

Payments and Digital Assets Authorisations Video Transcript - Application Process

Rizwan Khan

Here at the FCA, we're committed to helping you achieve FCA authorisation or registration with confidence and clarity. In today's video, we'll be covering three key topic areas. Firstly, the Pre-Application Support Service. Secondly, what firms can expect as part of the application process. And three, the key information you'll need to provide. My name is Rizwan Khan, a lead associate in the payments and digital assets department here at the FCA. I'm joined today by my colleague, Mohammad.

Mohammad Hussain

Hi, my name is Mohammad Hussain and I'm one of the FCA's Payments and Digital Assets Senior Associates.

Rizwan Khan

Mohammad, so to kick things off, could you walk us through the FCA's Pre-Application Support Service? Namely, what is it, what does it involve, and how can firms sign up for this?

Mohammad Hussain

In response to industry feedback, we have introduced the Pre-Application Support Service. PASS allows you to discuss key elements of your business with a case officer prior to submitting an application. So for example, you can discuss certain aspects of your safeguarding arrangements or even your financial crime arrangements with us prior to submission. Further information in relation to how you can go about obtaining a PASS meeting can be found on the screen.

Rizwan Khan

So that sounds like a valuable opportunity, so let's explore two things. What do you need to provide for a pre-application meeting and what can firms hope to gain from this meeting?

Mohammad Hussain

So it's very important that we understand your business model, so provide a clear and concise written business plan. It's also important that we get to understand your governance framework, so the key people that will be running your business and their knowledge and experience pertaining to their roles and responsibilities. Thirdly, remember this is your opportunity to discuss and air any questions that you have regarding the regulatory environment, so come prepared, and the case officer will also discuss expectations and signpost you to key material on our website.

Rizwan Khan

So that's really clear. Let's say the pre-application support meeting is complete. What should a firm be thinking about before they submit their actual application?

Mohammad Hussain

So as a payments and digital assets firm, it's important that you have a look at A, the Payment Services Regulations 2017, the Electronic Money Regulations 2011, and the Money Laundering Regulations 2017. Firms could also benefit from reviewing the Payments and Electronic Money Approach document, as well as the Financial Crime Guide.

Rizwan Khan

Keeping relevant legislation and proper advice in mind. But when it comes to completing the actual application, are there any key areas firms should be focusing in on?

Mohammad Hussain

So it's very important that you complete your application fully, and by that I mean download a copy of the application form, have a look at the documents that you already have against the documents that we request, then you can just fill in the gaps and provide the missing information. Also, it's very important that you do not withhold any information. So for example, if there is any adverse information regarding an individual, tell us about this information and we will assess it on a case by case basis. Failure to provide the information could lead to further delays or even a refusal.

Rizwan Khan

So a firm provides all the information, submits their application, if I could just now focus in on the application process itself, what can a firm expect and what helps an application process run smoothly?

Mohammad Hussain

There are three key steps you can expect. We will look to allocate the application within 20 days of receipt, and also where you have met with us for a PASS meeting, we will look to allocate the same case officer. We will initially start to review the application's policy and procedures, and we may also reach out to you to obtain additional information if it's necessary. On occasions, we also interview certain key stakeholders within the business, such as the money laundering reporting officer or the chief financial officer to understand their level of knowledge and experience. Therefore, my recommendations are: respond to any requests in a timely manner and disclose any new information that might come to light throughout the application process.

Rizwan Khan

Very useful tips, Mohammad. A final question from me. What are the possible outcomes of an application?

Mohammad Hussain

There are four possible outcomes. So firstly, approval. That means you're good to go. Rejection, this occurs where you haven't submitted the minimum level of information we require. So we will reach out to you, communicate the rationale and refund the application fee. Withdrawals. Typically, this occurs where we have provided firms with feedback in relation to the application. Firms tend to withdraw their application, remediate any key concerns and resubmit their application. Finally, a refusal can occur where we have determined that your application does not meet the conditions of registration or authorisation. At this point, we will issue a warning notice and we may look to publish this on our website.

Rizwan Khan

Thank you, Mohammad. There are three main takeaways from today's video, which I'd like you to bear in mind. Firstly, come and speak to us. Take advantage of the Pre-Application Support Service. Secondly, take your time to understand the relevant legislation specific to your business. And lastly, ensure you provide all information and respond to any requests as soon as possible. Thank you for watching. Please see our other videos in this series aimed at supporting payments and digital assets applicant firms.

Read: [Further information on obtaining a PASS meeting](#)

Read: [How to apply for cryptoasset registration](#)

Read: [Applying to become an e-money or payments institution](#)

