



CBI expectations guidelines for PIEMI authorisation and registration of Account Information Service Providers

In this article we delve into the latest RTS and ITS, focusing on the information required for applications to offer ARTs to the public and seek their admission to trading. It also examines the draft ITS on standard forms, templates, and procedures for the application process.

Markets in Crypto-Assets Regulation (MiCAR) published in June 2023, aims to ensure safe and regulated access to the EU market for crypto-assets. Crypto assets are digital representations of value that can be stored or transferred electronically and are categorised into Asset-referenced Tokens, E-Money Tokens (EMTs) and Utility tokens. The European Banking Authority published three sets of final draft Regulatory Technical Standards (RTS) and one set of final draft Implementation Technical Standards (ITS) relating to ARTs. These standards cover the assessment of qualifying holdings in issuers of ARTs and procedures for the approving white papers for ARTs issued by credit institutions under MiCAR.

The CBI has revised its expectations for companies seeking authorisation as Payment Institutions (PIs), Electronic Money Institutions (EMIs), or registration as AISPs. These updated guidelines aim to improve the authorisation process for fintech companies by providing greater clarity and predictability.

The CBI emphasises its support for innovation in the financial sector and highlights the importance of maintaining high regulatory standards. The revised guidelines aim to streamline the process by encouraging applicants to submit complete and well-prepared applications that fully address their regulatory obligations. This will reduce delays caused by incomplete submissions and benefit both applicants and the CBI.

The report outlines the CBI's risk-based approach to the authorisation process, incorporating relevant EU regulations, EBA guidelines and best practices in corporate governance. The CBI is committed to open communication with applicants and aims to deliver a clear, well-structured and timely authorisation process.

The updated expectations highlight the growing importance of the PI, EMI and AISP sector within the Irish financial system. The report acknowledges the evolving nature of financial services, particularly in areas like open banking, digital assets and cross-border activities. While innovation in these areas presents opportunities, the CBI remains focused on mitigating potential risks that could threaten the stability and security of the financial sector.

Overall, the Central Bank's revised expectations demonstrate its commitment to fostering a supportive environment for responsible innovation in the Irish fintech sector. By providing clearer guidelines and

streamlining the authorisation process, the CBI seeks to ensure that authorised firms operate in a way that protects consumers and contributes to a robust and trustworthy financial system.

CB's Authorisation Objectives:

- **Consumer protection and user fund safety:** The CBI prioritises consumer safety and the protection of user funds. Authorised firms must demonstrate robust safeguards to protect user assets and ensure fair treatment.
- **Financial and operational resilience:** Firms are expected to be financially sound and possess the operational capacity to withstand challenges. This ensures they can continue operating effectively and manage risks appropriately.
- **Viable and sustainable business models:** The CBI seeks to authorise firms with sound and sustainable business models. This fosters long-term stability within the financial system.
- **Appropriate substance in Ireland:** Firms must demonstrate a tangible presence in Ireland. This includes good governance, a strong corporate culture and effective risk management frameworks.
- **Business continuity and recovery:** The CBI requires firms to have plans for recovering critical business services in the event of disruptions. This minimises potential harm to consumers and safeguards the integrity of the financial system.
- **Orderly market exit:** If a firm cannot recover from a disruption, the CBI expects a safe and orderly exit strategy to protect consumers and minimise broader financial risks.

How can we help?

Our Prudential Risk experts recognise that regulatory compliance is crucial to the strategic priorities of financial institutions. We collaborate closely with our clients in the financial services sector to navigate the complex regulatory landscape. Our team excels at identifying regulatory responsibilities and developing comprehensive strategies to achieve full compliance, ensuring your business aligns with the CBI's expectations and thrives in a rapidly evolving financial environment.