



**Electronic Money Association**

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Heather Cuddy [Heather.Cuddy@finance.gov.ie](mailto:Heather.Cuddy@finance.gov.ie)

2 August 2022

Dear Karen and colleagues,

**Re: EMA submission to the Department of Finance regarding the Government of Ireland, Ireland for Finance, Action Plan 2022, and to seek a place on the Fintech Steering Group.**

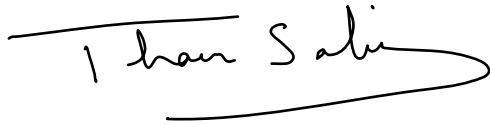
We would like to thank you, Jane and Heather for attending the call in March 2022 to discuss the contents of the [Ireland for Finance Action Plan 2022](#). We thank you for the invitation to outline our interest in, and concerns with, the contents of the Plan, particularly in relation to firms who are seeking, or hold, authorisation here under the Central Bank of Ireland (the 'CBI'), and to note further the interest for our members in applicable themes within the Action Plan.

The EMA fully support the proposition that the promotion of technology and innovation in the financial sector is a priority for the Irish government, and the overall objective to make Ireland a hub for financial technology, in line with the 2020 [EU Digital Finance Package](#).

The EMA is the EU trade body representing electronic money issuers and alternative payment service providers. Our members include leading payments and e-commerce businesses worldwide, providing online payments, card-based products, electronic vouchers, cryptocurrencies, open banking, and mobile payment instruments. Most members operate across the EU, on a cross-border basis, and a large number (around 25% of our 87 members) have obtained – or are applying for - licences to operate from the Central Bank of Ireland. A list of current EMA members is provided at the end of this document.

We would be grateful for your consideration of our suggestions, and await feedback on our request to be an involved participant in the Fintech Steering Group.

Yours sincerely,

A handwritten signature in black ink that reads 'Thaer Sabri'. The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Dr Thaer Sabri  
Chief Executive Officer  
Electronic Money Association

## Department of Finance Fintech Steering Group; EMA comments

### Composition

The EMA welcome the further growth and development of the Department's Fintech Steering Group, and fully support its extension to industry participants in future. We support the key goals of the Steering Group as outlined: to co-ordinate within the Department of Finance and as far as practicable across Government on policy proposals; to consult and collaborate with industry and other key stakeholders; to conduct research; and to contribute to the development of EU policies.

As an established trade body representing a large proportion of the authorised EMIs, PIs and registered crypto-assets in Ireland, the EMA would like to put ourselves forward for a seat on the Steering Group, to properly represent the varied firm membership. We remain available into the second half of 2022, following the joining of other Department and agency representatives over HI, to participate in the Group, and to further assist in the development of same.

Our members fully support the role of the EMA in representing the wider e-money and payments market at the Steering Group, and through our regular engagement with members, will be able to provide an important role as interlocutor between firms and the Steering Group/Department of Finance. However we also consider that direct firm representatives also sit on the Steering Group; they will be able to contribute their direct and operational experience. We suggest that a variety of business models, including EMIs, PIs and Crypto-asset providers should be represented.

We also encourage the involvement of additional contributors relevant to the discussions being undertaken at the time, such as an Garda Siochana or Office of the Revenue Commissioners.

### Issues for discussion

Please find below a list (in no particular order) of issues for consideration in the preparation of the term of reference and agenda of the Steering Group, based on our discussions with EMA members:

**Open banking** – PSD2 introduced an opportunity for a whole sector of new Payment Service Providers (PSPs) to innovate and grow. However, a successful open banking ecosystem in Ireland will require effective supervision of banks' APIs, including sanctions where necessary, and an improved communication mechanism/channel between TPPs & the CBI on technical issues.

**Retail payments** – the importance of proper migration to SEPA instant and ensuring clearing and settlement occurs over the weekend; this will ensure interoperability across the EU, and will support a variety of innovative payment solutions in Ireland, benefiting consumers and Fintech alike.

**Crypto regime** – the importance of developing a regulatory regime that is fit for purpose. Although the Department of Finance and the CBI may be awaiting the implementation of the Markets in Crypto-asset Regulation (MICA) before taking steps in this direction, given the delays in registering VASPs under the revised Money Laundering Regulations, it would be prudent to develop a national regime

that is in line with the EU regime now, and then grandfather regulated Crypto-asset providers to the MICA regime when it is in place.

**Consistent application and interpretation of EU rules**, particularly in the context of a risk-based supervision of Fintech, and EMLs and Pls in particular. The Steering Group could benchmark the CBI's application of EU rules in comparison to other jurisdictions and identify where the CBI approach is too heavy-handed. For example in the context of corporate governance requirements, or onboarding/KYC requirements.

**Responsiveness of the CBI** - the electronic money and payment industry develops and evolves rapidly, and firms compete on their ability to provide new products and services to their customers, and to adapt to new trends and developments, in a timely manner. In this regard, it is important that firms regulated in Ireland can remain agile in order to compete effectively with those regulated elsewhere in Europe, and this requires a responsive regulator. Please see below a number of areas where EMA members have raised concerns in relation to the CBI:

- Delays in CBI licence applications, across different firm types.
- Difficulties engaging with the CBI throughout the life of the application.
- The supervisory trend towards applying a banking-type regulatory regime to EMLs and Pls.
- The lack of timely engagement on pressing matters, across many firm types and sizes. In many circumstances, a time-critical query can be sent to the generic supervision team email, and a last-minute response will be received with very little guidance for the firm. Firms do not seek legal opinion from the Regulator, however sometimes clarity is required.
- There can often be many detailed and heavy-hitting supervisory requests, with extremely short response timeframes, coming from different parts of the Central Bank.

**Access to corporate banking services:** firms licenced in Ireland have had difficulty obtaining safeguarding or even basic corporate banking services here. The market is not very well developed in this area and does not cater well for Fintech in its current form.

**Skills and recruitment:** We note the intention of the Department of Enterprise Trade and Employment to set up an *Expert Group on Future Skills*. EMA members have reported difficulties in finding individuals based in Ireland with the right skillset, in particular to meet the required standard for Pre-Approval Controlled Functions ('PCF') roles required by the CBI. The challenge continues then in retaining such skilled personnel, as there are many opportunities for movement for the small number of suitably qualified individuals, and firms then must address the additional challenge of succession planning. The Central Bank have little flexibility on many PCF role holders being based outside of the jurisdiction. The reality, for many international firms seeking authorisation here, means relocating skilled PCF role holders to Ireland, an expense and inconvenience for all. All in all, the capabilities across the workforce offering in the jurisdiction need to evolve quickly to match the growth of the sector, particularly when advertising Ireland as a place to focus your business.

The EMA and its members welcome any and all efforts from stakeholders to continue to remedy the difficulties set out above, and working towards the goal of Ireland being a real hub for homegrown and international fintech operators.

## Members of the EMA, as of August 2022

[AAVE LIMITED](#)  
[Account Technologies](#)  
[Airbnb Inc](#)  
[Airwallex \(UK\) Limited](#)  
[Allegro Group](#)  
[American Express](#)  
[ArcaPay Ltd](#)  
[Azimo Limited](#)  
[Banked](#)  
[Bitpanda Payments GmbH](#)  
[Bitstamp](#)  
[BlaBla Connect UK Ltd](#)  
[Blackhawk Network Ltd](#)  
[Boku Inc](#)  
[Booking Holdings Financial Services International Limited](#)  
[CashFlows](#)  
[Circle](#)  
[Citadel Commerce UK Ltd](#)  
[Contis](#)  
[Corner Banca SA](#)  
[Crypto.com](#)  
[Curve](#)  
[eBay Sarl](#)  
[ECOMMPAY Limited](#)  
[Em@ney Plc](#)  
[emerchantpay Group Ltd](#)  
[ePayments Systems Limited](#)  
[Etsy Ireland UC](#)  
[Euronet Worldwide Inc](#)  
[Facebook Payments International Ltd](#)  
[Financial House Limited](#)  
[First Rate Exchange Services](#)  
[FIS](#)  
[Flex-e-card](#)  
[Flywire](#)  
[Gemini](#)  
[Global Currency Exchange Network Limited](#)  
[Globepay Limited](#)  
[GoCardless Ltd](#)  
[Google Payment Ltd](#)  
[HUBUC](#)  
[IDT Financial Services Limited](#)  
[Imagor SA](#)  
[Ixaris Systems Ltd](#)  
[MANGOPAY](#)  
[Modulr FS Europe Limited](#)  
[MONAVATE](#)  
[Moneyhub Financial Technology Ltd](#)  
[Moorwand](#)  
[MuchBetter](#)  
[myPOS Europe Limited](#)  
[NOELSE PAY](#)  
[NoFriction Ltd](#)  
[OFX](#)  
[OKTO](#)  
[One Money Mail Ltd](#)  
[OpenPayd](#)  
[Own.Solutions](#)  
[Park Card Services Limited](#)  
[Paymentsense Limited](#)  
[Paynt](#)  
[Payoneer Europe Limited](#)  
[PayPal Europe Ltd](#)  
[Paysafe Group](#)  
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[PPRO Financial Ltd](#)  
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[Ramp Swaps Ltd](#)  
[Remitly](#)  
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[Soldo Financial Services Ireland DAC](#)  
[Square](#)  
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[TransferMate Global Payments](#)  
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[Trustly Group AB](#)  
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[Vitesse PSP Ltd](#)  
[Viva Payments SA](#)  
[Weavr Limited](#)  
[WEX Europe UK Limited](#)  
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