

## Key changes in the Second Electronic Money Directive

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# Status of the new directive

- **It is maximum harmonising – not minimum harmonising**
- **Applies many provisions of the Payment Services Directive (PSD), *mutatis mutandis***
- **ELMIs are now defined as financial institutions**
- **COB provisions of PSD apply to ELMIs' payment services**

- **Authorisation of ELMIs and registration of small issuers: 2EMD applies Article 5 of PSD**
- **The waiver for small ELMIs goes**
- **Optional exemptions from prudential rules under consideration for small issuers**
- **Exemptions for limited scope schemes**
- **Passporting for ELMIs follows Art 25 PSD**
- **No passports for small issuers**

# Prudential changes

- **Initial Capital for ELMIs reduces from €1 million to €350,000**
- **Investment rules have been replaced by safeguarding**
- **The new EMD safeguarding rules are subtly different from those of PSD**
- **ELMIs can now carry out mixed business**

# Other points

- **Redemption obligation will now apply apply to small ELMIs**
- **Review of 2EMD is envisaged by November 2012 in line with PSD review**