



CENTRAL BANK OF
TRINIDAD & TOBAGO

Payments System Guideline No. 2 – Registration and Operation of Non-Interbank Payment Systems

November, 2012

2.1 INTRODUCTION

Section 36 (cc) of the Central Bank Act Chapter 79:02 (CBA), gives the Central Bank of Trinidad and Tobago (Central Bank) authority for the supervision of payment systems. The Financial Institutions Act, 2008 (FIA) establishes the framework for the supervision of Interbank Payment Systems. This Guideline outlines the procedures for entities wishing to operate a Non-Interbank Payment System (other than e-money Issuers which have a separate Guideline)¹. These entities are currently only required to register with the Central Bank and submit such information in such frequency as may be required by the Central Bank.

2.2 APPLICATION FOR REGISTRATION AS A NON-INTERBANK PAYMENT SYSTEM OPERATOR

1. Any entity desiring to commence or continue the operation of a non-interbank payment system in Trinidad and Tobago must apply to the Central Bank for registration on the approved application form (**Form 2 at Attachment 2.2**) using the sample application letter (**Attachment 2.1**). The application shall be addressed to:

**Inspector of Financial Institutions,
Financial Institutions Supervision Department
Central Bank of Trinidad and Tobago,
Eric Williams Plaza, Independence Square,
PO Box 1250,
Port of Spain, Trinidad and Tobago.**

2. The Central Bank has the right to accept or reject any application to become a registered Non-Interbank Payment System Operator. Based upon its determination, the Central Bank shall issue the Applicant with notice of registration in writing which will specify the effective date of registration.

¹ At present, there are no Non-Interbank Payment Systems such as PayPal or Citadel EFT operating in the domestic environment.

3. The following documentation together with the completed application form, must be submitted by any entity making an application to become a registered Non-Interbank Payment System Operator:
 - a. A statement of the name and registered address of the Applicant/Operator;
 - b. A certified copy of the Articles of Incorporation/Continuance, Bye-laws or any other constituent document of the Applicant /Operator;
 - c. The identification of shareholder/s of the Applicant who own 20 per cent and more of its paid-up capital;
 - d. The name, address, nationality, experience and other relevant information pertaining to each director and senior management officer of the Applicant/Operator;
 - e. The latest audited Financial Statements of the Operator and their policies for risk management and internal controls;
 - f. A statement outlining the organizational structure of the Operator;
 - g. A statement establishing the identity of the Settlement Agent;
 - h. The Rules and Procedures of the system;
 - i. Such additional information as may be required by the Central Bank.

4. A new registration form should be submitted when there are subsequent changes, such as a change in ownership.

2.3 TERMS AND CONDITIONS OF REGISTRATION

1. The Central Bank will maintain a register of all registered Non-Interbank Payment System Operators in any form it so chooses and publish on its website a list of such registered entities.
2. Registrants are expected to comply with all relevant laws, regulations and guidelines including the Proceeds of Crime Act, 2000 the Anti-Terrorism Act,

2005, the Financing of Terrorism Regulations 2011 and the Financial Intelligence Unit Regulations 2011.

3. Registrants are expected to advise participants about adherence to relevant laws and guidelines, including those pertaining to anti-money laundering and terrorist financing.
4. Registered Non-Interbank Payment System Operators may be requested to submit relevant data periodically to the Central Bank.

2.4 REMOVAL FROM REGISTER

1. The Central Bank may remove a Non-Interbank Payment System Operator from the register where:-
 - a. The Operator does not operate the registered system within 12 months beginning with the date on which the registration took effect;
 - b. The Operator requests or consents to the cancellation of the registration;
 - c. The Operator ceases to engage in any business activity for more than six months;
 - d. The Operator has furnished false statements or any other irregular information in the application for registration;
 - e. The Operator has operated a system other than in accordance with the registration;
 - f. The system would constitute a threat to the public's confidence in the National Payment System;
 - g. The cancellation is desirable in order to protect the interests of consumers; or
 - h. The operation of the system is otherwise unlawful.

2. Where the Central Bank intends to remove a Non-Interbank Payment System Operator from its register, the Central Bank shall:-
 - a. Give at least fourteen (14) days notice in writing to the Operator of its intentions, providing the reasons.
 - b. Consider any representations made in writing by the Operator within that period.
 - c. Where a representation has been made, communicate its final decision in writing within seven (7) days of receipt of that representation.

SAMPLE APPLICATION LETTER

From: (Applicant's Name and Registered address)

To: **Inspector of Financial Institutions,
Financial Institutions Supervision Department
Central Bank of Trinidad and Tobago
Eric Williams Plaza, Independence Square,
PO Box 1250,
Port of Spain.**

Dear Sir,

Application to register as a Non-Interbank Payment System Operator

We hereby submit an application to register as a Non-Interbank Payment System Operator in accordance with Section 36 (cc) of the Central Bank Act Chapter 79:02.

We declare to the best of our knowledge that the information furnished is true, correct and complete.

Name:
Designation:
Company Seal:
Date:
Place:

Form 2: Application to Register as a Non-Interbank Payment System Operator

PART: A - APPLICANT DETAILS

1. Name of applicant :
2. Constitution of applicant :
 - (a) Is the applicant a company or any other entity:
 - (b) If the applicant is a company, is it a private limited company or public limited company :
 - (c) If the applicant is any other entity please specify the statute under which it is incorporated/established:
3. Address of Registered Office and Principal Offices (if applicant is a company):
4. Principal place of business and address (if applicant is a company or any other entity):
5. If applicant is a company, names, nationality and addresses of the partners (Copy of Partnership Documents to be enclosed):
6. Date of incorporation of applicant if it is a company:
7. Date of commencement of business (Articles of Incorporation/ Continuance and Memorandum of Articles of Association, Bye-Laws or other constituent documents to be enclosed):

8. Name, nationality and address of each of its directors/managers/principal officers:
9. Main business of the applicant company/other entity:
10. Names and addresses of subsidiary companies/associated firms/other associated entities:
11. Management information, if applicant is a company/any other entity:
 - (a) Name of Chief Executive Officer:
 - (b) Age, Nationality, Qualifications and Experience of Chief Executive Officer:
 - (c) Shares held by the Chief Executive Officer and Directors in the applicant company:

PART: B - SYSTEM DETAILS

1. Particulars of Payment System (full details to be furnished) including process flow, technology to be used, security features, inter-operability etc. (details can be given in a separate note, if required):
2. Benefits to the financial system/country from the Payment System:
3. Associated entities in the Payment System:
4. If there are associated entities under 3, please furnish full particulars of this association:
5. Type of Payment System i.e. whether electronic fund transfer or payment card-based/internet-based/mobile phone-based:
6. Whether the payment system covers a localized area or the whole country:

7. Does the payment system address the needs of any particular social/ economic segment(s) of the population:
8. Method of settlement of payment claims, namely whether gross, net or a hybrid method combining both gross and net methods:
9. Name of the settlement agent for the payment system:
10. Whether the applicant or settlement agent acts as a central counterparty to provide guaranteed/secured settlement:
11. On which day is the beneficiary's account credited? (e.g. T+...Where T is the date of instruction):
12. What are the risks in operating the payment system and how does the applicant mitigate them:
13. Outline the customer grievances redress machinery for the payment system
(Additional information sheets/documents as required may be enclosed).

