

Payment Institution Licence in Latvia: Preparation, Process and Costs

According to information published by Latvijas Banka, seven payment institution operating licences were issued in the first nine months of 2026. Enquiries received by NJORD also indicate growing interest among entrepreneurs in obtaining a payment institution licence in Latvia. This article examines the main stages of the licensing process, their duration and costs.

During the licensing process, Latvijas Banka assesses not only the application documents but also the company's actual readiness to provide payment services. Successful preparation for payment institution licensing therefore requires a well-considered business model, a competent team, and governance and risk control systems that can be implemented in practice.

The Pre-Licensing Stage and Its Value

The pre-licensing stage is an essential part of project preparation, rather than merely an introductory discussion with the regulator. It allows the company to discuss its proposed activities with Latvijas Banka, clarify the applicable requirements and identify issues that need to be resolved before the formal application is submitted.

Before the initial meeting, the company must be able to clearly explain its business model, planned services, customer segments, target markets and payment flows. The company must also be able to explain its planned funding and substantiate its financial projections and the sustainability of its operations. For example, it is useful to assess the company's ability to cover operating costs even if customer numbers or revenue grow more slowly than initially planned.

In discussions with Latvijas Banka, it is important to justify the choice of Latvia, the planned local presence and the governance model. Attention should be paid to the ownership structure, the origin of funding, customer and geographical risks, as well as technological solutions and the use of outsourcing.

The main value of this stage lies in the opportunity to identify shortcomings in the project early and address them before submitting the application. This helps reduce the need to rework documentation later, use the company's resources more efficiently and plan the payment institution licensing process more realistically.

Team, Risk Management and Technology

An applicant for a payment institution licence needs a team appropriate to its operating model, a clear allocation of responsibilities and a genuine operational and management presence in Latvia. Latvijas Banka also assesses the suitability and reputation of the management, as well as the reputation of persons with qualifying holdings.

Systems for the prevention of money laundering, terrorist financing and proliferation financing, as well as sanctions risk management systems, are particularly important. Customer due diligence and transaction monitoring procedures must be tailored to the specific services, customer profile and geographical scope of operations, rather than merely consisting of generic document templates.

The requirements of the Digital Operational Resilience Regulation for the financial sector, or DORA, must also be taken into account at the preparation stage. These cover information and communication technology risk and incident management, business continuity and the management of risks associated with the use of external technology service providers.

Preparing and Assessing the Application

The application documents must be mutually consistent and reflect an operating model that can be implemented in practice. After the application is submitted, Latvijas Banka checks its completeness and carries out a substantive assessment. Additional information, explanations or amendments to documents may be required during this process, so the company must allocate resources to prepare timely responses.

Timeframes and Costs

The time required for pre-licensing consultations and application preparation must be planned separately. It depends on the complexity of the business model, the readiness of the team and technological solutions, and the volume of documentation required.

Latvijas Banka checks the completeness of the submitted application within 15 working days. Latvijas Banka takes a decision to grant or refuse a payment institution licence within three months of receiving a complete application. If the documents initially submitted need to be supplemented or amended, the overall period from submission of the application to the decision may be longer.

A fee of EUR 5,000 is payable to Latvijas Banka for reviewing the licence application and the accompanying documents, except where a reduced fee applies under the law.

Initial capital appropriate to the planned services must be provided separately. This is not a cost of obtaining the licence, but a separate financial requirement.

The project budget must also include the costs of legal support, documentation preparation, personnel and technological solutions. The level of these costs depends on the specific business model and the company's readiness. After obtaining a payment institution licence, the company must account for ongoing operating and compliance costs, fulfilment of own funds requirements and annual supervisory payments to Latvijas Banka.

As part of NJORD's services, clients can receive support in structuring payment institution licensing projects, preparing and reviewing application documentation, and coordinating communications with Latvijas Banka.



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