

**Deloitte.**



# Deloitte's Internal Audit Insights

**SECOND EDITION**

Payment & Electronic Money Institutions

March 2026

# Internal Audit of **tomorrow**

The payments and electronic money ecosystem is evolving at high speed. New products, instant payments, embedded finance, open banking interfaces and reliance on a network of partners are reshaping how Payment Institutions ("PI") and Electronic Money Institutions ("EMI") operate. At the same time, regulators and supervisors are steadily tightening expectations around Governance, Safeguarding of funds and AML/CFT.

In this environment, a strong and well positioned Internal Audit Function becomes a key element of your overall control framework. It provides an independent view on whether your controls are really working in practice, across the full value chain.

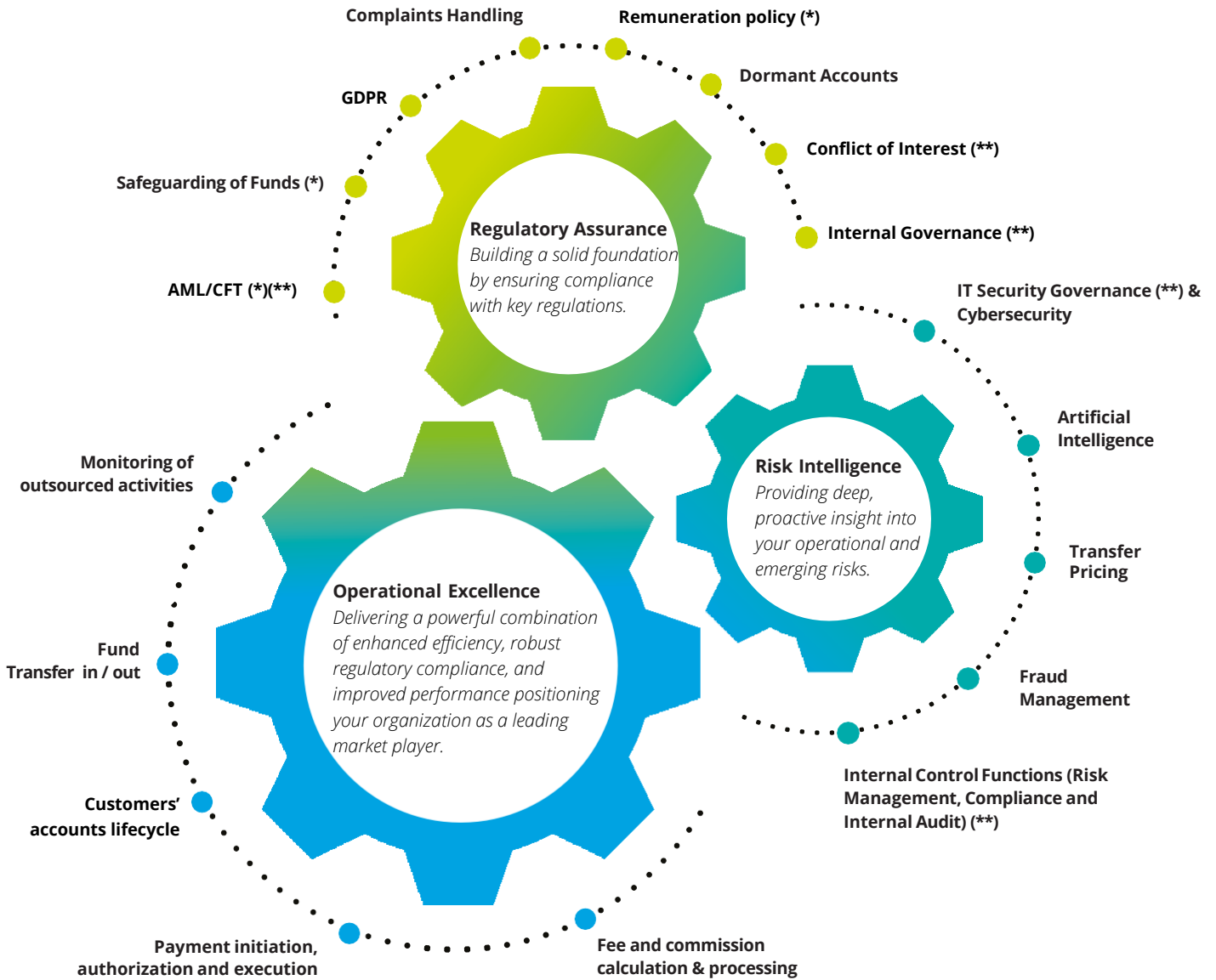
A risk based, forward looking internal audit plan helps PIs and EMIs to anticipate regulatory change, detect weaknesses early and prioritize remediation where it matters most. Beyond meeting formal requirements, Internal Audit can bring specialist insight into payment flows, technology, fraud and third-party dependencies, supporting process optimization and value creation.

In parallel, Internal Audit Functions themselves are undergoing change. The Institute of Internal Auditors ("The IIA") issued the new Global Internal Audit Standards ("2024 Standards"), in effect since January 2025. Internal Audit teams worldwide are adapting their methodology, tools and reporting to these standards, while continuing to provide assurance in an increasingly data driven digital payments landscape.



# As a Payment or Electronic Money Institution, does your Internal Audit Function really address your most significant risks?

Turning regulatory complexity into opportunity with Deloitte Internal Audit Services



## ON-SITE INSPECTIONS AND THEMATIC REVIEWS CONDUCTED BY THE CSSF

In 2024, the CSSF conducted 7 on-site inspections of payment and e-money institutions, focusing on AML/CFT, corporate governance and business model, and IT risks. Key weaknesses included poor IT governance and change management, inadequate internal audit coverage and IT risk assessments, weak logical access controls, and insufficient risk identification and monitoring.

AML/CFT issues included deficient name-screening setups, weak transaction monitoring, poor-quality automated data, and gaps in ongoing due diligence, reporting, and oversight of outsourced AML/CFT activities. Governance weaknesses covered unclear decision-making, insufficient resourcing, and poor oversight of service providers and new products.

The CSSF imposed two AML/CFT-related fines on PI/EMIs (EUR 40,000 and EUR 68,000) and issued an injunction for governance weaknesses, underlining its focus on strong internal governance, IT and security risk management, and effective safeguarding of users' funds.

Source: CSSF Annual Report 2024

(\*) Requires mandatory annual reviews (\*\*) As per CSSF Annual Report 2024, these topics were subject to on-site inspections and thematic reviews by the CSSF

Focus points are best established by Internal Audit Functions based on the PI/EMI's strategy and risk profile. Nevertheless, there are certain key areas which are a must to be considered, as summarised below.

## PAYMENT & ELECTRONIC MONEY INSTITUTIONS



### Current Regulatory Hot Topics

#### **New CSSF Circular 26/906 "Central administration, internal governance and risk management"**

##### **1. Safeguarding of users' funds**

The institution must at all times safeguard all funds received for payment transactions or in exchange for e-money, using frequent reconciliations, strict access and 4-eyes controls, robust contracts (with full responsibility retained), and regular internal-audit review.

##### **2. Internal control functions**

Institutions must have permanent, independent, well-resourced Compliance, Internal Audit and, where needed, Risk Control functions, with clear charters, risk-based plans and regular written reporting, ensuring ongoing risk oversight and transparent dialogue with the board and the CSSF.

##### **3. Conflicts of interest**

Firms must have a comprehensive framework to identify, assess and manage conflicts of interest for staff and governing bodies, ensure segregation of duties and escalation procedures, and subject significant related-party transactions to arm's-length terms and explicit board approval.

##### **4. New product approval**

Any new or materially changed product, service, market or process must follow a formal New Product Approval Process involving business function, Compliance function and Risk Control function to confirm regulatory compliance, fund safeguarding and the impact on risk profile, capital adequacy, profitability and resource readiness, and may only launch after approval by the management body.



### Attention Point *to be reviewed on an annual basis*

**Anti-Money Laundering and Countering the Financing of Terrorism** (as per Article 44 of the CSSF Regulation 12-02, as amended)

**Remuneration Policy** (as per point 2.17 of the CSSF Circular 10/437)

**Safeguarding of Funds** (as per Sub-section 6.2.7.3 of the CSSF Circular 26/906)

**Annual Activity Reports** of the Compliance Function, the Risk Management Function, and the Internal Audit Function as well as the Report on AML are to be submitted to the CSSF

# Contacts



**Jérôme Sosnowski**  
**Partner**  
**Internal Audit & Controls Assurance Leader**  
**IIA Luxembourg Board member**  
Tel: +352 45145 4353  
[jsosnowski@deloitte.lu](mailto:jsosnowski@deloitte.lu)



**Priscille Hosanee**  
**Senior Manager**  
**Internal Audit & Controls Assurance PI & EMI**  
Tel: +352 621587976  
[phosanee@deloitte.lu](mailto:phosanee@deloitte.lu)

The Internal Audit and Controls Assurance Team provides a wide range of services, particularly Internal Audits, but also Assurance Engagements such as ISAE reports, internal control framework assessments and Agreed upon Procedures.

Deloitte's extensive expertise empowers us to deliver added value and the high-quality services our clients need.

## Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte provides leading professional services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets and enable clients to transform and thrive. Building on its 180+-year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 470,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.