

WHPARTNERS

ELECTRONIC MONEY INSTITUTIONS AND PAYMENT SERVICE PROVIDERS FRAMEWORK IN MALTA

Malta is establishing itself as a premier destination for fintech innovation, offering a strong regulatory framework that supports the growth of Electronic Money Institutions (“EMIs”) and Payment Service Providers (“PSPs”) to further enhance and compliment the growth of the fintech industry. With its business-friendly environment, attractive tax incentives and access to the EU market, Malta provides the ideal platform for companies looking to offer cutting-edge financial solutions.

Regulatory Authority

The Malta Financial Services Authority (“MFSA”) is the primary body responsible for regulating and overseeing EMIs and PSPs under the Financial Institutions Act (Chapter 376 of the Laws of Malta). The MFSA handles both the licensing process and ongoing regulation to ensure compliance and operational integrity.

RELEVANT LEGISLATION

- EMIs: Governed by the E-Money Directive (Directive 2009/110/EC), transposed into Maltese law through the Financial Institutions Act.
- PSPs: Regulated under the Payment Services Directive 2 (PSD2), which sets the framework for licensing and operations of payment services across the EU.

LICENSING PROCESS

Step	Key Actions	Details
1. Pre-Application	Initial Consultation with MFSA	Engage with the MFSA to clarify requirements and ensure the business model aligns with local regulations.
2. Application Submission	Submit Business Plan & Compliance Documents	Submit a detailed business plan covering governance, AML, risk management, and financial forecasts.
3. Capital & Fund Safeguarding	Meet Capital & Safeguarding Requirements	EMIs: Minimum capital of €350,000. PISPs: €50,000. AISPs: Professional indemnity insurance is required.
4. Local Presence	Appoint Directors, Senior Managers, Key Functions	EMIs and PSPs must appoint at least 3 board members. 1 executive and 1 non-executive director must reside in Malta. The non-executive director must be independent and usually assumes the role as Chairman. Some key roles must also be based in Malta.
5. Fitness & Properness	Assess Key Persons	Directors, shareholders (holding >10%), and key persons undergo fitness and properness checks, including background screening.
6. In-Principle Approval	MFSA Issues In-principle approval with Conditions	MFSA grants In-principle Approval with a list of conditions to be met within a specified time frame before final approval.
7. Final Licence Issuance	Meet In-principle Approval Conditions & Receive Licence	Once all pre-licensing conditions are fulfilled, the MFSA issues the full licence, allowing operations to begin, subject to ongoing compliance.

LICENCE APPLICATION FEES

- Processing Fee: €3,500
- Supervisory Fees: Based on total assets and ongoing supervision by the MFSA.

PASSPORTING RIGHTS

Once licensed in Malta, EMIs and PSPs can passport their services across all EU Member States, enabling them to operate without the need for additional licences throughout the entire Union.

For more information please contact:



Joseph F. Borg

Partner | Head of Fintech & Gambling
joseph.borg@whpartners.eu



Gaby Zammit

Managing Associate
gaby.zammit@whpartners.eu



Galyna Podoprikhina

Associate
galyna.podoprikhina@whpartners.eu