

Normative Regulations No. 138 of the Financial and Capital Market Commission

Riga, 25 August 2020

(Minutes No. 35, Clause 4 of the Meeting of the Council of
the Financial and Capital Market Commission)

Normative Regulations for the Provision of Information and Documents to be Submitted for obtaining the Authorisation for the operation of a Payment Institution and an Electronic Money Institution

*Issued in accordance with [Section 11](#), Part four of
[the Law on Payment Service
and Electronic Money](#)*

I. General provisions

1. "Normative Regulations for the Provision of Information and Documents to be Submitted for obtaining the Authorisation for the operation of a Payment Institution and an Electronic Money Institution" (hereinafter referred to as – the Regulations) are binding to:

1.1. commercial companies, natural and legal persons who wish to receive or have received a license issued by the Financial and Capital Market Commission (hereinafter referred to as – the Commission) for the operation of a Payment Institution or Electronic Money Institution;

1.2. natural and legal persons who, in accordance with [the provisions of Sections 5 and 5¹ of the Law on Payment Services and Electronic Money](#) do not need to obtain a license for the provision of payment and electronic money services for the commencement of the activities of a payment institution and an electronic money institution, but who register their activities, and registered Payment Institutions and registered Electronic Money Institutions;

1.3. foreign (non-member state) Electronic Money Institutions and branches of foreign (non-member state) Electronic Money Institutions which, in accordance with the requirements of the [Law on Payment Services and Electronic Money](#), wish to receive or have received a license issued by the Commission to operate a branch of a foreign (non-member state) Electronic Money Institution in Latvia.

2. The Regulations prescribe the procedure by which:

2.1. The Commission shall issue a license to a Payment Institution, an Electronic Money Institution (hereinafter together referred to as – the Institution) and a branch of a foreign (non-member state) Electronic Money Institution;

2.2. The Commission shall issue a license to a Payment Institution that will provide only account information services (hereinafter referred to as – the Account Information Service provider);

2.3. The Commission shall register an institution for the commencement of the activities of which a license is not required in accordance with [Sections 5 and 5¹ of the Law on Payment Services and Electronic Money](#) (hereinafter referred to as – the Registered Institution);

2.4. The Commission shall re-register the license of an institution and an account information service provider or make changes to the entry in the register of registered institutions;

2.5. an institution, a branch of a foreign (non-member state) Electronic Money Institution, a registered institution and an account information service provider shall provide information regarding changes in the information submitted upon receipt of the authorisation.

3. Documents developed and approved in the Republic of Latvia and copies thereof shall be executed in accordance with the requirements for the development and execution of documents specified in regulatory enactments.

4. Documents of foreign natural and legal persons shall be legalised, unless otherwise provided by the laws of the Republic of Latvia or international agreements approved by the Saeima of the Republic of Latvia. Documents of natural and legal persons submitted in a foreign language shall be translated into Latvian or a language used in the field of international finance.

II. Institution licensing procedure

5. A commercial company wishing to obtain a license to operate an Electronic Money Institution or a Payment Institution, unless it wishes to obtain a license to operate as the Account Information Service provider, shall submit an application signed by an authorised official and addressed to the Commission ([Annex 1](#)) and attach the following documents:

5.1. a description of the structure of the shareholders (participants) of the commercial company, indicating the shareholding interest of each shareholder or member (capital, voting rights) and the basis for such shareholding;

5.2. completed information and documents specified in the Commission's normative regulations No. 92 of 14 July 2020 "[List of information to be attached to the notification regarding the acquisition or increase of a qualifying holding and the main principles and procedures for the examination of the notification](#)" [Annexes 2, 3, 5](#) (if applicable), [6, 7, 8, 9](#) and [10](#) and these Annexes. Where the shares of a shareholder of a company are quoted in a regulated market operator established in a Member State or in a regulated market operator which is a full member of the World Federation of Stock Exchanges, submit information only regarding those owners who have a qualifying holding;

5.3. completed [Annexes 4–16](#) to these Regulations and the information and documents specified in these Annexes.

6. If a commercial company wishes to obtain a license for an institution providing payment initiation services or an authorisation to provide account information services in addition to other payment services, it shall additionally submit a copy of the professional indemnity insurance policy or a copy of a document certifying a guarantee issued by a credit institution equivalent to a professional indemnity insurance policy.

III. Procedures for Licensing Branches of Foreign (Non-Member State) Electronic Money Institutions

7. A foreign (non-member state) Electronic Money Institution which complies with the following criteria is entitled to receive a license to open a branch of a foreign (non-member state) Electronic Money Institution:

7.1. the applicable laws and regulations of the relevant foreign country (non-member state) permit the Commission to provide and receive from a foreign (non-member state) Electronic Money Institution supervisory authority the financial statements of electronic money institutions and other information to the extent necessary for the performance of supervisory functions, and the regulatory enactments of the relevant foreign country (non-member state) provide for liability for the disclosure of undisclosed information;

7.2. the supervisory authority of the relevant foreign (non-member state) Electronic Money Institution has entered into a cooperation agreement with the Commission in the field of supervision of cross-border Electronic Money Institutions.

8. In order for a branch of a foreign (non-member state) Electronic Money Institution to receive a license for the operation of a branch of an Electronic Money Institution, the foreign (non-member state) Electronic Money Institution shall submit an application signed by an authorised official and addressed to the Commission, and attach the following documents:

8.1. an application signed by an authorized official of a foreign (non-member state) Electronic Money Institution and addressed to the Commission ([Annex 1](#));

8.2. the permission of the supervisory authority of the relevant foreign (non-member state) Electronic Money Institution to open a branch of the Electronic Money Institution in the Republic of Latvia, if the applicable regulatory enactments of the relevant foreign country (non-member state) provide for such permission or the written approval of such an institution, that such authorisation is not required and that it does not oppose the opening of a branch, as well as a statement prepared by the aforementioned institution regarding the requirements of the regulatory enactments of the relevant foreign country (non-member state) regarding the issues of supervision of Electronic Money Institutions, which ensures the possibility to verify the compliance thereof with the requirements specified in the Paragraph [7.1](#) of these Regulations. In addition to the aforementioned information, the name, address, contact person, e-mail address of the supervisory authority, as well as the date of issue, registration number and place (institution) of the license issued to a foreign (non-member state) Electronic Money Institution for the operation of the Electronic Money Institution shall be indicated;

8.3. copies of the annual reports (if available) of the last two years of operation of the foreign (non-member state) Electronic Money Institution, if they are not publicly available;

8.4. a copy of the decision of the competent management institution or official of the foreign (non-member state) Electronic Money Institution regarding the opening of the branch and the regulations of the branch approved by such institution or official;

8.5. completed and signed statement regarding the candidature of the head of a branch of a foreign (non-member state) Electronic Money Institution specified in [Annex 15](#) to these Regulations and a copy of the Power of Attorney of the Electronic Money Institution issued to the head of the branch;

8.6. documents which provide a clear idea regarding the planned activities of the branch of a foreign (non-member state) Electronic Money Institution and the corresponding structure and organisation thereof, in accordance with [Annex 6](#) to these Regulations;

8.7. completed [Annexes 4, 5 and 7 to 16](#) to these Regulations and the information and documents specified in these Annexes.

IV. Licensing Procedure for Account Information Service Provider

9. A person who wishes to obtain a license only for the operation of an account information service provider shall submit an application signed by an authorised official and addressed to the Commission ([Annex 2](#)) and attach the following documents and information:

9.1. a copy of the professional indemnity insurance policy or a document certifying a guarantee issued by a credit institution equivalent to a professional indemnity insurance policy;

9.2. completed [Annexes 4, 5, 6, 8, 9, 11, 12, 13, 15 and 16](#) to these Regulations and the information and documents specified in these Annexes.

V. Procedures for Registration of a Payment Institution and an Electronic Money Institution

10. A person, who wishes to obtain an authorisation to operate a registered institution, and who does not require a license in accordance with [Sections 5 and 5¹](#) of the [Law on Payment Services and Electronic Money](#), shall submit a notification signed by an authorised official and addressed to the Commission ([Annex 3](#)) and attach the following information and documents:

10.1. the information and documents specified in Paragraph [5.1](#) of these Regulations;

10.2. completed [Annexes 4, 5, 7, 11, 12, 14, 15, and 16](#) to these Regulations and the information and documents specified in these Annexes.

VI. Procedure for re-registration of a license

11. The Commission shall re-register the license in the following cases:

11.1. if the name of the institution and the branch (firm) of the foreign (non-member state) Electronic Money Institution is changed;

11.2. if the type of payment services specified in the license issued to the institution is changed.

12. In order to re-register a license in the event of a change of name, the institution and the branch of a foreign (non-member state) Electronic Money Institution shall submit an application for re-registration of the license signed by an authorised person and addressed to the Commission. A branch of a foreign (non-member state) Electronic Money Institution shall attach a certified copy of the registration certificate to the application if the name of the institution is changed.

13. In order to re-register a license in the case specified in Paragraph [11.2](#) of these Regulations, the institution shall submit to the Commission an application ([Annex 1](#)) indicating the payment service which it wishes to provide or indicating which of the existing payment services it wishes to change, enclosing the following documents:

13.1. a description of the operational programme of the new payment service and other documents and information which have been submitted upon receipt of the operating license of the institution in accordance with Paragraph [5.3](#) of these Regulations and in which changes have been made in connection with the provision of the new or changed service;

13.2. a calculation of the expenses necessary for the implementation of the new payment service and information regarding the sources of funds for covering them;

13.3. updated commercial activity plan.

VII. Provision of information on change of registered office and other contact information

14. Not later than 10 working days after the change of the registered office address of the institution in the Commercial Register or Business Register or the change of other contact information (including telephone, e-mail address, office address), institution, branch of a foreign (non-member state) Electronic Money Institution, registered institution and account information service provider shall notify the Commission of those changes in writing.

VIII. Procedure for Examination of Applications and Notifications

15. The Commission shall, within 10 working days from the date of receipt of the application or notification referred to in [Paragraphs 5, 8, 9 or 10](#) of these Regulations, or within 10 working days after receipt of the additional documents requested by the Commission, assess whether all information has been submitted in accordance with the requirements of these Regulations. If the application or notification, or the information accompanying it, is not submitted in full, the Commission shall inform the applicant thereof, indicating the missing information, and shall not commence the evaluation process of the application or notification, in terms of substance.

16. If the Commission assesses that all the information has been submitted in accordance with the requirements of these Regulations, it shall inform the applicant regarding the commencement of the assessment process, in terms of substance, indicating the date of receipt of the complete application or notification.

17. Within the assessment process of the application or notification, the Commission shall assess whether all the submitted documents have been prepared and executed in accordance with the requirements of regulatory enactments, as well as whether all the submitted information allows the Commission to verify the applicant's compliance with regulatory enactments.

18. If amendments are made to the documents referred to in these Regulations during the examination of the application or other documents, the institution, the branch of the foreign (non-member state) Electronic Money Institution, the registered institution and the account information service provider shall immediately submit the specified documents to the Commission.

19. In case of change of the name of the account information service provider and registered institution (firm), as well as in the case referred to in Paragraph [11.1](#) of these Regulations, the Commission shall re-register the license or, in the case of a registered institution, make changes to the register of institutions within five working days after receipt of all the documents prepared and executed in accordance with the requirements of the regulatory enactments.

20. In the case referred to in Paragraph [11.2](#) of these Regulations, the Commission shall review the application for re-registration of the license and inform the institution regarding re-registration of the license or refusal to do so within 30 days after receipt of all necessary documents prepared and executed in accordance with regulatory enactments.

21. An institution, a registered institution, a branch of a foreign (Member State) Electronic Money Institution and an account information service provider may not submit to the Commission documents that are available in the public registers of the Republic of Latvia.

22. If, in the cases provided for in these Regulations, documents already in the Commission's possession and the information contained in which has not changed shall be submitted, the relevant documents shall not be resubmitted by the institution and the application shall indicate to the Commission that the documents already have been submitted to the Commission, indicating the date of submission, and that the information contained therein has not changed since the submission.

IX. Final provisions

23. With the entry into force of these Regulations, the regulatory enactments of the Commission of 26 September 2018 No. 155 "Normative Regulations for the Provision of Information and Documents to be Submitted for obtaining the Authorisation for the operation of a Payment Institution and an Electronic Money Institution" shall become void.

24. With the entry into force of these Regulations, the Commission Recommendation No. 212 of 10 December 2015 "[Recommendations for Licensing of the Payment Institution and Electronic Money Institution or Registration in the Institution Register Maintained by the Financial and Capital Market Commission](#)" shall become void.

Informative reference to the European Union legislation

The Regulations include legal norms that derive from the European Banking Authority Guideline No. EBA/GL/2017/09 of 8 November 2017 "Information to be provided for the authorisation of Payment Institutions and Electronic Money Institutions and for the registration of account information service providers in accordance with Section 5 (5) of Directive (EU) [2015/2366](#)".

Chairperson of the Financial and Capital Market Commission *S. Purgaile*

Financial and Capital Market Commission

**Application
for obtaining license for _____ activities**

*(Note: fill in the field as appropriate with one of the following indications: "payment institutions",
"electronic money institutions", "branches of a foreign electronic money institution".)*

1. Information about the commercial company (branch) that wants to receive a license

Name (firm)	
Trade name (if different from the firm)	
Registration number	
Legal address	
Address where the commercial company (branch) can be reached (if different from the legal address)	
Website address (if any)	

(A payment institution, an electronic money institution and a foreign electronic money institution are hereinafter referred to as – the institution.)

2. Information whether the electronic money institution intends to provide payment services not related to the issuance of electronic money payment in addition to issuing electronic money (mark as appropriate with an "x")

(Note: Paragraph 2 of the application is to be completed only by electronic money institutions. A branch of a foreign electronic money institution is not entitled to provide payment services and does not have to complete Paragraph 2 of the application.)

The institution intends to provide payment services

(Note: if an indication is made that an electronic money institution intends to provide payment services, it is mandatory to complete [Paragraph 3](#) of this application.)

The institution does not intend to provide payment services

3. Information on the types of payment services to be provided (mark as appropriate with an “x”)

(Note: if the person referred to in Paragraph 1 does not intend to provide payment services, Paragraph 3 of the application need not be completed.)

A service as a result whereof cash may be deposited in the payment account, as well as all necessary operations performed by the payment service provider to ensure an opportunity for the user of payment services to use the payment account

A service as a result whereof cash may be withdrawn from the payment account, as well as all necessary operations performed by the payment service provider to ensure an opportunity for the user of payment services to use the payment account

Making payments, also a money transfer to the payment account opened by the payment service provider of the user of a payment service or another payment service provider, including:

making a direct debit payment, including a one-time direct debit payment

making a payment with a payment card or similar device

making a loan transfer as well as a regular payment

Making payments when a credit limit is applied to the money available to the payment service user, including:

making a direct debit payment, including a one-time direct debit payment

making a payment with a payment card or similar device

making a loan transfer as well as a regular payment

Release of a payment instrument

Acceptance of payments

Money transfer without a bank account

Payment initiation service

Account information service

4. Information on the institution's auditor (if any)

Name (firm)/Name, surname	
Registration number / Personal identity number / Identification number	
Legal address / Declared residential address	

5. Information on persons with qualifying shareholding in the institution

(Note: if the institution has several shareholders or members, the section in Paragraph 5 shall be copied accordingly and information on all persons shall be completed.)

Name (firm)/Name, surname	
Registration number / Personal identity number / Identification number	
Legal address / Declared residential address	
Amount of shareholding (as a percentage of the institution's share capital)	

6. Minimum initial capital that the applicant shall prove at the time of receiving the license:

EUR 20 000 if it is intended to provide only contactless money transfer services

EUR 50 000 if it is intended to provide only payment initiation services

EUR 125,000 if it is intended to provide any of the payment services referred to in [Section 1 \(1\)](#) (a) to (e) of the [Law on Payment Services and Electronic Money](#)

EUR 350 000 if it is intended to obtain a license to operate an electronic money institution

List of documents proving the existence of initial capital (for example, a statement from a credit institution on the existence of an appropriate amount in the account)

7. Information on persons with whom the institution has a close relationship

Name (firm)/Name, surname	
Registration number / Personal identity number / Identification number	
Legal address / Declared residential address	

8. Contact details of the Institution to communicate with the Financial and Capital Market Commission on the licensing process

Name, surname of contact person	
Email address	
Contact phone	

The following documents are attached to the application (mark the attached documents with an “x”):

Document certifying payment for the examination of the submitted documents

Power of attorney or a certified copy thereof, if the authorisation to sign an application for the commencement of activities of a branch of a payment institution, electronic money institution or foreign electronic money institution on its behalf arises from the authorisation agreement

A copy of the professional indemnity insurance policy or a document certifying the existence of a guarantee equivalent to it (if necessary)

Information about the person signing the application

Signature and transcript of signature (person's name, surname)	
Personal identity number / Identification number	
Declared residential address	
Position or other legal basis on which the institution is represented	
Date of signature	

**Application
to receive a license for the operation of a payment institution – provider
of account information services**

1. Information on the person who wishes to obtain a license to operate the institution

Name (firm)/Name, surname	
Trade name (if different from the firm)	
Registration number / Personal identity number / Identification number	
Legal address / Declared residential address	
Address where the person can be reached (if different from the legal / declared address)	
Website address (if any)	

2. I certify that (mark with an “x”):

the institution intends to provide only account information services

the institution does not intend to hold customers' funds

3. Information on persons with qualifying shareholding in the institution

(Note: to be completed if the institution is a legal entity. If the institution has several shareholders or members, the section in Paragraph 3 shall be copied accordingly and the information on all persons shall be completed.)

Name (firm)/Name, surname	
Registration number / Personal identity number / Identification number	

Legal address / Declared residential address	
Amount of shareholding (as a percentage of the institution's share capital)	

4. Contact details of the Institution to communicate with the Financial and Capital Market Commission on the licensing process

Name, surname of contact person	
Email address	
Contact phone	

The following documents are attached to the application (mark the attached documents with an “x”):

Document certifying payment for the examination of the submitted documents

Power of attorney or a certified copy thereof, if the authorisation to sign the application for the commencement of activities of a payment institution or electronic money institution on its behalf arises from the authorisation agreement

A copy of the professional indemnity insurance policy or a document certifying the existence of a guarantee equivalent to a professional indemnity insurance policy

Information about the person signing the application

Signature and transcript of signature (person's name, surname)	
Personal identity number / Identification number	
Declared residential address	
Position or other legal basis on which the institution is represented	
Date of signature	

Notification
on the commencement of the activities of the _____
institution

I hereby declare that the person referred to in [Paragraph 1](#) meets the conditions referred to in [Section 5](#), Part one / [Section 5.1](#), Part one of the [Law on Payment Services and Electronic Money](#) to commence the provision of services without obtaining a license to operate a payment institution or electronic money institution.

1. Information about the person who wants to start providing services

Name (firm)/Name, surname	
Registration number / Personal identity number / Identification number	
Legal address / Declared residential address	
Address where the person can be reached (if different from the legal / declared address)	
Website address (if any)	

(The payment institution and the electronic money institution are hereinafter referred to as – the Institution.)

2. Information whether the electronic money institution intends to provide payment services in addition to issuing electronic money (mark as appropriate with an “x”)

(Note: shall be completed only in the case of receipt of an authorisation to operate an electronic money institution.)

The institution intends to provide payment services

(Note: if an indication is made that an electronic money institution intends to provide payment services, it is mandatory to complete [Paragraph 3](#) of this notification.)

The institution does not intend to provide payment services

3. Information on the types of payment services to be provided (mark as appropriate with an “x”)

Release of a payment instrument

Money transfer without a bank account

4. Information on persons with qualifying shareholding in the institution

(Note: to be completed if the institution is a legal entity. If the institution has several shareholders or members, the section in Paragraph 4 shall be copied accordingly and the information on all persons shall be completed.)

Name (firm)/Name, surname	
Registration number / Personal identity number / Identification number	
Legal address / Declared residential address	
Amount of shareholding (as a percentage of the institution's share capital)	

5. Contact details of the Institution to communicate with the Financial and Capital Market Commission on the licensing process

Name, surname of contact person	
Email address	
Contact phone	

The following documents are attached to the notification (mark the attached documents with an “x”)

Document certifying payment for the examination of the submitted documents

Power of attorney or a certified copy thereof, if the authorisation to sign the notice of commencement of activities of the institution on behalf of the institution arises from the authorisation agreement

Information about the person signing the application

Signature and transcript of signature (person's name, surname)	
Personal identity number / Identification number	
Declared residential address	
Position or other legal basis on which the institution is represented	
Date of signature	

[Annex 4](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Information on the institution's operational programme

The applicant shall indicate the information referred to in the table regarding his or her activities, attaching separate documents substantiating the information referred to in the table, if necessary.

No.	Information to be submitted
1.	A sequential description of the type of payment services planned, explaining why the applicant considers the activities to be performed to be in one of the legal categories of payment services specified in Section 1 (1) of the Law on Payment Services and Electronic Money .
	[description]
2.	A description of the electronic money services that the applicant intends to provide, indicating whether they will be issuing, repurchase or distribution services.*
	[description]
3.	If applicable, a description of the types of payment services planned, explaining why the applicant considers the activities to be performed to be in one of the legal categories of payment services specified in Section 1 (1) of the Law on Payment Services and Electronic Money , and an indication of whether such payment services will be provided in addition to electronic money services and whether they are related to the issuance of electronic money.*
	[description]

4.	Will the customer's money come into the property, possession or holding of the applicant at some point?
	<p style="text-align: center;">Yes</p> <p style="text-align: center;">No</p>
5.	<p>If applicable, a description of the execution of the different payment services (including electronic money services), specifying all the parties involved and indicating for each payment service provided (including electronic money services):</p> <p>(a) a cash-flow chart** (<i>additionally attached to this document</i>);</p> <p>b) settlement procedure**;</p> <p>(c) draft agreements concluded between all persons involved in the provision of payment services, including payment card schemes (<i>additionally attached to this document</i>);</p> <p>(d) the deadlines for processing and executing payments.</p>
	[description]
6.	A copy of the draft standard agreement within the meaning of Section 1 (8) of the Law on Payment Services and Electronic Money attached.
	Find enclosed
7.	Procedures for the management of complaints (disputes) submitted by payment service users and electronic money holders attached.
	Find enclosed
8.	Is it planned to provide payment services (including electronic money services) or activities related to their provision in several physical locations? If yes, indicate the number and the type of service intended.
	<p style="text-align: center;">No</p> <p style="text-align: center;">Yes</p> <p>[description]</p>

9.	Is it planned to provide additional services to payment services (including electronic money services) referred to in Section 36 , Part one, Paragraph 1 and 2 and Section 36¹ , Paragraph 1, 2 or 3 of the Law on Payment Services and Electronic Money ? If yes, describe all these additional services.
	<p>No</p> <p>Yes</p> <p>[description]</p>
10.	Is it planned to grant a credit related to payment services within the meaning of Section 37 of the Law on Payment Services and Electronic Money ? If yes, please specify the extent.***
	<p>No</p> <p>Yes</p> <p>[description]</p>
11.	Is it planned to provide payment services (including electronic money services) in other Member States or abroad (non-member states)? If yes, indicate in which countries.
	<p>No</p> <p>Yes</p> <p>[description]</p>
12.	Does the applicant already carry out or plan to carry out in the next three years any other type of commercial activity referred to in Section 36 , Part one, Paragraph 3 and Section 36¹ , Part one, Paragraph 4 of the Law on Payment Services and Electronic Money ? If yes, please describe the nature and expected extent of this activity in the coming year.
	<p>No</p> <p>Yes</p> <p>[description]</p>

13.	If it is planned to provide payment initiation services or account information services, describe how the minimum liability limit for professional indemnity insurance has been calculated in accordance with the calculation procedure specified in Section 35¹ , Part four of the Law on Payment Services and Electronic Money .
	[description]

** To be completed only by the applicant for the receipt of an operating license of an electronic money institution.*

*** Not required if the applicant intends to provide only payment initiation services or account information services.*

**** An applicant for the receipt of an operating license of an electronic money institution shall complete only if it intends to provide payment services in addition to electronic money services.*

[Annex 5](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Information to be included in the commercial activity plan

No.	Information to be included in the commercial activity plan	Location of information in the commercial activity plan
1.	Operational strategy, marketing plan, which includes an analysis of the commercial company's competitiveness in the relevant market segment and a description of the applicant's service users (customers), marketing materials and distribution channels.	
2.	Audited* annual reports for the last three years, if available, or a summary of the financial position if the annual report has not been prepared.	
3.	<p>Preliminary budget estimates for the first three financial years showing that the applicant is able to use appropriate and proportionate systems, resources and procedures to operate stably. Such calculation shall include:</p> <p>(a) the profit and loss account and balance sheet forecast, including business development scenarios (standard, optimistic and pessimistic scenarios), their underlying assumptions, indicators such as number and volume of transactions, number of customers, pricing policy, average transaction amount, expected increase in break-even point;</p> <p>(b) an explanation of the main items of income and expense, financial debts and fixed assets;</p>	

	(c) a forecasted cash flow of income and expense, with a detailed breakdown of the items for the next three financial years.	
4.	Information on own funds, including the amount of initial capital and a detailed breakdown of its composition as specified in Section 1 (39) of the Law on Payment Services and Electronic Money .**	
5.	Information on the minimum own funds requirements and their calculation in accordance with Section 35 of the Law on Payment Services and Electronic Money , including the projected distribution of own funds for the next three years.*	

* If the annual reports do not have to be audited in accordance with regulatory enactments, unaudited reports shall be submitted.

** Not required if the applicant intends to provide only payment initiation services or intends to obtain only the authorisation of a registered institution.

[Annex 6](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Information on the organisational structure

Please provide a description of the organisational structure of the commercial company, including the information referred to in the table below.

No.	Information to be included in the description of the organisational structure	Location of information in the description of the organisational structure or the submitted document
1.	A detailed description of the organisational structure performed by the applicant, indicating the names and surnames of the members of the council (if any), members of the board, heads of structural units, including the name and surname of the person responsible for internal control functions; the description of the organisational structure performed by the applicant shall be accompanied by a description of the functions, duties and responsibilities of each structural unit and committee (if any).	
2.	General forecast of the number of employees over the next three years.	
3.	A description of the relevant operational outsourcing mechanism, including:	

	<p>(a) the external service provider and the geographical location;</p> <p>(b) the identity of the persons responsible for each of the outsourced activities in the applicant;</p> <p>(c) a clear description of the activities outsourced and their main features, as well as copies of draft outsourcing contracts.</p>	
4.	<p>A description of the use of the applicant's branches and representatives, if any, which includes:</p> <p>(a) the plan for off-site and on-site inspections that the applicant intends to carry out at least once a year in connection with branches and representatives and the frequency of such inspections;</p> <p>(b) the IT systems, processes and infrastructure used by the applicant's representatives to carry out the activities on behalf of the applicant;</p> <p>(c) the policy for the selection of representatives, the monitoring procedures and training, and the draft cooperation agreement, if available.</p>	
5.	<p>All natural and legal persons who have a close relationship with the applicant, indicating their identity and the nature of the relationship.</p>	
6.	<p>Information and description regarding the applicant's participation in a national or international payment system.</p>	

[Annex 7](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Measures taken to protect the money of payment service users and electronic money holders

(This annex does not need to be completed if the applicant intends to provide only payment initiation services or payment initiation services and account information services.)

The applicant shall indicate the information referred to in the table regarding his or her activities, attaching separate documents substantiating the information referred to in the table, if necessary.

1. Which method does the applicant use to protect the money of payment service users and electronic money holders?

The money of payment service users and electronic money holders is protected by an insurance policy, a guarantee insurance policy issued by a credit institution or another guarantee. *(Please complete [Points 2–5](#) of this table.)*

The money of payment service users and electronic money holders is protected by holding it in a separate account with a bank (credit institution or national central bank), separate from other commercial company or personal (in the case of a natural person) funds, or by investing in safe, low-risk assets that are considered as such in accordance with the regulatory enactments of the Financial and Capital Market Commission. *(Please complete [Points 6–9](#) of this table.)*

2. Confirmation that the insurance company or credit institution that has issued the insurance policy, guarantee insurance policy or other guarantee does not belong to the same group of commercial companies to which the applicant belongs.

[description]

3. A description of the conditions of the insurance or policy that would ensure that the insurance policy, guarantee insurance policy or other guarantee is sufficient to enable the applicant to meet claims against payment service users, electronic money holders and other payment service providers at all times.

[description]

4. Terms and conditions of renewal of the insurance policy, guarantee insurance policy or other guarantee.

[description]

5. A copy of the insurance contract, guarantee insurance contract or other guarantee (project).

Find enclosed

6. A description of the customers' investment policy to ensure that the selected assets are liquid, safe and low risk, if applicable.

[description]

7. The identity of the persons who have access to the account in which the money of payment service users and electronic money holders is segregated, and the roles, duties and responsibilities of those persons.

[description]

8. Description of the management process to ensure that the principles for the protection of funds of payment service users and electronic money holders set out in [Sections 38 and 38¹](#) of the [Law on Payment Services](#)

and Electronic Money are complied with. Procedure for the protection of funds of payment service users and electronic money holders (part of the internal control system).

[description]

Find procedure enclosed

9. Bank statement or a copy of the agreement (or project) concluded with the bank.

Find enclosed

[Annex 8](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Information to be included in the description of the internal control and management system

Information to be included in the description of the internal control and management system

No.	Information to be included	Location of information in the description, name of the submitted procedure
1.	A list and assessment of the risks identified, including the level of risk and the impact on the applicant's activities, as well as the procedures that the applicant will implement to manage such risks.	
2.	Procedures for the provision and control (operational procedures) of electronic money services (issuance / distribution / repurchase), payment services (including the granting of credit, if applicable), including at least procedures for authorising the counterparty and setting limits to ensure that the transaction complies with the institution's policies and compliance laws, regulations and standards, as well as the procedures for the provision and control of the service provided.	
3.	Accounting policies and procedures which the applicant will use to ensure its financial information as well as customers' funds, accounting, control, evaluation and reporting.	
4.	Identity and current curriculum vitae of the persons responsible for the internal control functions (management information system, risk control system and compliance control system), including their regularity and permanence,	

	as well as for the compliance control of the applicant's activities.	
5.	The identity of the persons responsible for the internal audit function, as well as the current curriculum vitae of such persons (if applicable).	
6.	Policy and procedure for the supervision and control of outsourcing functions to avoid deterioration in the quality of the applicant's internal control.	
7.	Policy and procedure for the supervision and control of representatives and branches within the applicant's internal control.	
8.	If the applicant is a subsidiary of a regulated institution in another Member State of the European Union – a description of the management of the group.	

[Annex 9](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Description of the internal control and management system for the management of security incidents and the examination of security-related complaints

The applicant shall provide a description of the procedure introduced for monitoring, reviewing and following up security incidents, as well as for monitoring, reviewing and overseeing complaints from payment service users and electronic money holders regarding the security of information systems, including a description of the incident reporting mechanism. The procedures shall be developed taking into account the requirements of the normative regulations in the field of security of information systems of the Financial and Capital Market Commission. The procedures shall include at least the following information.

No.	Information to be included	Location of information in the procedure or document submitted
1.	Organisational measures and instruments to prevent fraud.	
2.	Information on the persons and bodies responsible for assisting payment service users and electronic money holders in the event of fraud, technical problems or complaints.	
3.	Reporting procedures in cases of fraud.	
4.	Name and email address of the customer support service.	

5.	Incident registration and reporting procedures, including the submission of such reports to internal or external bodies, as well as the reporting of significant incidents to the Financial and Capital Market Commission.	
6.	Surveillance tools used and follow-up measures and procedures introduced to mitigate security risks.	

[Annex 10](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Description of the process for compiling statistics on the efficiency of the institution, the services provided and fraud

The applicant shall provide a description of the principles and definitions it will apply for compiling statistics on the efficiency of the institution, the services provided and fraud, which shall include at least the following information.

No.	Information to be included	Location of information in the description
1.	What kind of statistical data does the applicant intend to collect on payment service users and electronic money holders and the payment services or types of electronic money services they use (for example, the service provision channel, the payment instrument used, the jurisdiction or the currencies used in transactions).	
2.	Scope of data collection (will the data be collected for all types of services provided; in which units will the data be collected; will the data also be collected from branches, representatives and distributors).	
3.	Type of data collection.	
4.	The defined purpose of data collection.	
5.	Frequency of data collection.	
6.	Supporting documents, such as a manual describing how the data collection system works.	

[Annex 11](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

A description of the institution's commercial activity continuity arrangements

The applicant shall submit a description of the institution's commercial activity continuity arrangements, which shall include at least the following information.

No.	Information to be included	Location of information in the description
1.	Analysis of the impact of the commercial activities (functions and processes), indicating the commercial activities processes that affect the applicant's overall business and the business recovery strategy and priorities, such as recovery time, recovery level and protected assets.	
2.	Business continuity plan, including for information systems developed taking into account the requirements of the Financial and Capital Market Commission's information systems security regulations and including an explanation of how the applicant will deal with significant business continuity problems and disruptions, such as core system downtime, lost of basic data, it will not be possible to access the premises and key people will not be available.	
3.	How often does the applicant plan to test business continuity and disruption recovery plans and evaluate the effectiveness of its operation, including how the test results will be recorded and evaluated.	
4.	A description of the planned risk mitigation measures in the event of suspension of the applicant's payment services or electronic money services in order to ensure the execution of the initiated activities (including payments) and to terminate the existing contracts.	

[Annex 12](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Information to be included in the description of information systems security policy

The applicant shall submit a description of the information systems security management, which has been developed taking into account the requirements of the regulatory enactments in the field of information systems security of the Financial and Capital Market Commission, and which shall include at least the following information.

No.	Information to be included	Location of information in the description
1.	A detailed risk assessment of the payment services and electronic money services that the applicant intends to provide, including the risk of fraud and security controls and risk mitigation measures that are taken to adequately protect payment service users and electronic money holders from the identified risks.	

<p>2.</p>	<p>A description of the IT systems, which shall include the following information:</p> <p>(a) architecture of systems and their network elements (computer network and connection scheme);</p> <p>(b) information systems supporting the commercial activities carried out, such as the applicant's website, electronic wallets, payment system, risk and fraud management systems and customer accounting system;</p> <p>(c) IT support systems used for the organisation and management of the applicant's activities, such as accounting, personnel management, customer relationship management information systems, e-mail system and internal file system;</p> <p>(d) whether the applicant or group of applicants already uses those information systems; the expected date of their implementation, if applicable.</p>	
<p>3.</p>	<p>The types of external connections allowed to, for example partners, service providers, group units and remote workers, including the rationale for such connections, indicating the logical security measures and control mechanisms introduced.</p>	
<p>4.</p>	<p>Logical security measures and mechanisms governing internal access to IT systems.</p>	
<p>5.</p>	<p>Physical security measures and mechanisms of the applicant's workplace and data centre, such as physical access control measures and environmental security management.</p>	
<p>6.</p>	<p>Security of payment processes and electronic money service processes, including the following information:</p> <p>(a) the customer authentication procedure used for both informational access and access for the purpose of payment or payment initiation;</p> <p>(b) the secure transfer of authentication elements to the legitimate payment service user or electronic money holder, ensuring the integrity in both their initial implementation and renewal;</p>	

	(c) a description of the systems and procedures introduced by the applicant to analyse payments and identify suspicious or unusual payments.	
7.	List of main procedures related to the applicant's information systems or procedures not yet formalized – expected date of entry into force.	

[Annex 13](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Description of the processes developed to record, monitor, track and restrict access to sensitive payment data

The applicant shall provide a description of the process developed to record, monitor, track and restrict access to sensitive payment data, which shall include at least the following information.

No.	Information to be included	Location of information in the description
1.	Flowcharts for sensitive payments with detailed descriptions: (a) how, in which information systems and which sensitive payment data is processed by the applicant, including if an external service provider is used, or its business partners (including account information service providers or payment initiation service providers); (b) the procedures for securely receiving sensitive payment data by the customer.	
2.	Description of transaction monitoring and surveillance solutions developed to prevent, detect and block fraudulent payment transactions. An explanation of how violation will be identified and what action will be taken in the event of violation.	
3.	List of persons and entities having access to sensitive payment data.	
4.	Annual internal control plan regarding the security management of information systems.	

[Annex 14](#)

to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Information to be included in the procedure for the establishment and effective functioning of the internal control system for anti-money

laundrying and countering terrorism and proliferation financing and sanctions risk management

The applicant shall submit the procedure for the establishment and effective functioning of the internal control system for anti-money laundrying and countering terrorism and proliferation financing (hereinafter – AMLCTPF) and sanctions risk management, which shall include at least the following information.

No.	Information to be included	Location of information in the submitted document, name of the document
1.	The applicant's performed and documented risk assessment of the AMLCTPF and sanctions risks inherent to the institution's operations and customers, which also takes into account the risks related to the applicant's customer base, products and services offered, service and product delivery channels and geographical location of activities and customers.	
2.	Internal control system measures implemented or will be implemented by the applicant in accordance with Section 7 of the Law On the Prevention of Money Laundrying and Terrorism and Proliferation Financing to mitigate risks and fulfil obligations under AMLCTPF prevention legislation, including the applicant's AMLCTPF risk assessment process, policies and procedures to perform customer identification, risk assessment and research requirements, and policies and procedures to monitor customer transactions and detect and report suspicious transactions or activities.	
3.	A description of the measures and solutions of the information systems used that the applicant has implemented or will implement to ensure the development and automated use of the customer risk numerical assessment system, as well as its regular independent evaluation (audit).*	
4.	The systems and controls that the applicant has introduced or will introduce to ensure that its branches and representatives comply with the applicable requirements for the prevention of AMLCTPF, even if the representative or branch is located in another Member State.	
5.	The mechanisms that the applicant has introduced or will introduce to ensure that its personnel and representatives are adequately trained on the risks of AMLCTPF prevention, the regulatory enactments in the field of AMLCTPF prevention and the activities provided for in the AMLCTPF prevention internal control system and	

	their implementation, incl. they are able to detect signs of an unusual transaction and suspicious transactions.	
6.	The person responsible for complying with the requirements for the prevention of AMLCTPF and evidence that the person's knowledge of the prevention of AMLCTPF is sufficient to perform his / her duties effectively.	
7.	Member of the Board who will monitor the prevention of AMLCTPF .	
8.	The systems and controls that the applicant has introduced or will introduce to ensure that its policies and procedures for preventing AMLCTPF are current, effective and appropriate to the type of commercial activity chosen by the applicant.	
9.	Systems and controls that the applicant has introduced or will introduce to ensure that its representatives do not expose it to an increased risk of AMLCTPF.	
10.	A guide for the applicant's personnel on how to prevent AMLCTPF.	
11.	The requirements specified by the applicant regarding the fulfilment of the requirements specified in the Law on International Sanctions and National Sanctions of the Republic of Latvia and the regulatory enactments in the field of sanction risk management.	

** To be completed only by the applicant for receiving the operating license of the branch of the payment institution, electronic money institution and foreign (non-member state) electronic money institution.*

[Annex 15](#)
to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

Financial and Capital Market Commission

Notification

regarding a member of the board, a member of the council, a person of an institution, a registered institution, an account information service provider who, by making significant decisions on behalf of the institution, imposes civil liabilities on the institution, or a person directly responsible for managing the institution's payment services or issuing

electronic money, the head of the branch of a foreign electronic money institution, the person responsible for the fulfilment of the requirements for the prevention of money laundering and terrorism and proliferation financing

Name (firm) of the institution (branch of a foreign electronic money institution)

Reason for notification:

Upon obtaining an institution operating license / registering an institution

Initial appointment

Changes to the information provided above

Change of position

Name, personal identity number / identification number of the person

Position to be held by the person to be approved

(Please specify the title according to the organisational structure of the institution.)

Please indicate the relevant position (s) to be held by the person to be approved in the institution:

Chairperson of the Board (CEO)

Member of the Board

Member of the Board (Chairperson) responsible for compliance with the requirements for the prevention of money laundering and terrorism and proliferation financing

Chairperson of the Council

Council Member

A person who, by taking important decisions on behalf of an institution, imposes a civil liability on the institution

A person directly responsible for the operational management of the institution's payment services or for issuing electronic money

A person who is responsible for compliance with the requirements for the prevention of money laundering and terrorism and proliferation financing

Head of a branch of a foreign electronic money institution

Procurator

Other position (please specify) : [Click here to enter text.](#)

Date and place of birth

Declared residential address (incl. Telephone number, e-mail address)

Citizenship

Intended start date and term of office

A brief description of the person's main tasks and responsibilities

Has person's reputation been assessed by another supervisory authority? (If yes, indicate the date of the assessment and the decision taken by the authority.)

Has another non-financial institution assessed the person's reputation? (If yes, indicate the date of the assessment and the decision taken by the authority.)

Has the person been convicted of an intentional criminal offense or the public prosecutor's penal order has been applied (yes / no)?

Has the person been convicted of an intentional criminal offense or the public prosecutor's penal order has been applied, even if he or she has been exempted from serving the sentence due to limitation period, pardon or amnesty (yes / no)?

Has the criminal proceedings against a person for the commission of an intentional criminal offense been terminated due to limitation period or amnesty? (yes / no)?

Is the criminal proceedings against a person for the commission of an intentional criminal offense terminated by release from criminal liability, if the offense has not caused such harm to impose criminal punishment, or if a settlement has been reached with the victim or his or her representative? (yes / no)?

Is criminal proceedings against a person for the commission of an intentional criminal offense terminated if it has significantly contributed to the detection of a serious or particularly serious crime that is more serious or dangerous than the criminal offense committed by the person himself or herself (yes/no)?

Has the criminal proceedings against a person for the commission of an intentional criminal offense been terminated with conditional release from criminal liability (yes/no)?

Does the person have a qualifying holding in commercial companies (yes / no)?

Name (firm) and address of the commercial company	Shareholding amount in <i>euro</i>	Percentage share

(Note: information on qualifying holdings is to be completed only by representatives of the licensed authority and the account information service provider.)

Eligibility assessment of a candidate by an institution, foreign electronic money institution, registered institution, account information service provider

The [annex](#) is accompanied by the following documents:

Professional biography of the person (CV – at least for the last 10 years, indicating also positions and performed functions) and copies of educational documents

A document issued by a competent state institution certifying that a candidate for the position is not a person to whom the conditions referred to in [Section 21](#) of the [Law on Payment Services and Electronic Money](#) apply

A copy of the minutes of the meeting (hearing) of the competent administrative institution or the extract thereof with a decision regarding the nomination of a person for the performance of duties or a copy of the decision of a competent official regarding the appointment of a person to the relevant position

_____	_____	_____
(signature)	(name, surname)	(date)
_____	_____	_____
(signature)	(name, surname)	(date)

The correctness of the statement shall be confirmed by the signature of the candidate himself or herself and the authorised person or manager of the shareholders (participants) of the institution, foreign electronic money institution, registered institution or account information service provider.

[Annex 16](#)
to Regulation No. 138 of 25 August 2020
of the Financial and Capital Market Commission

PERSONAL DATA PROTECTION

PURPOSE AND LEGAL BASIS OF THE PROCESSING OF PERSONAL DATA

All personal data required to be submitted to the Financial and Capital Market Commission is necessary for the Financial and Capital Market Commission to assess the compliance of persons with the provisions of the [Law on Payment Services and Electronic Money](#) and the [Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing](#).

TRANSFER OF PERSONAL DATA

By signing this statement, the person gives his or her consent to the data processing performed by the Financial and Capital Market Commission. If a person refuses to sign this statement, it shall be deemed that the person does not agree with the data processing performed by the Financial and Capital Market Commission, which prevents the Financial and Capital Market Commission from examining the

documents submitted by the person and the request addressed to the Financial and Capital Market Commission.

DISCLOSURE OF PERSONAL DATA

The Financial and Capital Market Commission has the right to disclose the submitted personal data in the cases specified in [Sections 52](#) and [53](#) of the [Law on Payment Services and Electronic Money](#) and [Section 7](#), Part one, Paragraph 8 of the Financial and Capital Market Commission Law, as well as law enforcement institutions in accordance with the rights specified in the regulatory enactments regulating their activities to request such information from the Financial and Capital Market Commission.

APPLICABLE STORAGE PERIOD

The Financial and Capital Market Commission shall store the submitted personal data for 10 years after the liquidation of the relevant market participant.

APPLICABLE DATA PROTECTION AND DATA PROCESSOR

The Financial and Capital Market Commission as a data controller within the meaning of Section 4 (8) of Regulation (EU) No [2016/679](#) * shall be responsible for the processing of personal data carried out in accordance with the procedure specified in the Regulation No [2016/679](#).

RIGHTS AS A DATA SUBJECT

A person (a data subject whose data is processed by the Financial and Capital Market Commission) has the right to request from the Financial and Capital Market Commission the information about himself or herself and the processing of his or her submitted data in accordance with the purpose of data processing.

CONTACTS

If a person (a data subject whose data is processed by the Financial and Capital Market Commission) has questions or complaints regarding the data processing process, he or she is entitled to apply to the Financial and Capital Market Commission (tel. 6777 4800; e-mail: fktk@fktk.lv).

CONFIRMATION

I hereby agree that the Financial and Capital Market Commission receives and processes my personal data submitted to the Financial and Capital Market Commission within its competence, including sensitive personal data. I agree that my personal data may be disclosed in the cases specified in this statement.

Name, surname _____

Signature _____

Place, date

(Note: this document is signed separately by each natural person involved.)

* Regulation of the European Parliament and of the Council No [2016/679](#) 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/EK](#).