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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

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MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 13*th May,* 2015/*Vaisakha* 23, 1937 (*Saka*)

The following Act of Parliament received the assent of the President on the 13th May, 2015, and is hereby published for general information:—

THE PAYMENT AND SETTLEMENT SYSTEMS (AMENDMENT) ACT, 2015

No. 18 of 2015

[13*th May*, 2015.]

An Act to amend the Payment and Settlement Systems Act, 2007.

Be it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. (*1*) This Act may be called the Payment and Settlement Systems (Amendment) Act, 2015. Short title and commencement.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act, and any reference to the commencement in any such provision of this Act shall be construed as a reference to the commencement of that provision.

Amendment of section 2.

2. In section 2 of the Payment and Settlement Systems Act, 2007 (hereinafter referred to as the principal Act),— 51 of 2007.

(*i*) after clause (*d*), the following clauses shall be inserted, namely:—

'(*da*) "issuer" means a person who issues a legal entity identifier or such other unique identification (by whatever name called), as may be specified by the Reserve Bank from time to time;

(*db*) "legal entity identifier" means a unique identity code assigned to a person by an issuer for the purpose of identifying that person in such derivatives or financial transactions, as may be specified by the Reserve Bank from time to time;';

(*ii*) after clause (*q*), the following clause shall be inserted, namely:—

'(*r*) "trade repository" means a person who is engaged in the business of collecting, collating, storing, maintaining, processing or disseminating electronic records or data relating to such derivatives or financial transactions, as may be specified by the Reserve Bank from time to time.'.

Amendment of section 23.

3. In section 23 of the principal Act,—

(*i*) in sub-section (*1*), after the words "to a payment system" occurring at the end, the words and figure "under section 7, or, such gross or netting procedure as may be approved by it under any other provisions of this Act" shall be inserted;

(*ii*) for sub-section (*4*), the following sub-section shall be substituted, namely:—

"(*4*) Where, by an order of a court, Tribunal or authority—

(*a*) a system participant is declared as insolvent or is dissolved or wound up; or

(*b*) a liquidator or receiver or assignee (by whatever name called), whether provisional or otherwise, is appointed in a proceeding relating to insolvency or dissolution or winding up of a system participant,

then, notwithstanding anything contained in the Banking Regulation Act,1949 or the Companies Act,1956 or the Companies Act, 2013 or any other law for the time being in force, such order shall not affect any settlement that has become final and irrevocable prior to such order or immediately thereafter, and the right of the system provider to appropriate any collaterals contributed by the system participants towards its settlement or other obligations in accordance with the rules, regulations or bye-laws relating to such system provider."; 10 of 1949. 1 of 1956. 18 of 2013.

(*iii*) after sub-section (*4*), the following sub-sections shall be inserted, namely:—

"(*5*) Where an order referred to in sub-section (*4*) is made with respect to a central counter party, then, notwithstanding such order or anything contained in the Banking Regulation Act,1949 or the Companies Act,1956 or the Companies Act, 2013 or any other law for the time being in force, the payment obligations and settlement instructions between the central counter party and the system participants including those arising from transactions admitted for settlement at a future date, shall be determined forthwith by such central counter party in accordance with the gross or netting procedure, as the case may be, approved by the Reserve Bank, while issuing authorisation or under any other provisions of this Act, and such determination shall be final and irrevocable. 10 of 1949. 1 of 1956. 18 of 2013.

(*6*) Notwithstanding anything contained in the Banking Regulation Act,1949 or the Companies Act, 1956 or the Companies Act, 2013 or any other law for the time being in force, the liquidator or receiver or assignee (by whatever name called) of the central counter party, whether appointed as provisional or otherwise, shall— 10 of 1949. 1 of 1956. 18 of 2013.

(*a*) not re-open any determination that has become final and irrevocable;

(*b*) after appropriating in accordance with the rules, regulations or bye-laws of the central counter party, the collaterals provided by the system participants towards their settlement or other obligations, return the collaterals held in excess to the system participants concerned.";

(*iv*) the existing *Explanation* shall be numbered as *Explanation* 1 thereof and after *Explanation* 1, as so numbered, the following *Explanation* shall be inserted, namely:—

'*Explanation* 2.—For the purposes of this section, the expression "central counter party" means a system provider who by way of novation interposes between system participants in the transactions admitted for settlement, thereby becoming the buyer to every seller and the seller to every buyer, for the purpose of effecting settlement of their transactions.'.

Insertion of new section 23A.

4. After section 23 of the principal Act, the following section shall be inserted, namely:—

Protection of funds collected from customers.

'23A. (*1*) The Reserve Bank may, in public interest or in the interest of the customers of designated payment systems or to prevent the affairs of such designated payment system from being conducted in a manner prejudicial to the interests of its customers, require system provider of such payment system to—

(*a*) deposit and keep deposited in a separate account or accounts held in a scheduled commercial bank; or

(*b*) maintain liquid assets in such manner and form as it may specify from time to time,

of an amount equal to such percentage of the amounts collected by the system provider of designated payment system from its customers and remaining outstanding, as may be specified by the Reserve Bank from time to time:

Provided that the Reserve Bank may specify different percentages and the manner and forms for different categories of designated payment systems.

(*2*) The balance held in the account or accounts, referred to in sub-section (*1*), shall not be utilised for any purpose other than for discharging the liabilities arising on account of the usage of the payment service by the customers or for repaying to the customers or for such other purpose as may be specified by the Reserve Bank from time to time.

10 of 1949.
1 of 1956.
18 of 2013.

(*3*) Notwithstanding anything contained in the Banking Regulation Act, 1949 or the Companies Act, 1956 or the Companies Act, 2013 or any other law for the time being in force, the persons entitled to receive payment under sub-section (*2*) shall have a first and paramount charge on the balance held in that account and the liquidator or receiver or assignee (by whatever name called) of the system provider of the designated payment system or the scheduled commercial bank concerned, whether appointed as provisional or otherwise, shall not utilise the said balances for any other purposes until all such persons are paid in full or adequate provision is made therefor.

Explanation.—For the purposes of this section, the expressions—

(*a*) "designated payment system" shall mean a payment system or a class of payment system, as may be specified by the Reserve Bank from time to time, engaged in collection of funds from their customers for rendering payment service;

(*b*) "scheduled commercial bank" shall mean a "banking company", "corresponding new bank", "State Bank of India" and "subsidiary bank" as defined in section 5 of the Banking Regulation Act, 1949 and included in the Second Schedule to the Reserve Bank of India Act,1934.'.

10 of 1949.
1 of 1934.

Insertion of new section 34A.

5. After section 34 of the principal Act, the following section shall be inserted, namely:—

Act to apply to designated trade repository and issuer.

'34A. (*1*) The provisions of this Act shall apply to, or in relation to, a designated trade repository or issuer, as they apply to, or in relation to, payment systems to the extent applicable, subject to the modification that, throughout this Act, unless the context otherwise requires,—

(*a*) references to a "payment system" or "system provider" shall be construed as references to a "designated trade repository" or "issuer", as the case may be;

(*b*) references to "commencement of this Act" shall be construed with reference to—

(*i*) a designated trade repository, as references to the date on which a trade repository is specified by the Reserve Bank as a designated trade repository; and

(*ii*) an issuer, as references to commencement of the Payment and Settlement Systems (Amendment) Act, 2015.

(*2*) The Reserve Bank may, on an application by a designated trade repository or otherwise, permit or direct the designated trade repository to provide such other services as are deemed necessary from time to time.

Explanation.—For the purposes of this section, the expression "designated trade repository" shall mean a trade repository or a class of trade repositories, as may be specified by the Reserve Bank from time to time.'.

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DR. SANJAY SINGH,
Secretary to the Govt. of India.

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