

# Greece: Electronic Money Institutions: How to set it up?

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An **Authorized Electronic Money Institution (AEMI)** is a financial institution that is authorized to issue electronic money and provide payment services such as domestic and international electronic funds transfers and can provide bank accounts and e-wallets. EMIs encompasses financial firms that provide payment services and bank account but don't have a full banking license.

AEMIs are established in Greece in accordance with the L.4537/2018 taking into consideration also the part A. of the L.4021/2012, the Act 164/2019 and the act 178/2020 as those issued by the executive committee of the Bank of Greece.

The Authorized Electronic Money Institutions can cover all the following services or selected services as those presented below:

- issuing of electronic money e.g. prepaid cards and electronic wallets
- services enabling cash to be placed on a payment account and all of the operations required for operating a payment account
- services enabling cash withdrawals from a payment account and all of the operations required for operating a payment account
- the 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, including execution of direct debits, including one-off direct debits, execution of payment transactions through a payment card or a similar device, execution of credit transfers, including standing orders
- the execution of payment transactions where the funds are covered by a credit line for a payment service user, including execution of direct debits, including one-off direct debits, execution of payment transactions through a payment card or a similar device, execution of credit transfers, including standing orders
- issuing payment instruments or acquiring payment transactions
- money remittance
- payment initiation services
- account information services

In order to set up an Authorized Electronic Money Institution, the following steps should be followed:

### **Step 1: Preliminary Assessment of the EMI licensing procedure**

At this phase a decision of the services provided should be taken and a preliminary assessment of the procedure should be taken place, taking into consideration resources and estimation of the timeline needed for each phase.

### **Step 2: Pre-licensing Process**

- Initial assessment for the infrastructure required
- Preparation of (a) Business plan (b) Program of Operations (c) preliminary Financial Forecasts
- Shareholders Due Diligence
- Local Company Formation & Bank accounts opening for the minimum share capital contribution

### **Phase 3: Preparation of legal, financial and IT documents**

- Description of the Management Structure
- Compliance documentation, providing the relevant manuals (AML/KYC etc.)
- Final financial documentation and forecasts
- Operational Risk Procedures
- Internal Control System designing & Governance Structure
- IT Procedures & Security System designing

### **Phase 4: Application for the license**

At this phase having everything in place, the application for the licensing of the **EMI** is submitted to the Bank of Greece.

### **Phase 5: Infrastructure Set-up**

This stage is necessary for the license holder to be fully operative and capable of initiating activity. Setting up IT Systems, recruiting the relevant employees, and training employees on the KYC process, AML, and terrorist financing check tools are some indicative necessary procedures for a fully operating EMI.

For more information, please address your request to our CFOs at [cfo@privelpartners.gr](mailto:cfo@privelpartners.gr)

