

## GUIDELINE TO LICENSING PAYMENT AND SETTLEMENT ORGANIZATIONS

### REGULATION

Licensing of payment and settlement organizations (hereinafter referred to as “PSO/PSOs”), as well as the PSO activities, shall be regularized by the [Republic of Armenia Law “On Payment and Settlement Systems and Payment and Settlement Organizations”](#) (hereinafter referred to as the “Law”), [Regulation 17/01](#), [Regulation 17/02](#) and [Regulation 17/03](#) as approved by the Board of the Central Bank of Armenia, as well as other statutes as indicated in Article 2 of the [Law](#).

### DESCRIPTION

The PSO is the legal entity having been licensed to provide payment and settlement services in the manner prescribed by the Law and normative regulations of the Central Bank of Armenia.

The licenses to PSOs shall be granted for:

- implementation of money transfers (remittances),
- implementation of processing and clearing of payment instruments and payment and settlement documents.

***The PSO will be able to obtain the licenses listed above - either one at a time and/or both at the same time.***

The types of licenses to PSOs and of provided services shall be regularized under Article 19 of the [Law](#).

**To obtain permission to issue electronic money**, the PSO shall be required to have a money transfer license. The permission to issue electronic money shall be governed by [Regulation 16/1](#) and [Regulation 16/2](#).

### LICENSING PROCEDURE

To obtain a license to provide payment and settlement services, the PSO shall be required first to seek state registration as a legal entity with the State Register of Legal Entities of the Ministry of Justice of the Republic of Armenia, after which the legal entity, already registered, will be able to apply to the Central Bank of Armenia for a license to provide payment and settlement services.

For the PSO licensing, the legal entity shall submit an application for license and relevant documents to the Central Bank of Armenia, as follows.

- articles of incorporation,
- details about managers and participants,
- economic program and rules of procedure for activity,
- required documents related to monetary funds and total capital,
- other deliverables (full list is described under Article 20 of the [Law](#) and Chapter 3 of [Regulation 17/01](#)).

The application for obtaining a PSO license and other required documents shall be submitted by means of an electronic device to be attached to the appeal (application) signed by the competent authority, in the format defined by [Regulation 17/01](#).

The Central Bank of Armenia shall license the PSO or shall reject the PSO licensing within two months upon receiving the specified documents and information; in case of rejecting the PSO licensing, the relevant decision will be delivered to the applicant.

The Central Bank of Armenia may reject the application for the PSO licensing under Article 20.1 of the [Law](#).

### CAPITAL AND PARTICIPANTS

A minimum prudential standard of total capital to be AMD 100 million shall be established for PSOs.

A participant holding 10 percent or more of the voting rights of a PSO cannot have been convicted for a criminal offence intentionally committed.

### MANAGEMENT

The management of the PSOs shall consist of the head of the executive body of the PSO, his/her deputy, the chief accountant; the requirements to the PSO management are defined under Article 22 of the [Law](#).

### AREA OF ACTIVITY

The area used for the activity of the organization implementing money transfer (remittances) and the technical adequacy of such an organization must meet the requirements defined under Chapter 4 of [Regulation 17/01](#).

## **HARDWARE AND SOFTWARE**

To ensure its current operations, the PSO shall be required to have hardware and software in place in accordance with the requirements set forth in Chapter 5 of [Regulation 17/01](#).

## **DUTY**

For licensing, the PSO shall be required to pay a duty as defined under Article 19 of the [Republic of Armenia Law “On State Duty”](#), using the rate for each year, as follows:

- ✓ AMD 1 000 000 for implementation of money transfers (remittances),
- ✓ AMD 50 000 for each branch office of the organization implementing money transfers (remittances),
- ✓ AMD 1 000 000 for implementation of processing and clearing of payment instruments and payment and settlement documents.

No special duty for issuance of electronic money has been established.

***NOTICE: This information is considered to be a brief description of the requirements defined in the statutes that govern the activity of PSOs, and to gain more detailed information, you will, therefore, need to read the current rules and regulations thoroughly. It should be noted that, where necessary, the Central Bank of Armenia may request additional information and supporting documents.***