal. Further information on the e-Service Portal and on creating a user account can be found at: <https://www.fma-li.li/de/e-service.html>.

As a rule, all information to be submitted to the FMA as part of the licence application must be furnished as original documents in German or as an officially certified translation. Following consultation with the FMA, documents and information can also be submitted in English. This does not include the licence application or the business plan, which must be submitted in German.

4.2 Application documents for a licence as a payment institution

The following information and documents, in particular, must be enclosed with the application for a licence as a payment institution (Article 8 PSA and [EBA/GL/2017/09](#)):

- The programme of operations setting out, in particular, the type of payment services envisaged;

- A business plan, with a forecast budget calculation for the first three financial years;
- Evidence that the payment institution has the necessary initial capital in accordance with Article 10 PSA;
- A description of the measures to safeguard the funds of payment service users in accordance with Article 20 PSA, as well as a description of the audit arrangements and the organisational arrangements the applicant has set up with a view to taking all reasonable steps to protect the interests of the payment service users and to ensure continuity and reliability in the performance of payment services;
- A description of the applicant's governance arrangements and internal control mechanisms, including the administration, risk management and accounting practices;
- A description of the procedures in place to monitor, handle and follow up on security incidents and security-related customer complaints, including an incident reporting mechanism which takes account of the notification obligations of the payment institution laid down in Article 102 PSA;
- A description of the process in place to file, monitor, track and restrict access to sensitive payment data;
- A description of the business continuity arrangements, including a clear identification of the critical operations, effective contingency plans and a procedure to regularly test and review the adequacy and efficiency of such plans;
- A description of the principles and definitions applicable to the collection of statistical data on performance, transactions and cases of fraud;
- A security policy document, including a detailed risk assessment in relation to its payment services and a description of security control and mitigation measures taken to adequately protect payment service users against the risks identified, including fraud and illegal use of sensitive and personal data. The applicant must also provide an indication of how the aforementioned security control and mitigation measures ensure a high level of technical security and data protection, including for the software and IT systems used by the applicant or the undertakings to which it outsources the whole or part of its operations. Those measures also include the security measures laid down in Article 101 PSA;
- A description of the internal control mechanisms to comply with obligations in relation to money laundering and terrorist financing, in particular the obligations set out under due diligence legislation, including Regulation (EU) 2015/847;
- A description of the applicant's structural organisation (including, where applicable, a description of the intended use of agents and branches, as well as a description of outsourcing arrangements) and a description of the audit arrangements and the organisational arrangements the applicant has set up with a view to taking all reasonable steps to protect the interests of the payment service users and to ensure continuity and reliability in the performance of payment services;
- The identity of persons holding in the applicant, directly or indirectly, qualifying holdings within the meaning of Article 4(1)(36) CRR, the size of their holdings and evidence of their suitability taking into account the need to ensure sound and prudent management of the payment institution;
- The identity of the member of the Board of Directors and the Executive Board of the payment institution and, where relevant, the persons responsible for the management of the payment service activities of the payment institution, as well as evidence that they are of good repute and possess appropriate knowledge and experience to perform payment services;

- The identity of the audit office;
- The legal form and articles of association of the applicant;
- The address of the registered office or head office of the applicant;
- For the provision of payment initiation services defined in Article 4(1)(39) PSA, evidence of adequate professional liability insurance or comparable guarantee to fulfil the liability obligations set out in Articles 81 and 96 to 98 PSA.

Other application documents:

- A declaration by an independent external audit office recognised by the FMA that it accepts the mandate as the external auditor (declaration of acceptance by the external audit office, mandate manager or lead auditor);
- A declaration by the external audit office that it is in agreement with the draft articles of association and draft rules of procedure;
- Detailed, positive opinion of the external audit office on the planned organisational structure (including IT), the safeguarding of the funds of payment service users, risk management, governance arrangements and the internal control system (Article 9(1)(e) PSA);
- Marketing concept;
- Also to be submitted with the application is a detailed opinion of the external audit office on compliance with the licensing requirements, in particular with regard to the planned organisational structure (including IT), governance arrangements, the internal control system, risk management, the safeguarding of customer funds, the articles of association and regulations (where applicable in draft form) and the business plan. This comprehensive opinion may not be issued by a body that has been appointed as a future external auditor;
- Job descriptions/requirements profiles for members of the senior management as well as planned key functions.

The FMA may also request additional documents.

4.3 Registration of account information service providers

Any payment service provider wishing to provide solely account information services in Liechtenstein as a business activity requires only registration by the FMA (Article 11(1) PSA and [EBA/GL/2017/09](#)).

The application for registration must be structured in accordance with the checklist in Annex 3 and must contain the following information and documents:

- The programme of operations setting out, in particular, the type and scope of the account information service envisaged;
- A business plan, with a forecast budget calculation for the first three financial years;
- A description of the applicant's governance arrangements and internal control mechanisms, including the administration, risk management and accounting practices, and a description of the audit arrangements and the organisational arrangements the applicant has set up with a view to taking all reasonable steps to protect the interests of the payment service users and to ensure continuity and reliability in the performance of payment services;

- A description of the procedures in place to monitor, handle and follow up on security incidents and security-related customer complaints, including incidents reporting mechanism which takes account of the notification obligations of the account information service provider;
- A description of the process in place to file, monitor, track and restrict access to sensitive payment data;
- A description of the business continuity arrangements, including clear identification of the critical operations, effective contingency plans and a procedure to regularly test and review the adequacy and efficiency of such plans;
- A security policy document, including a detailed risk assessment in relation to its account information service and a description of security control and mitigation measures taken to adequately protect payment service users against the risks identified, including fraud and illegal use of sensitive and personal data. The applicant must also provide an indication of how the aforementioned security control and mitigation measures ensure a high level of technical security and data protection, including for the software and IT systems used by the applicant or the undertakings to which it outsources the whole or part of its operations. Those measures also include the security measures laid down in Article 101 PSA;
- A description of the applicant's structural organisation (including, where applicable, a description of the intended use of agents and branches, as well as a description of outsourcing arrangements);
- The identity of the directors and the persons responsible for the management of the applicant and, where relevant, the persons responsible for the management of the account information service, as well as evidence that they are of good repute and possess appropriate knowledge and experience to perform account information services;
- The legal form and articles of association of the applicant;
- The address of the registered office or head office of the applicant;
- Evidence of professional liability insurance or comparable guarantee against their liability vis-à-vis the account-servicing payment service provider or the payment service user resulting from non-authorised or fraudulent access to or non-authorised or fraudulent use of payment account information.

On the basis of the complete application and the information and documents submitted, the FMA must review whether the legal requirements for the provision of account information services are fulfilled. The duration of the licensing procedure will depend primarily on the coherence and completeness of the information and the documents provided in the application. Within three months of receipt of an application or, should the application be incomplete, within three months of submission of all the information required for the licence, the FMA must either grant the registration or communicate in writing and with reasons that the application has been refused (Article 12(3) PSA).

5. Charges

5.1 Licensing fee

A fee of CHF 30,000.00 is payable for the granting of a licence as a payment institution (Article 30 in conjunction with Annex 1(A)(1)(i) of the Liechtenstein Financial Market Supervision Act (*Gesetz über die Finanzmarktaufsicht, FMAG* – hereinafter referred to as the “FMA Act”)).

5.2 Registration fee for account information service providers

The fee for the granting or refusal of registration amounts to CHF 15,000.00 (Annex 1(A)(2b)(a) of the FMA Act).

6. Lapse, withdrawal and revocation of licences

The rules governing the lapse, withdrawal and revocation of licences are set out in Article 13 et seqq. PSA. In accordance with Article 14 PSA, the FMA may, in particular, amend or revoke licences if the payment institution obtained the licence dishonestly by providing false information or if the FMA was unaware of material circumstances.

Please note that the licence will expire if the business activities have not been taken up within one year (Article 13(1)(a) PSA).

7. Data protection

The FMA processes personal data exclusively in accordance with the general data processing principles of the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC) and in line with applicable data protection law.

All information regarding the processing of personal data, including details about the purpose of processing, the data controller and the rights of data subjects, can be found in the FMA Privacy Policy: [https://www.fma-li.li/de/fma/datenschutz/fma-information-zum-datenschutz.html](https://www.fma.li/de/fma/datenschutz/fma-information-zum-datenschutz.html).

8. Final provisions

8.1 Entry into force

This Guidance enters into force on 1 October 2019.

Annex 1 – Legal basis

- Liechtenstein Payment Services Act of 6 June 2019 (*Zahlungsdienstegesetz vom 6. Juni 2019, ZDG – Payment Services Act; PSA*);
- Liechtenstein Payment Services Ordinance of 17 September 2019 (*Zahlungsdiensteverordnung vom 17. September 2019, ZDV – Payment Services Ordinance; PSO*);
- Liechtenstein Law of 5 December 2024 on the Activities and Supervision of Banks, financial holding companies and mixed financial holding companies (*Gesetz vom 5. Dezember 2024 über die Tätigkeit und Beaufsichtigung von Banken, Finanzholdinggesellschaften und gemischten Finanzholdinggesellschaften, BankG – Banking Act; BA*);
- Liechtenstein Ordinance of 14 January 2025 on the Activities and Supervision of Banks, financial holding companies and mixed financial holding companies (*Verordnung vom 14. Januar 2025 über die Tätigkeit und Beaufsichtigung von Banken, Finanzholdinggesellschaften und gemischten Finanzholdinggesellschaften, BankV – Banking Ordinance; BO*);
- Liechtenstein Persons and Companies Act of 20 January 1926 (*Liechtensteinisches Personen- und Gesellschaftsrecht vom 20. Januar 1926, PGR – Persons and Companies Act; PCA*);
- Liechtenstein Law of 11 December 2008 on Professional Due Diligence to Combat Money Laundering, Organised Crime, and Terrorist Financing (*Gesetz vom 11. Dezember 2008 über berufliche Sorgfaltspflichten zur Bekämpfung von Geldwäscherei, organisierter Kriminalität und Terrorismusfinanzierung, SPG – Due Diligence Act; DDA*);
- Liechtenstein Ordinance of 17 February 2009 on Professional Due Diligence to Combat Money Laundering, Organised Crime, and Terrorist Financing (*Verordnung vom 17. Februar 2009 über berufliche Sorgfaltspflichten zur Bekämpfung von Geldwäscherei, organisierter Kriminalität und Terrorismusfinanzierung, SPV – Due Diligence Ordinance; DDO*);
- Liechtenstein Law of 18 June 2004 on the Financial Market Authority (FMA Act) (*Gesetz vom 18. Juni 2004 über die Finanzmarktaufsicht; Finanzmarktaufsichtsgesetz, FMAG – Financial Market Authority Act; FMA Act*);
- FMA Communication 2013/7 – Guarantee in respect of the proper conduct of business;
- FMA Guidelines 2019/9 – Prudential assessment of qualifying holdings in payment institutions;
- FMA Guidelines 2017/20 – Prudential assessment of qualifying holdings;
- FMA Guidelines 2018/22 – Agents;
- EBA/GL/2017/09 – European Banking Authority (EBA) Guidelines on the information to be provided for the authorisation of payment institutions and e-money institutions and for the registration of account information service providers under Article 5(5) of Directive (EU) 2015/2366;
- EBA/GL/2019/02 – Guidelines on outsourcing arrangements;
- Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on the transmission of information in the case of money transfers and repealing Regulation (EU) No 1781/2006;
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);



- Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 646/2012 (CRR).