

EMI vs. PI vs. AISP Explained

A Legal Summary of PSD2 Payment Licenses

Executive Summary

Under the European Union's Second Payment Services Directive (PSD2), businesses delivering financial or payment-related services within the EU/EEA must operate under one of the defined license types—EMI (Electronic Money Institution), PI (Payment Institution), or AISP (Account Information Service Provider).

Each license type grants distinct regulatory permissions, carries unique compliance responsibilities, and appeals to different business models. Understanding these differences is critical when choosing the correct vehicle for your operations and when engaging regulators, partners, and banks.

1. Electronic Money Institution (EMI)

Directive Basis: PSD2 (Directive (EU) 2015/2366)

Primary Activity: Issuance and distribution of electronic money and execution of payment services

Key Features:

- Can hold client funds (via safeguarded accounts)
- Issue electronic money (e-wallets, prepaid cards, mobile money, etc.)
- Offer full payment services, including money remittance, direct debits, credit transfers
- Passporting rights across the EU
- High compliance burden: AML/CTF, safeguarding, capital reserve, audit

Ideal For:

- Fintechs issuing wallets or prepaid cards
- Cross-border remittance platforms
- Neobanks or payment apps storing balances

Capital Requirement:

€350,000 minimum own funds

- additional safeguarding mechanisms (segregation or insurance)

2. Payment Institution (PI)

Directive Basis: PSD2

Primary Activity: Execution of payment services without issuing electronic money

Key Features:

- Cannot hold client funds long-term or issue e-money
- Can perform services such as:
 - Payment initiation
 - Credit transfers
 - Direct debits
 - Remittances
- No balance holding, no interest-bearing features
- Subject to regulatory oversight and capital requirements

Ideal For:

- SaaS-based checkout facilitators
- Marketplace payment routing services
- Fintech's using third-party e-wallets

Capital Requirement:

€125,000 (for full license)

€20,000–50,000 for limited scopes

3. Account Information Service Provider (AISP)

Directive Basis: PSD2 – Article 4(19)

Primary Activity: Provide read-only access to customer bank accounts, with consent

Key Features:

- Cannot initiate payments or hold funds
- Only allowed to access and aggregate bank account data across multiple institutions
- Must obtain consent from users
- Lower regulatory entry threshold but must register as a regulated entity

Ideal For:

- Budgeting and financial planning apps
- Open banking aggregators
- Credit scoring and analytics platforms

Capital Requirement:

No capital requirement (registration only)

But subject to IT security, data protection, and audit readiness

Key Differences at a Glance

Feature	EMI	PI	AISP
Issue Electronic Money	✓	✗	✗
Hold Client Funds	✓ (Safeguarded)	✗ (Only temporarily)	✗
Initiate Payments	✓	✓	✗
Access Account Info	✓ (only their own accounts)	✓ (if offering service)	✓ (read-only)
Passporting Rights	✓	✓	✓
Capital Requirement	€350,000	€125,000+	None
Compliance Burden	High	Moderate	Light
Best For	E-wallets, Neobanks	Remittance, PIS	Budgeting, Analytics

HPT Group's Advisory Services

We help clients select, license, and operate the appropriate payment structure across the EU and UK, including:

- EMI/PI license application and liaison with FCA, MFSA, and other NCA regulators
- AISP onboarding and compliance setup under Open Banking regulations
- Safeguarded account structuring and institutional banking access
- End-to-end PSD2 regulatory compliance management
- Restructuring or passporting advisory for UK firms post-Brexit

HPT Group is your trusted legal and regulatory partner for navigating Europe's evolving fintech landscape.