How to become an Agent of an Electronic Money Institution (EMI)

To become an agent of an Electronic Money Institution (EMI), you operate under the umbrella of a firm that already holds an EMI license. This process, often called becoming an **EMD Agent** (Electronic Money Directive Agent), allows you to provide payment services or distribute e-money without holding a full license yourself. **As of 2026, the following steps are required to become a registered agent:**

1. Identify and Partner with a Principal EMI

You must find an authorized EMI (the "Principal") willing to sponsor your activities.

- **Suitability:** Research EMIs that align with your geographic target and product needs (e.g., digital wallets, cross-border transfers).
- **Agreement:** Sign a formal **Agency Agreement** that outlines your responsibilities, commission structures, and the scope of services you are permitted to provide.

2. Pass Fitness and Propriety Assessments

The regulator (such as the UK Financial Conduct Authority (FCA)) requires that all agents be "fit and proper."

- **Management Checks:** Directors and managers must undergo background checks, including criminal records and credit history.
- **Competence:** You must demonstrate that your team has the relevant skills and knowledge to manage financial services and regulatory requirements.

3. Establish Compliance and Internal Controls

Even as an agent, you must have robust internal systems that the Principal EMI will oversee.

- **AML/CTF Policies:** Implement internal mechanisms for Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF).
- **Data Protection:** Register with relevant data authorities (e.g., the ICO in the UK) and establish privacy policies.
- **Professional Indemnity Insurance:** Secure appropriate insurance cover to protect against operational risks.

4. Regulatory Registration via the Principal

The agent does **not** apply directly to the regulator. Instead, the Principal EMI submits the application on your behalf.

- **Application Submission:** The Principal uses systems like FCA Connect to register you.
- **Timeline:** In 2026, regulators typically take **up to 2–3 months** to assess a complete agent application.
- **Public Register:** You cannot legally start providing services until your name appears on the regulator's official public register as an authorized agent of that specific EMI.

Summary Checklist for Aspiring Agents

- **Business Plan:** Create a 3-year forecast including target markets and estimated revenues.
- **IT Infrastructure:** Ensure your systems can integrate with the Principal EMI's platform for transaction monitoring.
- **Fees:** Budget for registration fees, which are often paid by the Principal but may be passed on to you.

Are you looking to operate in a **specific country**, or do you need help **finding an EMI** that currently accepts new agents?

Top EMIs Known for Partnership/Agent Programs

The following institutions are recognized for their focus on financial infrastructure and often support agent registrations:

- **Airwallex**
  Specializes in global financial infrastructure with local bank details in over 60 markets. They are a frequent choice for businesses needing multi-currency account infrastructure and cross-border payout rails.
- **Currencycloud (a Visa solution)**
  Known for a developer-friendly API that digital banks and payroll platforms use to issue wallets and execute global payouts. They provide established infrastructure for partners to build their own branded payment experiences.
- **Banking Circle**
  Provides financial infrastructure specifically for high-volume payment service providers (PSPs) and EMIs. While they maintain a conservative approach, they are a primary partner for regulated institutions needing safeguarding accounts and direct access to payment schemes.
- **Clear Junction**
  A UK-regulated institution that serves remittance providers and other financial organizations. They emphasize full traceability of funds and support for AML processes, making them a preferred partner for firms requiring high regulatory compliance.
- PayrNet (subsidiary of Railsr)
  RailsR was the chosen partner for Moniepoint to launch the service in the UK, whilst applying for its own EMI licence.

Notes:

- Unlike agents, there isn't a formal registration process for distributors, but the FCA requires EMIs to notify them when using a distributor, especially during the application for authorization or when a distributor is appointed or removed. (see here for example: https://register.fca.org.uk/s/firm?id=001b000003JiNqpAAF – details the Appointed Representatives and Payment services / Electronic money agents currently or previously connected with PayrNet).

The cost to become an Electronic Money Institution (EMI) agent involves fees charged by the principal EMI and ongoing operational expenses, as agents do not pay direct application or annual fees to the regulator (like the FCA) themselves.

Upfront and Setup Costs

Cost Component	Description	Estimated Range (GBP/EUR)
Principal EMI Onboarding Fees	A one-time fee charged by the EMI for system setup, compliance onboarding, and initial training.	**£5,000 - £15,000+**
Legal/Consultancy Fees	Costs for legal advisors or business consultants to ensure your business plan and policies meet regulatory standards.	**€75,000 - €150,000+**
IT Integration/Software Fees	Costs associated with integrating your systems with the principal's platform or acquiring necessary software.	**€50,000+** (setup fee under a SaaS agreement)
Data Protection Registration	A low fee to register with data authorities like the ICO in the UK.	**£40 - £60**
Professional Indemnity Insurance	The cost of obtaining an appropriate insurance policy.	Varies widely by business size/risk

Ongoing Costs

- **No Direct Regulator Fees:** Agents **do not** pay annual or application fees directly to the Financial Conduct Authority (FCA) or other European regulators.
- **Principal's Ongoing Fees:** The principal EMI will charge you ongoing fees, which may be a flat monthly fee, a percentage of transactions, or a combination.
- **Operational Expenses:** This includes standard business costs like salaries, office rent, and utility fees.
- **Compliance & Reporting:** Costs associated with internal compliance officers or outsourced services to gather data and ensure ongoing adherence to Anti-Money Laundering (AML) and other regulations as required by the principal firm.

Becoming an EMI agent is a significantly cheaper and faster alternative to obtaining a full EMI license, which requires a minimum initial capital of €350,000.