



THE CENTRAL BANK OF HUNGARY

MONEY AND CAPITAL MARKETS LICENSING DEPARTMENT

BP REMIT LIMITED
David Zulch

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Registry number: **138875-5/2019**
Budapest, **10 July, 2019**

Subject: Notification in accordance with Article 28 of the Directive (EU) 2015/2366

Dear Mr Zulch,

The Central Bank of Hungary (Magyar Nemzeti Bank) (MNB) has, in accordance with Article 28 (1) of Directive 2015/2366 of the European Parliament and of the Council (**Payment Services Directive 2**) received notifications from the Financial Conduct Authority (FCA) concerning the intention of **BP REMIT LIMITED (address: 1 Northumberland Avenue, Office 313, Trafalgar Square, London WC2N 5BW, UNITED KINGDOM)** to establish a branch located in Hungary on 16th May 2019. The 'Anti money laundering systems and controls of BP REMIT LIMITED' and the curriculum vitae of the person responsible for the management of the branch were attached to the notification of the FCA.

On 31st May 2019 the MNB received another notification from the FCA regarding the same subject which contained the 'BP REMIT LIMITED Hungary branch monthly expenses budget', the 'BP REMIT LIMITED Business Plan' and the 'Organizational Structure 2019 to include Hungary Branch – BP REMIT'. The latter, supplemented notification of the FCA satisfied the requirement laid down in point (b) of Article 5(1) of the Payment Services Directive 2, although, under point (e) of Article 5(1) and point (e) of Article 28(1) of the Payment Services Directive 2 the notification of FCA shall also contain on the one hand the *description of the applicant's governance arrangements and internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrates that those governance arrangements, control mechanisms and procedures are proportionate, appropriate, sound and adequate;* and on the other hand a *description of the organisational structure of the branch.*

In line with the content of the notification and applying the provisions of Act CCXXXV of 2013 on Payment Service Providers (**Act CCXXXV of 2013**), I am pleased to inform you that the MNB has registered **BP Remit Limited Hungarian Branch Office (Address: 1072 Budapest, Rákóczi út 42., HUNGARY) (Branch)** under the registered Hungarian name **BP Remit Limited Magyarországi Fióktelepe with the responsible person for the management of the Branch: Mr Laszlo Horgasz.**

Applying the abovementioned provisions the MNB has also registered the following payment services to be provided by the Branch: **6. Money remittance.**

At the same time in order to complete the registration procedure I kindly ask you to forward the missing documentation detailed in paragraph 2 to the FCA for forwarding it to the MNB.

In accordance with the Section 26 Paragraph (1) of the Act CCXXXV of 2013 the MNB has compiled a Guide drawing your attention to the rules and regulations providing for the general good in Hungary that payment institutions from other EEA countries must comply with when providing services in Hungary. The Guide is available on our website: <https://www.mnb.hu/en/supervision/licensing-and-institution-oversight/cross-border-services>

I kindly inform you that the establishment and the company registration of the Branch has taken place 9th May 2019 which preceded the initial notification of the FCA. According to Article 28 (3) of the Payment Services Directive 2 the Branch may commence its activities in the relevant host Member State upon entry in the register referred to in Article 14 of the Payment Services Directive 2, and the payment institution shall notify the competent authorities of the home Member State the date from which it commences its activities through the branch in the relevant host Member State.

The competent authorities of the home Member State shall inform the competent authorities of the host Member State accordingly.

In order to register the date from which the Branch of the payment institution commences its activities I kindly ask you to forward the notification template set out in Annex VI to the CDR (EU) 2017/2055¹.

In accordance with the rules and regulations of the Payment Services Directive 2 and Section 26 of Act CCXXXV of 2013 on Payment Service Providers I would like to draw your attention to the prevailing provisions of the Act LXXXV of 2009 on the Pursuit of the Business of Payment Services and the Decree Nr. 35/2017 (XII.14.) of the MNB on Payment Services Activities that the payment institutions from other EEA countries must comply with when providing services in Hungary.

Please find the Act LXXXV of 2009 on the Pursuit of the Business of Payment Services and Decree Nr. 35/2017 (XII.14.) MNB of the Governor of the National Bank of Hungary on Payment Services Activities attached to my letter.

Please note that the translation of law provisions and regulations is intended for general information only. That is to say, the original version in Hungarian has to be considered as authentic at all times.

In addition of the abovementioned rules the following legal regulations are to be taken into account concerning the operation of a branch in Hungary.

Data provision

Branch offices are required to disclose data to the MNB, under the Decree No. 36/2018 (XI. 13.) of the MNB, on a monthly, quarterly and occasional basis as well.

Accounting-related publication

According to Section (1) of Article 154/A of Act C of 2000 on Accounting the Hungarian branch of a company established in a Member State of the European Union shall be exempted from the obligation of deposit, publication and audit of the annual account or consolidated annual account.

According to Section (3)-(4) of Article 154/A of Act C of 2000 the branches exempted from the obligations referred to in Subsections (1) and (2) shall be subject to the obligation of publication and deposit solely with respect to the annual account or consolidated annual account drawn up by the foreign parent company in accordance with laws of their home countries on condition that these accounts have been prepared, audited, published and deposited in harmony with the relevant directives of the European Union.

Branches shall comply with the obligations of publication and deposit referred to in Subsection Article (3) 154/A of Act C of 2000 in the Hungarian language.

Supervisory audit

According to Section 1 of Article 29 of Payment Services Directive 2 in order to carry out the controls and take the necessary steps provided for in Article 100(4) in respect of the agent, branch of a payment institution located in the territory of another Member State, the competent authorities of the home Member State shall cooperate with the competent authorities of the host Member State.

By way of cooperation in accordance with the first subparagraph, the competent authorities of the home Member State shall notify the competent authorities of the host Member State where they intend to carry out an on-site inspection in the territory of the latter.

However, the competent authorities of the home Member State may delegate to the competent authorities of the host Member State the task of carrying out on-site inspections of the institution concerned.

¹ Commission Delegated Regulation (EU) 2017/2055 of 23 June 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for the cooperation and exchange of information between competent authorities relating to the exercise of the right of establishment and the freedom to provide services of payment institutions

It should also be noted that a branch must always meet all relevant legal regulations during its operation which have not been listed in the present letter.

Yours sincerely,

Dr. Dóra Palasik-Kirschner
Head of Department

SIGNED ELECTRONICALLY