

**THE NATIONAL PAYMENT SYSTEM ACT, 2026**

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GOVERNMENT OF ZAMBIA

**ACT**

No. 5 of 2026

Date of Assent: 31st March, 2026

**An Act to provide for licensing, designation and authorisation of payment service providers; provide for the incorporation of standards, principles and concepts of corporate governance in institutional systems and structures of payment service providers; provide for sound business practices, consumer protection mechanisms and market conduct in the provision of payment services; provide for the regulation and operation of the payment system, clearing systems and settlement systems for purposes of promoting efficiency, stability and safety of the National Payment System; provide for corporate restructuring transactions involving payment service providers for purposes of ensuring the operational continuity of the payment system; provide for rules, procedures and supervisory action for payment service providers on winding-up, insolvency or receivership; repeal and replace the National Payment Systems Act, Cap. 359; and provide for matters connected with, or incidental to, the foregoing.**

**[8th April, 2026**

ENACTED by the Parliament of Zambia.

Enactment

PART I

PRELIMINARY PROVISIONS

**1.** This Act may be cited as the National Payment System Act, 2026, and shall come into operation on the date appointed by the Minister, by statutory instrument.

Short title  
and  
Commence-  
ment

Interpretation	<p>2. (1) In this Act, unless the context otherwise requires—</p> <p>“aggregation collection account” means a bank account or electronic wallet maintained by a payment service provider for the purposes of receiving funds for the payment of goods and services from a customer or an agent of an issuer of the funds, for onward transfer to a merchant;</p> <p>“associate” in relation to a person means—</p> <p>(a) a company in which a person is a manager or director;</p> <p>(b) a person that beneficially owns shares in the same company;</p> <p>(c) a third person that owns or exercises, or is capable of exercising, directly or indirectly, significant control over a company or person referred to in paragraph (a) or (b);</p> <p>(d) persons that are in a partnership;</p> <p>(e) persons that are both members of a voting trust or other arrangement relating to shares; or</p> <p>(f) a spouse, parent, child, brother or sister of that person, or of that person’s spouse’s parent, child, brother or sister;</p> <p>“authorised payment system business” means a business authorised to provide a payment service under section 26;</p> <p>“bail-in” means writing down or converting into equity claims of shareholders and unsecured creditors of a payment service provider in possession, without the consent of the shareholders and unsecured creditors, to the extent necessary to absorb losses;</p>
Cap. 1	<p>“Bank” means the Bank of Zambia established under the Constitution;</p>
Act No. 9 of 2026	<p>“bank” has the meaning assigned to the word in the Banking and Financial Services Act, 2026;</p> <p>“banker” includes a corporate or unincorporate body that carries on the business of banking;</p>
Cap. 388	<p>“beneficial owner” has the meaning assigned to the words in the Companies Act;</p> <p>“board” means the board of a payment service provider;</p>

- “bridge institution” means an entity established by the Bank to temporarily take over and maintain certain assets, liabilities and operations of a payment service provider in possession as part of the resolution process;
- “capital restoration plan” means a plan submitted to the Bank by an undercapitalised payment service provider stating the manner in which the undercapitalised payment service provider may be restored to the prescribed capital level;
- “cheque” means a written order from a drawer to a drawee requiring the drawee to pay a specified amount on demand to the drawer or a third party specified by the drawer;
- “clearing” means a process of exchanging, transmitting, reconciling and confirming payment or transfer instructions prior to settlement, and includes netting of payment instructions and determination of a position for settlement;
- “close-out” means a process of terminating and settling outstanding obligations under a contract after a default or early termination event;
- “collateral” means an asset or third party commitment which is accepted by a settlement agent for purposes of securing a settlement obligation;
- “collection account” means an account maintained by a payment service provider for purposes of receiving funds, for onward transfer to a holding account, from a customer or agent in exchange for electronic money;
- “computer” has the meaning assigned to the word in the Electronic Communications and Transactions Act, 2021; Act No. 4 of 2021
- “computer data” has the meaning assigned to the words in the Cyber Security Act, 2025; Act No. 3 of 2025
- “computer system” has the meaning assigned to the words in the Cyber Security Act, 2025; Act No. 3 of 2025
- “concerted practice” has the meaning assigned to the words in the Competition and Consumer Protection Act; Cap. 417
- “consumer” means a person who accesses or uses, has accessed or used or intends to access or use, a payment service and is—
- (a) a natural person;

(b) a group of natural persons, including a partnership, club, charity, trust or other unincorporated body; or

(c) an incorporated body categorised as a micro, small and medium enterprise;

Cap. 388

“corporate” has the meaning assigned to the word in the Companies Act;

“corporate governance charter” means a document outlining the processes and structures used to direct and manage the business and affairs of a payment service provider for purposes of ensuring the safety, integrity and enhancement of shareholder value in the payment service provider;

“corporate restructuring transaction” means a merger, takeover, amalgamation, reconstruction or acquisition where an entity, directly or indirectly, acquires or establishes control over the whole, or part, of a business of a payment service provider or where two or more payment service providers and another entity agree to adopt an arrangement for common ownership or control over the whole or part of the business of a payment service provider, and includes an arrangement for common ownership or control of the business of a payment service provider by an entity outside the Republic which affects the business of the payment service provider in the Republic;

Act No. 3 of 2025

“critical information” has the meaning assigned to the words in the Cyber Security Act, 2025;

“customer” means a person who accesses or uses, has accessed or used or intends to access or use, a payment service or product;

“customer funds account” means a bank account held in trust by a licensed, authorised or designated payment system business providing a money transfer service, in which the licensed, authorised or designated payment system business, keeps all customer funds which are not redeemed by an intended beneficiary within forty-eight hours of receipt of the funds by—

(a) the licensed, authorised or designated payment system business; or

(b) an agent of the licensed, authorised or designated payment system business;

“cyber security incident” has the meaning assigned to the words in the Cyber Security Act, 2025;

Act No. 3 of  
2025

“Deputy Registrar” means a person appointed as Deputy Registrar under section 7;

“designate” means to appoint, assign, or recognise a person, as a payment service provider, that is not licensed or authorised as a payment service provider under this Act and the words “designated”, “designating” and “designation” shall be construed accordingly;

“designated payment service provider” means a payment service provider designated by the Bank under section 29;

“electronic money” means any monetary value representing a liability for an electronic money institution, which is—

(a) stored on an electronic device;

(b) issued on receipt of funds of an amount equivalent to the monetary value;

(c) accepted as a means of payment by a person other than the electronic money institution; and

(d) considered as value for which an equivalent deposit is held in a holding account with a financial service provider;

“electronic money institution” means a person that is licensed, designated or authorised by the Bank to issue electronic money under this Act;

“electronic money service” means the issuance of electronic money on receipt of funds equivalent to the value of the electronic money;

“electronic wallet” means an electronic ledger for an electronic wallet holder;

“electronic wallet holder” means a person who holds an electronic money account with an electronic money institution;

“eligible contract” means a financial contract that is applied in insolvency or resolution frameworks for purposes of preserving financial stability and legal certainty and includes—

- (a) derivative agreements;
- (b) margin loans related to securities or futures accounts;
- (c) master agreements; or
- (d) collateral agreements;

“failure-to-settle” means the inability of a payment system participant to discharge a settlement obligation on the date, hour and minute specified in a settlement arrangement;

“failure-to-settle arrangement” means measures agreed, in writing, by payment system participants on the manner in which a failure-to settle may be managed;

“financial innovation” means a technological advance, development or improvement which facilitates access to information, trading and modes of payment including, the emergence of new payment and financial instruments and services, forms of organisation and production processes;

Act No. 9 of  
2026

“financial institution” has the meaning assigned to the words in the Banking and Financial Services Act, 2026;

“financial market infrastructure” means a multilateral system among participating institutions, including the operator of the multilateral system, used for the purposes of clearing, settling, or recording payments, securities, derivatives or other financial transactions;

Act No. 9 of  
2026

“financial service” has the meaning assigned to the words in the Banking and Financial Services Act, 2026;

“financial system” means an institutional unit and market that interacts in a complex manner for the purposes of mobilising funds for investment and providing facilities including, a payment system for the financing of a commercial activity;

Cap. 388

“foreign company” has the meaning assigned to the words in the Companies Act;

“holding account” means an account held in trust by an electronic money institution, other than a bank or financial institution, in a bank or financial institution approved by the Bank, in which the electronic money institution holds funds received from customers and agents, which account represents outstanding electronic money liabilities;

Cap. 417

“horizontal agreement” has the meaning assigned to the words in the Competition and Consumer Protection Act;

- 
- “initial capital” means capital, as the Bank may determine, in form of money or assets required to commence a business as a payment service provider;
- “insolvency” has the meaning assigned to the word in the Corporate Insolvency Act; Cap. 431
- “insufficiently funded account” means an account which has inadequate funds, or no funds, to meet the value of a cheque or direct debit instruction presented on that account;
- “irrevocable” means, in relation to a payment instruction or settlement instruction, a payment or settlement that is not reversable by a payer, paying bank or any other person;
- “legal practitioner” has the meaning assigned to the word “practitioner” in the Legal Practitioners Act; Cap. 30
- “legally disqualified” means the absence of legal capacity as provided under section 4 of the Mental Health Act; Cap. 305
- “licensee” means a person issued with a licence under this Act;
- “material interest” means an interest in an entity where a director or senior officer owns, directly or indirectly, more than ten percent of any class of voting shares or is a director, senior officer, proprietor or partner in the entity;
- “material relationship” means a personal, familial or business affiliation between associated persons or a transaction that relates to, or is connected with, the wealth, business or family interests of a director or senior officer;
- “merchant” means a person that accepts an electronic payment for goods or services;
- “minimum capital” means capital that is required to be held by a payment service provider in form of initial capital and continuing capital;
- “money laundering” has the meaning assigned to the words in the Prohibition and Prevention of Money Laundering Act; Cap. 99
- “money transfer service” means a service where funds are received from a sender in the form of cash, a monetary instrument or any other form for the purposes of transferring a corresponding amount to a beneficiary through an intermediary or a third party;

- “National Payment System” means the National Payment System referred to under section 8;
- “netting” means the offsetting of mutual obligations among payment system participants;
- “netting arrangement” means an agreement within a payment system that provides for the netting of a present or future payment obligation against a present or future right to receive payment;
- “official business premises” means a payment service provider’s business premises approved by the Bank;
- “payment aggregation service” means a service that facilitates an intermediary collection of funds from a customer for the payment of goods or services through an electronic payment medium;
- “payment channel” means a method by which a customer may make a payment or receive a payment;
- “payment instruction” means an instruction to transfer funds or make a payment;
- “payment service” means a payment service listed under section 10;
- “payment service provider” means a corporate that is licensed, authorised or designated to provide a payment service under this Act;
- “payment service provider in possession” means a payment service provider that is under the possession of the Bank under section 92;
- “payment system” means a set of instruments, procedures and rules for the transfer of funds between payment system participants;
- “payment system business” means a person that is licensed, authorised or designated to provide a money transfer service, issue electronic money or any other business that the Bank may determine;
- “payment system operator” means a person that is licensed, authorised or designated to operate a payment system under this Act;

- “payment system participant” means a person that is licensed, authorised or designated to participate in a payment system under this Act;
- “person with disability” has the meaning assigned to the words in the Persons with Disabilities Act; Cap. 65
- “possession manager” means the person appointed as possession manager of a payment service provider in possession under section 94;
- “principle of proportionality” means a principle applied by the Bank for purposes of customising rules, regulations or supervisory practices to correspond to the nature, scale and complexity of a payment service provider;
- “proliferation financing” has the meaning assigned to the words in the Anti-Terrorism and Non-Proliferation Act; Cap. 128
- “purchase and assumption transaction” means a resolution method in which a payment service provider that is not distressed or a group of investors assume part, or all, of the obligations and purchase part, or all, of the assets of a payment service provider in possession;
- “Registrar” means a person appointed as Registrar under section 7;
- “Registrar of Companies” means a person appointed as Registrar in accordance with the Patents and Companies Registration Agency Act, 2020; Act No. 4 of 2020
- “Registrar of Lands and Deeds” means a person appointed as a Registrar in accordance with the Lands and Deeds Registry Act; Cap. 185
- “regulated entity” means a person licensed, authorised or designated to provide a payment service under this Act, a financial service provider licensed under the Banking and Financial Services Act, 2026 or a credit reporting agency licensed under the Credit Reporting Act; Act No. 9 of 2026  
Cap. 411
- “regulatory statement” means a bulletin, circular, directive, guideline, rule or an order issued by the Bank for the effective implementation of this Act and regulations issued under this Act;
- “representative office” means a company in the Republic incorporated by, or representing, a foreign payment service provider;

“resolution option” means a measure that the Bank may take to resolve a payment service provider in possession;

“resolution power” means authority of the Bank to resolve a payment service provider in possession;

“senior management” means persons who are responsible for the day-to-day management of a payment service provider and are accountable to the board;

“senior officer” means a person employed by a payment service provider who is responsible for—

(a) the day-to-day administration of the payment service provider;

(b) finance;

(c) compliance;

(d) operations;

(e) information technology; or

(f) any other function as may be determined by the Bank;

“service charge” means a fee levied by a payment service provider for a product or service provided to a customer of the payment service provider;

“settlement” means the discharging of obligations by the transfer of funds or securities between two or more parties;

“settlement agent” means an entity that manages a settlement process for a payment system or any other arrangement that requires settlement;

“settlement arrangement” means an arrangement for facilitating a settlement;

“settlement obligation” means an amount due to be settled after clearing a payment or security;

“settlement system” means a system used to facilitate a settlement;

“settlement system participant” means an entity that has been authorised or designated by the Bank to participate in a settlement system;

“significant shareholder” means a person with a direct or indirect shareholding or beneficial interest of ten percent or more of the share capital of a payment service provider;

- “special resolution” has the meaning assigned to the words in the Companies Act; Cap. 388
- “systemic risk” means a risk where failure of one or more payment system participants to meet their payment obligations or settlement obligations in the payment system results in the inability of the other payment system participants to meet their respective payment obligations or settlement obligations;
- “terrorism financing” has the meaning assigned to the words in the Anti-Terrorism and Non-Proliferation Act; Cap. 128
- “unconscionable” means conduct of price gouging, selling of goods and services of unacceptable low quality and other unfair business practice that defies good conscience and is harsh and oppressive to a customer;
- “unfair business practice” means a business practice—
- (a) that is likely to mislead a customer in making a decision;
  - (b) that compromises the standard of honesty and good faith which a payment service provider can reasonably be expected to meet;
  - (c) which is unconscionable; or
  - (d) which exerts force on a customer by use of harassment or coercion, thereby distorting, or likely to distort, a decision of the customer to access a payment service;
- “unsafe or unsound practice” means—
- (a) conducting the affairs of a payment service provider in a manner that is—
    - (i) detrimental to the stability and safety of the National Payment System;
    - (ii) prejudicial to the interest of the payment service provider; or
    - (iii) in contravention of this Act or any other relevant written law;
  - (b) holding, with a settlement agent, an inadequate amount of collateral;
  - (c) maintaining continuing capital below the determined minimum; or
  - (d) any other practice that the Bank may determine;
- and



(ii) payment channel is no longer functioning in a cost-effective and efficient manner; and

(f) adopt measures to support regional integration and convergence of payment systems.

**6.** (1) The Bank may, on terms and conditions as the Bank may determine, delegate any of its functions under this Act to an agent. Delegation to agent

(2) A delegation made under subsection (1) shall not prevent the Bank from performing the functions so delegated.

**7.** (1) The Bank shall appoint, in writing, suitably qualified persons who are officers of the Bank, as Registrar and Deputy Registrar on terms and conditions as the Bank may determine. Appointment of Registrar and Deputy Registrar

(2) The Registrar shall be responsible for—

(a) the licensing, authorisation or designation of payment service providers under this Act; and

(b) any other functions as the Bank may delegate.

(3) The Registrar may, subject to the other provisions of this Act and to the general or special direction of the Bank, delegate in writing, any of the Registrar's functions to the Deputy Registrar.

### PART III

#### THE NATIONAL PAYMENT SYSTEM

**8.** (1) There shall be the National Payment System for purposes of regulation and supervision by the Bank of payment systems in accordance with the Bank of Zambia Act, 2022. National Payment System Act No. 5 of 2022

(2) The National Payment System referred to under subsection (1) shall include systems, instruments, mechanisms, institutions, agreements, procedures and rules of individual payment channels that are used for the—

(a) transfer of funds; and

(b) final settlement of obligations arising from value transactions between payment system participants.

**9.** The Bank shall, in regulating and supervising payment systems under section 8, participate in the National Payment System and— Participation of Bank in National Payment System

(a) establish, own or operate a payment system, clearing system or settlement system;

- (b) provide a payment service, clearing service or settlement service;
- (c) be a participant in a payment system, clearing system or settlement system; and
- (d) act as a custodian or settlement agent, or both.

#### PART IV

##### LICENSING AND AUTHORISATION OF PAYMENT SERVICE PROVIDERS

Payment services

**10.** For the purposes of this Act, the following are payment services:

- (a) operation of a payment system;
- (b) conduct of a payment system business;
- (c) participation in a payment system; and
- (d) any other services as the Bank may determine.

Prohibition of providing payment service without licence

**11.** (1) A person shall not provide a payment service without a licence issued under this Act.

(2) A person who is not a corporate shall not be issued with a licence under this Act.

(3) A person that contravenes subsections (1) or (2) commits an offence and is liable, on conviction, to a fine not exceeding three million penalty units or to imprisonment for a term not exceeding thirty years, or to both.

(4) A person that contravenes subsection (1) shall, in addition to the penalty specified in subsection (3) and where that person obtains funds from the public, repay the funds in a manner that the Bank may determine.

(5) The funds referred to in subsection (4) shall, where the funds remain unpaid at the end of a period determined by the Bank for repayment, be recoverable by the Bank and kept in trust for a person lawfully entitled to the funds.

(6) A person referred to under subsection (5) may claim the funds kept in trust by the Bank within a period of six years from the date the funds are recovered by the Bank.

(7) A claim shall not be made in respect of funds recovered by the Bank on the expiration of the period specified in subsection (6) after which the funds shall be forfeited to the State.

**12.** (1) A person who intends to provide a payment service shall apply to the Bank for approval of the proposed company name in a manner and form as may be determined by the Bank.

Name  
clearance

(2) The Bank shall, within fourteen days of receipt of an application under subsection (1), approve or reject the application.

(3) The Bank shall approve an application under subsection (2) where the proposed company name—

(a) suggests that the company shall be offering a payment service;

(b) is not identical to a company name of an existing payment service provider in a way that the proposed company name may deceive the public; and

(c) is not considered inappropriate by the Bank.

(4) The Bank shall, where the Bank rejects an application under subsection (2), inform the applicant, in writing, stating the reasons for the rejection.

(5) The proposed company name approved by the Bank under subsection (3) shall be subject to clearance and approval under the Companies Act.

Cap. 388

**13.** (1) A person who intends to provide a payment service and whose proposed company name has been approved by the Bank under section 12, shall apply to the Bank for a licence in a prescribed manner and form on payment of a prescribed fee.

Application  
for licence

(2) An application for a licence under subsection (1) shall be accompanied by the following:

(a) a board resolution of the applicant to make an application for a licence to the Bank;

(b) certified copies of the certificate of incorporation, articles of association or other constitutive documents of the applicant;

(c) certified copies of identification of shareholders, directors and senior officers of the applicant;

(d) physical and postal addresses of the applicant;

(e) permanent residential addresses of the directors and senior officers of the applicant;

(f) names and permanent residential addresses of each shareholder of the applicant;

- (g) business plan and financial projections of the applicant as the Bank may determine;
- (h) risk management framework identifying different types of business risks, including, operational risk, credit risk, liquidity risk, cyber risk and other types of business risks and highlighting measures for management of the risks identified;
- (i) amount, evidence and description of the source of the initial capital of the applicant;
- (j) details of governance arrangements and internal control procedures of the applicant; and
- (k) any other requirements as the Bank may determine.

(3) An application for a licence under this section shall be considered to be complete only after the Bank gives written notice to the applicant that the application is complete, after which the application shall be determined by the Bank within ninety days.

(4) The Bank may, at any time, on receipt of an application for a licence but before determining the application, direct the applicant to provide the Bank with additional information as the Bank considers necessary to enable the Bank determine the application.

(5) Where the Bank directs an applicant to provide additional information under subsection (4), the period specified under subsection (3) shall be suspended until the applicant provides the additional information.

(6) The Bank may, where an applicant fails to provide additional information under subsection (4), within a period that the Bank may determine, reject the application.

(7) The Bank shall, in determining an application for a licence made under subsection (1), consider the following requirements:

- (a) initial capital of the applicant;
- (b) financial condition, resources and history of the applicant;
- (c) associates and affiliates of the applicant; (d) transparency of the legal, operational, managerial, governance and ownership structures of the applicant;
- (e) character and experience of the directors, significant shareholders, beneficial owners, founders or persons proposed to be responsible for the management of the applicant;

- (f) convenience and needs of the community intended to be served by the applicant;
- (g) prospects for the profitable operation of the applicant's business in relation to the licence applied for; and
- (h) any other requirements that the Bank may determine.

**14.** (1) The Bank shall, where the Bank is satisfied that an applicant referred to under section 13 has met the requirements of this Act, grant a licence to the applicant to provide a payment service and inform the applicant within a period of seven days of the decision to grant the licence.

Grant of application for licence

(2) A licence under this Act may be granted to a foreign company registered in the Republic if the—

- (a) foreign company is a payment service provider in the country where the foreign company's principal place of business is located;
- (b) Bank determines that the foreign company is adequately supervised by a competent authority in the country of incorporation; and
- (c) foreign company meets the requirements as may be determined by the Bank for grant of a licence to a foreign company.

(3) A licence granted in accordance with subsection (1) and (2), may—

- (a) contain terms and conditions that the Bank may determine;
- (b) provide for the payment of prescribed annual or other periodic fees; or
- (c) require a payment service provider to allow the Bank access to offices, systems, records, documents and information of the payment service provider whether within, or outside, the Republic.

(4) A payment service provider shall not provide or offer to provide a payment service in breach of the terms and conditions of a licence.

**15.** (1) The Bank shall reject an application for a licence where an applicant referred to under section 13—

Rejection of application for licence

- (a) does not meet the licensing requirements under this Act;
- (b) does not meet fit and proper test requirements as may be determined by the Bank;

(c) submits false information in relation to the application for a licence; or

(d) fails to meet any other requirement that the Bank may determine.

(2) The Bank shall, where the Bank rejects an application for a licence under subsection (1), inform the applicant, in writing, within seven days of making the decision, stating the reasons for the rejection.

(3) An applicant may, within seven days of receipt of the decision of the Bank under subsection (2), apply to the Bank for review of the decision.

Withdrawal of application for licence

**16.** An applicant referred to under section 13 may withdraw an application for a licence, by notice in writing to the Bank, at any time before a decision on the application is made by the Bank.

Validity of licence

**17.** A licence issued under this Act shall remain valid unless suspended or cancelled by the Bank or surrendered by a licensee.

Display of licence

**18.** A licensee shall display a licence issued under this Act in a conspicuous place at the licensee's registered place of business and at every other premises where the licensee carries on business.

Variation of terms and conditions of licence

**19.** (1) The Bank may, on the application of a licensee in a prescribed manner and form on payment of a prescribed fee, or on its own motion, vary the terms and conditions of a licence.

(2) The Bank shall, where the Bank intends to vary the terms and conditions of a licence on its own motion under subsection (1), give notice, in writing, to the licensee of the Bank's intention to vary the terms and conditions of the licence in a manner as may be specified in the notice.

(3) The licensee may, within thirty days of receipt of a notice under subsection (2), make written submissions to the Bank on the proposed variation to the terms and conditions of a licence.

(4) The Bank shall, in determining whether to vary the terms and conditions of a licence, consider the requirements specified in section 13(7).

(5) The Bank shall, where the Bank varies the terms and conditions of a licence, notify the licensee of the variation, in writing, and state the date on which the variation shall take effect.

(6) The Bank shall not pay compensation to a licensee for variation to the terms and conditions of a licence made in accordance with this section.

**20.** (1) The Bank may, on application by a licensee and on payment of a prescribed fee, amend a licence where the name of the licensee has changed.

Amendment  
of licence on  
change of  
name of  
licensee

(2) The Bank shall, before amending a licence under subsection (1), publish a notice of the amendment of the licence in the *Gazette* and in a daily newspaper of general circulation or electronic media as the Bank may determine.

(3) A person may lodge with the Bank, in a prescribed manner and form, an objection to an amendment of a licence within fourteen days of the date of publication of the notice referred to under subsection (2).

(4) A person who lodges an objection under subsection (3) may submit to the Bank written submissions and evidence in support of the objection.

(5) The Bank shall, where an objection is lodged under this section, consider the objection as determined in a regulatory statement.

(6) The Bank shall, where there is no objection lodged under this section, amend a licence within thirty days from the date of publication of the notice referred to under subsection (2).

**21.** (1) A licensee shall, where the licensee intends to surrender a licence issued under this Act, notify the Bank, in writing, of the licensee's intention to surrender the licence.

Surrender of  
licence

(2) The Bank shall determine the terms and conditions of surrender of a licence under this section.

(3) The Bank shall cancel a licence that is surrendered under subsection (1) where the—

(a) Bank is satisfied that the liabilities of the licensee are, or shall be, satisfied; and

(b) requirements of the Companies Act or the Corporate Insolvency Act where applicable, have been, or shall be, complied with.

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(4) Where the Bank cancels a licence under subsection (3), section 23(8), (9) and (10) shall apply with necessary modifications.

**22.** (1) A licence granted in accordance with this Act shall not be transferred or assigned in any manner except where a licensee—

Transfer or  
assignment of  
licence

(a) is undergoing corporate restructuring; and

(b) makes an application, to the Bank, in writing, for approval to transfer or assign the licence.

(2) The Bank shall, within thirty days of receipt of the application referred to under subsection (1)—

- (a) approve the application on terms and conditions that the Bank may determine; or
- (b) reject the application and inform the applicant, in writing, stating the reasons for the rejection.

Suspension  
or  
cancellation  
of licence

**23.** (1) Subject to this Act or any other written law, the Bank may suspend or cancel a licence where a licensee—

- (a) obtained the licence by fraud, false information or misrepresentation;
- (b) breaches a term or condition of the licence;
- (c) contravenes this Act or any other written law;
- (d) fails to comply with a decision, rule or regulatory statement made by the Bank in accordance with this Act;
- (e) fails to commence a payment service to which the licence was granted within a period specified under section 25;
- (f) has remained dormant for a period of twelve months;
- (g) ceases to provide the payment service to which the licence was granted;
- (h) enters into receivership, liquidation or takes an action for voluntary winding-up or dissolution;
- (i) enters into a scheme of arrangement other than a corporate restructuring transaction;
- (j) is the subject of an order made by a court for compulsory winding-up or dissolution; or
- (k) engages in unsafe and unsound practices.

(2) The Bank shall, before suspending or cancelling a licence in accordance with subsection (1), notify the licensee, in writing, of the Bank's intention to suspend or cancel the licence and shall—

- (a) give reasons for the intended suspension or cancellation; and
- (b) require the licensee to show cause, within a period of thirty days, why the licence should not be suspended or cancelled.

(3) The Bank shall, in making its decision on the suspension or cancellation of a licence, consider the submissions made by the licensee under subsection (2)(b).

(4) The Bank may, before cancelling a licence, suspend a licensee for a specified period and on terms and conditions that the Bank may determine.

(5) The Bank may suspend or cancel a licence if the licensee, after being notified under subsection (2), fails to show cause and does not take any remedial measures, to the satisfaction of the Bank, within the period specified in that subsection.

(6) The Bank shall not suspend or cancel a licence if the licensee takes remedial measures to the satisfaction of the Bank within the period referred to in subsection (2).

(7) The Bank shall, where a licence has been suspended under this section, determine the terms and conditions of the suspension, including the following:

(a) the licensee shall cease to be entitled to the rights and benefits granted by the licence and this Act; and

(b) the suspension of the licence shall not relieve the licensee of the licensee's obligations that the licensee incurred or assumed during the validity of the licence.

(8) A licensee shall, where a licence is cancelled—

(a) cease, with effect from the date of the cancellation, to be entitled to the rights and benefits granted by the licence and this Act;

(b) cease, with effect from the date of the cancellation, to provide the business for which the licence was granted;

(c) surrender the licence to the Bank; and

(d) take down the licence displayed in every place of business of the licensee.

(9) The Bank shall, where the Bank suspends or cancels a licence in accordance with this section, publish the suspension or cancellation in the *Gazette* or other electronic media as the Bank may determine.

(10) A licensee whose licence is cancelled shall not enter into a new contract, renew or vary a contract relating to the provision of a payment service.

**24.** (1) A licensee whose licence is lost, defaced or damaged shall apply to the Bank for a duplicate licence in a prescribed manner and form on payment of a prescribed fee.

Duplicate  
licence

(2) The Bank may, where an application made under subsection (1) meets the requirements of this Act, issue a duplicate licence in a prescribed manner and form.

Commencement  
of business  
to provide  
payment  
service

**25.** (1) A licensee shall commence a business to provide a payment service within eighteen months from the date a licence is granted under this Act.

(2) Despite subsection (1), a licensee shall not commence a business to provide a payment service if the licensee's business premises and systems have not been inspected and approved, in writing, by the Bank.

(3) The Bank may, extend the period specified under subsection (1), on application by a licensee in a prescribed manner and form on payment of a prescribed fee.

Authorisation  
to provide  
payment  
service by  
Bank  
Act No. 9 of  
2026

**26.** (1) A person licensed to provide a financial service under the Banking and Financial Services Act, 2026, that intends to provide a payment service under this Act shall apply, in writing, to the Bank for authorisation to provide that payment service.

(2) A person issued with a licence under this Act who intends to provide another payment service for which the licence was not granted, shall apply, in writing, to the Bank for authorisation to provide that payment service.

(3) An application for authorisation under this section shall be considered to be complete only after the Bank gives written notice to the applicant that the application is complete.

(4) The Bank shall, on receipt of a complete application, approve or reject an application within forty-five days of receipt of a complete application.

(5) The Bank shall inform an applicant of the decision of the Bank under subsection (4) within a period of seven days of making the decision.

(6) The authorisation granted by the Bank under this section shall remain valid until suspended or cancelled by the Bank.

Opening or  
closing of  
branch or  
subsidiary

**27.** A payment service provider that intends to open or close a branch or subsidiary of the payment service provider shall notify the Bank of its intention, thirty days before opening or closing the branch or subsidiary.

Representative  
office

**28.** The Bank shall, by regulatory statement, determine the licensing and other regulatory requirements for a representative office under this Act.

## PART V

## DESIGNATION OF PAYMENT SERVICE PROVIDERS

**29.** (1) The Bank may designate a person as a payment service provider under this Act where, in the opinion of the Bank, the—

Designation of payment service providers

- (a) designation is necessary to protect public interest;
- (b) designation is necessary for the maintenance of the integrity of the payment system; or
- (c) business conducted by that person poses a systemic risk to the payment system.

(2) The Bank may request a person referred to under subsection (1) to submit information to the Bank, within thirty days of the request, as the Bank considers necessary for purposes of designating that person as a payment service provider under this Act.

(3) A designated payment service provider shall operate in the National Payment System on terms and conditions as the Bank may determine.

**30.** (1) The designation of a payment service provider referred to in section 29 shall be by—

Notice of designation

- (a) publication by the Bank of a notice of the designation in the *Gazette* or other electronic media as the Bank may determine; and
  - (b) giving written notice of the designation to the payment service provider.
- (2) The notice referred to in subsection (1)(a) shall contain—
- (a) the name and address of the designated payment service provider; and
  - (b) any other information that the Bank may determine.

**31.** (1) The Bank may vary or withdraw a designation or a term or condition of the designation by—

Variation or withdrawal of designation

- (a) giving notice, in writing, to the designated payment service provider inviting that designated payment service provider to make submissions to show cause why the designation or the term or condition of the designation should not be varied or withdrawn; and
- (b) publishing the variation or withdrawal of the designation or the term or condition of the designation by notice in the *Gazette* after considering submissions, if any, made in accordance with paragraph (a).

(2) The Bank may, when determining whether to vary or withdraw a designation or a term or condition of the designation under subsection (1), consider the provisions under section 128(1).

(3) A variation or withdrawal of a designation or a term or condition of the designation made under this section shall—

(a) only take effect on the date of publication in the *Gazette* of the notice referred to under subsection (1)(b); and

(b) not affect—

(i) the validity or enforceability of rules of a relevant payment system, clearing system or settlement system; and

(ii) netting, settlement or a payment to, or out of, an account of a settlement system that occurred prior to the publication in the *Gazette* of the notice referred to in subsection (1)(b).

## PART VI

### CHANGES TO PAYMENT SERVICES, GOVERNANCE STRUCTURES, OPERATIONS AND SERVICE CHARGES

Prohibition of introducing or making changes to payment services, governance structures or operations without authorisation

**32.** (1) A payment service provider shall not, without authorisation from the Bank—

(a) introduce a new payment service;

(b) make changes to an existing payment service;

(c) make changes to governance structures of the payment service provider; or

(d) make material changes, as the Bank may determine, to the operations of the payment service provider.

(2) A payment service provider that contravenes subsection (1) is liable to pay an administrative penalty not exceeding five hundred thousand penalty units.

Application for authorisation to introduce or make changes to payment services, governance structures or operations

**33.** (1) A payment service provider that intends to introduce a new payment service or make changes to an existing payment service or governance structures, or make material changes to the operations of the payment service provider, shall apply to the Bank for authorisation in a manner and form determined by the Bank.

(2) The Bank shall, within thirty days of receipt of an application under subsection (1), approve or reject the application.

(3) The Bank shall, where a payment service provider meets the requirements for authorisation as may be determined, grant authorisation to the payment service provider.

(4) The Bank shall, where the Bank rejects an application under subsection (2), inform the applicant, in writing, stating the reasons for the rejection.

**34.** (1) A payment service provider shall, before introducing a new service charge or increasing an existing service charge, apply to the Bank, in writing, for approval.

Approval of  
service  
charges

(2) The Bank shall, within fourteen days of receipt of an application under subsection (1), approve or reject the application.

(3) The Bank shall, where a payment service provider meets the requirements for approval as may be determined, grant the approval to the payment service provider.

(4) Where the Bank grants the approval under subsection (3), the introduction of a new service charge or increment of an existing service charge shall only take effect thirty days after the payment service provider notifies its customers, of the introduction or increment, through electronic media or other media as the Bank may determine.

(5) Despite the period specified in subsection (4), the Bank may grant approval for the introduction of a new service charge or increment of an existing service charge to take effect in a period less than the period specified in that subsection.

(6) The Bank shall, where the Bank rejects an application under subsection (2), inform the applicant, in writing, stating the reasons for the rejection.

(7) A payment service provider that contravenes subsections (1) or (4) is liable to pay an administrative penalty not exceeding five hundred thousand penalty units.

## PART VII

### CORPORATE GOVERNANCE

**35.** (1) A payment service provider shall constitute a board which shall perform the functions of a board as specified in the Companies Act and this Act.

Functions of  
board  
Cap. 388

(2) Despite subsection (1), the functions of the board are to—

(a) formulate policies for a payment service provider;

- (b) promote effective corporate governance and business performance of a payment service provider;
  - (c) direct the affairs and business operations of a payment service provider;
  - (d) ensure that the business of a payment service provider is conducted in compliance with relevant written laws;
  - (e) ensure that the business of a payment service provider is conducive for the promotion of a safe and efficient payment system; and
  - (f) constitute committees of the board as determined.
- (3) A board shall, in the performance of the board's functions, report to the—
- (a) shareholders, at an annual general meeting, on the internal controls and systems and information management systems of a payment service provider;
  - (b) Bank material changes to activities, structures, board, senior management or condition of a payment service provider; and
  - (c) Bank on matters that may affect the fitness of shareholders, directors or senior officers of the payment service provider.

Meetings of  
board  
initiated by  
Bank  
Cap. 388

**36.** (1) Despite the provisions of this Act, the Companies Act or the articles of association of a payment service provider, the Bank may—

- (a) direct a board to convene a meeting within three days of the directive of the Bank;
  - (b) request a board to consider and decide on matters relating to the payment service provider as the Bank may direct; or
  - (c) appoint an observer to a meeting of a board.
- (2) Where a meeting is convened in accordance with subsection (1)(a)—
- (a) the quorum for the meeting shall be three directors or one-third of the total number of directors, whichever is higher; and
  - (b) decisions made at the meeting shall be by a simple majority of the directors present and be binding on the payment service provider.

(3) The Bank shall, where a board fails to convene a meeting as directed under subsection (1), take appropriate action to safeguard the integrity of the National Payment System.

37. (1) Subject to the Companies Act, a person—

- (a) shall not be appointed as a director or senior officer of a payment service provider without the prior written approval of the Bank;
- (b) shall not be appointed as a director or senior officer of more than one payment service provider without the prior written approval of the Bank; and
- (c) who is a director or senior officer of a payment service provider whose licence is cancelled under this Act shall not be appointed as a director or senior officer of another payment service provider without the prior written approval of the Bank.

Appointment  
of director or  
senior officer  
Cap. 388

(2) Despite the Companies Act or any other written law, a person is not qualified for appointment as a director or senior officer if that person—

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- (a) does not meet the fit and proper test requirements for a director or senior officer specified under section 43;
- (b) is below the age of eighteen years;
- (c) has been adjudged bankrupt by a court or has made an arrangement or composition with that person's creditors in or outside the Republic;
- (d) has been convicted of an offence involving fraud or dishonesty;
- (e) is legally disqualified from performing the functions of the office of director or senior officer;
- (f) has been suspended or removed from office of director or senior officer under this Act;
- (g) has been a director or senior officer of a company that has—
  - (i) been declared insolvent; or
  - (ii) gone into liquidation or has entered into a composition, or any other arrangement, with creditors in the Republic or elsewhere;

(h) has been removed by a court, in or outside the Republic, from an office of trust on grounds of breach of that trust or misconduct; or

(i) is an expatriate who does not meet additional requirements for appointment as a director or senior officer as the Bank may determine.

(3) Despite subsection (2)(g), a person shall qualify for appointment as a director or senior officer of a payment service provider if that person meets the fit and proper test requirements specified under section 43.

(4) A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding four hundred thousand penalty units or to imprisonment for a term not exceeding four years, or to both.

Reporting obligations of board or director

**38.** (1) A board of a payment service provider shall immediately report, in writing, to the Bank where the board reasonably believes that the payment service provider is—

(a) unable to provide a payment service as a going concern; or

(b) likely to be unable to meet all or any of the payment service provider's obligations as the obligations fall due.

(2) The Bank may, where the board or director fails to report to the Bank under subsection (1), take supervisory action in accordance with this Act.

(3) The board or each director, individually, who contravenes subsection (1) is liable to pay an administrative fine not exceeding four hundred thousand penalty units.

Annual declaration of material interests and material relationships

**39.** A director or senior officer of a payment service provider shall declare annually, in writing, to the board that director's or senior officer's material interests and material relationships.

Disclosure of interest or relationship by director or senior officer in contract

**40.** (1) A director or senior officer of a payment service provider shall disclose, in writing, to the payment service provider, the nature and extent of an interest or relationship where the director or senior officer—

(a) is a party to, or has a direct or indirect interest in, a contract or a proposed contract involving the payment service provider; or

(b) has a relationship with a party or prospective party to a contract or a proposed contract involving the payment service provider.

(2) A disclosure of interest or relationship in a contract under this section shall be made at a meeting of the board at which the question of the contract is first considered, or if the director or senior officer of a payment service provider has, at the date of that meeting, no interest or relationship in the contract, disclose the interest or relationship at a meeting of the board held immediately after the director or senior officer becomes interested or has the relationship.

(3) A director or senior officer of a payment service provider with an interest or relationship in a contract shall not take part in any consideration or discussion of, or vote on any question relating to that contract, except that a withdrawal of the director or senior officer from a meeting of the board, shall not disqualify the director or senior officer for purposes of constituting a quorum.

(4) A payment service provider may, where a director or senior officer of a payment service provider fails to disclose an interest or relationship in a contract under this section, cancel the contract on terms and conditions as the Bank may determine or suspend the director or senior officer from office.

(5) The Bank may, where the Bank becomes aware that a payment service provider has failed to cancel a contract or suspend a director or senior officer under subsection (4), on its own motion, cancel the contract on terms and conditions that the Bank may determine or suspend the director or senior officer from office.

(6) The provisions of section 41 shall apply with necessary modifications, where the Bank suspends a director or senior officer of a payment service provider under subsection (5).

(7) A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding seven thousand penalty units for each day that the offence continues.

**41.** (1) The Bank may, in writing, suspend from office for a period not exceeding six months, a director or senior officer of a payment service provider who fails to take reasonable steps to ensure compliance by the payment service provider with the provisions of this Act or any other relevant written law.

Suspension  
or dismissal  
of director or  
senior officer  
by Bank

(2) The Bank may, at any time before the expiry of the period specified under subsection (1)—

(a) extend the suspension from office of the director or senior officer for a period that the Bank may determine; or

(b) dismiss or reinstate the director or senior officer.

(3) A person who contravenes subsection (1), commits an offence and is liable, on conviction, to a fine not exceeding four hundred thousand penalty units or to imprisonment for a term not exceeding four years, or to both.

False or misleading statement or obstruction

**42.** (1) A person acting on behalf of a payment service provider shall not—

(a) make a false or misleading statement or omit to make an entry in a book, report, statement or account of the payment service provider; or

(b) obstruct or attempt to obstruct—

(i) the proper performance, by an auditor, of the auditor's duties in accordance with this Act, the Companies Act or any other relevant written law; or

(ii) an inspection of the payment service provider by a person duly authorised by the Bank to conduct an inspection under this Act.

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(2) A person who contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding four hundred thousand penalty units or to imprisonment for a term not exceeding four years, or to both.

Fit and proper test requirements for shareholder, director or senior officer

**43.** (1) The Bank may determine, by regulatory statement, fit and proper test requirements for a shareholder, director or senior officer of a payment service provider.

(2) The fit and proper test requirements referred to under subsection (1) may include requirements relating to—

(a) probity, personal integrity and reputation;

(b) competency and capability; and

(c) financial integrity.

(3) The Bank may, where the Bank considers that a shareholder, director or senior officer of a payment service provider has breached the fit and proper test requirements under this section, take supervisory action as the Bank may determine.

**44.** (1) The Bank may direct a payment service provider to remove a shareholder and dispose of any shareholding interest of that shareholder, where the Bank determines that the shareholder does not meet the fit and proper test requirements under section 43 to continue holding shares in the payment service provider.

Removal of shareholder

(2) A payment service provider shall, on receipt of a direction from the Bank under subsection (1), take appropriate action to comply with the direction of the Bank, the Companies Act and any other relevant written law.

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**45.** (1) A payment service provider shall develop and adopt a corporate governance charter.

Corporate governance charter

(2) The Bank may, by regulatory statement, determine the contents of a corporate governance charter referred to under subsection (1).

(3) Despite the generality of subsection (2), the contents of a corporate governance charter may include the following:

(a) number of members to be appointed on a board of a payment service provider;

(b) composition of a board of a payment service provider;

(c) number, functions and type of committees of a board of a payment service provider to be constituted;

(d) mandatory conditions under which a senior officer or other employee responsible for the management or financial affairs of a payment service provider may be removed from office by a board of the payment service provider; and

(e) reporting requirements for a payment service provider for purposes of ensuring compliance with this Act.

**46.** A trust or person that controls another person's property or assets under an agreement or other arrangement shall not own shares in a payment service provider unless the beneficial owners or persons that control the trust, agreement or arrangement are identifiable and compliant with this Act and any other relevant written law.

Ownership of shares by trusts

**47.** A payment service provider shall not exceed ownership and voting control limits that the Bank may determine based on the principle of proportionality.

Ownership and voting control limits

## PART VIII

## FINANCIAL CONSUMER PROTECTION AND MARKET CONDUCT

Anti-  
competitive  
practices  
Cap. 417

**48.** Subject to the Competition and Consumer Protection Act and for purposes of this Part, a payment service provider that enters into an agreement, makes a decision or engages in a concerted practice which has an objective or effect of preventing, restricting or distorting competition to an appreciable extent shall be considered to have engaged in anti-competitive practices.

Prohibition of  
anti-  
competitive  
practices

**49.** (1) A payment service provider shall not engage in anti-competitive practices.

(2) A payment service provider that contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding ten percent of that payment service provider's annual turnover.

Anti-  
competitive  
agreement or  
arrangement

**50.** (1) A horizontal agreement, vertical agreement or concerted practice between payment service providers is prohibited to the extent that the horizontal agreement, vertical agreement or concerted practice has the objective or effect of preventing, restricting or distorting competition to an appreciable extent in the provision of payment services.

(2) A payment service provider that contravenes subsection (1) is liable, on conviction, to a fine not exceeding ten percent of that payment service provider's annual turnover or five hundred thousand penalty units, whichever is higher.

(3) A payment service provider shall not enter into an agreement or arrangement with another payment service provider which relates to—

- (a) the division of markets through allocation of customers;
- (b) an amount to charge a customer for the provision of a payment service;
- (c) the provision of, or refusal to provide, a payment service to a customer; or
- (d) the provision of a payment service in a manner that restricts competition in the payment services sector.

(4) Subsection (3) does not apply to an agreement or arrangement—

- (a) for the provision of a payment service by a payment service provider to another payment service provider;

(b) for the provision of a payment service to a customer by two or more payment service providers; or

(c) between payment service providers for the exchange of—

(i) statistics or audit information;

(ii) development and use of systems, forms, methods, procedures and standards;

(iii) use of common facilities; or

(iv) joint research and development.

**51.** (1) A payment service provider shall not compel a customer to enter into a contract for another service with that payment service provider or another person as a condition for accessing a payment service from that payment service provider.

Collateral contracts

(2) Despite subsection (1), a payment service provider may provide a customer with various service providers that are linked to a payment service for purposes of providing the customer with a choice of payment services.

(3) A payment service provider that contravenes subsection (1) is liable to pay an administrative penalty not exceeding five hundred thousand penalty units.

**52.** A payment service provider shall not engage in coercive behaviour that compels a consumer to make decisions that are not in the consumer's best interests.

Coercive behaviour

**53.** A payment service provider shall not provide for contract terms and conditions that impose barriers for a consumer to switch from that payment service provider or payment service to another payment service provider or payment service.

Prohibition of imposing barriers to switch

**54.** (1) The Bank may determine minimum standards and practices for fair treatment of consumers in the provision of payment services.

Fair treatment of consumers and charter

(2) A payment service provider shall develop a charter for fair treatment of consumers and avail a copy of the charter to a consumer.

**55.** (1) A payment service provider shall, prior to entering into a contract with a consumer, provide the consumer with full information on—

Disclosure of charges and other information

(a) the charges imposed for accessing and using a payment service;

- (b) the manner in which the payment service provider shall inform the consumer of an introduction of new charges or a change in existing charges;
- (c) a product or service offered to the consumer including, terms and conditions of the product or service and any risks associated with the product or service; and
- (d) the right of the consumer to lodge a complaint as the Bank may determine, relating to the charges imposed, quality of services or any other matter.

(2) The information provided under subsection (1) shall be in a manner and form that is accessible by a person with a disability.

(3) The Bank may determine any other information and content of the information required to be disclosed by a payment service provider under this section.

(4) The Bank may publish information relating to charges and fees to be imposed by a payment service provider in the *Gazette* or other electronic media as the Bank may determine.

Regulation of charges or fees

**56.** The Bank may direct a payment service provider to take remedial measures where the Bank determines that the charges or fees imposed by a payment service provider are not in the public interest or do not promote competition, efficiency or effectiveness in the delivery of payment services.

Data protection and disclosure of information

**57.** Subject to the Data Protection Act, 2021 and the Financial Intelligence Centre Act, a payment service provider shall maintain the confidentiality of information obtained in the provision of a payment service to a customer and shall not disclose any information except—

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(a) with the express consent of the customer;

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(b) in compliance with a court order;

(c) where the information requested is customer identification data required by another payment service provider or financial service provider for the purposes of conducting due diligence; or

(d) where the Bank, in the performance of the Bank's functions under this Act, requests or directs.

Sharing of customer data

**58.** (1) Despite section 57, a payment service provider shall facilitate the sharing of customer data, with express consent of the customer, from one regulated entity to another regulated entity or a third party authorised by the Bank.

(2) The Bank shall determine the manner of facilitation of sharing of customer data by a payment service provider under subsection (1).

- 
- 59.** (1) The Bank may determine procedures for handling consumer complaints under this Act. Complaints procedure for consumers
- (2) A payment service provider shall—
- (a) establish and make available through electronic media or other media to which the public has access, procedures for handling consumer complaints;
  - (b) appoint an officer, at senior management level, to be a consumer service officer responsible for implementing and administering the procedures referred to under paragraph (a); and
  - (c) establish and maintain a record containing information on the details of the complaints received, handled and disposed of by the payment service provider.
- 60.** The Bank may appoint or designate a suitably qualified person as an ombudsperson for purposes of determining matters relating to consumer protection in the provision of payment services under this Act. Ombudsperson for consumer protection
- 61.** (1) The Bank may make a regulatory statement relating to the publication, form and content of advertisements by a payment service provider. Control of advertisements
- (2) A regulatory statement referred to under subsection (1) may—
- (a) prohibit the publication of an advertisement of any description, whether by reference to the contents of the advertisement or to the persons by whom the advertisement is published;
  - (b) provide for matters to be, or not to be, included in an advertisement;
  - (c) provide for exemptions from provisions under this Act; and
  - (d) provide for offences and penalties for breach of a requirement under the regulatory statement.
- (3) The Bank may give a directive, as the Bank considers necessary, to a payment service provider who has published or caused to be published an advertisement where the Bank reasonably believes that an advertisement—
- (a) does not comply with a requirement under a regulatory statement made under this section; or
  - (b) is false or misleading.

- (4) A directive referred to under subsection (3), may require
- (a) a person to modify an advertisement in whole, or in, part;
  - or
  - (b) the publication of an advertisement to cease.

(5) This section shall not affect any remedies available to a person who has been aggrieved by a payment service provider who published or caused to be published an advertisement in contravention of a regulatory statement issued by the Bank under this section.

(6) A person who contravenes this section is liable to pay an administrative penalty not exceeding two hundred thousand penalty units.

Prohibition  
of unfair  
business  
practices

**62.** (1) A payment service provider shall not engage in unfair business practices.

(2) A payment service provider that contravenes subsection (1) is liable, on conviction, to a fine not exceeding ten percent of that payment service provider's annual turnover or one hundred and fifty thousand penalty units, whichever is higher.

Unfair  
contract or  
unfair  
contractual  
term

**63.** (1) For the purposes of this section, a contract or contractual term is unfair if—

- (a) the contract or contractual term has not been voluntarily negotiated by a payment service provider and a consumer; and
- (b) contrary to good faith, the contract or contractual term causes a significant imbalance in the rights and obligations of a payment service provider and a consumer, to the detriment of the consumer.

(2) An unfair contract or unfair contractual term between a payment service provider and a consumer shall not be binding.

(3) Despite subsection (1), where a contract has an unfair contractual term, the contract shall bind a payment service provider and a consumer if the contract is capable of being enforced without the unfair contractual term.

Consumer  
protection  
and market  
conduct  
returns

**64.** A payment service provider shall submit to the Bank periodic consumer protection and market conduct returns as the Bank may determine.

Monitoring  
of market  
conduct

**65.** The Bank may conduct examinations, mystery shopping or market monitoring of a payment service provider for purposes of ensuring compliance with this Part.

## PART IX

PRESENTMENT AND ELECTRONIC TRANSMISSION OF CHEQUES IN THE  
PROVISION OF PAYMENT SERVICES

**66.** A banker shall present a cheque, physically, for payment at the official business premises of a banker on whom the cheque is drawn. Presentment of cheque for payment

**67.** (1) Despite section 66, a banker may present a cheque for payment electronically by transmitting the essential features of the cheque to a banker on whom the cheque is drawn or transmitting the cheque by any other method, other than physical presentment of the cheque, as the Bank may determine. Alternative methods of presentment of cheque for payment

(2) The Bank may determine the essential features of a cheque referred to under subsection (1).

(3) Where a cheque is presented for payment under subsection (1), a banker who presents the cheque for payment and a banker on whom the cheque is drawn shall be subject to the same obligations with respect to the collection and payment of the cheque as if the cheque was presented physically for payment.

(4) Where a cheque is presented for payment under subsection (1), a banker on whom a cheque is drawn may request a banker who presented the cheque for payment to make a subsequent presentment of the cheque for payment, before the close of the working day on which the cheque is first presented or the next working day following the day on which the cheque was first presented.

(5) Where a request is made under subsection (4), the subsequent presentment of a cheque for payment shall—

(a) not constitute dishonour of the cheque by non-payment; and

(b) be subject to other terms and conditions as the Bank may determine.

**68.** Subject to the Electronic Communications and Transactions Act, 2021, where a cheque is subject of court proceedings, the cheque or a certified copy of the cheque or essential details of the cheque retrieved from an electronic medium, shall be admissible as evidence in the court proceedings. Admissibility of cheque Act No. 4 of 2021

## PART X

## PAYMENT, CLEARING, NETTING AND SETTLEMENT

Payment  
system  
rules

- 69.** Despite any other written law—
- (a) the Bank shall approve payment system rules for a licensed, authorised or designated payment system;
  - (b) payment system rules of a licensed, authorised or designated payment system shall be binding on a payment system participant, payment system operator, payment system business or any other party connected to the licensed, authorised or designated payment system; and
  - (c) a netting arrangement shall be valid and enforceable where the netting arrangement is provided under the payment system rules.

Settlement  
arrangement

- 70.** A payment system operator shall have a settlement arrangement which shall require—
- (a) the payment system operator to facilitate settlement between payment system participants or engage a settlement agent to facilitate settlement between payment system participants, except where the Bank acts as a payment system operator or settlement agent;
  - (b) a payment system participant to hold a settlement account with a settlement agent; and
  - (c) a payment system participant to lodge a prescribed amount of collateral with a settlement agent.

Payment  
instruction  
or settlement  
instruction  
finality or  
correction

- 71.** (1) A payment instruction or settlement instruction in a payment system shall be final and irrevocable.
- (2) For purposes of subsection (1), a payment instruction or settlement instruction is considered to be in a payment system when the payment instruction or settlement instruction is accepted by a payment system that transfers the relevant funds in accordance with the rules of that payment system.
- (3) A payment instruction or settlement instruction in a payment system made in error shall be corrected by initiating a new payment instruction or settlement instruction in accordance with the rules of that payment system.

Failure to  
settle  
arrangement

- 72.** (1) A payment system shall have a failure-to-settle arrangement that specifies the manner in which payment system participants shall mitigate settlement failure.
- (2) A failure-to-settle arrangement referred to under subsection (1) shall be approved by the Bank.

**73.** (1) A payment system participant shall participate in a payment system with adequate assets as collateral in accordance with the rules of that payment system for purposes of a failure-to-settle arrangement referred to under section 72. Collateral

(2) A payment system participant that contravenes subsection (1) commits an offence and is liable to pay an administrative penalty not exceeding fifty thousand penalty units for each day that the offence continues.

**74.** (1) A settlement agent shall specify the manner and form that a payment system participant shall participate in a payment system with adequate assets as collateral as specified under section 73. Manner and form of participation in payment system with adequate assets as collateral

(2) Despite any other written law, a settlement agent may, where an asset of a payment system participant is provided as collateral for settlement obligations prior to an issuance of an order for winding-up of the payment system participant, use that asset for purposes of discharging that payment system participant's settlement obligations in the event of a failure-to-settle.

## PART XI

### ELECTRONIC MONEY

**75.** A payment system business providing an electronic money payment service shall— Electronic money issuance and circulation

- (a) issue electronic money only after equivalent cash is deposited in a holding account;
- (b) ensure that the value of electronic money issued does not exceed the amount held in a holding account;
- (c) maintain, in electronic form, details of all electronic wallet holders whose funds are in a holding account; and
- (d) comply with other requirements as the Bank may determine.

**76.** An agent engaged by a payment system business providing an electronic money payment service may purchase electronic money or redeem cash from electronic money under this Part. Purchase or redemption of electronic money by agent

**77.** A person who contravenes this Part commits an offence and is liable, on conviction, to a fine not exceeding seven hundred and fifty thousand penalty units or to imprisonment for a term not exceeding seven years, or to both. Offence under Part

## PART XII

## PAYMENT AGGREGATION

Provision of  
payment  
aggregation  
service

**78.** (1) A payment system business providing a payment aggregation service shall—

- (a) where that payment system business is not a bank, financial institution or electronic money institution, hold funds on behalf of a merchant in an aggregation collection account in a bank, financial institution or an electronic money institution;
- (b) ensure that the amount held in an aggregation collection account is not less than the outstanding liabilities to customers of that payment system business;
- (c) maintain, in electronic form, the details of all merchants whose funds are in an aggregation collection account; and
- (d) comply with other requirements as the Bank may determine.

Offence  
under Part

**79.** A person who contravenes this part commits an offence and is liable, on conviction, to a fine not exceeding seven hundred and fifty thousand penalty units or imprisonment for a term not exceeding seven years, or to both.

## PART XIII

## MONEY TRANSFER

Provision of  
money  
transfer  
service

**80.** A payment system business providing a money transfer service shall—

- (a) maintain a customer funds account at a bank or financial institution approved by the Bank;
- (b) ensure that the amount held in a customer funds account is not less than that outstanding liabilities to customers of that payment system business;
- (c) maintain, in electronic form, the names of all customers whose funds are in a customer funds account; and
- (d) comply with other requirements as the Bank may determine.

Sending or  
withdrawal  
of money by  
agent

**81.** An agent engaged by a payment system business providing a money transfer service may send money or withdraw money under this Part.

**82.** A person who contravenes this Part commits an offence and is liable, on conviction, to a fine not exceeding seven hundred and fifty thousand penalty units or to imprisonment for a term not exceeding seven years, or to both.

Offence  
under Part

#### PART XIV

##### CORPORATE RESTRUCTURING TRANSACTION INVOLVING A PAYMENT SERVICE PROVIDER

**83.** (1) Despite any other written law, a payment service provider shall not effect a corporate restructuring transaction without the prior written approval of the Bank.

Prohibition  
of effecting  
corporate  
restructuring  
transaction  
without  
approval

(2) A payment service provider that contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding ten percent of that payment service provider's annual turnover or five hundred thousand penalty units, whichever is higher.

**84.** Subject to section 86, a payment service provider may effect a corporate restructuring transaction with another company, if the corporate restructuring transaction is for the purposes of ensuring continuity of the business of the payment service provider.

Corporate  
restructuring  
transaction

**85.** (1) A payment service provider that intends to effect a corporate restructuring transaction shall apply to the Bank for approval in a prescribed manner and form.

Application  
for approval  
to effect  
corporate  
restructuring  
transaction

(2) An application referred to under subsection (1) shall be accompanied by the following information and documents:

- (a) the name of each payment service provider and company involved in the proposed corporate restructuring transaction;
  - (b) a statement of the nature of the proposed corporate restructuring transaction;
  - (c) material documents intended to support and effect the proposed corporate restructuring transaction; and
  - (d) any other information and documents as the Bank may determine.
- (3) The Bank shall, in determining an application for approval to effect a corporate restructuring transaction under subsection (1), consider the—
- (a) capital adequacy of the payment service provider for purposes of the proposed corporate restructuring transaction;

- (b) general financial condition, resources and history of the payment service provider;
- (c) character and experience of the directors and persons in senior management of the payment service provider;
- (d) prospects of profitability of the continued operation of the payment service provider, if the proposed corporate restructuring transaction is approved;
- (e) requirements of the Competition and Consumer Protection Act; and
- (f) transparency of the legal, financial, operational, managerial, governance and ownership structure of the payment service provider after restructuring.

(4) The Bank shall, within ninety days of receipt of a duly completed application as the Bank may determine, approve or reject the application.

(5) The period specified under subsection (4) is subject to the payment service provider obtaining security clearance from relevant law enforcement agencies.

(6) The Bank shall, where the Bank is satisfied that a payment service provider has met the requirements of this Act, approve the application and specify a date on which the proposed corporate restructuring transaction shall take effect.

(7) The Bank shall, where the Bank rejects an application under subsection (4), inform the applicant, in writing, within seven days of the decision, stating the reasons for the rejection.

**86.** (1) Where the Bank approves a corporate restructuring transaction to take effect under section 85—

- (a) the assets and liabilities of the old entity or, in the case of a transfer of assets and liabilities, the assets and liabilities agreed to be transferred, shall vest in the new entity;
- (b) the new entity shall submit a written statement to the Bank, confirming that the assets and liabilities of the old entity have been transferred in accordance with the corporate restructuring transaction approved by the Bank;
- (c) the new entity shall—
  - (i) have the same rights and be subject to the same obligations that were binding on the old entity immediately before the corporate restructuring transaction took effect; or

Effect of  
corporate  
restructuring  
transaction

- 
- (ii) in the case of a transfer of assets and liabilities, have the same rights and obligations that applied to the old entity with respect to the assets and liabilities that were transferred;
- (d) the agreements, appointments, transactions and documents relating to transactions of the old entity that were valid immediately before the corporate restructuring transaction took effect, shall continue to be valid and be considered to have been entered into with the new entity; and
- (e) a mortgage, bond, pledge, guarantee or other instrument relating to the corporate restructuring transaction given to secure past, present and future advances, facilities or services by the old entity, shall be considered to be a mortgage, bond, pledge, guarantee or instrument given to, or in favour of, the new entity.
- (2) The Registrar of Companies and the Registrar of Lands and Deeds shall make endorsements and alterations in the respective registers, for purposes of recording any transfer of property or rights and liabilities in the property arising from a corporate restructuring transaction where the Registrar of Companies and the Registrar of Lands and Deeds are satisfied that—
- (a) the Bank has approved the corporate restructuring transaction under this Act; and
- (b) the corporate restructuring transaction has been duly effected through a deed, instrument, mortgage or other document.
- (3) This section does not affect the rights that a creditor may have in a payment service provider or company, except to the extent specified in this section and the documents relating to the corporate restructuring transaction.
- (4) In this section, unless the context otherwise requires—
- “new entity” means a payment service provider formed under a corporate restructuring transaction; and
- “old entity” means a payment service provider existing prior to a corporate restructuring transaction.

## PART XV

## CAPITAL REQUIREMENTS AND SUPERVISORY ACTION

Minimum  
capital  
requirements

**87.** The Bank shall determine the minimum capital requirements for payment service providers under this Act.

Under  
capitalised  
payment  
service  
provider

**88.** (1) The Bank may, where a payment service provider is undercapitalised, take the following actions against the payment service provider:

- (a) appoint a person, at the cost of the payment service provider, who is suitably qualified to advise and assist the payment service provider in designing and implementing a capital restoration plan;
- (b) direct the payment service provider to submit to the Bank, within thirty days of the direction, a capital restoration plan;
- (c) require the payment service provider to increase the capital to the determined level, within ninety days of submission of the capital restoration plan under paragraph (b);
- (d) prohibit the payment service provider from paying bonuses or awarding increments in the emoluments or other benefits of directors and senior officers of the payment service provider; or
- (e) restrict, vary or cancel the payment service provider's licence issued under this Act.

(2) A person appointed under subsection (1)(a), shall report to the Bank the progress made on the design and implementation of a capital restoration plan, during intervals as the Bank may consider necessary.

(3) The Bank shall take the necessary supervisory action in accordance with section 91 where the Bank takes action in accordance with subsection (1) and the payment service provider fails, refuses or neglects to comply with the action of the Bank.

(4) In this section, a payment service provider is considered to be undercapitalised if the payment service provider is providing a payment service below determined minimum capital requirements.

Payment  
service  
provider  
incurring  
large losses

**89.** The Bank may, where a payment service provider that is complying with determined capital requirements incurs, or is likely to incur, large losses within any financial year, take the following actions against the payment service provider:

- (a) conduct frequent inspections of the payment service provider;

(b) direct the board or senior officers of the payment service provider to make written submissions to the Bank of the causes of large losses and the measures to be taken by the payment service provider to remedy the position and avert future large losses; or

(c) any other action that the Bank may consider necessary.

**90.** (1) A payment service provider shall, where the payment service provider is undercapitalised or incurring large losses and intends to declare a dividend, apply to the Bank for approval of the amount proposed to be declared as a dividend.

Payment of dividend by undercapitalised payment service provider or payment service provider incurring large losses

(2) The Bank may, after considering an application under subsection (1), take the following actions:

(a) approve the amount proposed to be declared as a dividend;

(b) approve a reduced amount of the amount proposed to be declared as a dividend; or

(c) prohibit the payment of any dividend.

**91.** (1) The Bank shall take supervisory action against a payment service provider where—

Supervisory action by Bank

(a) the payment service provider fails to comply with this Act, a regulatory statement issued under this Act or any other relevant written law;

(b) the payment service provider refuses to allow an inspection or obstructs an inspection from being conducted in accordance with this Act;

(c) an inspection conducted in accordance with this Act shows that the payment service provider—

(i) provides a payment service in contravention of a relevant written law or engages in unsafe or unsound practices;

(ii) is unable, or is likely to become unable, to continue its operations in the ordinary course of doing business;

(iii) has capital which is below the determined minimum capital requirements; or

(iv) is insolvent, or is likely to become insolvent.

(2) In addition to any other action that the Bank may take under this Act, supervisory action that the Bank may take under subsection (1) includes—

(a) directing, in writing, a payment service provider to take remedial action to comply with any rule made or regulatory statement issued in accordance with this Act;

- (b) issuing a regulatory statement or measures to be taken to improve the safety, security, efficiency and reliability of a payment service provider;
- (c) requiring the board or senior officers of a payment service provider to execute an agreement for purposes of complying with a regulatory statement specified in paragraphs (a) and (b);
- (d) performing, or appointing an agent to perform, an inspection of the payment service provider at the cost of the payment service provider; or
- (e) assuming control of and managing the business of a payment service provider as the Bank may determine.

(3) The Bank shall, where the Bank assumes control of, and manages, the business of a payment service provider under subsection (2)(e), carry out the functions of the board, collectively and individually, including the powers of delegation, in relation to the business of the payment service provider.

(4) The Bank may, where a payment service provider fails, refuses or neglects to comply with a regulatory statement issued or an agreement made under this section, do any of the following:

- (a) issue a cease-and-desist order, of temporary or indefinite duration, requiring the payment service provider and its board to—
  - (i) stop an unsafe or unsound practice;
  - (ii) limit participation of the payment service provider in the National Payment System;
  - (iii) stop a declaration or payment of dividends; or
  - (iv) stop any other activity of a payment service provider as the Bank may determine;
- (b) remove or suspend a person from the management of the affairs of a payment service provider;
- (c) appoint a person who, in the consideration of the Bank, is suitably qualified and competent to advise and assist a payment service provider, generally or for the purposes of complying with a direction, regulatory statement or agreement made under this section;

- (d) appoint a person who, in the consideration of the Bank, is suitably qualified and competent to manage the affairs of the payment service provider for a specified period to rectify a problem;
- (e) require a payment service provider to reconstitute its board within a period the Bank may specify;
- (f) withhold an approval for expansion of the business of a payment service provider;
- (g) prohibit a payment service provider from launching a new product;
- (h) restrict or vary a payment service provider's licence;
- (i) require a payment service provider to increase its capital to a determined level;
- (j) impose an administrative penalty as the Bank may determine; or
- (k) direct a payment service provider to do any other action, as the Bank may consider necessary, to ensure compliance with a regulatory statement issued or an agreement made under this section.

## PART XVI

### POSSESSION OF PAYMENT SERVICE PROVIDERS BY BANK

**92.** The Bank may take possession of a payment service provider where the—

- (a) payment service provider is significantly undercapitalised as the Bank may determine;
- (b) payment service provider is declared insolvent, wound-up or placed under receivership;
- (c) payment service provider poses systemic risk to the proper functioning of the National Payment System;
- (d) Bank becomes aware that the assets of a payment service provider that is declared insolvent, wound-up or placed under receivership are insufficient to repay that payment service provider's obligations; or
- (f) processes relating to insolvency, winding-up or receivership of the payment service provider are delayed for a period as the Bank may determine.

Grounds for possession of payment service provider by Bank

Notice of taking possession

**93.** (1) The Bank shall, where the Bank takes possession of a payment service provider under section 92, post a notice, at each branch of the payment service provider, stating that the Bank has taken possession of that payment service provider and specify the date, hour and minute at which the possession takes effect.

(2) The Bank shall, where the Bank takes possession of a payment service provider, transmit a copy of the notice referred to in subsection (1) to the court.

Appointment of possession manager

**94.** The Bank shall, where the Bank takes possession of a payment service provider under section 92, appoint a possession manager who shall manage the business of that payment service provider.

Petition to Minister to constitute tribunal

**95.** A payment service provider or an interested person acting on behalf of the payment service provider may, within twenty-one days after the date on which the Bank takes possession of the payment service provider, petition the Minister to constitute a tribunal to inquire into the decision of the Bank to take possession of that payment service provider.

Powers and duties of Bank on taking possession

**96.** (1) The Bank shall, on taking possession of a payment service provider, be vested with full management control of the payment service provider and have the power to—

- (a) terminate the interest of a shareholder in the payment service provider and refer the determination of the value of the interest of the shareholder to the court;
- (b) dissolve a board of the payment service provider;
- (c) continue or discontinue operations of the payment service provider;
- (d) suspend the payment of any of the payment service provider's obligations, including interest;
- (e) execute an agreement or commence legal proceedings in the name of the payment service provider;
- (f) employ, retain in employment, reinstate or terminate the employment of a senior officer or any other employee of the payment service provider; and
- (g) direct a director, senior officer or shareholder of the payment service provider to repay any debts incurred by the director, senior officer or shareholder in the ordinary course of business or on unpaid shares.

(2) The Bank may suspend for a period that the Bank may determine, the exercise of an early termination right by a party to a contract with a payment service provider in possession subject to the following:

- (a) the suspension of the exercise of an early termination right shall only apply where the early termination right arises as a result of the Bank taking possession of a payment service provider;
- (b) the suspension referred to under paragraph (a) shall be effective for a period that the Bank may determine at the time of the suspension;
- (c) an early termination right of a party to a contract with a payment service provider in possession shall not be affected where an occasion giving rise to the early termination right occurs—
  - (i) before the Bank suspends the early termination right and is not related to the exercise of a resolution power by the Bank; or
  - (ii) after the period of the suspension lapses and is not related to the exercise of a resolution power by the Bank;
- (d) in the case where the contract is an eligible contract, the Bank shall transfer the eligible contract with a particular party, to a new entity, without selecting to transfer individual contracts with that party and subject to the same netting agreement;
- (e) the new entity referred to under paragraph (d) shall assume the rights and obligations of the payment service provider in possession from which the eligible contract was transferred;
- (f) the early termination right of the party shall not be affected in the case of a subsequent default by the new entity referred to under paragraph (d) following the transfer of an eligible contract to the new entity;
- (g) the party may exercise the right to close out immediately against the payment service provider in possession when the period of the suspension lapses or where the Bank informs the party that the contract shall not be transferred; and

		(h) where the period of the suspension lapses, a party may exercise an early termination right for a contract that is not transferred by the Bank to the new entity referred to under paragraph (d).
Statement of affairs	<b>97.</b>	The Bank shall prepare a statement of affairs as the Bank may determine for a payment service provider in possession.
Resolution options	<b>98.</b> (1)	The Bank shall, after preparing a statement of affairs referred to under section 97, take the following resolution options against a payment service provider in possession: <ul style="list-style-type: none"> <li>(a) restructure or re-organise the payment service provider;</li> <li>(b) sell the payment service provider, as a going concern;</li> <li>(c) wind-up the payment service provider;</li> <li>(d) transfer all, or part, of the business of the payment service provider to a bridge institution;</li> <li>(e) initiate a purchase and assumption transaction;</li> <li>(f) initiate a bail-in;</li> <li>(g) dispose of all, or some, of the assets of the payment service provider; or</li> <li>(h) take any other action that the Bank considers necessary.</li> </ul> <p>(2) The Bank may, where necessary, establish a special purpose vehicle to facilitate the implementation of the resolution options referred to under subsection (1).</p>
Establishment of Resolution Fund	<b>99.</b>	The Bank may establish a Resolution Fund, as prescribed, for purposes of implementing the resolution options under section 98.
Effects of possession	<b>100.</b> (1)	Where the Bank takes possession of a payment service provider under this Act— <ul style="list-style-type: none"> <li>(a) a term relating to the expiration of a claim or right of the payment service provider shall be extended by six months from the date of that expiration despite any other relevant written law relating to extension of time;</li> <li>(b) a payment or transfer of an asset of the payment service provider made with an intention to effect a preference of a recipient of the payment or transfer of an asset over the other creditors of a payment service provider or at less than the appraised book value, shall be void if made within a period of twelve months prior to the Bank taking possession of the payment service provider;</li> </ul>

- (c) a gratuitous transfer of an asset of the payment service provider made within twelve months prior to the Bank taking possession of the payment service provider shall be void and the asset shall be surrendered to the Bank; and
- (d) any lending to a director, senior officer or other employee of the payment service provider or associated person of that director, senior officer or other employee of the payment service provider on preferential terms, or without adequate security, made within six months prior to the possession of the payment service provider by the Bank shall be cancelled and that director, senior officer or other employee of the payment service provider or associated person shall immediately repay the money advanced and interest accrued on the lending, at the prevailing rate at the time of possession, to the payment service provider.
- (2) Despite subsection (1)(b), a payment or transfer of an asset of a payment service provider in possession shall not be void where the—
- (a) payment or transfer is made to a creditor in the ordinary course of business to discharge in whole, or in part, a debt or other liability of the payment service provider to that creditor; or
- (b) transfer of an asset is made in exchange for consideration which is equal to the fair market value of the asset transferred.
- (3) The Bank shall settle claims due to, or due from, a payment service provider in local currency.

**101.** (1) The Bank shall, where the Bank commences a restructuring or reorganisation of a payment service provider in possession as a resolution option referred to under section 98—

Restructuring  
or  
reorganisation  
as resolution  
option

- (a) temporarily suspend the rights of shareholders; and
- (b) notify relevant stakeholders of the restructuring or reorganisation.
- (2) The Bank shall, where the Bank notifies relevant stakeholders under subsection (1)(b), give the relevant stakeholders an opportunity to be heard.
- (3) The Bank shall, where a restructuring or reorganisation fails, consider other resolution options provided under section 98.

Restriction  
on execution  
of judgment  
on payment  
service  
provider

**102.** A writ of execution, attachment, garnishee order or other similar process shall not be issued or made against the assets of a payment service provider in possession unless the writ of execution, attachment, garnishee order or other similar process is issued or made at least twelve months prior to the Bank taking possession of the payment service provider.

## PART XVII

### WINDING-UP, INSOLVENCY OR RECEIVERSHIP OF PAYMENT SERVICE PROVIDERS

Voluntary  
winding-up  
Cap. 431

**103.** (1) Despite the Corporate Insolvency Act or any other relevant written law, a payment service provider that intends to voluntarily wind-up shall seek approval of the Bank, in writing, for an intention to voluntarily wind-up.

(2) A payment service provider referred to under subsection (1), shall submit to the Bank—

- (a) a board resolution of the intention to voluntarily wind-up;
- (b) an audited declaration of solvency by the directors, with a statement of affairs attached, of the payment service provider showing the—
  - (i) assets and total amount expected to be realised from the assets on winding-up of the payment service provider;
  - (ii) liabilities of the payment service provider; and
  - (iii) expenses of the winding-up process of the payment service provider, estimated up to a latest practicable date prior to the passing of a board resolution for voluntary winding-up.

(3) The Bank shall, on receipt of the documents specified in subsection (2), notify relevant payment service providers in the National Payment System and other stakeholders as the Bank considers necessary.

(4) The Bank shall, on terms and conditions as the Bank may determine, approve an intention for voluntary winding-up of a payment service provider if the Bank is satisfied that the payment service provider is solvent and has sufficient liquid assets to settle that payment service provider's settlement obligations.

(5) The Bank shall, where the Bank approves an intention for voluntary winding-up under subsection (4), inform a payment service provider, in writing, of the decision.

(6) A board shall, on receipt of a decision under subsection (5), pass a special resolution for voluntary winding-up of a payment service provider and record the date, hour and minute of the passing of the special resolution.

(7) A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both.

**104.** (1) A payment service provider shall, on receipt of an approval of the intention for voluntary winding-up from the Bank under section 103—

- (a) surrender that payment service provider's licence issued under this Act to the Bank, within seven days of a board passing a special resolution for voluntary winding-up of the payment service provider;
- (b) notify that payment service provider's creditors and members of the public of the voluntary winding-up, by publication in the *Gazette* or other electronic media in the Republic; and
- (c) repay in full all outstanding settlement obligations and other obligations relating to customers and creditors.

Surrender of licence, notification and repayment after approval of voluntary winding-up

(2) A payment service provider that surrenders its licence to the Bank under subsection (1)(a) shall cease to conduct business, except for purposes of effecting the payment service provider's orderly voluntary winding-up in accordance with the Corporate Insolvency Act and this Act.

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(3) An asset of a payment service provider remaining after the payment service provider repays the obligations referred to under subsection (1)(c) shall be distributed to that payment service provider's shareholders in accordance with the Corporate Insolvency Act.

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(4) Despite subsection (3), an asset shall not be distributed to shareholders before —

- (a) in the case of a disputed claim, a payment service provider has transmitted to the Bank sufficient funds to meet a liability of the payment service provider as the Bank may determine; and
- (b) a payment service provider transmits, to the Bank, unclaimed funds payable to a customer or creditor of the payment service provider.

- Cap. 431 (5) The provisions of the Corporate Insolvency Act shall apply where a payment service provider fails to repay the payment service provider's settlement obligations and other obligations to customers and creditors under subsection 1(c).
- Notification of insolvency proceedings, receivership or business rescue proceedings
- 105.** (1) Despite any other relevant written law, a person who intends to commence insolvency proceedings, receivership or business rescue proceedings against a payment service provider shall notify the Bank not less than thirty days before commencing the insolvency proceedings.
- (2) A person referred to under subsection (1) shall provide the Bank with detailed information stating the reasons for the person's intention to commence insolvency proceedings against a payment service provider.
- (3) The Bank may, on receipt of a notification of an intention to commence insolvency proceedings against a payment service provider under this section, limit the licence of the payment service provider as the Bank may determine and inform the payment service provider of the limit of the licence.
- Insolvency, winding-up or receivership of payment service provider
- 106.** (1) Despite any other relevant written law, where a payment service provider is declared insolvent, wound up or placed under receivership, the payment service provider is bound by—
- (a) rules and agreements relating to clearing, netting and settlement to which that payment service provider is a party; and
- (b) a payment instruction or settlement instruction that is final and irrevocable under section 71 of this Act.
- (2) A payment service provider that contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding seven hundred and fifty thousand penalty units or to a term of imprisonment not exceeding seven years, or to both.
- Insolvency, winding-up or receivership of electronic money institution
- 107.** (1) An electronic money institution shall, where the electronic money institution is declared insolvent, wound-up or placed under receivership, submit the following to the Bank, within two days of receipt of a declaration of insolvency, winding-up order or an order of receivership:
- (a) the total value of the electronic money liabilities on the system of the electronic money institution;
- (b) a list of customers and agents, and any outstanding balances to the customers and agents;
- (c) a statement of affairs detailing the assets and liabilities of the electronic money institution;

- (d) a list of all holding accounts, collection accounts, customer funds accounts and interest earned on trust funds accounts held with a bank or financial institution and the outstanding balances on those accounts;
- (e) a list of all other accounts held with a bank or financial institution and the outstanding balances on those accounts; and
- (f) any other information as the Bank may determine.

(2) In addition to the requirements under subsection (1), an electronic money institution shall, on receipt of a declaration of insolvency, winding-up order or an order of receivership, cease to—

- (a) receive funds from customers; and
- (b) enter into any new electronic money service or continue to provide an electronic money service, except where it is necessary for the orderly realisation, conservation and preservation of assets of the electronic money institution.

**108.** (1) A payment instruction or netting is legally enforceable and binding on a payment service provider or third party if the payment instruction or netting was entered into the payment system prior to the payment service provider being declared insolvent, wound-up or placed under receivership.

Payment instruction, netting or settlement on insolvency, winding-up or receivership of payment service provider

(2) A declaration of insolvency, winding-up order or an order of receivership shall not affect the finality of a payment instruction or settlement instruction that was considered final prior to a payment service provider being declared insolvent, wound-up or placed under receivership.

**109.** (1) Despite any other written law, a payment service provider shall, where the payment service provider is declared insolvent, wound-up or placed under receivership, lodge with the Bank a copy of the declaration of insolvency, winding-up order or order of receivership.

Lodgment of declaration of insolvency, winding-up order or order of receivership with Bank

(2) A copy of the declaration of insolvency, winding-up order or order of receivership referred to under subsection (1) shall specify the date, hour and minute that the declaration or order was passed by a court.

(3) A payment service provider shall serve a copy of the declaration of insolvency, winding-up order or order of receivership lodged with the Bank under subsection (1) on all settlement agents and payment service providers in the National Payment System.

(4) Despite any other written law, a declaration of insolvency, winding-up order or order of receivership shall take effect from the minute the declaration of insolvency, winding-up order or order of receivership is made by a court.

Winding-up  
of payment  
service  
provider by  
Bank

**110.** (1) Despite any other relevant written law, the Bank may order the winding-up of a payment service provider where the payment service provider—

- (a) is declared insolvent;
- (b) is in breach of the provisions of this Act; or
- (c) poses systemic risk to the proper functioning of the National Payment System.

(2) Where the Bank orders the winding-up of a payment service provider under subsection (1), the order for winding-up shall state the date, hour and minute on which the order is made.

(3) The Bank shall serve an order for winding-up of a payment service provider on the payment service provider and notify relevant settlement agents, all payment service providers in the National Payment System and customers of the payment service provider.

(4) A person that is notified under subsection (3) may within thirty days of the notification, petition the Minister to establish a tribunal to inquire into the decision of the Bank to wind-up a payment service provider.

(5) An order for winding-up of a payment service provider made by the Bank under this section shall take effect from the minute the winding-up order is made.

(6) Where a payment service provider is wound-up under this section, a netting agreement to which the payment service provider is a party or netting rules applicable to the payment service provider shall be binding on a liquidator in respect of a settlement obligation which—

- (a) has been determined through netting prior to the issuance of the winding-up order; and
- (b) is overdue on the issuance of the winding-up order and is required to be discharged on or after the date, hour and minute of the winding-up order.

Bank as  
liquidator

**111.** (1) The Bank shall, where the Bank orders the winding-up of a payment service provider under section 110, act as a liquidator of the payment service provider and perform the functions of the payment service provider.

(2) Despite the generality of subsection (1), the Bank, as liquidator of a payment service provider, shall have the power to—

- (a) commence, continue or defend an action or legal proceedings in the name and on behalf of the payment service provider; or
- (b) continue the business of the payment service provider only for purposes of orderly winding-up the business of the payment service provider.

**112.** (1) The Bank shall, where the Bank orders the winding-up of a payment service provider under section 110, make available a customer's statement, as the Bank may determine, for collection by a customer or creditor of the payment service provider.

Customer's  
statement  
and filing of  
claims

(2) A customer's statement referred to under subsection (1) shall state—

- (a) a claim of a customer or creditor as shown in the records of the payment service provider; and
- (b) that a claim by a customer or creditor shall be filed with the Bank within sixty days from the date that the customer's statement is made available by the Bank.

(3) The Bank shall, within six months after the period specified under subsection (2)(b) lapses —

- (a) determine the amount, if any, owing to each known customer or creditor;
- (b) accept to pay a customer or creditor, in full or in part;
- (c) defer the payment of a claim that is filed out of time;
- (d) reject a claim that is determined to be invalid and notify, in a manner determined by the Bank, each customer or creditor whose claim has been rejected in full or in part;
- (e) file into court, a liquidation schedule showing the steps that the Bank proposes to take in winding-up a payment service provider; or
- (f) publish once a week for three consecutive weeks, in the *Gazette*, a newspaper of general circulation in the Republic or electronic media, a notice of the date and place where the liquidation schedule is available for inspection, and the date, not earlier than thirty days after the date of the third publication of the notice, on which the Bank shall file the liquidation schedule into court.

(4) Where the Bank pays the claims filed by a customer or creditor under this section, any remaining claims that are not submitted to the Bank within the time specified under subsection (2)(b) shall be paid in the order of priority of their submission.

Objection to  
liquidation  
schedule

**113.** (1) A customer, creditor, shareholder or any other interested party of a payment service provider may, within twenty-one days after the filing of a liquidation schedule by the Bank under section 112, file with the court an objection to a step proposed in the liquidation schedule.

(2) A court may, at the conclusion of hearing an objection filed in accordance with subsection (1)—

(a) grant the objection;

(b) order that a liquidation schedule be modified by the Bank;  
or

(c) set aside the objection.

Payment of  
claims

**114.** (1) The Bank may, after filing a liquidation schedule under section 112, pay, in a manner as the Bank may determine, undisputed claims or claims that have been allowed for payment by the court.

(2) The Bank shall only make payment under subsection (1) if a reserve account is established by the Bank in accordance with section 117.

Cap. 268

(3) Despite the Employment Code Act or any other relevant written law, where the Bank orders the winding-up of a payment service provider, an employee of the payment service provider whose contract has been terminated shall be paid severance pay in accordance with the priority ranking of claims under section 115.

Priority  
ranking of  
claims  
Cap. 431

**115.** Despite the Corporate Insolvency Act or any other relevant written law, where the Bank winds-up a payment service provider under this Act, the following claims shall be paid in priority to any other claims:

(a) claims due to the Bank;

(b) expenses incurred by the Bank in the winding-up process;

(c) electronic money wallet holders;

(d) taxes and statutory obligations, wages and salaries of employees for a period of three months;

(e) creditors, subordinated debt holders and shareholders; and

(f) any other claims against the payment service provider in an order of priority that the court may determine on application by the Bank.

- 116.** Where the funds available for payment of claims referred to under sections 112(4) and 114 is insufficient for payment of the claims in full, the claims shall abate in equal proportions. Insufficient funds for payment of claims
- 117.** Despite the Corporate Insolvency Act or any other relevant written law, the Bank shall, where the Bank winds-up a payment service provider, establish a reserve account for purposes of paying the following disputed claims against the payment service provider: Reserve account for wound-up payment service provider Cap. 431
- (a) present or future claims;
  - (b) certain or contingent claims;
  - (c) any customer accounts which are subject of legal proceedings and seized prior to the payment service provider being wound-up; or
  - (d) any other claim that the Bank may determine.
- 118.** The assets remaining after all claims have been paid to customers and creditors by the Bank after winding-up a payment service provider shall be distributed among the shareholders of the payment service provider. Final distribution in winding-up
- 119.** Any undistributed funds remaining after a final distribution under section 118 shall be taken into possession and held by the Bank and managed in accordance with this Act. Undistributed funds
- 120.** Despite the Corporate Insolvency Act or any other relevant written law, an action or legal proceeding shall not be instituted against the Bank or an obligation placed on the Bank in relation to the payment of a claim of a customer or creditor of a payment service provider that is wound-up by the Bank under this Act. Immunity of Bank against customer or creditor claims Cap. 431

## PART XVIII

## INVESTIGATIONS AND INSPECTIONS

- 121.** (1) For the purposes of investigations under this Act, the Bank may, by the Bank's employees or agents, where the Bank reasonably believes that a person is providing a payment service without a licence, with a warrant— Investigations
- (a) enter and search premises on which a payment system business is being conducted or payment service is being provided;
  - (b) access and examine books, accounts, systems or records;

- (c) require, from a person who is in control of the premises of a payment service provider, an explanation of a record or entry in a book, accounts, systems or records;
  - (d) take extracts from, or make copies of, a book, account, system or record that is on the premises of a payment service provider and that has a bearing on an investigation;
  - (e) remove from the premises any equipment, commodity or product used in contravention of this Act; and
  - (f) make inquiries that may be necessary to ascertain whether the provisions of this Act or any other law on which an investigation is based, have been complied with.
- (2) An employee or agent of the Bank who removes anything from any premises shall—
- (a) issue a receipt from anything removed to the owner or the person in control of the premises; and
  - (b) return anything removed as soon as practicable after the thing removed has served the purpose for which it was removed.

Inspection  
of payment  
service  
providers

**122.** (1) The Bank shall appoint, in writing, suitably qualified persons who are officers of the Bank, as inspectors for purposes of ensuring compliance with this Act or any other written law.

(2) Despite any other written law, an inspector may, for the purposes of enforcing the provisions of this Act and at any reasonable time, access the business of a payment service provider and examine—

- (a) oral and documented information, including information on a computer or computer system, book, minute, voucher or an account;
  - (b) assets and liabilities; and
  - (c) any other thing in the possession, custody or control of a payment service provider.
- (3) An inspector shall, after completion of an inspection under this section, submit a report of the inspection to the Bank.
- (4) The Bank shall, on receipt of a report under subsection (3), submit the report to the chairperson of a board and direct—
- (a) the chairperson of the board to submit the report to a meeting of the board; and

(b) a payment service provider to make submissions, in writing, on any remedial measures to be taken by the payment service provider on the issues stated in the report.

(5) The report submitted by the Bank under subsection (4) is confidential and a director, senior officer, employee of a payment service provider or any person who, by reason of that person's capacity or office, has access to the report shall not, without the prior written approval of the Bank, while holding that office or after the termination of employment, disclose the report or any part of the report to any person other than a director, senior officer or employee of the payment service provider.

(6) The Bank may, where the Bank determines that an inspection conducted under this section shows that a payment service provider is providing a payment service in a manner detrimental to the interests of the payment service provider or the payment service provider's shareholders—

(a) direct the payment service provider to take remedial measures as the Bank may determine;

(b) appoint a person, as the Bank may determine, who is suitably qualified and competent to advise and assist a payment service provider on the necessary remedial measures to be taken in accordance with paragraph (a); or

(c) take supervisory action in accordance with section 91 as the Bank may determine.

(7) A person who, in good faith, provides information to the Bank which information facilitates an inspection of a payment service provider under this Act, shall be indemnified against a claim or sanction that arises as a consequence of providing the information.

(8) A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding two hundred thousand penalty units, or to imprisonment for a term not exceeding two years, or to both.

**123.** (1) A person commits an offence if that person—

(a) delays or obstructs an investigation or inspection under this Act;

(b) knowingly or negligently gives false or misleading information in answer to an inquiry made for purposes of an investigation or inspection under this Act;

Obstruction  
of  
investigation  
or inspection

- (c) refuses to give information or assistance which is required for purposes of an investigation or inspection under this Act;
  - (d) impersonates an employee or agent of the Bank; or
  - (e) falsely represents oneself to be an employee or agent of the Bank or acting under the instructions of an employee or agent of the Bank.
- (2) A person convicted of an offence under subsection (1), is liable, to a fine not exceeding five hundred thousand penalty units, or to imprisonment for a term not exceeding five years, or to both.

## PART XIX

## GENERAL PROVISIONS

Protection of  
customer  
funds

**124.** Customer funds held by a payment service provider in a holding account, collection account or customer funds account shall—

- (a) not form part of assets available for distribution by a receiver or liquidator where the payment service provider is declared insolvent, wound-up or placed under receivership;
- (b) be paid, in full, to the customers where the payment service provider is declared insolvent, wound-up or placed under receivership; and
- (c) not be subject of a writ of execution, order of attachment, garnishee order or other similar order made against a payment service provider.

Safeguarding  
unclaimed  
customer  
funds or  
dormant  
customer  
funds

**125.** (1) Despite any written law, unclaimed customer funds or dormant customer funds held by a payment service provider shall be considered to be abandoned on the expiration of a period that the Bank may determine.

(2) A payment service provider shall, where unclaimed customer funds or dormant customer funds are considered to be abandoned under subsection (1), surrender the unclaimed customer funds or dormant customer funds to the Bank.

- (3) The Bank may determine—
  - (a) conditions under which unclaimed customer funds or dormant customer funds under subsection (1) may be considered to be abandoned;
  - (b) the treatment of unclaimed customer funds or dormant customer funds after being surrendered under subsection (2);

- (c) processes for making any claim by a person against the unclaimed customer funds or dormant customer funds and for determining such claims; and
- (d) any other conditions necessary for safeguarding unclaimed customer funds or dormant customer funds held by a payment service provider.

**126.** (1) The Bank may, where the Bank considers that a payment service provider is committing an act or conduct that is unsafe or unsound, enter into a written agreement with the payment service provider or its board for purposes of establishing—

Unsafe or  
unsound  
practices

- (a) a course of action to counteract the unsafe or unsound practice; and
- (b) or maintaining safe or sound practices in the conduct of the business of the payment service provider.

(2) The Bank may, where the Bank is unable to enter into an agreement with a payment service provider under subsection (1) or the Bank considers that the need for prompt action makes the negotiating of an agreement impracticable—

- (a) direct the payment service provider to refrain from adopting or pursuing a specific action;
- (b) restrict the scope of the business of the payment service provider in a determined manner;
- (c) prohibit the payment service provider from entering into any other transaction or class of transactions or commencing or continuing an activity under this Act; or
- (d) direct the suspension or removal from office of a director, senior officer or other person.

(3) A directive given by the Bank under this section—

- (a) shall be given by notice, in writing, to the payment service provider or any other person as the Bank may determine;
- (b) shall take effect immediately and remain in effect in accordance with the terms and conditions of the directive unless discontinued on appeal; and
- (c) may be varied or revoked, by notice, in writing, to the payment service provider or any other person.

(4) A person acting in contravention of an agreement made, or directive given, under this section, commits an offence and is liable, on conviction, to a fine not exceeding seven hundred thousand penalty units or to imprisonment for a term not exceeding seven years, or to both.

- Identification documentation for customer due diligence  
Cap. 384
127. Subject to the Financial Intelligence Centre Act a payment service provider may accept the following identification documentation for the purposes of conducting customer due diligence when providing a payment service:
- (a) National Registration Card;
  - (b) valid passport;
  - (c) valid driver's licence;
  - (d) in the case of a person granted refugee status in accordance with the Refugees Act, a refugee identification card; or
  - (e) other official, independent and verifiable identification documentation approved by the Bank.
- Cap. 120
- Duty to notify
128. (1) A payment service provider shall immediately notify the Bank on the occurrence of any of the following:
- (a) an intention to make a material change to the nature of the operational rules and activities of the payment system of the payment service provider;
  - (b) an irregularity that impedes, impairs or prevents access to payment system operations, clearing operations or settlement operations of the payment service provider;
  - (c) the payment service provider becoming, or likely to become, insolvent or unable to meet the payment service provider's financial obligations, statutory obligations, contractual obligations or other obligations as the Bank may determine; or
  - (d) the payment service provider being placed under business rescue or any other equivalent process.
- (2) A payment service provider shall provide the Bank with information that the Bank may require on the occurrence of the events specified in subsection (1).
- (3) A payment service provider that contravenes subsection (1) or (2) commits an offence and is liable, on conviction, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both.
- Duty to report cyber security incidents  
Act No. 3 of 2025
129. (1) Subject to the Cyber Security Act, 2025, a payment service provider shall establish mechanisms to ensure the protection of the payment service provider's critical information, critical information infrastructure, computer, computer data and computer system from cyber security incidents.

(2) A payment service provider shall, where a perceived or actual cyber security incident occurs—

- (a) immediately notify the Bank of the perceived or actual occurrence of the cyber security incident;
- (b) contain any disruption caused by the cyber security incident and minimise the impact of the cyber security incident; and
- (c) submit a report of the cyber security incident to the Bank, within forty eight hours of the occurrence of the cyber security incident, in a manner and form as determined by the Bank.

(3) The Bank may, for purposes of safeguarding the financial system, provide information on the cyber security incidents reported under this section to relevant stakeholders.

**130.** (1) A person carrying on a business shall not, unless that person is a payment service provider, use a name or symbol which shows or is likely to show, that the business is operated by a payment service provider.

Restriction  
on use of  
name or  
symbol or  
false  
representation

(2) The Bank shall, where a person carrying on a business is currently using a name or symbol registered in a manner that contravenes subsection (1), notify a relevant authority responsible for the registration of the business to direct the person to alter or modify the name or symbol for purposes of complying with this section.

(3) A person shall not make false representation to the public that the person is a payment service provider.

(4) A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding one hundred thousand penalty units or to imprisonment for a term not exceeding one year, or to both.

**131.** (1) A person who issues or causes to be issued a cheque or direct debit instruction on an account with insufficient funds and the cheque or direct debit instruction is dishonoured or unpaid when presented for payment, commits an offence and is liable, on conviction, to a fine not exceeding one hundred thousand penalty units or to imprisonment for a term not exceeding one year, or to both.

Dishonoured  
cheque or  
direct debit  
instruction

(2) A payment system participant shall report to the Bank monthly, as determined by the Bank, where a cheque or direct debit instruction is dishonoured or unpaid due to insufficient funds on an account.

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Validity of transactions by payment service provider	<p><b>132.</b> For purposes of fulfilling contractual obligations of a payment service provider, a transaction entered into by the payment service provider in contravention of this Act is not void or ineffective by reason only of that contravention and shall not be voidable at the instance of the payment service provider, unless a court orders otherwise.</p>
Retention of records	<p><b>133.</b> (1) A payment service provider shall retain a record that is obtained or generated in the operation and administration of the business of the payment service provider for a period of ten years from the date on which the record is obtained or generated or a longer period as may be specified under any other written law applicable to that payment service provider.</p> <p>(2) The retention of a record under subsection (1) may be effected through electronic media.</p>
Documents	<p><b>134.</b> (1) A document that is required by the Bank from a payment service provider shall, in the case of a document prepared by the payment service provider which—</p> <ul style="list-style-type: none"><li>(a) has no prescribed form, be signed by the chief executive officer of the payment service provider or any other person authorised by the payment service provider; or</li><li>(b) is in a prescribed form, be signed by a person holding the office or offices as specified by the document.</li></ul> <p>(2) A person who issues or takes part in the issuance of a document which is false in any material particular, and every other person who signed the document or took part in the issuance of the document, knowingly or reasonably believing the document to be false, commits an offence and is liable, on conviction, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both.</p>
Guidelines for financial innovation	<p><b>135.</b> (1) The Bank shall issue guidelines for purposes of monitoring or testing a financial innovation under this Act.</p> <p>(2) The guidelines referred to under subsection (1) may provide for the following:</p> <ul style="list-style-type: none"><li>(a) criteria for classification of a financial innovation as a payment service or financial service;</li><li>(b) registration, with the Bank, of a financial innovation for which no regulatory framework exists;</li><li>(c) criteria, requirements for participation and risk management for monitoring or testing a financial innovation in a controlled environment;</li></ul>

(d) manner and form of submission of returns for a financial innovation; and

(e) any other matter as the Bank considers necessary.

**136.** (1) The Bank shall issue guidelines for purposes of regulation, supervision and oversight of financial market infrastructure.

Guidelines for regulation, supervision and oversight of financial market infrastructure

(2) The guidelines referred to under subsection (1) may provide for the following:

(a) criteria for identifying financial market infrastructure;

(b) principles for promoting safe and efficient operation of financial market infrastructure;

(c) criteria for undertaking or coordinating periodic assessments of financial market infrastructure against the principles referred to under paragraph (b);

(d) manner and form for submission of returns for financial market infrastructure; and

(e) any other matter as the Bank considers necessary.

(3) The Bank shall, where the primary function of the regulation, supervision and oversight of a financial market infrastructure identified using the criteria under subsection (2)(a) falls under another market regulator or authority, enter into a memorandum of understanding with that market regulator or authority as the Bank may determine.

**137.** (1) A payment service provider shall submit returns to the Bank as may be determined by the Bank.

Returns

(2) A payment service provider that contravenes subsection (1) is liable to pay an administrative penalty as may be determined by the Bank in accordance with section 141.

**138.** (1) A person commits a separate offence for each day on which a failure or refusal continues and is liable to an administrative penalty as the Bank may determine where—

Continuing acts or offences

(a) an act is required to be done within a particular period or before a particular time and the obligation to do the act continues after the period has ended or the time has lapsed; or

(b) failure or refusal to comply with the provision is an offence and such failure or refusal continues.

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Offences by principal officers of body corporate or unincorporate body	<p><b>139.</b> Where an offence under this Act is committed by a body corporate or unincorporate body, with the knowledge, consent or connivance of the director, manager, shareholder or partner of the body corporate or unincorporate body, that director, manager, shareholder or partner commits the same offence as the body corporate or unincorporate body and is liable, on conviction, to the penalty specified for that offence under this Act.</p>
General penalty	<p><b>140.</b> A person who commits an offence under this Act for which no penalty is provided is liable, on conviction, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both.</p>
Administrative penalty	<p><b>141.</b> (1) The Bank may impose an administrative penalty for a failure to comply with a provision of this Act which is not an offence.</p> <p>(2) An administrative penalty shall not exceed the amount, determined by the Bank, for each day during which the failure continues.</p> <p>(3) An administrative penalty shall be paid to the Bank within a period determined by the Bank.</p> <p>(4) The Bank may, where a person fails to pay an administrative penalty within the stipulated time under subsection (3), by way of civil action in a competent court, recover the amount for the administrative penalty from that person as an amount due and owing to the Bank.</p>
Immunity	<p><b>142.</b> An action or other proceeding shall not lie or be instituted against an officer, agent, employee of the Bank or a person authorised by the Bank in respect of any act done or omitted to be done by that officer, agent or employee of the Bank in good faith in the exercise or performance, of any powers, functions or duties conferred by or in accordance with this Act.</p>
Moratorium	<p><b>143.</b> The Bank may place a moratorium on the grant of a licence, authorisation or designation to provide a payment service under this Act where the Bank considers that the moratorium is in the public interest or is necessary to preserve the stability or integrity of the financial system.</p>
Exemption	<p><b>144.</b> The Bank may, on terms and conditions as the Bank may determine, exempt a payment service provider or any other person from the provisions of this Act and provide for variation or revocation of that exemption.</p>

- 145.** (1) Where a dispute arises between payment service providers relating to any matter under this Act, the payment service providers shall attempt to settle the dispute by mutual agreement within seven days of the aggrieved party notifying the other party of the grievance. Disputes between payment service providers
- (2) The payment service providers referred to under subsection (1) may adopt alternative dispute resolutions where the payment service providers fail to settle the dispute by mutual agreement in the period specified in that subsection.
- 146.** (1) The Bank shall, where the Bank makes a decision under this Act, by notice in writing— Decision of Bank and right to be heard
- (a) inform a person affected by the decision, stating the reasons for the decision; and
- (b) invite the person referred to under paragraph (a) to make a written representation within a time specified in the notice.
- (2) The Bank may, on receipt of a written representation referred to under subsection (1)(b), reaffirm, revoke or vary its decision and notify the person accordingly.
- 147.** A person aggrieved by a decision of the Bank may, within fourteen days of receipt of the decision, notify the Bank and the Minister, in writing, of the person's intention to appeal to a tribunal, stating the nature of the grievance and the grounds of the appeal. Right of appeal
- 148.** (1) The Minister shall, within thirty days of receipt of a notification referred to under section 147, constitute an *ad hoc* tribunal consisting of the following members appointed by the Minister: Constitution of tribunal
- (a) a chairperson, who shall be a person qualified to be appointed as a judge of the High Court; and
- (b) two other members with knowledge and experience in the matter under consideration.
- (2) The members referred to under subsection (1) shall be appointed on terms and conditions as may be specified in their letters of appointment.
- (3) A tribunal constituted under subsection (2) shall—
- (a) afford an appellant the right to appear in person or be represented by a legal practitioner or an agent; and
- (b) hear and determine an appeal on the merits of the appeal, within sixty days of being constituted, in accordance with this Act.

(4) The Chief Justice may, by statutory instrument, make rules for the procedure to be followed and the rules of evidence to be observed in proceedings before a tribunal.

Decision of  
tribunal

**149.** (1) A tribunal shall not set aside a decision of the Bank made under this Act.

(2) A decision of the Bank made under this Act shall remain in force unless set aside by a court.

(3) Despite subsections (1) and (2), a tribunal may order compensation against the Bank where the tribunal finds the Bank to have made a decision on the matter before the tribunal in contravention of this Act or any other relevant written law.

(4) An appeal against a decision of a tribunal shall lie to the Court of Appeal.

Register of  
payment  
service  
providers

**150.** (1) The Bank shall keep and maintain a Register of payment service providers under this Act, in which shall be entered the—

(a) names, addresses and other particulars of the payment service providers;

(b) names and particulars of payment service providers whose licences, authorisation or designation is cancelled; and

(c) any other information that the Bank may determine.

(2) The Register of payment service providers shall be kept in the custody of the Registrar at the offices of the Bank and shall be open, electronically or physically, for inspection by members of the public during working hours that the Bank may determine.

(3) The Registrar shall, on an application by a person, in writing, issue to the person a certified extract from the Register of payment service providers or a copy of a licence, authorisation or designation, on payment of a fee that the Bank may determine.

(4) A document purporting to be an extract of an entry in the Register of payment service providers and certified under the hand of the Registrar, shall be received in evidence, as to matters stated in the extract, in any legal proceedings.

(5) Subject to this Act, a copy of the last printed Register of Payment Service Providers shall be *prima facie* evidence in legal proceedings of what is contained in that Register.

**151.** (1) The Bank may, by notice in the *Gazette*, issue regulatory statements necessary for the better carrying out or giving effect to the provisions of this Act. Regulatory statements

(2) Despite the generality of subsection (1), regulatory statements may provide for—

- (a) the essential features of a cheque;
- (b) standards for the provision of a payment service under this Act;
- (c) netting agreements and rules governing such agreements;
- (d) the collateral to be provided by payment system participants under this Act;
- (e) the operating procedures for payment service providers;
- (f) procedure for hearing of grievances by the Bank and making of decisions on those grievances;
- (g) terms and conditions for the designation, appointment and functions of an ombudsperson for consumer protection;
- (h) procedure for handling complaints under this Act;
- (i) procedure and processes for lodging and considering objections relating to the amendment of a licence on change of name of a licensee;
- (j) processes for placing a moratorium on the grant of a licence, authorisation or designation;
- (k) fees or charges payable under this Act;
- (l) fees or charges to be paid for purposes of the Bank recovering any costs incurred in the administration of this Act;
- (m) fees or charges levied under this Act to be recovered as a debt due to the Bank; and
- (n) any other matter that requires to be determined by the Bank and necessary for better carrying out of the provisions of this Act.

**152.** The Minister may, on the recommendation of the Bank, by Statutory Instrument, make regulations for the better carrying out of the provisions of this Act. Regulations

**153.** (1) The National Payment Systems Act is repealed.

(2) Despite subsection (1), a certificate issued under the repealed Act shall continue to be valid until expiry or revocation as if the certificate was issued under this Act. Repeal of Cap. 359 and savings and transitional provisions

(3) An application pending under the repealed Act, shall, on commencement of this Act, be issued in accordance with this Act.

(4) A right or benefit accruing, or liability incurred, under the repealed Act, shall continue as if accrued or incurred under this Act.

(5) An order, notice or directive made or given and in force under the repealed Act shall, unless inconsistent with this Act, continue in force until revoked as this Act may specify.

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