

S.I. 115 of 2014**NATIONAL PAYMENT SYSTEM ACT, 2014***(Act 14 of 2014)***NATIONAL PAYMENT SYSTEM (LICENSING AND
AUTHORISATION) REGULATIONS, 2014****ARRANGEMENT OF REGULATIONS****PART 1
PRELIMINARY**

1. Citation
2. Interpretation

**PART 2
AUTHORISATION OF OPERATOR OF A PAYMENT, CLEARING
OR SETTLEMENT SYSTEMS**

3. Application for authorisation of payment, clearing or settlement system
4. Qualification for grant of authorisation
5. Grant or refusal of application
6. Annual fees
7. Authorised operator to apply for operating a new system

**PART 3
LICENSING OF PAYMENT SERVICE PROVIDERS**

8. Application for licensing of payment service provider
9. Qualification for grant of licence
10. Grant or refusal of application
11. Annual fees
12. Licensees to apply for new payment service

**PART 4
MISCELLANEOUS**

13. Terms and conditions of licence or authorisation
14. Amendment of terms and conditions of licence or authorisation

15. Requirements of paid up capital
16. Compliance with application procedure for approval
17. Exemptions
18. Suspension or revocation of licence or authorisation
19. Renewal of licence or authorisation
20. Additional requirement for electronic money
21. Appeal against decision of Central Bank

S.I. 115 of 2014

NATIONAL PAYMENT SYSTEM ACT, 2014

(Act 14 of 2014)

**National Payment System (Licensing and Authorisation)
Regulations, 2014**

**PART 1
PRELIMINARY**

In exercise of the powers conferred by section 42 of the National Payment System Act, 2014, the Central Bank hereby makes the following Regulations —

1. These regulations may be cited as the National Payment System (Licensing and Authorisation) Regulations, 2014.

Citation

2. In these Regulations —

Interpretation

“Act” means the National Payment System Act, 2014;

“Bureau de Change” means a person licensed under the Financial Institutions Act, 2004 to carry on foreign exchange business;

“close relation”, means —

(a) spouse; or

(b) parents, brother, sister, whether such relationship results from birth, marriage or adoption;

“money remittance service” means a service for the transmission of money (or any representation of monetary value), without any payment accounts

being created in the name of the payer or the payee, where—

- (a) funds are received from a payer for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee; or
- (b) funds are received on behalf of, and made available to, the payee;

“substantial interest” means holding individually or together with a close relation, directly or indirectly, 10 percent or more of the capital or of the voting rights of a company or undertaking or, directly or indirectly, exercising such significant influence over the management of the company or undertaking as the Central Bank may determine.

PART 2 AUTHORISATION TO OPERATE PAYMENT, CLEARING OR SETTLEMENT SYSTEMS

Application for
authorisation of
payment,
clearing or
settlement
system

3. An application for authorisation to operate a payment, clearing or settlement system under section 6 of the Act shall be made in Form 1 specified in Schedule I and shall be accompanied by the fees specified in Schedule II and the information specified in Schedule III.

Qualification
for grant of
authorisation

4.(1) The Central Bank may grant an application for authorisation if it is satisfied that the applicant—

- (a) is a company incorporated under the Companies Act;
- (b) is financially sound;
- (c) has submitted all the information specified in Schedule III;

- (d) has in place adequate governance arrangements for its proposed payment, clearing or settlement system, including—
 - (i) clearly defined roles and responsibilities for the applicant's decision-making bodies, its organisational structure with well-defined, transparent and consistent lines of responsibility;
 - (ii) effective procedures to identify, manage, monitor and report the credit, liquidity, operational, settlement and other risks to which it is or might be exposed;
 - (iii) adequate internal risk control and internal audit mechanisms, including sound administrative, accounting and reporting procedures commensurate with the nature, scale and complexity of the payment, clearing or settlement system;
- (e) has clear procedures for handling of complaints and settlement of dispute arising out of or in connection with operation of the proposed payment, clearing or settlement system;
- (f) has safe and reliable Information Technology systems and adequate interfaces, as well as measures to ensure compliance with statutory data protection provisions adopted by the Republic of Seychelles and robust contingency and disaster recovery procedures;

- (g) has an adequate number of well-trained and competent staff and management in respect of business requirements, operational needs and risk management in both normal and abnormal times;
- (h) has directors of good character and relevant professional experience;
- (i) has established the identity of its owners, in particular persons holding a substantial interest and the good character of such persons;
- (j) is not exposed to any risks or engaged in corporate activities which may affect the applicant or the international standing and good repute of Seychelles;
- (k) has in place policies, practices and procedures for evaluating financial soundness of participants and for identifying, monitoring and controlling any risks associated to the working of the system;
- (l) has clear and publicly disclosed rules to ensure—
 - (i) the system's principle of operation (real time, gross, deferred net, etc.), its rules on finality, including the moment of irrevocability, of payment and settlement, clear netting, loss allocation and apportionment procedures, and
 - (ii) disposal of adequate collateral in all its forms, nature, effectiveness and means of realisation, haircuts and concentration limits in conformity with

relevant legal and statutory provisions of Seychelles;

- (m) has safe and reliable Information Technology systems and adequate interfaces to ensure straight-through processing, as well as robust business continuity and disaster control procedures;
- (n) has clear, risk based and non-discriminatory rules for direct and indirect membership as well as access procedures membership rules adequate to the operation of the System;
- (o) has suitable criteria for the selection of agents, outsourcing of parts of the activities, and wherever applicable, risks are adequately mitigated and monitored;
- (p) intends to operate a payment, clearing or settlement system in Seychelles; and
- (q) such other information or any other criteria as the Central Bank considers relevant.

(2) For the purpose of subregulation (1) (h) and (i), the Central Bank shall have regard to the following—

- (a) the director's probity, competence, relevant professional experience and soundness of judgment for fulfilling the responsibilities of the proposed business;
- (b) the diligence with which the directors are fulfilling or are likely to fulfill these responsibilities;
- (c) the director's educational and professional qualifications, and membership of

- professional or other relevant bodies as applicable;
- (d) the director's knowledge and understanding of the professional obligations to be assumed or undertaken;
- (e) the director or the owner has committed an offence involving fraud, dishonesty or misconduct or has been subject to any proceedings, whether in a court or other authority under any written law involving fraud, dishonesty, misconduct, incompetence, malpractice or conduct of discharged or undischarged bankruptcy or insolvent;
- (f) such other information which may come to the notice of the Central Bank.

Grant or
refusal of
application

5.(1) The Central Bank shall, within 21 days after the receipt of an application, inform the applicant in writing whether the application is deemed complete or specify the additional information required to make the application complete.

(2) The Central Bank shall, within 60 days of the submission of a complete application —

- (a) grant an authorisation; or
- (b) refuse the application and inform the applicant in writing the reasons therefor:

Provided that the Central Bank may not disclose in the reasons under this paragraph any information provided to it under conditions of confidentiality.

(3) Where an authorisation is made by the Central Bank, it shall publish a notice in the *Gazette* and in a local newspaper the name of the operator of the payment, clearing or settlement system and its authorised activities.

6.(1) Every operator of a payment, clearing or settlement system shall pay to the Central Bank an annual fee as specified in Schedule II.

Annual fees

(2) Where an operator of a payment, clearing or settlement system fails to pay the annual fee under subregulation (1) before the beginning of the year for which the annual fee is due, the operator of the payment, clearing or settlement system shall be liable to pay an additional charge of 1 percent of the annual fee, per day.

7. Where an authorised operator of a payment, clearing or settlement system intends to operate a new payment, clearing or settlement system, it shall apply for a new authorisation in accordance with these Regulations.

Authorised operator to apply for operating a new system

PART 3

LICENSING OF PAYMENT SERVICE PROVIDERS

8. An application for a licence to act as a payment service provider under section 7 of the Act shall be made in Form 2 specified in Schedule I and shall be accompanied by the fees specified in Schedule II and the information specified in Schedule IV.

Application for licence to payment service providers

9.(1) The Central Bank may grant an application for licence if it is satisfied that the applicant—

Qualification for grant of licence

- (a) is a company incorporated under the Companies Act;
- (b) is financially sound;
- (c) has submitted all the information as specified in Schedule IV;

- (d) has in place a robust mechanism for safeguarding funds, including the separation of the applicant's own funds from the funds which have been received from payment service users or through another payment service provider for the execution of payment transactions, and where applicable, insulating same against claims of third party creditors of the applicant, particularly in the event of insolvency;
- (e) has in place adequate governance arrangements for its proposed payment services business, including—
 - (i) a clearly defined roles and responsibilities for the payment service provider's decision making bodies, its organisational structure with well-defined, transparent and consistent lines of reporting;
 - (ii) effective procedures to identify, manage, monitor and report the risks to which it is or might be exposed;
 - (iii) adequate internal risk and internal audit control mechanisms, including sound administrative, accounting and reporting procedures commensurate to the nature, scale and complexity of the payment services to be provided;
- (f) has clear rules for handling of complaints arising out of or in connection with the proposed payment services;
- (g) has safe and reliable Information Technology systems and adequate interfaces, as well as

measures to ensure compliance with statutory data protection measures adopted by the Republic of Seychelles and robust contingency and disaster recovery procedures;

- (h) has an adequate number of well-trained and competent staff and management in respect of business requirements, internal control, operational needs and risk management in both normal and abnormal times;
- (i) has directors of good character and relevant professional experience;
- (j) has established the identity of its owners, in particular persons holding a substantial interest and the good character of such persons;
- (k) has suitable criteria for the selection of agents or the outsourcing of parts of the activities, where applicable, and copy of any agency or outsourcing agreement where risks are adequately mitigated and monitored, as appropriate;
- (l) is not exposed to any risks or engaged in corporate activities which may affect the applicant or the international standing and good repute of Seychelles;
- (m) intends to undertake payment services business in Seychelles; and
- (n) such other information or any other criteria as the Central Bank considers relevant.

(2) For the purpose of subregulations (1)(i) and (j), the Central Bank shall have regard to the following —

- (a) the director's competence, experience and soundness of judgement for fulfilling the responsibilities of the proposed business;
- (b) the diligence with which the directors are fulfilling or are likely to fulfil these responsibilities;
- (c) the director's educational and professional qualifications, and membership of professional or other relevant bodies as applicable;
- (d) the director's knowledge and understanding of the professional obligations to be assumed or undertaken;
- (e) the director or the owner has committed an offence involving fraud, dishonesty or misconduct or has been subject to any proceedings, whether in a court or other authority under any written law involving fraud, dishonesty, misconduct, incompetence, malpractice or conduct of discharged or undischarged bankruptcy or insolvent;
- (f) such other information which may come to the notice of the Central Bank.

Grant or
refusal of
application

10.(1) The Central Bank shall, within 21 days after the receipt of an application, inform the applicant in writing whether the application is deemed complete or specify the additional information required to make the application complete.

(2) The Central Bank shall, within 60 days of the submission of a complete application —

- (a) grant a licence; or
- (b) refuse the application and inform the applicant in writing the reason therefor:

Provided that the Central Bank may not disclose in the reasons under this paragraph any information provided to it under conditions of confidentiality.

(3) Where a licence is granted by the Central Bank, it shall publish a notice in the *Gazette* and in a local newspaper the name of the payment service provider and the activities authorised by the licence.

11.(1) Every payment service provider shall pay to the Central Bank the annual fee corresponding to the payment service it is providing as specified in Schedule II.

Annual fees

(2) Where a payment service provider fails to pay the annual fee under subregulation (1) before the beginning of the year for which the annual fee is due, the payment service provider shall be liable to pay an additional charge of 1 percent of the annual fee, per day.

12. Where a licensee intends to provide a new payment service, it shall apply for a new licence in accordance with these Regulations.

Licensees to apply for new payment service

PART 4 MISCELLANEOUS

13.(1) The Central Bank may, when granting the licence or authorisation specify the terms and conditions which shall be complied with by the payment service provider or operator of a payment, clearing or settlement system.

Terms and conditions of licence or authorisation

(2) The payment service provider or operator of a payment clearing or settlement system shall start its operations only on payment of the annual fee for its first year of operation.

(3) Subject to any written law, a payment service provider or an operator of a payment, clearing or settlement system shall not engage in any business other than the activities for which it is licenced or authorised by the Central Bank

Amendment of terms and conditions of licence or authorisation

14.(1) The Central Bank may, for sufficient reasons amend the terms and conditions of the authorisation granted under regulation 5 or the licence granted under regulation 10.

(2) The Central Bank shall communicate any amendment made under subregulation (1) to the payment service provider or operator of a payment, clearing or settlement system, which shall carry out all its obligations under the amendment.

(3) The Central Bank shall give reasons for its decision under subregulation (1).

Requirement of paid up capital

15.(1) An applicant for authorisation to operate a payment, clearing or settlement system shall hold the amount of initial paid-up capital as specified in Schedule V, before being granted an authorisation.

(2) An applicant for licence as a payment service provider shall hold the amount of initial paid-up capital corresponding to the payment service to be provided as specified in Schedule V, before being granted a licence.

(3) Where the applicant is required by any other written law to hold initial paid-up capital, the applicant shall hold initial paid-up capital of the amount whichever is greater.

Compliance with application procedure for approval

16. A bank or credit union seeking approval under section 7(8) of the Act shall comply with the relevant application procedures under these regulations.

Exemptions

17.(1) A bureau de change providing payment services under any written law before the commencement of these

regulations shall be exempt from the payment of application fees.

(2) A bureau de change shall be exempt from the payment of annual fees for providing payment services.

(3) A bank or credit union shall be exempt from the annual fee to operate a payment, clearing or settlement system.

(4) An operator of a payment, clearing or settlement system licensed under the Securities Act before the commencement of these regulations, shall be exempt from application fee for applying for an authorisation to operate a payment, clearing or settlement system.

(5) An operator of a payment, clearing or settlement system which is licensed under the Securities Act, shall be exempt from the annual fee to operate a payment, clearing or settlement system.

18.(1) The Central Bank may suspend or revoke a licence or authorisation if a payment service provider or operator of a payment, clearing or settlement system —

Suspension or
revocation of
licence or
authorisation

- (a) contravenes any provisions of the Act, regulations, directions or guidelines issued by the Central Bank under the Act;
- (b) fails to comply with the terms and conditions of the licence or authorisation;
- (c) is insolvent, dissolved or wound up;
- (d) was licensed or authorised on the basis of false or fraudulent information or other material irregularities connected with the licence or authorisation application;

- (e) fails to commence operations within a period of 6 months following the licence or authorisation or such longer period as has been allowed in writing by the Central Bank; or
- (f) fails to pay the annual fee within 14 days after the due date.

(2) Subject to subregulation (3), before a decision to suspend or revoke a licence or an authorisation under subregulation (1) is taken, the payment service provider or operator of a payment, clearing or settlement system shall be given an opportunity to be heard.

(3) Notwithstanding subregulation (2), the Central Bank may revoke a licence or authorisation where the Central Bank considers it necessary to revoke a licence or an authorisation in the interest of monetary policy or financial stability of Seychelles or for any other reasons connected to public interest.

(4) Where a licence or an authorisation is revoked under subregulation (1) or (2), the Central Bank may issue such direction as it deems necessary to protect and safeguard the interest of persons affected by the revocation.

(5) The suspension or revocation of a licence or an authorisation under subregulation (1) or (2) shall be published by the Central Bank in a daily newspaper of wide circulation and the place where the head office of the applicant or provider of payment services or operator is situated.

(6) The suspension or revocation of a licence or an authorisation shall become effective on the date of its publication or on any further date as the Central Bank may specify.

(7) A payment service provider or an operator shall be prohibited from providing payment services or operating a payment, clearing or settlement system from the effective date of the revocation.

19.(1) An authorisation granted under regulation 5 or the licence granted under regulation 10 shall, on an application in writing made by the holder of a licence or authorisation be renewed annually and shall not be transferable.

Renewal of
licence or
authorisation

(2) An application for the renewal shall be made not less than 30 days prior to the expiry of the licence or authorisation.

20. A person applying for a licence as a payment service provider involving the issuance and management of electronic money, and an existing payment service provider holding a licence, including banks and credit unions, intending to issue a new electronic money product shall, in addition to the information as specified in Schedule IV submit to the Central Bank all relevant documentation to prove that —

Additional
requirements
for electronic
money

- (a) the provision of electronic money does not include the provision of credit;
- (b) electronic money is issued at par value on the receipt of funds;
- (c) upon request of the electronic money holder, the monetary value of the electronic money held is redeemed at any moment and at par value, with the sole deduction of service fees as agreed in the service agreement with the holder;
- (d) the payment service provider is able to open an account at two or more banks designated for the purpose of safeguarding funds collected from electronic money holders;

- (e) traceability of funds deposited in the accounts held in accordance with paragraph (d) pertaining to each electronic money holder is ensured;
- (f) reconciliation mechanisms are in place to guarantee on a daily basis full reconciliation between the assets held in the account mentioned in paragraph (d) and the electronic money float; and
- (g) services allowed to agents are exactly determined by agreement, are duly trained and any risk linked to their activities is duly managed.

Appeals
against
decision of
Central Bank

21.(1) Where the Central Bank takes a decision —

- (a) to refuse to grant a licence or authorisation under section 6 or 7 of the Act;
- (b) under Regulation 18 to revoke a licence or authorisation; or
- (c) to amend the terms or conditions of a licence or authorisation under Regulation 14,

the aggrieved person may within 15 days from the date of the receipt of the decision apply to the Central Bank to reconsider the decision.

(2) The Central Bank shall afford to the aggrieved person an opportunity of submitting a written statement of its case and, at the request of the aggrieved person, provide for a hearing before the Board.

(3) The Central Bank shall take a final decision within 90 days after considering the case.

(4) If an aggrieved person is not satisfied with the final decision of the Central Bank, the aggrieved person may appeal to the Supreme Court within the time and in accordance with the procedures applicable to civil appeals to that Court.

(5) Notwithstanding anything in any other written law, no action or proceeding may be instituted in any court in respect of loss or damage incurred, or likely to be or alleged to be incurred by reason of the application of these Regulations.

SCHEDULE 1

FORM 1

(Regulations 3)

APPLICATION FOR AUTHORISATION TO OPERATE PAYMENT, CLEARING OR SETTLEMENT SYSTEM

(Make sure that the application submission is clearly evaluated against the requirements of Schedule III of the National Payment System (Licensing and Authorisation) Regulations, 2014, in order to avoid rejection of materially deficient applications. The application fee required for this application shall be non-refundable.

1. Name of applicant
(proposed business name)
2. Date of incorporation (dd/mm/yyyy)
3. Country of incorporation
4. Details of contact person

Name

Telephone number(s)

Fax numbers(s)

E-mail Address(es)

5. Applicant's postal address
6. Parent company/Head office details
 - Name
 - Address
7. Show the capital structure of the applicant. Identify the type, number and par value of each class of shares:
 - (a) Authorised share capital
 - (b) Issued share capital
 - (c) Paid up/assigned share capital
 - (d) Provide complete information on the source of funds that were used by each shareholder to purchase the share of stock in the applicant. Affirm that no shares were acquired through an in-kind contribution. If assets were sold to raise funds, then identify the assets sold (or to be sold). Provide complete information on the sale, and include copies of all pertinent documents. If fund were borrowed, then provide complete information on the loan including identification of the lender(s), amount borrowed, amount of the loan as a percentage of the total purchase price, collateral pledged, and all terms of the transaction. Specifically identify how the loan is being (and/or will be) repaid. If future dividends, salary or any other funds or income from the applicant are anticipated to be used to service the debt, then state so and provide complete details.
8. Shareholders/Shareholdings
 - (a) List all shareholders of the applicant and provide the following information for each: number and type of shares to be held, number of shares to be held expressed as a percentage of the total number of shares that will be outstanding, par value, purchase price per share, and total purchase price. Identify all persons who are beneficial owners of shares of the applicant but not registered shareholders. Provide a copy of any agreement between shareholders.

- (b) If any of the shareholder mentioned in 8(a) is a natural person holding a substantial interest provide the following additional information for each such person. Also supply a Personal Questionnaire and Banker's Questionnaire for each natural person who is to be a holder of a substantial interest.

<u>Name</u>	<u>Nationality</u>	<u>Country of Residence</u>	<u>Business/Profession</u>
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- (c) If any of the shareholders mentioned in 8(a) are artificial persons provide the following additional information regarding each. Also supply a completed Business Questionnaire and Banker's Questionnaire for each artificial person who is to be a holder of a substantial interest.

<u>Name</u>	<u>Place of Registration/Incorporation</u>	<u>Business</u>
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- (d) State the names of natural persons, who are beneficial owners of shares in the artificial persons mentioned in 8(c).

Artificial persons	Beneficial Owners	Share Value	% of Total Shares
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9. List all proposed directors of the applicant. Non-Executive Directors should be indicated by noting NE next to the Director's name Supply a completed Personal Questionnaire and Banker's Questionnaire for each proposed director.

<u>Director's Name</u>	<u>Nationality</u>	<u>Business/Occupation</u>
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10. Specify the companies in which the applicant holds shares.

<u>Company Name(s)</u>	<u>No. of Shares</u>	<u>% of Total Shares</u>	<u>Registered Address</u>
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11. If the applicant or its parent company is a licensed financial institution/payment service provider, provide the name, address, and contact detail of its supervisory authority.

Supervisory authority

Address

Telephone number(s)

Fax number(s)

Email address(es)

Contact person

12. State the location of the principal and other places where the applicant proposes to conduct business.

13. Provide reasons for selecting Seychelles as the place to conduct business.

14. Applicant's proposed auditor:

Name

Address

15. Provide any other information which may be of assistance in considering the application.

DECLARATION

We declare that the information supplied in the application is complete and correct to the best of our knowledge at the time of this declaration. We also understand that the provision of false information will invalidate this application, or cause the Central Bank to revoke any authorisation which may have been granted on the basis of it.

Details of Director:

1. Name:

Signature:

Date:

2. Name:
Signature:
Date:

FORM 2

(Regulations 8)

APPLICATION FOR LICENCE OF A PAYMENT SERVICE PROVIDER

(Make sure that the application submission is clearly evaluated against the requirements of Schedule IV of the National Payment System (Licensing and Authorisation) Regulations, 2014, in order to avoid rejection of materially deficient applications. The application fee required for this application shall be non-refundable.

1. Name of applicant
(proposed business name)
2. Date of incorporation (dd/mm/yyyy)
3. Country of incorporation
4. Details of contact person
Name
Telephone number(s)
Fax numbers(s)
E-mail Address(es)
5. Applicant's postal address
6. Parent company/Head office details
Name
Address

7. Show the capital structure of the applicant. Identify the type, number and par value of each class of shares:

- (a) Authorised share capital
- (b) Issued share capital
- (c) Paid up/assigned share capital
- (d) Provide complete information on the source of funds that were used by each shareholder to purchase the share of stock in the applicant. Affirm that no shares were acquired through an in-kind contribution. If assets were sold to raise funds, then identify the assets sold (or to be sold). Provide complete information on the sale, and include copies of all pertinent documents. If fund were borrowed, then provide complete information on the loan including identification of the lender(s), amount borrowed, amount of the loan as a percentage of the total purchase price, collateral pledged, and all terms of the transaction. Specifically identify how the loan is being (and/or will be) repaid. If future dividends, salary or any other funds or income from the applicant are anticipated to be used to service the debt, then state so and provide complete details.

8. Shareholders/Shareholdings

- (a) List all shareholders of the applicant and provide the following information for each: number and type of shares to be held, number of shares to be held expressed as a percentage of the total number of shares that will be outstanding, par value, purchase price per share, and total purchase price. Identify all persons who are beneficial owners of shares of the applicant but not registered shareholders. Provide a copy of any agreement between shareholders.
- (b) If any of the shareholder mentioned in 8(a) is a natural person holding a substantial interest provide the following additional information for each such person. Also supply a Personal Questionnaire and Banker's Questionnaire for each natural person who is to be a holder of a substantial interest.

Name Nationality Country of Residence Business/Profession

- (c) If any of the shareholders mentioned in 8(a) are artificial persons provide the following additional information regarding each. Also supply a completed Business Questionnaire and Banker's Questionnaire for each artificial person who is to be a holder of a substantial interest.

Name Place of Registration /Incorporation Business

- (d) State the names of natural persons, who are beneficial owners of shares in the artificial persons mentioned in 8(c).

Artificial persons Beneficial Owners Share Value % of Total Shares

- 9 List all proposed directors of the applicant. Non-Executive Directors should be indicated by noting NE next to the Director's name Supply a completed Personal Questionnaire and Banker's Questionnaire for each proposed director.

Director's Name Nationality Business/Occupation

10. Specify the companies in which the applicant holds shares.

Company Name(s) No. of Shares % of Total Shares Registered Address

11. If the applicant or its parent company is a licensed financial institution/payment service provider, provide the name, address, and contact detail of its supervisory authority.

Supervisory authority

Address

Telephone number(s)

Fax number(s)

Email address(es)

Contact person

12. State the location of the principal and other places where the applicant proposes to conduct business.
13. Provide reasons for selecting Seychelles as the place to conduct business.
14. Applicant's proposed auditor:

Name

Address
15. Provide any other information which may be of assistance in considering the application.

DECLARATION

We declare that the information supplied in the application is complete and correct to the best of our knowledge at the time of this declaration. We also understand that the provision of false information will invalidate this application, or cause the Central Bank to revoke any authorisation which may have been granted on the basis of it.

Details of Director:

1. Name:

Signature:

Date:

 2. Name:

Signature:

Date:
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SCHEDULE II*[Regulation 3,6,8,11]***APPLICATION FEES AND ANNUAL FEES**

	Application Fee		Annual Fee	
Payment Service				
i) money remittance	SCR	20,000	SCR	40,000
ii) other payment service	SCR	25,000	SCR	50,000
Operator of a payment, clearing or settlement system				
	SCR	50,000	SCR	100,000

SCHEDULE III*[Regulation 3 and 4(1)(c)]***Information to be included in an application for authorisation of payment, clearing or settlement system.**

1. A certified true copy of the memorandum and articles of association and the certificate of incorporation of the applicant.
2. The amounts of authorised and subscribed capital of the applicant, including the amounts that have been paid in.
3. A Business or Personal Questionnaire, as applicable, in the form specified by the Central Bank, completed by—
 - (a) each person holding a substantial interest in the applicant, either directly or indirectly; and
 - (b) each director.
4. Details of each shareholder or beneficial owner.

5. The identity of persons responsible for the management of the specific payment, clearing or settlement system.
6. A list of companies in which the applicant holds shares, specifying the number of shares and the registered addresses of those companies.
7. A description of the organisation of the system and its business rationale.
8. Copies of the latest three audited annual balance sheets and profit and loss accounts of the applicant, and in the case of a newly formed company, financial projections for the next three years.
9. A description of the intended use of agents and branches and a description of outsourcing arrangements, and of its participation in a national or international payment system.
10. Criteria for the selection of agents and/or the outsourcing of parts of the activities, where applicable, and copy of any agency or outsourcing agreement, as appropriate, either individual or standard.
11. A signed document detailing the features and operational modalities of all IT systems used/proposed to be used, including the operating systems, software and interfaces explaining at a minimum the following—
 - (a) overview of the information technology functions, including scope, structure and reporting lines with an attached organisational chart;
 - (b) a description (including diagrams) of the configuration of the applicant's payments technological platform and its capabilities showing—
 - (i) how such system is linked to other host systems or the network infrastructure of the applicant;
 - (ii) how transaction and data flow through the network, settlement process and timing;

- (iii) the types of telecommunication channels and remote access capabilities that exist (e.g. direct modem dial-in, internet access, or both); and
 - (iv) the security controls/measures installed;
 - (c) a list of software and hardware components indicating the purpose of the software and hardware in the infrastructure;
 - (d) how data security and data integrity is ensured; and
 - (e) how the platform interacts at the technical level with other payment systems.
12. **Internal control and audit mechanisms** which the applicant proposes to establish in order to comply with the Anti-Money Laundering Act, 2006 and the Prevention of Terrorism Act, 2004.
13. Procedure to address customer protection issues, including dispute resolution mechanisms and complaints handling.
14. Details of data protection policy.
15. The identity of statutory auditors and audit firms.
16. A business plan setting out —
- (a) a description of the nature and scope of the payment, clearing or settlement system to be operated and how the system fits in with the applicant's overall business strategy;
 - (b) a list of facilities to be provided to participants including a breakdown of applicable fees and charges;
 - (c) a description of its organisational structure and internal controls;
 - (d) a description of the legal arrangements including agreements with any participants from which it clearly emerges how liabilities are shared and risks avoided or reduced; and

- (e) including a forecast for the first three financial years.

17. The rules for the governance, management and operation of the payment, clearing or settlement system to be operated by the applicant which shall at a minimum contain—

- (a) the criteria established for direct and indirect participation in the system;
- (b) the principle of operation of the system (real time gross settlement system, deferred net settlement system, etc.);
- (c) standard service level agreement to be entered into with participants;
- (d) rules and measures on management of credit, liquidity, operational, settlement and other risks, including rules determining the time when a payment instruction and a settlement is final and irrevocable;
- (e) the measures employed to safeguard technical operations, including a contingency plan in the event of any operational disruption should the ordinary system fail to function;
- (f) the measures taken to secure the protection of electronic processing and the storage of data relating to the system of payments against disclosure, misuse, damage, destruction, loss or theft; and
- (g) fees and charges for participation in the payment, clearing or settlement system.

18. Details of the internal audit function including structure, scope, reporting lines and the frequency of reporting.

19. Human resources plan to ensure adequate resources are devoted to the operation of the system.

20. A signed document of the relevant part(s) of the security policy and procedures manual containing at a minimum —
- (a) a description of the applicant's security organisation;
 - (b) description of procedures for designing, implementing, monitoring and updating information security measures;
 - (c) established procedures for evaluating policy compliance, enforcing disciplinary measures and reporting security violations; and
 - (d) procedures to address errors and intrusions.
21. Assigned document describing the business continuity and disaster recovery plans for payment facilities.
22. Such other relevant information as the Central Bank may require.

SCHEDULE IV

[Regulations 8 and 9(1)(c)]

Information to be included in an application for a licence of payment service provider

1. A certified true copy of the memorandum and articles of association and the certificate of incorporation of the applicant.
2. The amounts of authorised and subscribed capital of the applicant, including the amounts that have been paid in.
3. A Business or Personal Questionnaire, as applicable, in the form specified by the Central Bank, completed by —
 - (a) each person holding a substantial interest in the applicant, either directly or indirectly, and

- (b) each director.
4. Details of each shareholder or beneficial owner.
5. The identity of persons responsible for the management of the specific payment service activities.
6. A list of companies in which the applicant holds shares, specifying the number of shares and the registered addresses of those companies.
7. Copies of the latest three audited annual balance sheets and profit and loss accounts of the applicant, and in the case of a newly formed company, financial projections for the next three years.
8. A description of the intended use of agents and branches and a description of outsourcing arrangements, and of its participation in a national or international payment system.
9. Criteria for the selection of agents and the outsourcing of parts of the activities, where applicable, and copy of any agency or outsourcing agreement, as appropriate, either individual or standard.
10. A signed document detailing the features and operational modalities of all IT systems used/proposed to be used, including the operating systems, software and interfaces explaining at a minimum the following —
 - (a) a description (including diagrams) of the configuration of the applicant's payments technological platform and its capabilities showing —
 - (i) how such system is linked to other host systems or the network infrastructure of the applicant;
 - (ii) how transaction and data flow through the network, settlement process and timing;
 - (iii) the types of telecommunication channels and remote access

capabilities that exist (e.g. direct modem dial-in, internet access, or both); and

- (iv) the security controls/measures installed;
 - (b) a list of software and hardware components indicating the purpose of the software and hardware in the infrastructure;
 - (c) how data security and data integrity is ensured;
 - (d) how the platform interacts at the technical level with other payment systems.
11. Internal control and audit mechanisms which the applicant proposes to establish in order to comply with the Anti-Money Laundering Act, 2006 and the Prevention of Terrorism Act, 2004.
 12. Details of the customer protection measures, including complaints handling mechanisms and consumer awareness program relating to the payment service.
 13. Details of data protection policy.
 14. The identity of statutory auditors and audit firms.
 15. A business plan setting out —
 - (a) a description of the nature and scope of the services to be offered and how these services fit in with the applicant's overall business strategy;
 - (b) a list of products and services to be provided including a breakdown of commissions and prices to be charged to the customer;
 - (c) a description of its organisational structure and internal controls;
 - (d) a description of the legal arrangements for providing the payment service including agreements with any bank or deposit taking

institution from which it clearly emerges how liabilities are shared and risks avoided or reduced; and

- (e) including a forecast for the first three financial years.
16. Details of the internal audit function including structure, scope, reporting lines and the frequency of reporting.
17. Such other relevant information as the Central Bank may require.

SCHEDULE V

[Regulations 15(1) and (2)]

INITIAL CAPITAL REQUIREMENTS

	Initial capital requirements	
Payment Service		
i) money remittance	SCR	500,000
ii) other payment service	SCR	1,000,000
Operator of a payment, clearing or settlement system	SCR	5,000,000

MADE this 29th day of December, 2014.

CAROLINE ABEL
GOVERNOR
CENTRAL BANK OF SEYCHELLES
