



Guidelines to Apply for Payment Service Providers License

Saudi Central Bank

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1 Introduction:

The Implementing Regulation of the Law of Payments and Payment Services stipulated the articles regulating licensing and the requirements necessary for engaging in payment activities and providing payment services. The Saudi Central Bank (SAMA) has prepared a form for applying for the license, and it was published on the Payments page on SAMA website at (www.sama.gov.sa). The applicant must comply with these Guidelines in conjunction with the Implementing Regulation of the Law of Payments and Payment Services and the relevant regulations, rules, instructions, and laws issued by SAMA.

2 Purpose:

These Guidelines aim to clarify the regulatory procedures and the requirements that must be met by the applicant when applying for a license to provide payment services. The applicant may apply for any of the following licenses, as defined in the Implementing Regulation of the Law of Payments and Payment Services:

- Micro Electronic Money Institution License (e-Wallet) (Micro EMI).
- Major Electronic Money Institution License (e-Wallet) (Major EMI).
- Micro Payment Institution License (Micro PI).
- Major Payment Institution License (Major PI).

3 The Licensing process consists of two stages:

- **In-Principle Approval:** The applicant must meet all regulatory requirements under Article 8 of the Implementing Regulation of the Law of Payments and Payment Services, along with all essential documents as detailed in Appendix (A) of these Guidelines. These documents must be duly signed and authenticated to support the application for in-principle approval. This approval is necessary to complete the Initial pre-licensing requirements and procedures such as issuing the commercial registration and documenting the articles of incorporation and bylaws with the Ministry of Commerce which are a pre-requisite for obtaining the final license from SAMA.
- **Licensing Stage:** After obtaining the in-principle approval, the applicant completes the final licensing requirements and is allowed to carry out the activity after fulfilling the requirements stipulated in the Implementing Regulation.

4 Procedures for payment service providers license application:

1. The applicant must read the Implementing Regulation of the Law of Payments and Payment Services carefully to understand the fundamental requirements. These regulations can be accessed on [SAMA website](#).
2. The applicant must submit the license application form as specified by SAMA, along with any additional documents or information that SAMA may require.
3. The applicant must submit all essential documents shown in Appendix (A) of these Guidelines after ensuring they are duly signed and authenticated to support the application for obtaining the in-principle approval.
4. The applicant must ensure that attachments and essential documents are clear, in (PDF) format, and clearly labeled, and must avoid the use of compressed formats and large file sizes.
5. The applicant must provide accurate, clear, and complete information as required in the license application form, and disclose any other significant details that may be relevant. It is the responsibility of the applicant to refrain from providing misleading information in any form as it may reduce its chances of obtaining a license.
6. Every part of the application form should be completed. If a question is irrelevant to the applicant's work, the applicant must state that it is not applicable and attach/or explain the reasons. Failure to provide a completed form may result in the rejection of the application.
7. After completing the form and submitting it with all the supporting documents, SAMA will receive the application and start the review and evaluation process.
8. SAMA may request additional information or documents from the applicant at any stage of the licensing process. The applicant must provide SAMA with such information or documents as requested within 30 calendar days from the date of the request unless otherwise indicated by SAMA. Moreover, SAMA may reject the license application when the applicant does not provide such documents and information to SAMA's satisfaction within that period.
9. SAMA will inform the applicant in writing that the application received is accepted for further processing after examining and confirming that all supporting documents are correct and complete, provided that the applicant submits all information and documents necessary to satisfy the requirements stipulated in Article 8, including (but not limited to) the regulatory requirements mentioned in Appendix (A).
10. SAMA shall inform the Applicant in writing of its decision in relation to the License application within ninety calendar days from the date on which it notifies the Applicant that the License

application is complete. In case of delay, SAMA shall notify the Applicant of the estimated timeline for assessing their application.

11. Upon completing the application assessment, SAMA may grant the Applicant in-principle approval to proceed with the incorporation and registration procedures according to the Companies Law, and complete the remaining requirements.

5 Submitting application form and supporting documents:

The Applicant must submit complete application form with prerequisite documents in a soft copy via the following e-mail:

LICPayments@SAMA.GOV.SA

Appendix A

REQUIRED DOCUMENTS FOR IN- PRINCIPAL APPROVAL

Document to be submitted via LICPayments@SAMA.GOV.SA	
1	SAMA Application Form.
2	A request letter from the Applicant addressed to SAMA signed by the authorized person (such as company owner, chairman or CEO).
3	Board decision in support of the application for the in-principle approval designating the authorized person in charge of the submission and follow-up of the application.
4	A draft of Articles of Incorporation and Articles of Association of the Applicant, or the authenticated copies if the Applicant is incorporated outside the kingdom, subject to the related laws in the Kingdom.
5	Detailed organizational structure showing all departments and their main roles and functions.
6	A list of all founders/shareholders and their percentage of ownership in detail, as well as the Fit and Proper form of each of them (both natural and legal).
7	Fit and Proper forms and their attachments (ID, passport and CV) of all senior Positions, including members of the Board and committees of joint stock companies.
8	A feasibility study that demonstrates the target group, services, proposed business model and strategy, signed by the Applicant.
9	An irrevocable bank guarantee equal to 20% of the minimum capital of the activity to be licensed issued by any local bank for SAMA and automatically renewed until the capital is paid in full.
10	A three-year business plan that includes:
a.	Detailed description of all services to be licensed, products, and marketing plan as stated in Article 6.
b.	Financial statement estimates, expected annual revenues, expenses, financial margins and target growth rates, taking into consideration SAMA's requirements as follows: 1- Internal Capital Adequacy Assessment Process (ICAAP). 2- Liquidity valuation covering the projection period.
c.	Estimated incorporation costs and methods of funding.
d.	Estimated ongoing funding for operations.
e.	Expansion plan in the Kingdom -if applicable-

f	Plans and programs related to auditing, control, risk management, compliance and effective management to ensure costumer protection and proper handling of complaints.
g.	Recruitment plan, including the anticipated number of employees and the Saudization percentage within each department and organizational level, as well as training programs for employees.
h.	Any other activity – outside the scope of the Law of Payments and Payment Services - performed by the Applicant directly or under their supervision or direction, including the Applicant's subsidiaries -if applicable-.
11	Proof of company name as registered at the Ministry of Commerce or commercial register (if applicable).
12	Copy of policies controls and measures that will be put in place by the applicant to manage risks associated with: Draft of relevant policies and procedures that demonstrate the ability to comply with the requirements stipulated in the laws and regulations as follows:
a.	Anti-money laundering and counter terrorism financing.
b.	Business continuity management framework and policy.
c.	Data protection and privacy.
d.	Cyber Security.
e.	Consumer protection.
f.	Safeguarding of customer funds Policy (including the agreement with the bank fully liable for customer funds).
g.	Fraud detection and control.
h.	Settlement of costumer funds.
i.	Account opening.
j.	Risk-based customer limits.
13	Draft of agreements and key contracts with all external parties.
14	Financial statements of the past three years audited by a certified public accountant if applicable. If the Applicant has been working for less than three fiscal years, they must submit financial statements for the period they have worked.
15	Business continuity plan and recovery.
16	IT infrastructure and system architecture plans, including but not limited to, applications, systems, data centers, servers and networks.