Payment and Settlement Systems Regulations, 2008

(As amended upto February 2022)

In exercise of the powers conferred by sub-section (1) read with clauses (b) to (f) of sub-section (2) of Section 38 of the Payment and Settlement Systems Act, 2007 (51 of 2007), the Reserve Bank of India hereby makes the following regulations, namely :-

Chapter I

Preliminary

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1. Short title and commencement :-

(1) These Regulations may be called the Payment and Settlement Systems Regulations, 2008.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions :-

(1) In these regulations, unless, the context otherwise requires :-

(a) 'Act' means the Payment and Settlement Systems Act, 2007 (51 of 2007);

(b) 'Bank' means the Reserve Bank of India constituted by the Reserve Bank of India Act, 1934 (2 of 1934);

(c) 'Authorisation Certificate' means the certificate containing the authorisation issued by the Bank under sub-section (1) of Section 7 of the Act.

(2) All other words and expressions used herein and not defined, but defined in the Act or the Reserve Bank of India Act, 1934 (2 of 1934) shall have the meanings respectively assigned to them in those Acts.

Chapter II

Authorisation of Payment Systems

3. Submission of application for authorisation for commencing or carrying on a payment system :-

(1) Every person desirous of commencing or carrying on a payment system (hereinafter referred to as 'applicant') shall submit an application under sub-section (1) of Section 5 of the Act to the Bank for grant of authorisation under sub-section (1) of section 7 of the Act.

(2) The application under sub-regulation (1) shall be made in Form A addressed to the Chief General Manager of Department of Payment and Settlement Systems at Central Office of the Bank at Mumbai, or to such other office or officer of the Bank as may be specified by it in this behalf.

(3) The application under sub-regulation (1) shall be accompanied by a non-refundable fee of Rs.10,000/- in the form of cash or electronic funds transfer or cheque or payment order or demand draft drawn in favour of the Bank.

4. Grant of authorisation certificate :-

(1) On consideration of the particulars furnished by the applicant, if the Bank is satisfied that the requirements under sub-section (1) of Section 7 of the Act are fulfilled, it may issue an authorisation certificate in Form 'B' to the applicant to commence or carry on a payment system and specify the date on which the authorisation shall take effect.

(2) The Bank, while granting authorisation, may impose such conditions as it may deem fit, and the authorisation so granted shall be in force subject to satisfaction of such conditions.

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(3) The Bank may levy such amount as may be specified by it in the authorisation certificate, towards fees for authorisation to be in force under clause (c) of sub-section (2) of Section 7 of the Act.

(4) Where the Bank considers it necessary for the proper conduct of the payment system, it may require the applicant to furnish a security deposit under clause (d) of sub-section (2) of Section 7 of the Act, of such amount as may be specified by the Bank from time to time.

Chapter III

Payment Instructions and Determination of Standards

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5. Every system participant[1], with respect to the format of payment instructions and other matters specified in clauses (a) to (f) of sub-section (1) of Section 10 of the Act, shall be governed by the regulations, guidelines and instructions, set out in the Schedule, as modified from time to time.

Chapter IV

Furnishing of Returns, Documents and Other Information

6. Submission of returns, documents etc. :-

(1) Every system provider shall be bound to submit to the Bank such returns, documents and other information as may be required by the Bank from time to time.

~~(2)~~ [2]

[1] *The word "system provider" substituted with "system participant" vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*

[2] *Regulation 6 (2) omitted vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*

(2) The returns and documents as required by the Bank under sub-regulation (1) above shall be submitted by the system provider in the form specified by the Bank from time to time.[3]

(3) The returns and documents under sub-regulation (1) shall be submitted by the system provider from its registered office to the office of the Bank (Department of Payment and Settlement Systems, Central Office) situated in Mumbai.[4]

Provided that the Bank may at any time, direct that the returns and documents under sub-regulation (1) be submitted to any other office of the Bank as may be specified.[5]

7. Furnishing of accounts and balance sheets :-

(1) Every system provider shall furnish to the Bank within three months from the date on which its annual accounts are closed and balanced, a copy of its audited balance sheet as on the last date of the relevant year together with a copy of the profit and loss account for the year and a copy of the Auditor's report.

Provided that the Bank may, on an application made by the system provider, extend the said period of three months for furnishing of returns by a further period not exceeding three months.

(2) The system provider shall also publish, a copy of its balance sheet, profit and loss account and Auditor's report submitted to the Bank under sub-regulation (1), in any two leading newspapers, one in English and the other in Hindi, or place a copy of the same on its website within a period of one month from the date of submission of the same to the Bank.

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[3] *Renumbered as Regulation 6 (2) and references to the original sub-regulation 2 removed vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*

[4] *Renumbered as Regulation 6 (3) and references to the original sub-regulation 2 removed vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*

[5] *References to the original sub-regulation 2 removed vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*

Form A
[See regulation 3(2)]

APPLICATION FORM FOR AUTHORISATION TO SET UP PAYMENT SYSTEM

From :
Name and address of registered office / principal place of business of applicant

(By Registered Post AD / Hand Delivery)

To
Chief General Manager
Department of Payment and Settlement Systems
Reserve Bank of India, Central Office
14th Floor, RBI Central Office Building
Shaheed Bhagat Singh Marg
Mumbai –400001

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Dear Sir,

Application for authorisation for setting up a payment system

We hereby submit an application under sub-section (1) of Section 5 of the Payment and Settlement Systems Act, 2007 for authorisation to set up a payment system. The required information and documents have been furnished as per instructions.

We declare that to the best of our knowledge and belief the information furnished in the statements/annexes enclosed are true/correct and complete.

A electronic funds transfer transaction No….. or cheque or payment order or demand draft no: ….. dated for an amount of Rs 10,000 (Rupees Ten Thousand only) as non-refundable application fees is enclosed with the application.

Yours faithfully
Signature:
Name:
Designation:
Company Seal:
Date and Place:
Encl: sheets

APPLICATION FOR AUTHORISATION TO SET UP PAYMENT SYSTEM

PART – A

1. Name of applicant:
2. Constitution of applicant:
   (a) Is the applicant a company or firm or any other entity:
   (b) If the applicant is a company, is it a private limited company or public limited company:
   (c) If the applicant is any other entity please specify the statute under which it is incorporated / established:
3. Address of Registered Office and Principal Offices (if applicant is a company):
4. Principal place of business and address (if applicant is a firm or any other entity):
5. If applicant is a firm, names, nationality and addresses of the partners:
   (Copy of Partnership Deed to be enclosed)
6. Date of incorporation of applicant if it is a company:
7. Date of commencement of business:
8. Memorandum of Articles and Association (to be enclosed)
9. If the applicant is any other entity, name, nationality and address of each of its directors / managers / principal officers:
10. Main business of the applicant company / firm / other entity:
11. Names and addresses of subsidiary companies / associated firms / other associated entities:
12. Management information, if applicant is a company / firm / any other entity:
    (a) Name of Chief Executive:
    (b) Age, Nationality, Qualifications and Experience of Chief Executive:
    (c) Shares held by the Chief Executive and Directors in the applicant company:
13. Name of the statutory auditors and their business address:
    (Attach audited balance sheet, profit & loss statement of applicant for the last three years)

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14. Name and address of bankers of the applicant:
15. Whether the applicant has committed any default in repayment of loan, advance or any credit facility taken from a bank or financial institution; if so please mention full particulars:

    (Attach a bankers' report on the functioning of the applicant account and its financial health in sealed cover(s))
16. Amount of fees deposited along with application:
17. Mode of deposit of fees:

    (Additional information sheets / documents as required may be enclosed)

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PART – B

1. Particulars of Payment System sought to be set up (full details to be furnished) including process flow, technology to be used, security features, inter-operability, etc. (details can be given in a separate note, if required):
2. Expected benefits to the financial system / country from the operationalisation of the payment system sought to be set up:
3. Whether other companies / firms / entities will be associated with the applicant in setting up the payment system:
4. If the answer to query 3 is yes, please furnish full particulars of this association:
5. Previous experience of applicant and associated companies / firms / entities in the payment systems area:
6. Type of payment system proposed to be set up, i.e., whether electronic fund transfer or payment card based / internet based / mobile phone based:
7. Whether the payment system will cover a particular region or the whole country:
8. Does the proposed payment system seek to address the needs of any particular social / economic segment/s of the population:
9. Method of settlement of payment claims, namely, whether gross, net or a hybrid method combining both gross and net methods:

10. Name of the settlement agent for the payment system sought to be set up:
11. Whether the applicant or settlement agent will act as a central counterparty to provide guaranteed / secured settlement:
12. On which day will be the account credited / funds made available to the beneficiary:
13. What will be the risks in operating the payment system sought to be set up and how does the applicant propose to mitigate them:
14. Mention the customer grievances redressal machinery proposed for the payment system sought to be set up:
15. The time proposed to be taken to dispose customer complaints: (Additional information sheets / documents as required may be enclosed)

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PART - C

1. Amount of finance required for executing payment system project:
2. Sources of finances for executing the payment system project:
   (a) Amount of own capital proposed to be deployed:
   (b) Amount of borrowings expected from banks:
   (c) Amount of borrowing expected from sources other than banks: (Sources may be mentioned)
3. Rate of return on investment expected from the payment system sought to be set up:
4. How does the applicant propose to recover its investment and earn an income, that is, whether through cash flows or by levying joining fees, security fees, annual / operating charges etc. (Please give full details):
   (Additional information sheets / documents as required may be enclosed)

PART - D

Any other information the applicant wishes to furnish:

Form B

[See regulation 4(1)]
(Section 7(2))

RESERVE BANK OF INDIA
DEPARTMENT OF PAYMENT AND SETTLEMENT SYSTEMS
CENTRAL OFFICE
MUMBAI

(RBI Seal)

CERTIFICATE OF AUTHORISATION

No:

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In exercise of the powers conferred on the Reserve Bank of India by Section 7 of the Payment and Settlement Systems Act, 2007,

……

is hereby granted

Certificate of Authorisation

To commence /operate *a payment system / *a payment system for……#, with effect from……..,subject to compliance with the terms and conditions given on the reverse of this Certificate.

Given under my hand

At Mumbai on this……day of 20

.

Signature

( ) RBI Seal

Chief General Manager

* Strike off whichever is not applicable
# specify the payment system

Terms and Conditions*

1. The Certificate of Authorisation or a certified copy thereof shall be displayed at the main premises of the Payment System Provider and its other offices.
2. The Payment System Provider shall adhere to the provisions of the Payment and Settlement Systems Act, 2007, regulations issued thereunder and the directions / guidelines issued by the Reserve Bank of India.
3. A sum of Rs ……(Rupees……only) is deposited as authorisation fees with the Reserve Bank of India.
4. A sum of Rs ……(Rupees ……only) is deposited as security deposit with the Reserve Bank of India
5. Any other condition as may be specified.

**Strike off whichever is not applicable*

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Schedule

[See regulation 5]

1. Uniform Regulations and Rules for Bankers' Clearing Houses
2. Procedural Guidelines on Mechanised Cheque Processing Using MICR Technology
3. [6]
4. [7]
5. Procedural Guidelines on National Electronic Funds Transfer System
6. [8]
7. RTGS System Regulations, 2013
8. Procedural Guidelines for Cheque Truncation System (CTS) (Version 1.1)
9. Bye Laws, Rules and Regulations of the Clearing Corporation of India Limited
10. Such other instructions as may be specified by the Bank from time to time

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[6] *Deleted vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*
[7] *Deleted vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*
[8] *Deleted vide Gazette Notification No. CG-MH-E-17022022-233551 dated February 16, 2022.*

Registered No.DL (N)-04/0007/2003-05
The Gazette of India
Weekly
PUBLISHED BY AUTHORITY
No. 36] New Delhi, Saturday, September 3-September 9, 2011(Bhadra 12, 1933)
Part III – Section 4
(Miscellaneous Notification including Notifications, Orders, Advertisements and Notices issued by Statutory Bodies)

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RESERVE BANK OF INDIA

Mumbai, the 12th July 2011

Notification No. DPSS. CHD No. /75/04.07.01/2011-12

Payment and Settlement Systems (Amendment) Regulations, 2011

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In exercise of the powers conferred by sub-section (1) read with clauses (b) to (f) of subsection (2) of Section 38 of the Payment and Settlement Systems Act, 2007 (51 of 2007), the Reserve Bank of India hereby makes the following amendment to the Payment and Settlement Systems Regulations, 2008 namely:-

1. Short Title & Commencement:-

(i) These Regulations may be called the Payment and Settlement Systems (Amendment) Regulations, 2011

(ii) They shall come into force on the date of their publication in the Official Gazette.

2. Amendment –

In the Payment and Settlement Systems Regulations, 2008, under Regulation 5, in the Schedule, for Item No. 9, the following shall be substituted, namely:-

"9. Procedural Guidelines for Cheque Truncation System (CTS) approved by the Bank for the concerned system provider"

Sd/=
(G. Padmanabhan)
Executive Director

RESERVE BANK OF INDIA
Mumbai, the 17th January 2017

Payment and Settlement Systems (Amendment) Regulations, 2017

Notification No. DPSS (CO) RTGS No. 1866/04.04.016/2016-17—In exercise of the powers conferred by sub- section (1) read with clauses (b) to (f) of subsection (2) of Section 38 of the Payment and Settlement Systems Act, 2007 (51 of 2007), the Reserve Bank of India hereby makes the following amendment to the Payment and Settlement Systems Regulations, 2008 and Amended in 2011 namely:-

1. Short Title & Commencement:-

   (i) These Regulations may be called the Payment and Settlement Systems (Amendment) Regulations, 2017

   (ii) They shall come into force on the date of their publication in the Official Gazette.

2. Amendment –

   In the Payment and Settlement Systems Regulations, 2008, in Schedule,

   (i) for Item Nos. 7 and 8, the following shall be substituted, namely:-
   "7. RTGS System Regulations 2013"

   (ii) after substitution, the existing serial no '9' shall be re-numbered as '8' and the existing serial no '10' shall be re-numbered as '9' and so on.

Sd/=

(Chandan Sinha)
Executive Director

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रजिस्ट्री सं. डी.एल.- 33004/99 REGD. No. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

सी.जी.-एम.एच.-अ.-17022022-233551
CG-MH-E-17022022-233551

असाधारण
EXTRAORDINARY
भाग III—खण्ड 4
PART III—Section 4
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 94] नई दिल्ली, बुधवार, फरवरी 16, 2022/माघ 27, 1943
No. 94] NEW DELHI, WEDNESDAY, FEBRUARY 16, 2022/MAGHA 27, 1943

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भारतीय रिजर्व बैंक

(भुगतान और निपटान प्रणाली विभाग)

(केन्द्रीय कार्यालय)

अधिसूचना

मुंबई, 10 फ़रवरी, 2022

भुगतान और निपटान प्रणाली (संशोधन) विनियमावली, 2022

अधिसूचना सं. सीओ. डीपीएसएस. ओवरसाइट. सं. S1417/06.08.001/2021-22.—भुगतान और निपटान प्रणाली अधिनियम, 2007 (2007 का 51) की धारा 38 की उप-धारा (2) के खंड (बी) से (एफ) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, भारतीय रिज़र्व बैंक एतद्वारा भुगतान और निपटान प्रणाली विनियमावली, 2008 में निम्नलिखित संशोधन करता है, अर्थात्-

1. संक्षिप्त शीर्षक और प्रारंभ

(i) यह विनियमावली भुगतान और निपटान प्रणाली (संशोधन) विनियमावली, 2022 कहलाएगी।

(ii) यह विनियमावली सरकारी राजपत्र में उसके प्रकाशन की तारीख से लागू होगी ।

2. संशोधन

भुगतान और निपटान प्रणाली विनियमावली, 2008 में,

(i) विनियम 5 में, "प्रणाली प्रदाता" शब्द को "प्रणाली सहभागी" शब्द से प्रतिस्थापित किया जाएगा।

(ii) विनियम 6 में,

(ए) उप-विनियम (2) को हटाया जाएगा;

(बी) उप-विनियम (3) को उप-विनियम (2) के रूप में पुनर्क्रमांकित किया जाएगा और उसे निम्नलिखित द्वारा प्रतिस्थापित किया जाएगा, अर्थात्,

"उपर्युक्त उप-विनियम (1) के तहत बैंक द्वारा अपेक्षित विवरणियां और दस्तावेज प्रणाली प्रदाता द्वारा समय-समय पर बैंक द्वारा निर्दिष्ट प्रपत्र में प्रस्तुत किए जाएंगे।"

(सी) उप-विनियम (4) को उप-विनियम (3) के रूप में पुनर्क्रमांकित किया जाएगा और उसे निम्नलिखित द्वारा प्रतिस्थापित किया जाएगा, अर्थात्,

"उप-विनियम (1) के तहत विवरणियां और दस्तावेज प्रणाली प्रदाता द्वारा अपने पंजीकृत कार्यालय से बैंक के मुंबई में स्थित कार्यालय (भुगतान और निपटान प्रणाली विभाग, केंद्रीय कार्यालय) में प्रस्तुत किए जाएंगे ।"

बशर्ते कि बैंक किसी भी यह समय यह निर्देश दे सकता है कि उप-विनियम (1) के तहत विवरणियां और दस्तावेज बैंक द्वारा विनिर्दिष्ट बैंक के किसी अन्य कार्यालय में प्रस्तुत किए जाएं।

(iii) अनुसूची में, मद संख्या 3, 4 और 6 को हटा दिया जाएगा ।

पी. वासुदेवन, मुख्य महाप्रबंधक

[विज्ञापन-III/4/असा./649/2021-22]

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RESERVE BANK OF INDIA

(Department of Payment and Settlement Systems)

(CENTRAL OFFICE)

NOTIFICATION

Mumbai, the 10th February 2022

Payment and Settlement Systems (Amendment) Regulations, 2022

Notification No. CO. DPSS. Ovrst. No. S1417/06.08.001/2021-22.—In exercise of the powers conferred by sub-section (1) read with clauses (b) to (f) of sub-section (2) of Section 38 of the Payment and Settlement Systems Act, 2007 (51 of 2007), the Reserve Bank of India hereby makes the following amendment to the Payment and Settlement Systems Regulations, 2008 namely –

1. Short Title & Commencement

(i) These Regulations may be called the Payment and Settlement Systems (Amendment) Regulations, 2022.

(ii) They shall come into force on the date of their publication in the Official Gazette.

2. Amendments

In the Payment and Settlement Systems Regulations, 2008,

(i) In Regulation 5, the word "system provider" shall be substituted with "system participant".

(ii) In Regulation 6,

(a) Sub-regulation (2) shall be omitted;

(b) Sub- regulation (3) shall be renumbered as sub-regulation (2) and substituted with the following, namely,

"The returns and documents as required by the Bank under sub- regulation (1) above shall be submitted by the system provider in the form specified by the Bank from time to time."

(c) Sub- regulation (4) shall be renumbered as sub-regulation (3) and substituted with the following, namely,

"The returns and documents under sub-regulation (1) shall be submitted by the system provider from its registered office to the office of the Bank (Department of Payment and Settlement Systems, Central Office) situated in Mumbai."

Provided that the Bank may at any time, direct that the returns and documents under sub- regulation (1) be submitted to any other office of the Bank as may be specified.

(iii) In Schedule, Items numbers 3, 4 and 6 shall be deleted.

P. VASUDEVAN, Chief General Manager

[ADVT.-III/4/Exty./649/2021-22]

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Uploaded by Dte. of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054.

SURENDER MAHADASAM digitally signed by SURENDER MAHADASAM