

Q: As an EMI providing unrelated payment services what capital is required?

The Initial Capital requirement for an EMI providing unrelated payment services in addition to its e-money services remains unchanged at **€350,000**, i.e. the same as if only e-money services were provided.

This Initial Capital requirement then remains as an ongoing minimum capital requirement during the period of authorisation. This is the same for all EMIs.

The ongoing capital requirement (or “Own Funds” requirement) for an EMI is calculated using Method D, which is 2% of the average e-money outstanding (with the €350,000 minimum described above).

If an EMI also provides unrelated payment services, in addition to its e-money services, the ongoing capital requirement (or Own Funds requirement) must be calculated as the sum of:

- Method D for the e-money part of the services; and
- Method A, B or C for the unrelated payment services (which one is used will need to be agreed with the FCA at authorisation or when seeking the unrelated payment service permissions).

An EMI that provides unrelated payment services therefore has to use an additional method to calculate its capital requirement, i.e. use a combination of methods rather than just Method D. There is no change in the Initial Capital requirement.

Note that unrelated payment services are those that are offered outside an e-money model and do not, at any point, involve the issuance of e-money. Unrelated payment services are separate regulatory permissions that need to be granted by the FCA in addition to an e-money permission. Related payment services fall within the e-money model and do not require additional capital.