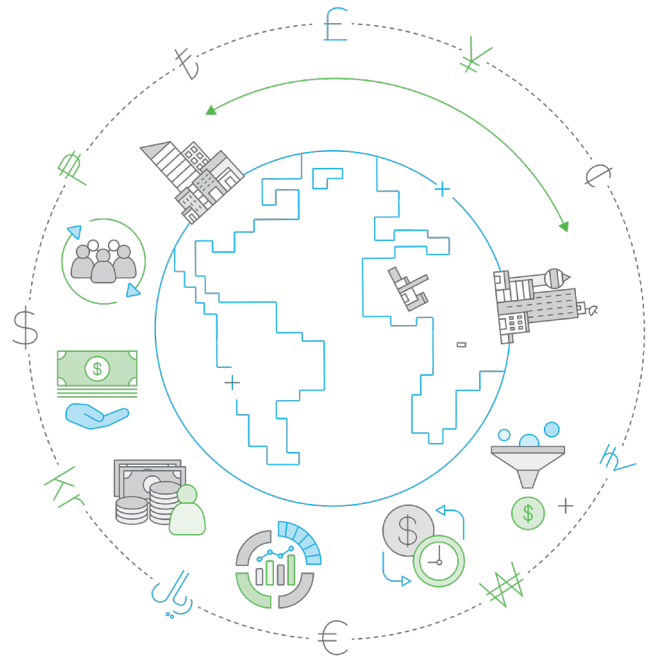


OVERVIEW

Cyprus is a well-established EU jurisdiction which offers a lot of competitive advantages for the establishment of an Electronic Money and/or Payment Institution ("EMI/PI"). The process of setting up an EMI/PI is licenced by the Central Bank of Cyprus ("CBC").

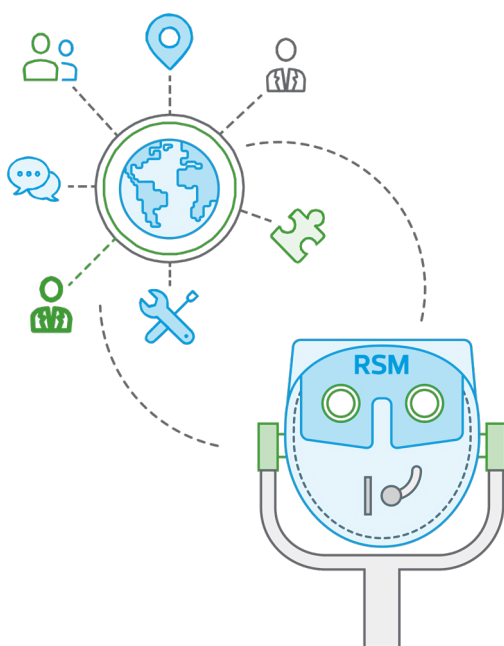
Any legal person (company) which intends to provide e-money services must receive approval CBC.



RSM TEAM

The business world is evolving rapidly. In this fast-paced environment, you need an adviser that thinks ahead and rapidly responds to your changing needs.

At RSM, we build strong relationships based on a deep understanding of what matters most to our clients.



Our Team have unparallel financial services expertise. It is our strong, collaborative approach that differentiates us.

We will strive to truly understand you, your strategies and your aspirations and endeavour to be considered the adviser of choice to your business.

By sharing the ideas and insights of our most senior professionals, we bring our expert local and global knowledge and resources to your environment, so you feel understood and empowered to move forwards with confidence.

This is the power of being understood.

This is the RSM experience and our commitment to you.

A. REGULATION

Payment Institutions:



The provision of payment services is regulated by The Payment Services and Access to Payment Systems Laws of 2018 to 2022 (the "Law"), which transposed into national law in Cyprus, the provisions of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (also known as PSD2).

The Law has provisions regulating:

- a) the transparency of conditions and requirements for payment services.
- b) the respective rights and obligations of payment service users and payment service providers in relation to the provision of payment services as a regular occupation or business activity; and
- c) the granting of authorisation, operation, and supervision of payment institutions.

Electronic Money Institutions:



1. The provision of electronic money services in Cyprus is regulated by the provisions of The Electronic Money Laws of 2012 and 2018 ("the Law") which transposed into national law the following directives of the European Parliament and of the Council:
 - a) 2009/110/EC of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions; and
 - b) (EU) 2015/2366 of 25 November 2015 on payment services in the internal market (also known as PSD2).
2. For the provision of electronic money services in the Republic an authorisation must be granted by the CBC or by any other member state of the European Union (EU) pursuant to the right of establishment and the freedom to provide services, in accordance with the provisions set out in the Law.

EMI & PI services



1. Services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account.
2. Services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account.
3. Execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider or with another payment service provider:
 - a) execution of direct debits, including one-off direct debits.
 - b) execution of payment transactions through a payment card or a similar device.
 - c) execution of credit transfers, including standing orders.
4. Execution of payment transactions where the funds are covered by a credit line for a payment service user:
 - a) execution of direct debits, including one-off direct debits.
 - b) execution of payment transactions through a payment card or a similar device.
 - c) execution of credit transfers, including standing orders.
5. Issuing of payment instruments and/or acquiring of payment transactions.
6. Money remittance.
7. Payment initiation services.
8. Account information services.



B. CHARACTERISTICS OF CYPRUS

Why Cyprus?



Cyprus provides a unique set of benefits for the establishment of an EMI and/or PI. In the digital era we are living in, the provision of payment services via electronic platforms is vital for the speedy execution of transactions and the quality of the service.

- A holder of the EMI license in Cyprus shall be allowed to provide any services in the European Economic Area (EEA) without having to undergo a licensing procedure in any other member state. On the contrary the passporting is achieved by way of notification to the CBC.
- The license can be obtained fast (compared to other EU jurisdictions), and the minimum initial capital requirement is EUR 350,000.
- Sound legal system based on common law.
- Access to highly qualified and educated work force.
- Solid IT infrastructure.
- Cost effective setting-up and ongoing operational services.
- Cyprus is ranking high in terms of its tax regime attractiveness and is considered a favourable jurisdiction for holding and investment services companies.

Why Invest in Cyprus

Cyprus is a small but strong business centre island country in the Mediterranean sea that is considered as one of the best destinations to do business, invest and live.



C. OUR SERVICES

How can we help you?

Our financial services team developed a sophisticated set of skills to support our clients to understand today's challenges and prepare themselves for the Future. Our Team can help with the following:

1. Licensing and discussions with CBC:

- a) Complete the application form to be submitted to the relevant EU regulatory authority
- b) Prepare or assist in preparing and submitting the program of operations
- c) Prepare or assist in preparing and submitting the business plan as well as the governance arrangements and the internal control mechanisms
- d) Prepare or assist in preparing the Anti-Money Laundering Manual and Know Your Client (KYC) policies
- e) Review the questionnaires of the shareholders, directors, and heads of departments of the proposed EMI
- f) Support the company and assist with any additional work in connection with the follow-up of the processing of the application with CBC until the license is granted or the application is rejected

2. Audit and Assurance Services

- a) Annual statutory audit based on IFRSs
- b) Interim reviews
- c) Ad-hoc reporting
- d) Agreed Upon procedures reports

3. Tax Services

- a) Preparation of the tax returns
- b) Rulings
- c) Tax advisory service (i.e. Transfer pricing)
- d) Indirect tax services (VAT)

4. Advisory services

- a) Assist with the setup of the organisational structure of the EMI/PI
- b) Internal Audit support
- c) Governance policies
- d) ESG and Sustainability planning and implementation

CONTACT US



If you want to obtain more information regarding the Electronic Money and Payment Institutions, please contact our Team:



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