



GUIDE TO  
**PAYMENT SERVICE  
PROVIDER**  
**(PSP) LICENSE IN UAE**



A hand is shown holding a white rectangular sign with the words "SERVICE PROVIDER" printed in bold, black, uppercase letters. The sign is positioned in front of a laptop keyboard. The background is a blurred office setting. The entire image is framed by a decorative border consisting of concentric hexagonal shapes in orange and teal colors.

## SERVICE PROVIDER

As e-commerce activities rise, more people are adapting to digital payments. Online payments are now a part of daily life, offering a convenient and safe way to transact. PSPs (Payment Service Providers) facilitate these payments by acting as intermediaries between merchants, customers, and financial institutions. Today PSPs have become a necessity, allowing payments through methods like debit and credit cards, net banking, mobile wallets, etc. In a busy nation like the UAE, such services are particularly important. Therefore, starting a business by obtaining a PSP license UAE has strong potential as it addresses this growing necessity. Operating as a payment service provider (PSP) requires a thorough understanding of the involved legalities, requirements, and the license categories you can obtain. In this guide, we have simplified the PSP license UAE for you, so you can make informed choices without hassle.

WHAT EXACTLY IS A

## PAYMENT SERVICE PROVIDER ?

Let us understand this in the simplest way. A payment service provider (PSP) is a third-party service provider that enables businesses and merchants to accept online payments through various methods, such as card payments, bank transfers, and more. Think of them as the middlemen between the merchants, who receive the payments, and the customers, who make the payments. In today's era, digitization has transformed every sector. People have completely shifted to the online world, where they are buying products, booking services, and even preferring to make payments online. Why? Because online brings convenience. We cannot imagine our lives without online facilities.





# MARKET FOR PAYMENT SERVICE PROVIDERS IN UAE:

In the UAE, the payment services have become an absolute necessity for residents as it allows them to make payments through multiple channels and in various currencies easily. The UAE, which is already a dynamic and advanced nation, has become a hub for such innovative payment solutions and service providers. According to Statista, the total transaction value in the digital payments market in UAE is projected to reach a whopping USD 29.75 billion in 2024. This growth can be attributed to factors such as high internet penetration, the rise of e-commerce, a tech-savvy population, and the government's support for startups in this sector. Where there is such a huge market, significant opportunities are bound to be present.

# PSP LICENSE REGULATION IN UAE:

## WHERE CAN YOU SET UP ONE?

Like any other business setup in Dubai, starting a PSP business in the UAE requires obtaining the proper trade license and approvals. The digital payments sector in the UAE is primarily regulated and overseen by the Central Bank of the UAE (CBUAE). Let us familiarize ourselves with the licensing options available for operating as a Payment Service Provider (PSP) in the UAE. You must know that you can obtain a payment service provider license UAE both in free zones and on the mainland. Here are the major types of PSP license UAE:



# PSP LICENSE REGULATION IN UAE:

## WHERE CAN YOU SET UP ONE?

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### Retail payment services license – Mainland:

The Retail Payment Services and Card Schemes (RPSCS), introduced by the Central Bank of the UAE, outlines the rules and conditions for obtaining and maintaining a license for retail payment service providers in the UAE. The RPSCS regulation covers 9 categories of digital payment services for which you can get a PSP license.

02

### Stored value facility (SVF) license – Mainland:

In September 2020, the UAE Central Bank introduced new regulations on Stored Value Facilities. An SVF license is issued by the Central Bank to an applicant for the issuance and operation of Stored Value Facilities (SVF) business, such as e-wallet service provider, in the UAE.

03

### DIFC license – Freezone:

You can obtain a PSP license Dubai in one of the leading financial hubs, the Dubai International Financial Centre (DIFC) Freezone, regulated by the Dubai Financial Services Authority (DFSA). You need to apply to the authority.

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### ADGM license – Freezone:

Abu Dhabi Global Market (ADGM) is a growing financial hub in the MENA region, known for its excellent infrastructure and favourable tax environment. Businesses conducting payment services within ADGM must acquire a PSP license UAE (Category 3C license) from the Financial Services Regulatory Authority (FSRA).

STEPS FOR OBTAINING A

# PSP LICENSE UAE:



- 01 UNDERSTAND THE REGULATORY SCENARIO:**
- 02 CHOOSE A LOCATION FOR YOUR BUSINESS:**
- 03 DEFINE YOUR PAYMENT SERVICES:**
- 04 DECIDE ON THE LICENSE CATEGORY:**
- 05 PREPARE THE NECESSARY DOCUMENTS:**
- 06 APPLICATION REVIEW:**
- 07 LICENSE APPROVAL AND ISSUANCE:**
- 08 ONGOING REGULATORY COMPLIANCE:**

REQUIREMENTS FOR

# PSP LICENSE UAE:

LICENSE IN UAE:

- MINIMUM CAPITAL REQUIREMENTS
- PROOF OF EXPERIENCE AND STAFF FOR PROVIDING DIGITAL PAYMENT SERVICES.
- EFFECTIVE RISK MANAGEMENT PROCEDURES
- ADHERENCE TO ANTI-MONEY LAUNDERING REGULATIONS
- SUBMISSION OF A COMPREHENSIVE BUSINESS PLAN
- STRONG CORPORATE GOVERNANCE STRUCTURE





## NAVIGATE MONEY SERVICE LICENSE IN UAE

# SMOOTHLY WITH DUBIZ!

The cost of obtaining a PSP license UAE can vary depending on the license category and your specific business needs. However, given the growing demand and scope for digital payment solutions in the UAE, the PSP license has become one of the most sought-after licenses. Investing in it can be quite rewarding.

Navigating the legalities and formalities can be complex and confusing. That is where our experts at Dubiz come in. With years of experience in UAE company formation, we make the process seamless for you. From identifying the right license category to handling all paperwork and company registration in UAE, we have got you covered.






## CONTACT US

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