

Establishment of a Cypriot Payment Institution

Oxilium advisory team can assist you in setting up a Cyprus company that will apply to the Central Bank of Cyprus (CBC) for obtaining an authorisation, as a Payment Institution.



A 'Payment Institution' as defined by the relevant directive is a legal person that has been authorised to provide and execute payment services throughout the EU. The payment services that can be offered with such an authorisation are the following:

1. Services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account.
2. Services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account.
3. 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:
 - (a) execution of direct debits, including one-off direct debits,
 - (b) execution of payment transactions through a payment card or a similar device,
 - (c) execution of credit transfers, including standing orders.
4. Execution of payment transactions where the funds are covered by a credit line for a payment service user:
 - (a) execution of direct debits, including one-off direct debits,
 - (b) execution of payment transactions through a payment card or a similar device,
 - (c) execution of credit transfers, including standing orders.
5. Issuing and/or acquiring of payment instruments.
6. Money remittance.
7. Execution of payment transactions where the consent of the payer to execute a 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 and services.

Requirements for obtaining an authorisation

The legal person applying for a Payment Institution licence shall have an initial capital of at least:

- €20.000 where it intends to provide the payment service in point 6 above.
- €50.000 where it intends to provide the payment service in point 7 above.
- €125.000 where it intends to provide the payment services in point 1-5 above.

A full Payment Institution licence requires a total initial capital of €125.000.

In order for a legal person to apply for an authorization to CBC, for operating as a Payment Institution, it must be incorporated and have its head office in Cyprus. Nevertheless, the legal person must comply with the following, in accordance with the relevant directive and the Cyprus law:

- Maintain the required amount of the initial capital as well as the amount of own funds for Payment Institutions.
- Follow the methods for safeguarding the funds received by payment institutions.
- Apply the delegation of operational functions to third parties.
- Implement the exercise of the freedom of establishment and the freedom to provide services in another EU member state.
- Apply the criteria which an agent of a payment institution must fulfil in order to be listed in the public register maintained by the CBC.

Our services

Our advisory team can assist you with the following:

- ✓ Assistance in the preparation and submission of the licence application to the CBC for the authorisation as a Payment Institution, in accordance the relevant directive and the Cyprus law.
- ✓ Assistance in the preparation of the company's business plan, in accordance with the relevant directive.
- ✓ Assistance in the preparation of the company's Operational Procedure Manual, in accordance with the relevant directive.
- ✓ Appointment of Cypriot tax resident directors for the licensing period, so that the company can be considered as Cyprus tax resident.

Meet the Team

Our advisory team possesses the required experience and know-how in order to assist you with the Payment Institution licensing. Our experts will be glad to meet you in person and discuss with you the licensing process and provide assistance to submit the licence application to the CBC. We can assure you that our initial discussion is free-of-charge and without any obligation.

Contact us

Our offices are located to Nicosia and Limassol to the following addresses:

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Important note: The above is intended to provide general information only. It should not be used as a substitute for consultation with professional advisors.