

Payment and Settlement Systems Act 2007

Section 7 - Issue or Refusal of Authorisation

(1) The Reserve Bank may, if satisfied, after any inquiry under section 6 or otherwise, that the application is complete in all respects and that it conforms to the provisions of this Act and the regulations issue an authorisation for operating the payment system under this Act having regard to the following considerations, namely:

- (i) the need for the proposed payment system or the services proposed to be undertaken by it;
- (ii) the technical standards or the design of the proposed payment system;
- (iii) the terms and conditions of operation of the proposed payment system including any security procedure;
- (iv) the manner in which transfer of funds may be effected within the payment system;
- (v) the procedure for netting of payment instructions effecting the payment obligations under the payment system;
- (vi) the financial status, experience of management and integrity of the applicant;
- (vii) interests of consumers, including the terms and conditions governing their relationship with payment system providers;
- (viii) monetary and credit policies; and
- (ix) such other factors as may be considered relevant by the Reserve Bank.

(2) An authorisation issued under sub-section (1) shall be in such form as may be prescribed and shall

- (a) state the date on which it takes effect;
- (b) state the conditions subject to which the authorisation shall be in force;
- (c) indicate the payment of fees, if any, to be paid for the authorisation to be in force;
- (d) if it considers necessary, require the applicant to furnish such security for the proper conduct of the payment system under the provisions of this Act;
- (e) continue to be in force till the authorisation is revoked.

(3) Where the Reserve Bank considers that the application for authorisation should be refused, it shall give the applicant a written notice to that effect stating the reasons for the refusal:

Provided that no such application shall be refused unless the applicant is given a reasonable opportunity of being heard.

(4) Every application for authorisation shall be processed by the Reserve Bank as soon as possible and an endeavour shall be made to dispose of such application within six months from the date of filing of such application.