REMITTANCE & MONEY-TRANSFER · PI / EMI LICENSING

Setting Up a Remittance Fintech in Europe

How easy — or hard — is it for African founders and fintechs to obtain a payments licence or open a branch in the top 10 European fintech markets?

SCOPE

Payment Institution & E-Money Institution licensing across the UK, Ireland, Lithuania, the Netherlands, Germany, France, Spain, Sweden, Estonia and Malta.

A GUIDE FOR

African founders and fintechs entering the European remittance market. Figures 2025–2026 where available.

01 — EXECUTIVE SUMMARY

Nothing in the law stops an African founder. Everything else is the hard part.

Europe is the world's largest remittance-sending region for African corridors, and firms such as **LemFi, Flutterwave, Moniepoint, NALA and Chipper Cash** have all entered it in the last five years. Regulators apply a nationality-neutral "fit and proper" test to shareholders and directors — no EU or UK rule prevents African citizens from owning and directing a licensed payments company.

The difficulty is everything else: capital, local substance (resident directors, offices, compliance staff), 6–18-month approval timelines, and — above all — access to safeguarding bank accounts, where Africa-focused remitters face well-documented "de-risking".

THREE ROUTES IN, BY COST & DIFFICULTY

ROUTE 1 weeks · ~€0

Agent / BaaS partner

Register as an agent under a principal's licence. Fastest and cheapest (UK ~£150, 30–60 days) — but you depend on the principal and can be de-platformed.

ROUTE 2 3–9 mo · €0.5m+

Acquire a licensed entity

Buy a dormant PI/EMI and pass change-of-control review. LemFi bought RightCard and Bureau Buttercrane; Moniepoint bought Bancom Europe.

ROUTE 3 6–18 mo · €250k–1m+

Apply for your own licence

€20k capital for a remittance PI, €350k for an EMI, plus real local substance. Lithuania is the most accessible EU gateway; the UK rejects ~20% of applications.

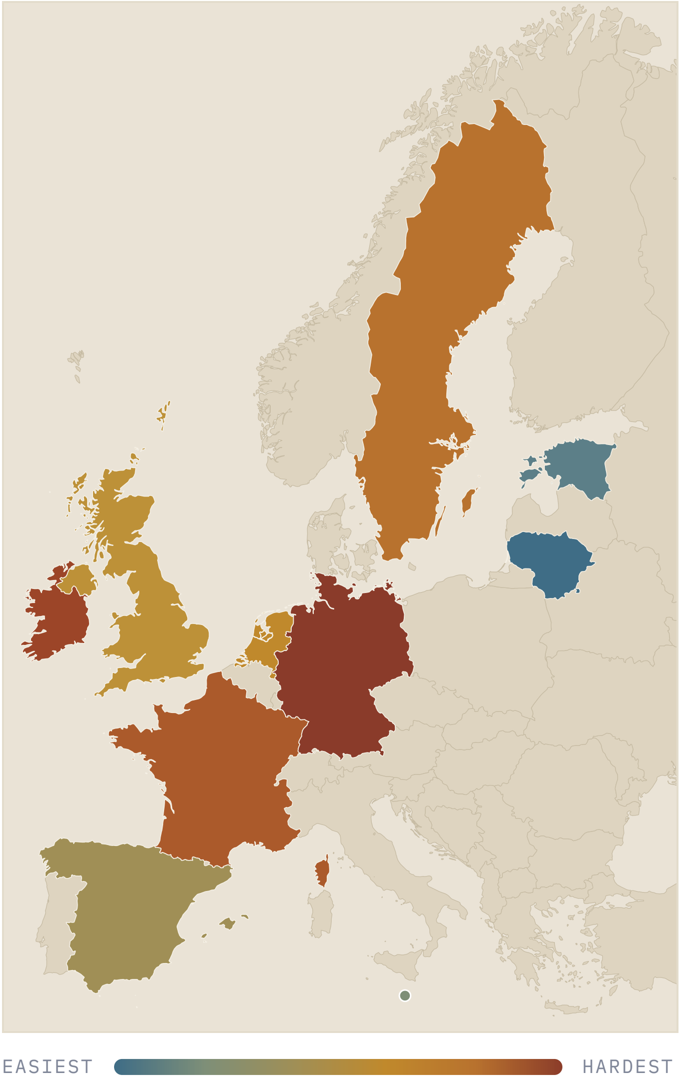
THE BOTTOM LINE

If speed matters more than independence, start with **Route 1 in the UK plus an EU BaaS partner**, prove your volumes, then upgrade to a **Lithuanian own-licence** — the default first EU licence for foreign founders.

02 — EASE-OF-ENTRY RANKING

Where to plant your flag

Own-licence route, ranked for an African remittance founder. One EU/EEA licence passports to all 30 EEA countries — so the choice of home state is strategic.



1. **Lithuania**
   Lowest fees · fastest full licence · CENTROlink SEPA access · proven foreign-founder track record

2. **Estonia**
   Fastest-cheapest to incorporate & run · e-Residency · smaller ecosystem, no central-bank SEPA

3. **Malta**
   All-English EU process · moderate cost · banking-partner caution post-greylisting

4. **Spain**
   Zero application fee · reasonable timelines · strong Africa corridors · Spanish-language file

5. **United Kingdom**
   Easiest agent route & biggest market · ~20% rejection · no EU passport for the full licence

6. **Netherlands**
   Efficient & English-friendly · two Dutch-resident policymakers raise the substance bar

7. **Sweden**
   Competent regulator · highest application fee · 4–5 local hires expected

8. **France**
   Deep market · excellent founder visa · French-language rigour lengthens preparation

9. **Ireland**
   Slowest fresh authorisation (12–18 mo) · ranks far higher via the acquisition route

10. **Germany**
   Slowest, most demanding, German-language · passport in rather than licensing there

Estonia is administratively easy but has a small domestic remittance market — best as a low-cost EU base. Malta shown as an island marker.

03 — HOW LICENSING WORKS

One rulebook, thirty markets

EU payments law is set by **PSD2** and the **E-Money Directive**, implemented by each member state's national regulator. Two licence types matter for remittance — and the capital gap between them is the first strategic decision.

MINIMUM INITIAL CAPITAL (€), BY SERVICE

If your product is only send-money-home transfers, you usually do not need an EMI — a PI is 17× cheaper on capital, and faster.

PASSPORTING IS THE PRIZE

A PI or EMI licence from any one EU/EEA state can be passported to all 30 EEA countries by notification — one licence covers a market of ~450 million people. This is why Lithuania, Ireland and Malta punch far above their size.

THE UK IS NOW AN ISLAND

A UK licence gives no EU access, and vice versa — LemFi's UK EMI could not process European transactions, forcing a separate Irish acquisition. A firm targeting both markets needs two licences. The FCA's rejection rate rose from ~7% (2021) to ~20% (2023).

PSD3 IS COMING — PLAN FOR IT

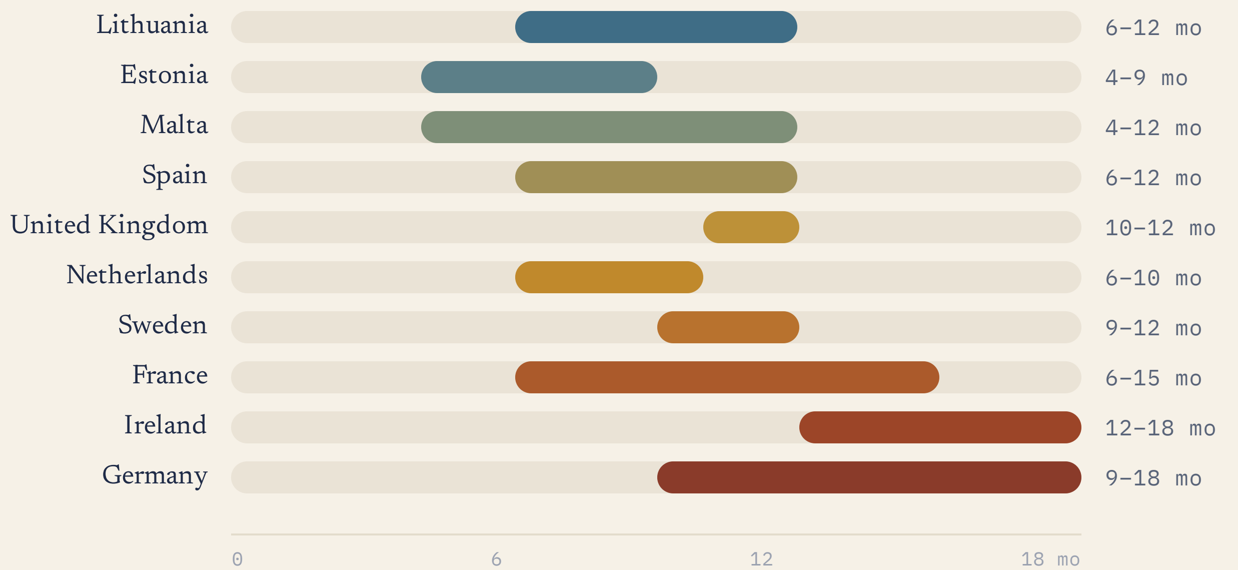
The PSD3/PSR package (political agreement Nov 2025, transposition ~late 2027) folds EMIs into the PI regime and will oblige banks to provide accounts to payment institutions unless refusal is justified — a direct answer to de-risking. Existing licences stay valid 24–30 months, then every PI/EMI must re-apply. **Licence now under PSD2; budget for re-authorisation around 2028–2029.**

04 — WHAT IT TAKES

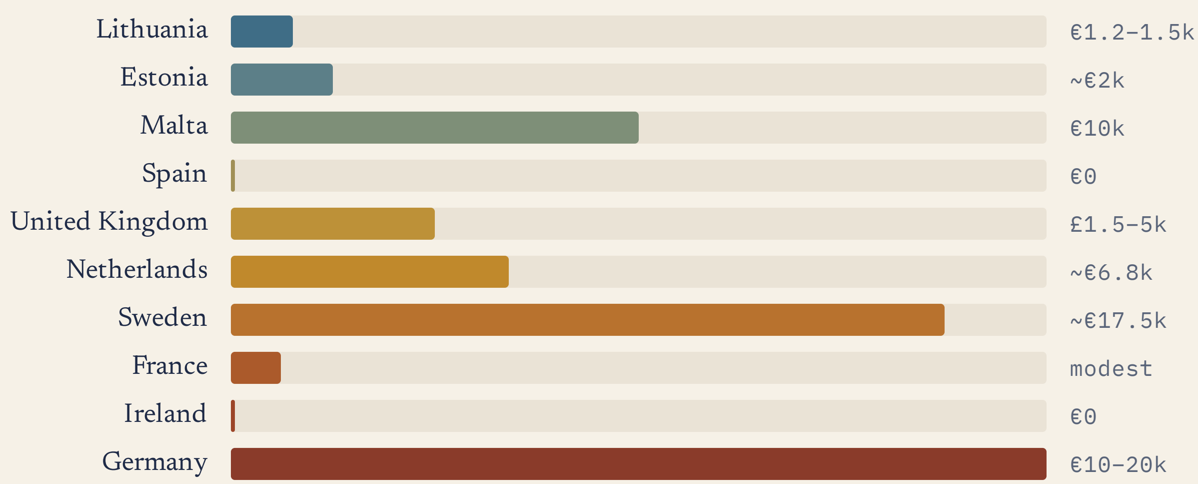
Time and fees, market by market

REALISTIC OWN-LICENCE TIMELINE

months, end-to-end



APPLICATION FEE (€, UPPER ESTIMATE)



Ireland and Spain are the only zero-fee jurisdictions of the ten. Sweden and Germany charge the most — but capital minima are identical EU-wide; the real differences are fees, speed, substance and language.

05 — SIDE-BY-SIDE

The ten markets at a glance

COUNTRY	REGULATOR	APP. FEE	TIMELINE	SUBSTANCE	EASE
United Kingdom	FCA	£1.5–5k	~12 mo (agent 1–2)	UK head office, vetted SMFs	5
Ireland	CBI	€0	12–18 mo	Dublin office + local execs	9
Lithuania	Bank of Lithuania	€1.2–1.5k	6–12 mo	1 resident director + local MLRO/IT/risk	1
Netherlands	DNB	~€6.8k	6–10 mo	2 NL-resident policymakers	6
Germany	BaFin	€10–20k	9–18 mo	2 directors (1 DE-resident), German staff	10
France	ACPR	modest	6–15 mo	2 dirigeants (1 FR-resident), French filings	8
Spain	Banco de España	€0	6–12 mo	2 directors (1 ES-resident), Spanish filings	4
Sweden	Finansinspektionen	SEK 200k	9–12 mo	4–5 local staff (CEO, MLRO, COO)	7
Estonia	Finantsinspektsioon	modest	4–9 mo	1 board member in EE/EU + local MLRO	2
Malta	MFSA	€10k	9–12 mo	Resident director + local ops	3

Capital minima are €20k (remittance PI) / €350k (EMI) and identical across all member states. All licences except the UK's passport across the EEA. Sweden applies €125k for broad payment services; the €20k remittance tier applies to remittance-only files.

06 — COUNTRY PROFILES

The ten, in detail

"Realistic timeline" means end-to-end from serious preparation to authorisation — not the statutory 3-month clock a first application rarely meets.

1 Lithuania

EASIEST

The EU's fintech licensing gateway by design: low fees, English-language process, a central bank that markets to applicants, and CENTROlink for direct SEPA access without a commercial bank. The default first EU licence.

REGULATOR	Bank of Lithuania
TIMELINE	6–12 mo
VISA	Startup pathway, low barriers

2 Estonia

EASY TO RUN

Lowest-friction EU jurisdiction to incorporate and administer remotely; OÜ share capital just €2,500. No CENTROlink equivalent, so bank access must still be solved commercially. Best as a lean EU base.

REGULATOR	EFSA (Finantsinspektsioon)
TIMELINE	4–9 mo
VISA	Startup Visa 2→5 yrs · e-Residency

3 Malta

MODERATE

English-language EU jurisdiction with decent timelines; exited the FATF grey list in 2022. Banks still price Maltese payments firms carefully, but the all-English process attracts anglophone founders.

REGULATOR	MFSA
TIMELINE	9–12 mo
VISA	Employment / self-sufficiency routes

4 Spain

ATTRACTIVE

Quietly attractive: zero authorisation fee, cheaper than northern hubs, and significant Moroccan, Senegalese and broader African corridors. The Spanish-language file is the main friction for anglophone teams.

REGULATOR	Banco de España
TIMELINE	6–12 mo
VISA	Startup-Law Entrepreneur Visa, 3 yrs

5 United Kingdom

HARD

Biggest Africa-corridor market and the best agent-route infrastructure — the standard beachhead. But budget seriously: Moniepoint spent $3.7m+, rejection ~20%, and the May 2026 safeguarding regime adds ongoing cost.

REGULATOR	FCA (+ HMRC MSB)
TIMELINE	~12 mo · agent 30–60 days
VISA	Innovator Founder · Global Talent

6 Netherlands

MOD.-HARD

A top-tier home state with excellent infrastructure (iDEAL) and a respected regulator. The two-Dutch-resident-policymaker rule forces senior local hires early, raising cost versus Lithuania for the same passport.

REGULATOR	DNB (+ AFM)
TIMELINE	6–10 mo
VISA	Dutch Startup Permit → self-employed

7 Sweden

MODERATE

Responsive regulator, mostly-English filings, and real Somali/Eritrean corridor demand — but the highest application fee of the ten and 4–5 local hires offer no advantage over Lithuania. Better served by passporting in.

REGULATOR	Finansinspektionen
TIMELINE	9–12 mo
VISA	Self-employment permit route

8 France

MOD.-HARD

One of Europe's largest African diasporas and a genuine fintech scene. The ACPR is professional but French-first — factor translation and local counsel. Many remitters serve France via passporting instead.

REGULATOR	ACPR (Banque de France)
TIMELINE	6–15 mo
VISA	Talent Passport, up to 4 yrs

9 Ireland

HARD / BUY

English-speaking, common-law, post-Brexit EU base with strong reputational value. The CBI is thorough and slow for new applicants — which is why LemFi bought its way in. Ireland-by-acquisition is arguably the premium EU route.

REGULATOR	Central Bank of Ireland
TIMELINE	12–18 mo
VISA	STEP: €50k funding, 2 yrs renewable

10 Germany

HARDEST

Europe's largest economy and a major Africa-diaspora market, but the least friendly licensing home state for a non-EU team: BaFin is slow and demanding, and the process runs largely in German. Passport in instead.

REGULATOR	BaFin (ZAG)
TIMELINE	9–18 mo
VISA	No startup visa · self-employment

07 — THE AFRICAN-FOUNDER DIMENSION

De-risking is the real boss level

The licence is rarely what kills Africa-focused remitters — bank account access is. Since 2015 the World Bank has documented systematic termination of money-transfer-operator accounts as a business decision: correspondent banking is low-margin and high-AML-risk.

7 → 20%	37	4 / 10
FCA payments-application rejection rate, 2021 → 2023	Bank accounts KlickEx lost in 18 months to de-risking	African countries surveyed that lost correspondent relationships since 2012

MITIGATIONS THAT WORK

i Licence in **Lithuania** and clear SEPA directly via CENTROlink, bypassing commercial banks for euro payments.

ii Over-invest in AML tooling and staffing beyond the minimum — de-risking is priced on perceived control quality.

iii Maintain 2–3 redundant banking / safeguarding relationships from day one.

iv The incoming EU PSR (Art. 32) will force banks to justify refusals of payment-institution accounts — a regulatory tailwind from ~2027.

CASE STUDIES

LemFi
NIGERIA / UK

The textbook ladder: Small PI → acquired RightCard for a UK EMI (2021) → entered the EU via a Modulr BaaS partnership (Jan 2025) → acquired Bureau Buttercrane for an Irish EU-passported PI ~3 weeks later, with Dublin as EU HQ. ~$1bn monthly volume, $53m Series B.

Flutterwave Send
PURE PARTNER MODEL

UK services via FCA-authorised Global Remit; EU services via Polish-licensed WBTCB.PL. Flutterwave's own UK/Cyprus entities hold no licences. Paused and resumed European service in July 2025 — illustrating both the speed and the fragility of the partner route.

Moniepoint
NIGERIA

Launched in the UK under PayrNet's licence, then acquired Bancom Europe for independent EMI status; >$3.7m spent since Feb 2024 — the honest benchmark for what UK entry really costs.

What it costs, and the order to do it in

ROUTE	REG. CAPITAL	SETUP COST	TIME TO LIVE	FIRST-YEAR RUN COST
Agent / BaaS (UK or EU)	None	€10–60k	4–12 weeks	€50–150k + revenue share
Small PI (UK/ES, domestic)	€0–minimal	€20–50k	3–6 months	€100–200k
Own PI, remittance (Lithuania)	€20k	€40–80k	6–12 months	€250–400k all-in
Own EMI (Lithuania / Malta)	€350k	€60–120k	6–12 months	€350–600k + capital
Own EMI (UK)	£350k	£150k+	~12 months	>$3.7m over ~2 yrs (Moniepoint)
Acquisition of licensed entity	Target's maintained	€0.5m–several €m + DD	3–9 months	Target's existing cost base

RECOMMENDED PLAYBOOK

1

MONTHS 0–3

Launch as an agent / partner

UK: register as a PSD/EMD agent under an established principal (30–60 days, ~£150). EU: sign with a BaaS/EMI partner for SEPA corridors. Prove volumes, unit economics and AML performance.

2

MONTHS 3–12

Secure your own EU licence

Default: a Lithuanian PI (remittance scope, €20k capital) for speed and CENTROlink; upgrade to EMI (€350k) only when wallets/IBANs are core. Well-funded alternative: acquire an Irish or UK licensed entity.

3

YEAR 1–2

Add the UK licence

Add the UK licence (or keep the UK agent arrangement) once EU operations are stable — remember the two regimes don't passport into each other.

Throughout: over-build AML (a dedicated MLRO before the regulator asks), maintain redundant banking relationships, document founder source-of-wealth meticulously, and budget for PSD3 re-authorisation around 2028–2029.

09 — SOURCES & DISCLAIMER

Principal sources

Key sources consulted July 2026 (primary/regulatory marked ·P): ·P European Parliament Research Service — Payment Services / PSD3 briefing; ·P FCA — UK Payment Accounts: Access & Closures; ·P World Bank — De-risking in the Financial Sector; ·P Flutterwave Send App licence disclosures; ·P ACPR authorisation procedures; ·P Finansinspektionen — apply for authorisation.

Practitioner & press: EY (PSD3 impacts), InnReg PI/EMI guide, Crassula 2026 guides, Zitadelle AG EMI guide, Regulatory Counsel, Advapay, Equilex (MFSA), Finlego (Estonia), thebanks.eu, PSP Lab, Harper James, Deloitte UK, TechCabal / GhanaWeb (LemFi–Bureau Buttercrane), Yahoo Finance (LemFi Series B), FinanceInAfrica (Moniepoint), Euromoney, Nairametrics, Vedette Legal (startup visas).
