

REPUBLIC OF TRINIDAD AND TOBAGO

THE PAYMENT SYSTEMS AND SERVICES ACT

REGULATIONS

MADE BY THE MINISTER UNDER SECTION XX OF THE PAYMENT SYSTEMS AND SERVICES ACT

PAYMENT SYSTEMS AND SERVICES (E-MONEY) REGULATIONS 20XX

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First Schedule E-money Accounts, Transactional Limits and Capital Requirements

Citation	1. These Regulations may be cited as the Payment Systems and Services (E-Money) Regulations, 20XX.
Interpretation	<p>2. In these Regulations –</p> <p>“Act” means the Payment Systems and Services Act;</p> <p>“cash-in” means the process by which a user exchanges funds for e-money which is issued or re-issued by crediting the equivalent value to the user's e-money account;</p> <p>“cash-out” means the process by which a user exchanges the equal value of e-money debited from the user's e-money account for funds;</p> <p>“e-float” means the total amount of e-money issued by an e-money issuer and forming the current outstanding balance on users’ e-money accounts;</p> <p>“electronic money issuer” or “e-money issuer” means a payment service provider who is licensed to provide e-money accounts, issue electronic money and provide electronic wallet services under the Act;</p> <p>“electronic wallet” or “e-wallet” means a software application which allows a user to store e-money or m-money, check balances, make and receive payments and conduct any other relevant activity using an electronic device;</p> <p>“m-money” means e-money that is accessed, transferred and withdrawn using devices that are connected to mobile communication networks including mobile phones;</p> <p>“non-reloadable e-money instrument” means an e-money instrument that facilitates a one-time initial loading for use up to a period of one year;</p> <p>“unique identifier” means a combination of letters, numbers or symbols specified to the user by the e-money issuer and to be provided by the user to identify unambiguously another user or the payment account of that other user for a payment transaction.</p>
Application	<p>3. (1) These Regulations shall apply to an e-money issuer.</p> <p>(2) These Regulations save for Regulation 4(2) and 5 shall apply <i>mutatis mutandis</i> to a financial institution that provides e-money accounts, issues electronic money and provides electronic wallets.</p>
E-Money Issuer Activities	<p>4. (1) An e-money issuer shall not conduct any e-money activity other than in Trinidad and Tobago dollars.</p> <p>(2) Subject to section 17 (2) of the Act, an e-money issuer shall only conduct the following activities –</p> <ul style="list-style-type: none"> (a) the provision of an e-money account; (b) the issuance of electronic money; (c) the provision of electronic wallet services; and (d) cash-in and cash-out.
Capital Requirements	<p>5. (1) Subject to subregulation (2), every e-money issuer shall maintain the minimum capital outlined in the First Schedule.</p>

(2) For the avoidance of doubt, the provisions of the Payment Systems and Services (Licensing, Supervision and Oversight) Regulations, 20XX, including the provisions on additional capital, shall apply to an e-money issuer.

E-Money Accounts

6. (1) E-money accounts shall be issued against cash, debit cards, credit cards or direct debits via the Automated Clearing House.

(2) An e-money issuer shall—

(a) on receipt of funds, issue without delay electronic money at par value; and

(b) at the request of the e-money account holder, redeem—
(i) at any time; and
(ii) at par value,

the monetary value of the electronic money held.

(3) An e-money issuer may provide an e-money account to an individual or business up to the maximum limit as outlined in the First Schedule.

(4) Subject to subregulation (5), an e-money account holder may be permitted to have more than one e-money account.

(5) The total amount loaded into all the e-money accounts of that e-money account holder shall not exceed the aggregate monthly transactional limits established in the First Schedule.

E-Money Account Activation

7. (1) An e-money issuer shall assign a unique identifier that is not a phone number, to every e-money account holder.

(2) The registered e-money account holder shall be prompted to activate the service by use of a personal identification number or password or any other secure authentication process before commencement of any transaction processing.

(3) The activation process shall be through secure messaging systems or other secure systems to ensure the integrity and the security of the user's identity.

(4) The e-money issuer shall be responsible for the security and integrity of the entire activation process.

Redemption of E-Money

8. (1) Users may request a redeem the full amount of e-money balances outstanding at any time.

(2) Where a redemption is provided, the redemption value shall not be in excess of the amount outstanding or the maximum wallet size for the e-money account or instrument.

Validity Period of non-reloadable e-money instruments

9. (1) Non-reloadable e-money instruments issued to e-money account holders shall have a validity period of one year in order to protect the issuer from unreasonable or unduly extended periods of liability.

(2) Upon the expiration date of the non-reloadable e-money instrument, the value of the outstanding funds remaining thereon shall be transferred to a new e-money instrument and such transfer may be at a nominal cost to the e-money account holder.

(3) For the purpose of subregulation (2), “nominal cost” shall not exceed ten percent of the value of the outstanding funds remaining on the expired non-reloadable e-money instrument.

Inactive and Dormant Accounts

10. (1) An e-money account that has registered no activity for a consecutive period of twelve months shall be considered inactive.

(2) An e-money issuer shall notify the e-money account holder, no less than one month before the twelve-month period referred to in subregulation (1), that the e-money account will be suspended unless there is some form of activity within the next calendar month, and the e-money account holder shall be advised to either—

- (a) perform a transaction to keep the e-money account active; or
- (b) close the e-money account.

(3) After having notified the e-money account holder in accordance with subregulation (2) and if no activity takes place by the end of the twelve-month period referred to in subregulation (1), the e-money issuer shall: -

- (a) block the e-money account,
- (b) permit no further transactions until reactivated by the e-money account holder;
- (c) notify the e-money account holder that the e-money account is blocked; and
- (d) provide reactivation instructions.

(4) Where an e-money account holder wishes to reactivate his account, he shall comply with any instructions given by the e-money issuer and provide the original identification used to open the e-money account.

(5) An e-money account that has been blocked for twelve months without reactivation by or communication from the e-money account holder shall be closed by the e-money issuer and: -

- (a) all outstanding balances in the closed e-money account shall be transferred, along with identifying information on the e-money account holder, into a separate e-money account held by the e-money issuer designated for this purpose and kept for a period of no less than seven years; and

- (b) all identifying information relating to the e-money account and its closing balance shall be retained by the e-money issuer and the

financial institution holding the designated trust account for the e-money issuer for a period of no less than seven years.

(6) Where a period of no less than seven years has passed without claim from the original e-money account holder, the e-money issuer shall transfer all relevant funds to the Central Bank and retain all identifying information.

Use of Agents by E-Money Issuer

11. An e-money issuer may utilise an agent to conduct activities on its behalf in accordance with the Act and as prescribed in the Payment Systems and Services (Licensing, Supervision and Oversight) Regulations.

Duties of E-Money Issuer

12. An e-money issuer shall-

- (a) hold the funds received from the users in an account designated as a trust account pursuant to the Act, the applicable Regulations and Guidelines;
- (b) honour withdrawals of cash or transfer of funds from the trust account on demand;
- (c) monitor the creation of e-money in order to verify that the trust account reflects, at all times, the e-float;
- (d) reconcile the funds in the trust account with the e-float on a daily basis;
- (e) establish a system for a complete audit trail of the users' funds as may be specified by the Central Bank;
- (f) prior to opening an e-money account for a user, comply with the minimum customer due diligence requirements as prescribed and specified by the Central Bank in guidelines; and
- (g) submit a report on the operations of the trust account to the Central Bank, annually and at such other intervals as the Central Bank may specify.

Commencement

13. These Regulations shall come into operation on [date 20XX].

FIRST SCHEDULE

E-MONEY ACCOUNTS

TRANSACTIONAL LIMITS AND CAPITAL REQUIREMENTS

<u>EMI Servicing Category - Individuals</u>	<u>Monthly Transaction Limit</u>	<u>Maximum E-Wallet Size</u>	<u>Capital</u>
<u>Micro-Transactions</u>	<u>\$7000/month</u>	<u>\$7,000</u>	<u>\$500,000 or 3% of the outstanding balance of the e-float, whichever is greater.</u>
<u>Mid-Value Transactions</u>	<u>\$20,000/month</u>	<u>\$20,000</u>	
<u>High Value Transactions</u>	<u>\$40,000/month</u>	<u>\$40,000</u>	
<u>EMI Servicing Category- Businesses</u>	<u>Monthly Transaction Limit</u>	<u>Maximum E-Wallet Size</u>	<u>Capital</u>
Micro-Enterprises¹	\$100,000/month	\$100,000	\$500,000 or 3% of the outstanding balance of the e-float, whichever is greater.
Small² Enterprises and Medium Enterprises³	\$200,000/month	\$200,000	
Large Enterprises⁴ and Government	N/A	N/A	
¹ 1-5 employees, including the owner or manager, assets up to \$250,000 and annual sales up to \$250,000 ² 6-25 employees, including the owner or manager, assets up to \$1,500,000 and annual sales up to \$5,000,000 ³ 26-50 employees, including the owner or manager, assets up to \$5,000,000 and annual sales up to \$10,000,000 ⁴ More than 50 employees or assets over \$5,000,000 and annual sales over \$10,000,000			