

# Central Bank Of Lesotho



## LICENSING REQUIREMENTS FOR ISSUERS OF ELECTRONIC INSTRUMENTS

## **A. List of licensing requirements for issuers of electronic payment instruments**

1. An application Letter.
2. Copy of certificate of incorporation as a body corporate constituted under the laws of Lesotho.
3. Details of the organisational structure, management and ownership of the applicant
  - a. Where the applicant is partly owned by a foreign institution/corporation/firm, please indicate the name and location and state the regulatory body that foreign owner is registered under.
4. A description of the payment services for which the applicant wishes to be licensed
  - a. Indicate whether the applicant will hold payment services users' funds at any stage of the payment process
  - b. Provide a detailed description of the process including parties involved in the payment services and settlement arrangements
  - c. A standard agreement or contract between parties involved in the provision of the payment service
  - d. Graphical description of the flow of funds
5. A description of how the applicant intends to avoid amalgamation of funds by separating own funds and payment service users' funds
6. Information on shareholders, Board of Directors and key management officials as set out in schedule 6 of the Payment Systems (Issuers of Electronic Payment Instruments) Regulations 2017.
  - a. This should be accompanied with the police clearance and tax clearance certificate issued in a country where the individual has been residing in the past 6 months
7. Data protection policy
8. Customer protection procedures, including dispute resolution mechanism and complaints handling
9. Policy and procedure for managing AML/CFT risks
10. A technical proposal, including complete system architecture, or the proposed payment instrument including an indication of interoperability of the proposed solution.
11. Information and communications technology security policies including contingency arrangements and disaster recovery plans for the proposed service.
12. Proof of availability of capital of M500, 000
13. Confirmation of the payment of application fee of M1,500
14. Error resolution procedures.
15. Business plan which shows a forecast budget calculation for the first 3 years.