



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

GOVERNOR'S ACT No. 2628/30.9.2010

Re: Terms and conditions for the establishment and operation and supervisory rules for Payment Institutions, as defined in paragraph 4, Article 4 of Law 3862/2010

THE GOVERNOR OF THE BANK OF GREECE, having regard to:

- a) The Statute of the Bank of Greece, in particular Article 55A thereof, as currently in force;
- b) Article 1 of Law 1266/1982 re: "Authorities responsible for the conduct of monetary, credit and exchange rate policies, and other provisions" (Government Gazette A 81), taken together with Article 12 of Law 2548/1997 (Government Gazette A 259), as currently in force;
- c) Law 3601/2007 re: "Taking up and pursuit of the business of credit institutions, capital adequacy of credit institutions and investment firms, and other provisions" (Government Gazette A 178), as currently in force;
- d) Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (Official Journal of the European Union L 319);
- e) Law 3862/2010 re: "Transposition into Greek law of Directives 2007/64/EC, 2007/44/EC and 2010/16/EU on payment services in the internal market, prudential assessment of acquisitions and increase of holdings in the financial sector, and other provisions" (Government Gazette A 113 /13.7.2010), as currently in force, in particular Articles 1 to 24 and 81 thereof;
- f) Bank of Greece Governor's Act 2536/4.2.2004 re: "Requirements for granting authorisation to, and rules for the supervision of, money transfer intermediaries by the Bank of Greece" (Government Gazette A 42), as currently in force;
- g) Bank of Greece Governor's Act 2541/27.2.2004 re: "Codification and amendment of Bank of Greece Governor's Act 2440/11.1.1999 on the establishment and operation of bureaux de change in Greece by sociétés anonymes other than credit institutions" (Government Gazette A 5), as currently in force;



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

- h) Bank of Greece Governor's Act 2577/9.3.2006 re: "Framework of operational principles and criteria for the evaluation of the organisation and Internal Control Systems of credit and financial institutions and relevant powers of their management bodies" (Government Gazette A 59), as currently in force;
- i) Bank of Greece Governor's Act 2587/20.8.2007 re: "Definition of own funds of credit institutions based in Greece" (Government Gazette B 1738), as currently in force,
- j) Bank of Greece Governor's Act 2622/21.12.2009 re: "Authorisation requirements and supervisory rules for: i) leasing companies, ii) credit companies and iii) factoring companies" (Government Gazette B 3/2010), and
- k) the need to specify the terms and conditions governing the establishment and operation of Payments Institutions, as defined in Article 4 paragraph 4 of Law 3862/2010, pursuant to Articles 5 to 24 and 81 of Law said,

HAS DECIDED the following:

CHAPTER I

TERMS AND CONDITIONS FOR AUTHORISATION

OF ESTABLISHMENT AND OPERATION

1. The Bank of Greece shall grant authorisation for the establishment and operation of 'Payment Institutions' (PIs), as defined in, Article 4 paragraph 4 of Law 3862/2010, in Greece, provided that all the terms and conditions of Article 5 of Law 3862/2010 are fulfilled, in particular:

1.1. It is established that the required, under Article 6 of Law 3862/2010 and Article 6 of Directive 2007/64/EC, initial capital of the PI under establishment, has been fully paid-up in cash and remains deposited with a credit institution operating in Greece until the PI is legally established and authorised by the Bank of Greece.

1.2. In the event of a legal person who is already operating, the minimum initial capital required under Article 6 of Law 3862/2010 and Article 6 of Directive 2007/64/EC must be deposited in cash in a deposit account with a credit institution operating in Greece until authorisation is granted by the Bank of Greece. Moreover, a certified accountant shall verify that the legal person's net balance sheet position does not fall short of the aforementioned capital based on an up-to-date balance sheet.



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

2. The application for authorisation to the Bank of Greece shall be accompanied by all the data and information required under paragraph 1 of Article 5 of Law 3862/2010, detailed as follows:

2.1. For persons referred to under indents (h) and (i) of paragraph 1 of Article 5 of Law 3862/2010:

- a) identification details;
- b) a duly completed and signed questionnaire (Template A for natural persons, Template B for legal persons) available from the Department for the Supervision of Credit and Financial Institutions of the Bank of Greece, accompanied by a solemn statement that the information and data provided in the questionnaire are correct;
- c) a copy of criminal record type A (for natural persons);
- d) a non bankruptcy certificate and a certificate of not having filed for bankruptcy;
- e) a declaration stating the sources of the funds with which they will acquire their shares (applicable only to shareholders);
- f) full curricula vitae, including information on the professional background and previous experience in the financial sector (applicable only to Board of Directors members and the management responsible for the provision of payment services);
- g) two (2) letters of recommendation for each applicant for the position of a Board of Directors member or for another management position in the PI related to the provision of payment services. Such letters shall not be provided by shareholders, Board of Directors members or other officials of the PI.

2.2. Information on any of the activities listed in Article 16 of Law 3862/2010 and Article 16 of Directive 2007/64/EC. Such activities shall be carried out in accordance with the applicable EU and Greek legislation and shall be subject to the terms and conditions laid down by the Bank of Greece, pursuant to paragraph 5 of Article 10 of Law 3862/2010.

2.3. In the event of cooperation with agents the PI shall: a) provide the information stipulated in Article 17 of Law 3862/2010; b) disclose the selection criteria for such



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

agents; and c) submit the documents laid down in paragraph 2.1 of this Chapter for the persons referred to in the abovementioned Article.

3. The Bank of Greece shall reserve the right to request additional information, data and clarifications on the submitted data, if deemed appropriate.

4. Any change on the data taken into account for granting the authorisation shall be notified without undue delay to the Department for the Supervision of Credit and Financial Institutions of the Bank of Greece.

CHAPTER II

PUBLIC REGISTER (Articles 13 and 17 of Law 3862/2010)

1. The Bank of Greece shall maintain a public Register of PIs established in Greece, their agents and their branches in Greece and other EEA countries. This Register shall be available on the website of the Bank of Greece.

2. This register shall include the following details:

- a) the registered name of the PI and its agents for legal persons or the full name for natural persons;
- b) the address of the PI's registered office, its branches and its agents (or the address where the payment services will be provided in case of a natural person);
- c) contact details; and
- d) the payment services to be provided.

3. The Bank of Greece shall update this public Register within five (5) working days of the authorisation or the notification of the branch's commencement of operations or of the finalisation of the agents' assessment according to Article 17 (paragraphs 1 to 4 and paragraph 7) of Law 3862/2010 or of the notification of any change in the registered data.

4. PIs must immediately report any changes in the abovementioned data to the Department for the Supervision of Credit and Financial Institutions of the Bank of Greece.

5. The Bank of Greece shall remove from this Register any PI, branch or agent in any of the following cases:

- a) the Bank of Greece withdraws or suspends the PI's authorisation;



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

- b) the Bank of Greece ascertains that the agent ceases to fulfil the requirements set in Article 17.

CHAPTER III

ADEQUACY OF OWN FUNDS AND PRUDENTIAL SUPERVISION

A. ADEQUACY OF OWN FUNDS

1. The items included in the own funds of PIs are laid down in Bank of Greece Governor's Act 2587/20.08.2007, as currently in force; the amount of capital requirements shall be calculated in accordance with Method B provided for in paragraph 1 of Article 8 of Law 3862/2010.
2. PIs that grant credit in accordance to paragraph 3 of Article 16 of Law 3862/2010, shall be required to apply additional capital requirements, equal to 10% of the outstanding amount of credit. Alternatively, PIs, at their own discretion, may choose to comply with the capital requirements of Chapter II of the Bank of Greece Governor's Act 2622/21.12.2009.
3. The PIs own funds shall not fall below the amount stipulated in Articles 6 or 8 of Law 3862/2010 (Articles 6 or 8 of Directive 2007/64/EC) or in the present section, whichever the higher, without prejudice to paragraph 3 of Article 7 of the abovementioned Law.

B. SUPERVISORY RULES

1. PIs are required to apply the provisions of the Bank of Greece Governor's Act 2577/9.3.2006 re: "Framework of operational principles and criteria for the evaluation of the organisation and Internal Control Systems of credit and financial institutions, and relevant powers of their management bodies", as currently in force, by way of analogy, with the exception of: a) the requirement to set up Committees under the Board of Directors, provided for in paragraphs 2.1, 2.2, 2.4, 2.4.2 and 2.4.3 – Sections B.1 and B.2 of Chapter IV; and b) Annex 1 of that Act.
2. All PIs shall comply with the safeguarding measures of paragraph 1, Article 9 of Law 3862/2010, irrespective of the scope of the services provided. If the case of a PI that chooses to invest in low-risk liquid assets, in accordance with Article 9, paragraph 1, subparagraph a, indent (i) of Law 3862/2010, the relevant holding shall only have the form of savings deposits with credit institutions operating in Greece.



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

CHAPTER IV

REPORTING

1. For purposes of monitoring the PIs compliance with the obligations under Articles 6, 7, 8, 9 and 16 of Law 3862/2010, as specified in the present Act, PIs are required, further to the information under paragraph 4 of Chapter I hereinabove, to report twice a year to the Bank of Greece (Department for the Supervision of Credit and Financial Institutions), the following data,:

- a) the PI's shareholders referred to in indent (h), paragraph 1 of Article 5 of Law 3862/2010 and the respective proportion of their holdings;
- b) the PI's participations of over 10% in the share capital of financial and non-financial corporations;
- c) the composition and level of own funds, in accordance with the provisions of paragraph 1, Section A, Chapter III of the present Act;
- d) the level of the capital requirements calculated in accordance with Method B, provided for in paragraph 1, Section A, Chapter III of the present Act, and the detailed data used for its calculation (payment volume in the last 12 months and scaling factor);
- e) the level of the capital requirements calculated in accordance with paragraph 2, Section A, Chapter III of the present Act and the detailed data used for its calculation (i.e. the outstanding amount of any credit provided under paragraph 3, Article 16 of Law 3862/2010 (i) in aggregate and (ii) broken down by residual maturity); and
- f) the balances of the deposit accounts referred to in paragraph 2, Section B, Chapter III of the present Act, as well as the credit institution with which they are held.

The abovementioned information shall be reported to the Department for the Supervision of Credit and Financial Institutions of the Bank of Greece within fifteen (15) days after the end of each calendar half year.

2. The annual and interim financial statements published according to the legislation in force shall be reported within five (5) working days of their publication. In the event that the PI is not required to publish financial statements, it shall report detailed trial balances reports of first, second and third degree of general accounting



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

on a six (6) months basis within five (5) working days of having been finalized pursuant to the legislation in force.

3. In the event that the PIs choose to calculate the capital requirements on the credit that they have granted on the basis of the framework applicable to credit companies under the Bank of Greece Governor's Act 2622/21.10.2009, the respective reporting requirements provided for in the abovementioned Act shall apply by way of analogy.

4. PIs must notify the Bank of Greece's Department for the Supervision of Credit and Financial Institutions on the date of their commencement of business, the accurate postal addresses of the PI and of any new branches within fifteen (15) days of the date of commencement of operations.

CHAPTER V

PURSUIT OF THE BUSINESS

For the provision of services other than those for which authorisation was granted pursuant to Chapter I of the present Act, the following shall be required:

- a) The prior, on a case-by-case basis, approval by the Bank of Greece which can be granted subject to paragraph 5 of Article 10 of Law 3862/2010 and under specific terms, taking into account the risks entailed by such an activity.
- b) A minimum required capital held, as appropriate, pursuant to Articles 6 and 16 of Law 3862/2010 (Articles 6 and 16 of Directive 2007/64/EC) and Section A, Chapter III of this Act.

CHAPTER VI

FINAL PROVISIONS

1. The Bank of Greece Governor's Act 2536/4.2.2004, as currently in force, is hereby repealed. By way of exception, its provisions shall remain in force until the 30th of April 2011 for money transfer intermediaries already operating under the supervision of the Bank of Greece.

2. The provisions of indents (b), (c), and (d) of paragraph 2 of Chapter II of the Bank of Greece Governor's Act 2541/27.2.2004, as currently in force, are hereby repealed. By way of exception, these provisions shall remain in force until the 30th of April 2011 for bureaux de change already operating under the supervision of the Bank of Greece.



BANK OF GREECE
EUROSYSTEM

THE GOVERNOR

3. The Department for the Supervision of Credit and Financial Institutions is hereby authorised to provide instructions and clarifications on the implementation of this Act.

4. The present Act shall be applied without prejudice to the payment institutions' obligations arising from Law 3862/2010 regarding the prevention and suppression of money laundering and terrorist financing. These provisions shall be specified, if it is deemed necessary, by a separate Bank of Greece decision.

The government budget shall not incur expenses on account of this Act.

This Act shall be published in the Government Gazette (Issue B).

The Governor

G. Provopoulos

True copy
Athens, 7 October 2010
Department for the Supervision of Credit & Related Financial Institutions
The Director

[Signed]
I. Gousios