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Priorities of the National Bank of Moldova in the supervision of payment service providers in 2024

Non-bank payment service providers (hereinafter - non-bank PSPs) play an important role in offering innovative payment services, competing in this segment with the banking sector and thus contributing to the overall development of the payments industry.

In carrying out the supervisory responsibilities for non-banking PSPs, the National Bank of Moldova shall ensure compliance with the requirements of the regulatory framework and the efficiency of the internal control and risk management process, in order to prevent and limit the risks specific to the activity of providing payment services/issuing electronic money.

In this context, in 2024, the National Bank of Moldova will focus its efforts on the following aspects:

I. Internal governance and ownership structure

An essential condition in the activity of non-bank PSPs, throughout the license period, is the provision of safe management systems, capital adequacy and the quality of the ownership structure. In this regard, the National Bank will focus on:

- verifying the manner of risk management, monitoring and reporting by non-bank PSPs, their availability of adequate internal control mechanisms, as well as a clear organizational structure with well-defined, transparent and coherent delimitation of responsibilities;
- analysis of the value of own capital from the perspective of its sufficiency and the impact of debts and claims recorded by non-bank PSPs in the value of the capital;
- assessing the quality of the ownership structure of non-bank PSPs, considering the need to ensure stable and prudent management of non-bank PSPs and their non-engagement in risky activities.

II. Operational risk

The National Bank of Moldova regulates, licenses/authorizes and monitors the financial market infrastructures, schemes, arrangements and payment instruments, their stable and efficient functioning being essential for financial stability, for the implementation of monetary policy and the promotion of public confidence in cashless payments.

In the context of the digitization of payment services and the implementation in 2024 of the instant payment scheme, an important component is the monitoring and supervision of the risks associated with the operation of payment and settlement systems and the activity of providing payment services.

The National Bank will pay particular attention to the actions taken by non-bank PSPs to ensure the continuity and efficiency of the activity performed in payment systems, as well as to the actions taken by them in order to increase users' confidence in payment services and electronic money issuance, distribution and redemption services, efforts being focused on the following aspects:

- Assessment of the payment services offered by non-bank PSPs in the light of their digitization, in order to provide safe and innovative services to payment service users;
- Monitoring and assessing financial market infrastructures and analyzing the activity of non-bank PSPs

as participants in these infrastructures;
- Monitoring the activity of protecting the funds of payment service users and the sufficiency of protected funds;
- Analysis of the interaction of non-bank PSPs with third party entities involved in the provision of payment services (Card Processing Centers, Payment Service Providers licensed abroad, International Card Payment Systems, Money Remittance Systems, etc.).

III. Preventing and combating money laundering and terrorist financing

The National Bank of Moldova will continue to identify and assess the risks associated with the activity of non-bank PSPs, related to the prevention and combating money laundering and terrorist financing, and will use the risk-based approach in their supervision.

General objectives will target such aspects as:

- internal governance and internal control system at the level of money laundering and terrorist financing prevention activities;
- the business model, size, nature, volume and complexity of the entity's activities;
- the source of funds used by non-bank PSPs in payment service activities;
- the application by non-bank PSPs of the provisions of regulatory acts on preventing and combating money laundering and terrorist financing, etc.

The actions of the National Bank, taken within the supervision of non-bank PSPs, aim to encourage the use of cashless payments and increase consumers' financial mobility by increasing their confidence in the safety of using cashless payment instruments.

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