

**Payment and Settlement Systems Act, 2007**

**Section 2 - Definitions.—**

2007. (2) It extends to the whole of India. (3) It shall come into force on such date<sup>1</sup> as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act, and any reference to the commencement in any such provision of this Act shall be construed as a reference to Section 2 - the commencement of that provision 1) In this Act, unless the context otherwise requires, (a) bank means, (i) a bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934); (ii) a post office savings bank; (iii) a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949); (iv) a co-operative bank as defined in clause (cci) of section 5, as inserted by section 56 of the Banking Regulation Act, 1949 (10 of 1949); and (v) such other bank as the Reserve Bank may, by notification, specify for the purposes of this Act; (b) derivative means an instrument, to be settled at a future date, whose value is derived from change in interest rate, foreign exchange rate, credit rating or credit index, price of securities (also called underlying), or any other underlying or a combination of more than one of them and includes interest rate swaps, forward rate agreements, foreign currency swaps, foreign currency rupee swaps, foreign currency options, foreign currency rupee options or any other instrument, as may be specified by the Reserve Bank from time to time; (c) electronic funds transfer means any transfer of funds which is initiated by a person by way of instruction, authorisation or order to a bank to debit or credit an account maintained with that bank through electronic means and includes point of sale transfers, automated teller machine transactions, direct deposits or withdrawal of funds, transfers initiated by telephone, internet and card payment; (d) gross settlement system means a payment system in which each settlement of funds or securities occurs on the basis of separate or individual instructions; [(da) issuer means a person who issues a legal entity identifier or such other unique 2 identification (by whatever name called), as may be specified by the Reserve Bank from time to time; 1. 12th August, 2008, vide notification No. S.O. 2032(E), dated 12th August, 2008, see Gazette of India, Extraordinary, Part II, sec. 3(ii).