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On 29 April 2019 Finantsinspeksioon withdrew from AS Talveaed its licence to operate as a payment institution and its additional licence because of serious and long-term breaches of legal requirements.

Finantsinspeksioon finds that AS Talveaed is not deserving of the right to operate as a payment institution. The main reason for this is that it has for several years breached its obligations, especially those under the Payments and E-money Institutions Act and the Money Laundering and Terrorist Financing Prevention Act. The totality of the breaches by AS Talveaed is sufficient to damage the stability and the credibility of the financial sector.

“A payment institution that has so seriously violated its statutory obligations and made barely any effort to correct those violations after repeated interventions by Finantsinspeksioon shows disrespect to the entire legal order and threatens the stability and credibility of the financial sector”, said **Kilvar Kessler**, Chair of Finantsinspeksioon. “All parties in the financial sector must abide by the applicable legislation and meet high standards. Those who do not must leave the financial sector”.

Finantsinspeksioon has given Talveaed a number of chances to bring its activities into compliance with the law, and has repeatedly drawn attention to its violations. In November 2017 Finantsinspeksioon fined the payment institution more than 18,000 euros for breaches of the requirements to hold assets that were identified during onsite inspections. Talveaed was found guilty of a misdemeanour when the Supreme Court decided not to accept its cassation application. In January 2018 Finantsinspeksioon imposed a significant restriction on the activities of the payment institution by prohibiting it from making certain transactions with clients who are not themselves residents of the Republic of Estonia or have no resident beneficial owners. Finantsinspeksioon discovered during an onsite inspection in July 2018 that despite the ban, Talveaed had still provided services to customers in a way that it was clearly not allowed to do on at least 49 occasions. The Talveaed business model focused on providing payment services to foreign resident clients who were at higher risk of money laundering and terrorist financing.

Finantsinspeksioon issued the operating licence as a payment institution to AS Talveaed in April 2011. In February 2016 Talveaed received an additional licence for providing services related to payment accounts and payment instruments. In the same year the market share of Talveaed grew very rapidly to 45%.

