

## Authorised Electronic Money Institutions

### FSA059 - FSA063 Returns Help Text

#### Data Elements

These are referred to by row first and then by column, so 'Data Element 2A' will be the element numbered 2 in column A.

#### Currency

FSA061 Elements 13A, 58A, 59A & 60A **must** be submitted in €. All other financial data can be submitted in either € or £.

#### Currency units

Data Elements should be submitted in units of thousands.

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### FSA059 Authorised electronic money institutions – balance sheet

Firms should follow their normal accounting practice.

**Element 3A** 'Material holdings' means holdings of shares in credit and financial institutions in excess of 10% of their capital as well as the undated securities, cumulative preference shares and co-operative society members' commitments held in these institutions.

**Element 6A** Firms should insert the value of any non-physical assets here such as goodwill.

**Element 8A** This figure is the sum of the values entered in data elements 1A to 7A. Intangible assets should be included in the calculation. The figure you enter for intangible assets in 8A should be the same as that entered for data element A50 of FSA061 (Capital Requirements) so that it is correctly deducted in your calculation of total capital resources in Part Two of FSA061.

**Element 9A** 'E-Money outstandings' is the average total amount of financial liabilities related to e-money in issue at the end of each calendar day over the preceding six calendar months, calculated on the first calendar day of each calendar month and applied for that calendar month. EMIs that have not completed a sufficiently long period of business to calculate the amount of average outstanding e-money for these purposes should use the projected figure submitted in the business plan in their application for authorisation (subject to any adjustments that we have required).

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### FSA060 Authorised Electronic Money Institutions – income statement

**Element 1A** Income should be reported cumulatively.

**Element 3A** Where the actual tax charge for a period is not yet known, an estimated charge based on the firm's profit/loss for the period under review should be inserted.

**Element 5A** Firms should insert any gains or losses in the period which are either infrequent and/or unusual in nature.

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## **FSA061 Authorised electronic money institutions – capital requirements**

***Refer to Regulation 19 of the Electronic Money Regulations 2011, and Chapter 9 (Capital resources & requirements) of the Electronic Money Approach Document [http://www.fca.org.uk/static/fca/documents/fsa-psd-approach-latest.pdf]***

### **PART ONE: CAPITAL REQUIREMENT**

#### **Initial Capital Requirement**

##### **Section 1 (electronic money business)**

**Element 4A** Firms should insert the firm's initial capital requirement as set out in Regulation 19 of the Electronic Money Regulations 2011. Authorised EMIs **must** hold at least €350,000.

##### **Own Funds requirement**

**Element 5A** Firms should insert the figure for Own Funds requirement depending on which method for calculating Own Funds requirement has been used (as agreed with the FCA), either Data Element 12A, 21A or 34A.

**Element 6A** 'Electronic Money outstandings at period end' means total electronic money stored value not yet redeemed.

**Element 7A** 'Average outstanding electronic money' is defined in the Regulations as 'the average total amount of financial liabilities related to electronic money in issue at the end of each calendar day over the preceding six calendar months, calculated on the first calendar day of each calendar month and applied for that calendar month'. EMIs that have not been in business long enough to calculate the amount of average outstanding e-money for these purposes should use the projected figure submitted in the business plan in their application for authorisation (subject to any adjustments that we have required).

##### **Section 2 (electronic money institutions engaged in unrelated payment services)**

**Element 10A** Firms should indicate which of the three methods they use to calculate their own funds requirement. This should be the method agreed with us when the EMI was authorised. If you wish to change this you must send us a request in writing to: [fcc@fca.org.uk](mailto:fcc@fca.org.uk).

**Method A** These questions (Elements 11A & 12A) should only be answered by firms that have indicated 'Method A' in Element 10A.

**Element 11A** Firms should insert the total fixed overheads for the preceding financial year representing a full 12-month period.

**Element 12A** The own funds requirement is 10% of the figure entered into element 11A.

**Method B:** These questions (Elements 13A-21A) should only be answered by firms that have indicated 'Method B' in Element 10A.

**Element 19A** This figure must be the sum of Data Elements 14A-18A.

**Element 20A** The 'scaling factor' is prescribed in Schedule 2, paragraph 21(4) of the Electronic Money Regulations 2011 and is:

- 0.50 for firms that undertake only the 'money remittance' payment service;
- 0.80 for firms that undertake only the 'the execution of payment transactions where the consent of the payer to execute the payment transaction is given by means of any telecommunication, digital or IT device and the payment is made to the telecommunication, IT system or network operator acting only as an intermediary between the payment service user and the supplier of the goods or services' activity; or
- for firms that undertake any other payment service.

**Element 21A** This figure is calculated using the following equation: Element 19A x Element 20A.

**Method C** These questions (Elements 22A-34A) should only be answered by firms that have indicated 'Method C' in Element 10A.

**Element 26A** This figure must be the sum of Elements 22A-25A.

**Element 32A** This figure must be the sum of Elements 27A-31A.

**Element 33A** The 'scaling factor' is:

- 0.50 for firms that undertake only the 'money remittance' payment service;
- 0.80 for firms that undertake only the 'the execution of payment transactions where the consent of the payer to execute the payment transaction is given by means of any telecommunication, digital or IT device and the payment is made to the telecommunication, IT system or network operator acting only as an intermediary between the payment service user and the supplier of the goods or services' activity; or
- for firms that undertake any other payment service.

The scaling factor should be entered to two decimal places.

**Element 34A** This figure is calculated using the following equation: Element 32A x Element 33A.

## **PART 2: TOTAL CAPITAL RESOURCES**

Refer to Schedule 2, Part 2, paragraph 4 Electronic Money Regulations 2011.

For **Elements 38A to 41A** the items must be available to the electronic money institution for unrestricted and immediate use to cover risks or losses as soon as these occur; and, net of any foreseeable tax charge at the moment of their calculation or be suitably adjusted in so far as such tax charges reduce the amount up to which these items may be applied to cover risks or losses.

**Element 38A** Insert the total paid-up capital, including share premium accounts, but excluding amounts arising in respect of cumulative preference shares.

**Element 39A** Insert the total of all reserves, other than revaluation reserves, fair value reserves related to gains or losses on cash flow hedges of financial instruments at amortised cost and that part of profit & loss reserves that arises from any gains on liabilities valued at fair value that are due to changes in the firm's credit standing.

**Element 40A** Insert the profit or loss brought forward as a result of the application of the final profit or loss for the period. Interim profits may only be included if they are:

- verified by the firm's auditors;
- reported net of any foreseeable charge or dividend; and
- in the case of an electronic money institution which is the originator of a securitisation, net gains arising from the capitalisation of future income from the securitised assets and providing credit enhancement to positions in the securitisation are excluded.

**Element 41A** Insert the total revaluation reserves.

**Element 42A** Insert the total eligible provisions. General and collective provisions are only eligible if they are freely available to the firm, they are fully disclosed in internal accounting records and their amount has been verified by a statutory auditor or audit firm.

**Element 43A** Insert the total eligible securities and instruments. Securities and instruments are only eligible if they meet the following conditions:

- they are fully paid up;
- they may not be reimbursed on the bearer's initiative or without the agreement of the FCA;
- the debt agreement must give the electronic money institution the option of deferring the payment of interest on the debt;
- all of the debt is subordinated to those of all non-subordinated creditors;
- the documents governing the issue of the securities provide for debt and unpaid interest to be such as to absorb losses while leaving the firm in a position to continue trading.

**Element 44A** Insert the total of non-fixed term cumulative preference shares.

**Element 45A** This field applies only to 'co-operative' firms. These institutions should insert the total amount of uncalled capital and the total amount of non-refundable payments that can be demanded of members to offset any losses that the institution incurs.

**Element 46A** This field applies only to firms organised as 'funds'. These institutions should insert the total amount of uncalled capital and the total amount of non-refundable payments that can be demanded of borrowers without delay to offset any losses that the institution incurs.

**Element 47A** Insert the total of all fixed-term cumulative preference shares and subordinated loans in the circumstances specified in Schedule 2, Part 2, paragraph 4(j) Electronic Money Regulations 2011:

- binding agreements exist under which, in the event of the winding-up of the electronic money institution, they rank after the claims of all other creditors and are not to be repaid until all other debts outstanding at the time have been settled; and
- in the case of subordinated loan capital:
  - only fully paid-up funds are taken into account;

- the loans involved have an original maturity of at least five years, after which they may be repaid;
- the extent to which they may rank as own funds is gradually reduced during at least the last five years before the repayment date; and
- the loan agreement does not include any clause providing that, in specified circumstances, other than the winding-up of the electronic money institution, the debt will become repayable before the agreed repayment date.

**Element 48A** This figure is the sum of Elements 38A-47A.

### **Deductions**

Refer to Schedule 2, paragraph (7) E-Money Regulations 2011

**Element 49A** Insert the total of own shares at book value held by the firm.

**Element 50A** Insert the total of intangible assets. This should be the figure you enter for data element 8A of FSA059 (Balance Sheet).

**Element 51A** Insert the total of material losses in the current financial year.

**Element 52A** Insert the total holdings of shares in credit and financial institutions that exceed 10% of their capital.

**Element 53A** Insert deductible participations. These are participations which the firm holds in an insurance undertaking, reinsurance undertaking or insurance holding company.

**Element 54A** Insert deductible instruments, these include shares held in another credit institution, insurance undertaking, reinsurance undertaking or insurance holding company that are temporarily held for the purposes of a financial assistance operation designed to reorganise and save that entity.

**Element 55A** This is the sum of Elements 49A-54A.

**Element 56A** This is calculated by the following equation: Element 48A minus Element 55A.

**Element 57A** Input the £/€ exchange rate as at the end of the reporting period. Current and historical rates can be found on the InforEuro website [<http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en>].

**Element 58A** Insert the 'euro equivalent' of Element 56A.

**Element 59A** Insert the same figure as you have reported in Element 12A, Element 21A or Element 34A (depending on the method your firm uses to calculate its capital requirement).

**Element 60A** This figure is calculated by the following equation: Element 58A minus Element 59A.

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**FSA062 Authorised Electronic Money Institutions – safeguarding return**

**Refer to Regulation 20 of the Electronic Money Regulations and Chapter 10 (Safeguarding) of the Electronic Money Approach Document**  
[<http://www.fca.org.uk/static/fca/documents/fsa-psd-approach-latest.pdf>]

**Method of safeguarding of client assets**

**Elements 1A-5A & 1B-5B** Enter X in all the relevant box(es) to identify the method(s) used by the firm to safeguard client assets. At least one method must be selected.

**Elements 1C-5C** Enter the names(s) of the firms used to safeguard client assets.

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**FSA063 Authorised Electronic Money Institutions – supplementary information**

**Elements 1A-2A** If you answer 'No' to either of these questions you must provide us with an explanation in the box provided.

**Element 3A** Enter the total number of e-money accounts your firm had open at the end of the reporting period.

**Element 4A** Enter the number of agents the firm had at the end of the reporting period.

**Audited accounts**

**Element 6A** This question should only be answered if you answered 'No' to Element 5A. The format of the date entered should be dd/mm/yyyy.

**Element 7A** If your firm *only* undertakes e-money and/or payment services activities (related and/or unrelated to the issuance) you should answer 'No'; otherwise enter 'Yes'.

**Element 8A** This question should only be answered if you answered 'Yes' to Element 7A. The format of the date entered should be dd/mm/yyyy.