

**REPUBLIC OF TRINIDAD AND TOBAGO**

**THE PAYMENT SYSTEMS AND SERVICES ACT**

**REGULATION**

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

**PAYMENT SYSTEMS AND SERVICES (LICENSING, SUPERVISION AND OVERSIGHT)  
REGULATIONS 20XX**

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**PART I - PRELIMINARY**

- Citation
1. These Regulations may be cited as the Payment Systems and Services (Licensing, Supervision and Oversight) Regulations, 20XX.

Interpretation

2. In these Regulations –

“Act” means Payment Systems and Services Act;

“qualified valuer” means a person who-

- (a) is a Fellow or Professional Associate of the Royal Institution of Chartered Surveyors or a Fellow or Associate of the Incorporated Society of Valuers and Auctioneers or the Rating and Valuation Association and has knowledge and experience in the valuation of land; or
- (b) is approved by the Central Bank.

## **PART II**

### **TESTING PERMIT OR LICENSING APPLICATION FOR TESTING PERMIT HOLDERS, PAYMENT SERVICE PROVIDERS AND PAYMENT SYSTEM OPERATORS**

Application for a testing permit or licence

3. (1) A person may apply for a testing permit or a licence to provide any class of payment service or operate a payment system in Trinidad and Tobago by submitting the documents in the First Schedule.
- (2) For the avoidance of doubt, a person may apply for a licence without first applying for a testing permit or may be required by the Central Bank to apply for a testing permit instead of a licence.
- (3) Every application submitted under this Regulation shall be signed by two directors of the applicant who shall certify that the information given in the application is true and correct.
- (4) If a testing permit holder or a licensee is applying for permission to provide an additional class of payment service or vary the class of payment service for which it is licensed, or operate an additional payment system, the Central Bank may waive such items of information otherwise required under the First Schedule as it deems appropriate.

Issue of a testing permit or licence

- 4.(1) Where the Central Bank approves an application for a testing permit, it shall issue a testing permit to the applicant duly signed by the

Governor, which shall specify the class or classes of payment services in respect of which the payment service provider is tested, and shall include the terms and conditions applicable to the tested services, products or payment systems.

(2) Where the Central Bank approves an application for a licence, it shall issue a licence to the applicant duly signed by the Governor, which shall specify the class or classes of payment services in respect of which the payment service provider is licensed, or the payment system for which the payment system operator is licensed, and shall be prima facie evidence that the licensee named in the licence has been licensed under this Act.

Licence of a deemed licensee

5. A person deemed to have been licensed under the Act shall obtain a licence duly signed by the Governor, which shall specify the classes of payment services in respect of which the payment service provider is licensed or the payment systems for which the payment systems operator is licensed and said licence shall be *prima facie* evidence that the person named in the licence has been licensed under the Act.

### **PART III**

#### **OPERATIONAL REQUIREMENTS FOR APPLICANTS AND LICENSEES**

Display of licence and certificate

6. (1) A licensee shall display the licence conspicuously at the primary location where the licensee conducts business and shall similarly display a copy of the licence at every other location or branch in Trinidad and Tobago.
- (2) An agent of a payment service provider shall obtain from the Central Bank, a certificate of agency in respect of each location and shall display the certificate conspicuously at the relevant location.

Prohibition against the transfer of a licence

7. No licence or any other right acquired under the Act shall be transferable, whether in whole or in part, and any transfer in contravention thereof shall be void.

Minimum capital requirements

8. (1) Subject to subregulations (2) and (3), every payment service provider shall maintain a minimum capital of five hundred thousand dollars.

Additional capital requirements

- (2) A person licensed to provide an e-money account, issue electronic money and provide electronic wallet services shall maintain minimum capital as specified in the Payment Systems and Services (E-Money) Regulations, in respect of that class of payment service.
  - (3) A person licensed to provide e-money account, issue electronic money and provide electronic wallet services who is also licensed to provide another class of payment service shall satisfy the capital requirements in both subregulations (1) and (2).
  - (4) Every payment system operator shall maintain a minimum capital of eight million dollars.
  - (5) A licensee shall hold not less than twenty-five per cent of its total capital requirement in cash.
9. (1) A licensee shall maintain additional capital as required by the Central Bank which may include –
- (a) non-redeemable preference shares;
  - (b) subordinated debt; and
  - (c) revaluation reserve arising on –
    - (i) listed shares and government securities valued in a manner specified by the Central Bank; and
    - (ii) land and building valued by a qualified valuer at least once every three years.
- (2) Any sum or item proposed as additional capital shall be reduced by the following:
- (a) own shares held by the licensee;
  - (b) lending to, and investment in debt or equity securities of, subsidiaries, affiliates or associate companies as defined in the Companies Act;
  - (c) the debit balance in the profit and loss account;
  - (d) any deficit on revaluation of assets; and

- (e) intangible assets, excluding such software solely and exclusively used by the licensee for carrying out its principal operations, as may be approved by the Central Bank.
- (3) Subject to subregulation (4), not less than fifty per cent of the consideration for the paid-up share capital of a licensee shall be held in cash.
  - (4) Where consideration for paid-up share capital of a licensee is in a form other than cash, such consideration shall be in the following form and valued in accordance with a methodology specified by the Central Bank:
    - (a) debt securities and listed equity securities;
    - (b) government securities of any description; and
    - (c) land and building based on a valuation carried out by a qualified valuer at least once every three years.
  - (5) Where a licence to provide a payment service has been varied, or a licensee is granted a licence for two or more classes of payment services, the Central Bank may require the licensee to maintain such additional capital as specified by the Central Bank after considering the particular circumstances of the licensee, including but not limited to the size, complexity and risks associated with the variation of the licence or with the additional class of payment service.
  - (6) Where a licence for operating a payment system has been varied, or a licensee is granted a licence to operate two or more payment systems, the Central Bank may require the licensee to maintain such additional capital as specified by the Central Bank after considering the particular circumstances of the licensee, including but not limited to the size, complexity and number of payment systems and the risks associated with the variation of licence or with all of the payment systems.
  - (7) The Central Bank may require an operator of a designated payment system or a designated payment service provider to maintain such additional capital as specified by the Central Bank after considering the particular circumstances of the operator of

the designated payment system or the designated payment service provider.

Capital requirements for operator of a designated payment system or designated payment service provider

10. For the avoidance of doubt, the operator of a designated payment system and a designated payment service provider shall maintain the minimum capital and any additional capital required under these Regulations.

Liquidity

11. (1) A payment service provider shall maintain adequate liquidity for its daily operations.

(2) A payment system operator shall maintain adequate liquidity in all relevant currencies to effect settlement of payment obligations.

(3) For the purposes of subregulation (2), the following shall qualify as liquid resources of a payment system operator-

(a) cash at the Central Bank where applicable;

(b) cash at financial institutions;

(c) highly marketable financial collateral held in custody;

(d) investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, even in extreme but plausible market conditions; and

(e) such other forms of liquid resources as may be specified by the Central Bank.

Amendment of Articles of Incorporation or other constituent documents

12. (1) A licensee shall not make any alteration to its Articles of Incorporation or Continuance, by-laws or any other constituent document under which it is incorporated, continued or constituted, unless it has notified the Central Bank, in writing, that it proposes to make the alteration and the Central Bank has, in writing, approved the proposed alteration.

(2) The Central Bank shall not approve a proposed alteration where such proposed alteration is, or is likely to result in, a breach of

(a) the terms and conditions of the licence; or

(b) the provisions of this Act or any Regulations.

(3) Notwithstanding any written law to the contrary, an alteration made to the articles of incorporation or continuance, by-laws or any other constituent document of a licensee in contravention of subregulation (1) shall be void.

(4) Every licensee shall, within ten business days of the date of filing with the Companies Registrar any approved alteration made to its Articles of Incorporation or Continuance, by-laws or other constituent documents, submit to the Central Bank a copy of the altered Articles of Incorporation or Continuance, by-laws and other constituent documents filed with the Companies Registrar.

Record retention

13. A licensee shall have record keeping systems that retain user and transaction files for a minimum period of seven years in a format that will facilitate timely retrieval of information to satisfy requests for information from the Central Bank or other competent authorities.

#### **PART IV**

#### **MANAGEMENT AND OWNERSHIP**

Fit and proper criteria

14. Where the provisions of the Act require a person to be fit and proper or to meet fit and proper criteria, the criteria in the Second Schedule will be considered.

#### **PART V**

#### **ACCESS REQUIREMENTS FOR PAYMENT SYSTEM OPERATORS AND PAYMENT SYSTEMS**

Rules of access to  
payment system

15. (1) Where a payment system operator establishes rules on access pursuant to section 26 of the Act, participation in the payment system may be restricted only to the extent necessary to safeguard against financial, operational, business and other risks, and to preserve the safety and efficiency of the payment system.

- (2) A payment system operator shall establish and publicly disclose non-discriminatory access and participation criteria in relation to the payment system.
- (3) The rules of the payment system may not determine or lead to –
  - (a) restrictions regarding participation in other payment systems;
  - (b) a discriminatory position regarding rights and obligations related to participation in the payment system; or
  - (c) restrictions based on the type of payment service provider.
- (4) If a payment system operator denies access to a person, it shall give reasons in writing for this denial, based on a comprehensive risk analysis.
- (5) A payment system operator shall establish and publicly disclose non-discriminatory procedures to facilitate the suspension and orderly termination of a participant's right of participation where the participant fails to comply with the access and participation criteria.
- (6) A payment system operator shall review at least annually –
  - (a) the criteria established in subregulation (2); and
  - (b) the procedures established in subregulation (5).

## **PART VI**

### **AGENTS AND MARKET CONDUCT**

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| Agent arrangement and management | 16. (1) A payment service provider shall submit to the Central Bank agency arrangements and management procedures consistent with the Third Schedule when notifying the Central Bank of its intention to use agents. |
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(2) Where a payment service provider appoints an agent pursuant to the Act, the payment service provider shall have in place agency arrangements and management procedures with each agent as set out in the Third Schedule.

(3) A payment service provider may utilise an agent to conduct certain activities to the extent permitted by this Act on its behalf as agreed between the payment service provider and agent.

(4) The Bank shall maintain a Register of Agents which shall be available to the public.

Agent non-exclusivity

17. (1) A person may act as an agent for two or more payment service providers provided that –

(a) each payment service provider has in place agency arrangements and management procedures with the agent as set out in the Third Schedule; and

(b) the agent has the capacity to manage the transactions for the different payment service providers including appropriate premises or operating space, suitable technology and financial soundness.

(2) A payment service provider shall not sign an exclusive agreement with an agent.

Market Conduct

18. (1) A payment service provider shall be required to –

(a) disclose, in writing or on its website or applications in clear language in a conspicuous manner prior to the initiation of payments –

(i) all fees, charges, and, where permitted conversions through an authorised dealer at prevailing rates; a breakdown of those fees and charges;

(ii) terms and conditions for the provision of its payment services;

- (iii) any such information necessary for users to contact the payment service provider or its agents in the event of a complaint, query or concern;
  - (iv) a specification of the information to be provided by a user in order for a payment order to be properly initiated or executed; and
  - (v) the maximum execution time for the payment service to be provided.
- (b) establish terms and conditions for the provision of its payment services, including obligations and liabilities, which shall be fair, legible and written in plain language so as to be easily understood by the user; and
  - (c) establish and implement appropriate policies and procedures for addressing user complaints and resolving disputes within twenty business days from the date on which the complaint was submitted to the payment service provider.
- (2) A payment service provider shall notify users of changes to its payment services, terms and conditions for the provision of its payment services, fees and charges for the provision of its payment services or policies and procedures for addressing user complaints and resolving disputes at least twenty business days prior to such changes taking effect.
- (3) Where a payment service provider issues a notice under subregulation (2), it shall also provide users with an option to opt out of the service without incurring any fees or penalties in relation to exercising the option to opt out.

Commencement

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

## FIRST SCHEDULE

### APPLICATION REQUIREMENTS

Every application for a testing permit and licence under the Act shall be made to the Central Bank in writing and in such form and manner as may be specified by the Central Bank, and shall be accompanied by—

Testing Permit/ Licence	Application Requirements
Testing Permit	<ul style="list-style-type: none"><li>(a) a statement of the name and registered address of the applicant;</li><li>(b) a certified copy of the Articles of Incorporation, or Continuance, bye-laws and other constituent documents under which the applicant is incorporated, continued or constituted;</li><li>(c) the name, address, nationality, experience, and other relevant information, including the information specified in the Third Schedule pertaining to each director and officer or proposed director and officer and all existing and proposed acquirers and shareholders holding twenty per cent or more of any class of shares;</li><li>(d) projected profit and loss statements, cash flow statements and balance sheet of the applicant for the three years immediately following the application;</li><li>(e) the organisational structure of the applicant, including its group structure;</li><li>(f) clear and detailed business plan, the contents of which will be specified by the Central Bank;</li><li>(g) demonstration of core functionality of the product or service;</li><li>(h) proposed funding arrangements for minimum capital requirements, including sources of funds;</li><li>(i) details of its technology infrastructure including information technology process flows and settlement processes;</li><li>(j) proof of payment of the non-refundable application fee as set out in the Act; and</li></ul>

	<p>(k) in addition to the documents herein and any other document and information requested by the Central Bank, where the person is applying for a testing permit to test as a payment system operator the following shall be provided-</p> <p>(i) the draft operating rules and procedures of the payment system,</p> <p>(ii) the agreement between the applicant and its settlement agent.</p>
<p>Payment Service Provider Licence</p>	<p>(a) a statement of the name and the registered address of the applicant;</p> <p>(b) a certified copy of the articles of incorporation or continuance, by-laws and other constituent documents, under which the applicant is incorporated, continued or constituted;</p> <p>(c) the name, address, nationality, experience and other relevant information including the information specified in the Third Schedule pertaining to each director and officer or proposed director and officer and all existing and proposed acquirers and shareholders holding twenty per cent or more of any class of shares;</p> <p>(d) a statement outlining the organisational structure of the applicant, including its group structure;</p> <p>(e) proof of compliance with the testing permit, where necessary;</p> <p>(f) projected profit and loss statements, cash flow statements and balance sheet of the applicant for the three years immediately following the application;</p> <p>(g) the latest audited Financial Statements of the applicant for the past three years, where the applicant has been in operation immediately preceding the application except that where the local company has been functioning for less than three years, a copy of audited financial statements for each year it has been in operation shall be sufficient;</p> <p>(h) clear and detailed business plan, the contents of which will be specified by the Central Bank;</p> <p>(i) proposed funding arrangements for minimum capital requirements, including sources of funds;</p>

	<ul style="list-style-type: none"> <li>(j) demonstration of core functionality of the product or service;</li> <li>(k) details of its technology infrastructure including information technology process flows and settlement processes;</li> <li>(l) a risk management framework approved by the board of directors of the applicant;</li> <li>(m) user complaint resolution policies;</li> <li>(n) information communication technology and cyber-security framework approved by the board of directors of the applicant;</li> <li>(o) anti-money laundering, counter-terrorist financing and counter-proliferation financing policies and procedures approved by the board of directors of the applicant;</li> <li>(p) exit strategy approved by the board of directors of the applicant;</li> <li>(q) business continuity and business resilience arrangements;</li> <li>(r) proof of the establishment of an account designated as a trust account maintained with a financial institution, segregated from any other funds that the payment service provider holds; and held for the sole benefit of users;</li> <li>(s) safeguarding policies and procedures approved by the board of directors of the applicant;</li> <li>(t) terms and conditions for using the product or service;</li> <li>(u) policies and procedures for the protection of users;</li> <li>(v) agent arrangements; and</li> <li>(w) proof of payment of the non-refundable application fee as set out in the Act.</li> </ul>
<p>Payment System Operator Licence</p>	<ul style="list-style-type: none"> <li>(a) a statement of the name and the registered address of the applicant;</li> <li>(b) a certified copy of the articles of incorporation or continuance, by-laws and other constituent documents, under which the applicant is incorporated, continued or constituted;</li> <li>(c) the name, address, nationality, experience and other relevant information including the information specified in the Third Schedule</li> </ul>

	<p>pertaining to each director and officer or proposed director and officer and all existing and proposed acquirers and shareholders holding twenty per cent or more of any class of shares;</p> <p>(d) a statement outlining the organisational structure of the applicant, including its group structure;</p> <p>(e) projected profit and loss statements, cash flow statements and balance sheet of the applicant for the three years immediately following the application;</p> <p>(f) the latest audited financial statements of the applicant for the past three years, where the applicant has been in operation immediately preceding the application except that where the local company has been functioning for less than three years, a copy of audited financial statements for each year it has been in operation shall be sufficient;</p> <p>(g) clear and detailed business plan, the contents of which will be specified by the Central Bank;</p> <p>(h) proposed funding arrangements for minimum capital requirements, including sources of funds;</p> <p>(i) demonstration of core functionality of the product or service;</p> <p>(j) details of its technology infrastructure including information technology process flows and settlement processes;</p> <p>(k) a risk management framework approved by the board of directors of the applicant;</p> <p>(l) participant complaint resolution policies;</p> <p>(m) information communication technology and cyber-security framework approved by the board of directors of the applicant;</p> <p>(n) anti-money laundering, counter-terrorist financing and counter-proliferation financing policies and procedures approved by the board of directors of the applicant;</p> <p>(o) exit strategy approved by the board of directors of the applicant;</p> <p>(p) business continuity and business resilience arrangements;</p> <p>(q) safeguarding policies and procedures approved by the board of directors of the applicant;</p>
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	<p>(r) terms and conditions for using the product or service;</p> <p>(s) policies and procedures for the protection of users; and</p> <p>(t) agent arrangements;</p> <p>(u) the agreement between the applicant and the settlement agent;</p> <p>(v) the Draft Operating Rules and Procedures of the payment system;</p> <p>(w) proof of payment of the non-refundable application fee as set out in the Act; and</p> <p>(x) such additional information as the Central Bank may require.</p>
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## **SECOND SCHEDULE**

### **FIT AND PROPER CRITERIA**

#### **A. Individual**

- (1) Every person who is, or is to be, a director, controlling shareholder, significant shareholder, acquirer or officer of the licensee must be a fit and proper person to hold the particular position which he holds or is to hold.
- (2) In determining whether an individual is a fit and proper person to hold any particular position, regard shall be had to his good character and probity, competence and soundness of judgment for fulfilling the responsibilities of the position, the diligence with which he is fulfilling or likely to fulfil those responsibilities and to whether the interests of users or participants, or potential users or participants, of the licensee are, or are likely to be, in any way threatened by his holding that position.
- (3) In addition to the criteria in paragraph (2), regard may be had to the previous conduct and activities in business or financial matters of the individual in question and, in particular, to any evidence that he has —
  - (a) been convicted of an offence involving fraud, money laundering, terrorist financing or other dishonesty or violence;
  - (b) contravened any provision of the Act or any other written law appearing to the Central Bank to be designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the operation of payment systems or provision of payment services, the operation of a payments entity,

banking, insurance, investment or other financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts;

- (c) engaged in any business practices appearing to the Central Bank to be deceitful, oppressive, unsafe, unsound or otherwise improper (whether unlawful or not) or which otherwise discredit his method of conducting business;
- (d) an employment record which leads the Central Bank to believe that the person carried out an act of impropriety in the handling of his employer's business;
- (e) engaged in or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his probity, competence or soundness of judgment; and
- (f) Any other matter which the Central bank may specify.

## **B. Company**

- (4) In determining whether a company is a fit and proper person to be a controlling shareholder, significant shareholder or acquirer, regard shall be had to, but not limited by, the following criteria, whether:
  - (a) the directors of the company have satisfied the fit and proper criteria set out in sub-head A;
  - (b) the company has been found guilty of insider trading or fraud involving trading in securities or fraud involving payments by local or foreign authorities;
  - (c) the company has been convicted of an offence
  - (d) The company has contravened any provisions of the Act;
  - (e) in the opinion of the Central Bank the company has not carried on its business in a prudent manner;
  - (f) in the opinion of the Central Bank the company is insolvent or is likely to become insolvent;
  - (g) the company has suspended or is about to suspend payment or is unable to meet its obligations as they fall due;
  - (h) in the opinion of the Central Bank the affairs of the company or any associated person are being conducted in a manner prejudicial to the soundness of the licensee in question, the national payment system or the financial system of Trinidad and Tobago; and
  - (i) any other matter which the Central Bank may specify.
  
- (5) In determining whether a company has carried on its business in a prudent manner under paragraph 4(e), the Central Bank shall take into consideration—
  - (a) the capital of the company in relation to the size and nature of the business or proposed business of the licensee;

- (b) separation of the business or proposed business of the company and the licensee from other business and from other interests of any controlling shareholder or significant shareholder of the company;
- (c) internal controls and accounting systems or proposed internal controls and accounting systems of the company;
- (d) risk management systems and policies or proposed risk management systems and policies of the company and the licensee;
- (e) arrangements for any business, or functions relating to any business, of the company or the licensee to be carried on by any person other than the company or the licensee; and
- (f) such other matters as the Central Bank may specify.

### **C. Additional Criteria for Controlling Shareholder**

- (6) The following criteria shall also be considered in determining whether a controlling shareholder is fit and proper:
  - (a) The nature and sufficiency of the financial resources of the proposed controlling shareholder as a source of continuing financial support for the licensee.
  - (b) The soundness and feasibility of the proposed controlling shareholder for the future conduct and development of the licensee's business.
  - (c) The business record and experience of the proposed controlling shareholder or the proposed acquirer.

### **D. Licensee to be Fit and Proper**

1. In determining whether a licensee is a fit and proper person, regards shall be had to the criteria listed in subhead B and in this subhead.
2. The business of the licensee shall be directed effectively by at least two individuals with sufficient experience and knowledge of the business of the licensee.
3. The directors shall include such number of directors without executive responsibility for the management of its business as the Central Bank considers appropriate having regard to the circumstances of the licensee and the nature and scale of its operations.
4. The directors shall be selected from amongst persons drawn from diverse occupations, and the overall composition of the board should reflect a reasonable mix of skills and experience, in matters relating to finance, economics, accountancy, industry, commerce, technology, law or administration

5. The licensee must conduct shall conduct its business in a prudent manner.
6. A licensee shall not be regarded as conducting its business in a prudent manner unless:
  - (a) it maintains or, as the case may be, will maintain net assets which, together with other financial resources available to the licensee are of such nature and amount as are considered by the Central Bank to be—
    - (i) commensurate with the nature and scale of the licensee’s operations;
    - (ii) appropriate to the business operations and services in which the licensee is involved;
    - (iii) sufficient to safeguard the interests of its users or participants and potential users or participants, having regard to the risks of its operations and any other factors appearing to the Central Bank to be relevant; and
    - (iv) sufficient to maintain adequate liquidity;
  - (b) it makes adequate provision for depreciation or diminution in the value of its assets (including provision for bad or doubtful debts), for liabilities which will or may fail to be discharged by it and for losses which it will or may incur.
  - (c) it maintains maintain adequate systems of control of its business and records to enable the business of the licensee to be prudently managed and the licensee to comply with the duties imposed on it by or under this Act;

#### **E. Integrity and Skills**

The business of the licensee, or in the case of a company which has applied for a licence, shall be carried on with integrity and the professional skills appropriate to the nature and scale of its activities.

### **THIRD SCHEDULE**

#### **AGENT ARRANGEMENTS AND MANAGEMENT**

##### **A. Agency Arrangements**

Payment service providers that intend to utilise agents shall submit the following information to the Central Bank:

- (i) the results of the due diligence conducted by the payment service provider to select the said agent;
- (ii) the proposed geographic location of the agent or agent network;
- (iii) the services to be provided by the agent on behalf of the payment service provider;
- (iv) copies of the agent’s—
  - (a) certificate of incorporation or registration of business;
  - (b) evidence of a registered office in Trinidad and Tobago;

- (v) documents demonstrating the financial soundness of the Agent. These should include one of the following, where applicable:
  - (a) audited financial statements;
  - (b) management accounts; or
  - (c) cash flow;
- (vi) a copy of the agency agreement between the agent and the payment service provider containing, at minimum—
  - (a) a clear indication of the duties and responsibilities of each party;
  - (b) any compensation arrangements;
  - (c) the scope of work to be performed by the agent;
  - (d) a statement that the payment service provider is responsible and liable for the actions or omissions of an agent providing the services on its behalf;
  - (e) a statement that the agent shall ensure safekeeping of all relevant records and ensure that the records are, at pre-specified regular intervals, moved to the payment service provider who shall ensure safekeeping of these records for at least seven years; and
  - (f) an agreement by both parties to provide unrestricted access to the Central Bank to review the internal systems of the agent, information, data and documents relevant to the conduct of permissible activities;
- (vii) the policies and procedures approved by the payment service provider for the provision of permissible activities through the agent, including those pertaining to Know Your Customer or Customer Due Diligence;
- (viii) a description of the technology to be used for delivering agent services;
- (ix) a risk assessment report of the provision of permissible activities through the agent, including the control measures that will be applied to mitigate the risks;
- (x) a report regarding internal controls to be used for the agent business which shall be reviewed by an external auditor on an annual basis; and
- (xi) any further information that the Central Bank considers necessary.

## **B. Agent Management**

A payment service provider shall –

- (a) maintain systems, policies and procedures, including risk management policies relevant to money laundering or terrorist financing risks, to exercise effective internal control over the provision of services by its agents;
- (b) ensure that there is adequate training and support for its agents with a view to providing safe and efficient services to users;
- (c) submit an annual report prepared by an external auditor, in respect of the operations of its agents, to the Central Bank within four months from the end of each financial year;

- (d) demonstrate its ability to track and maintain records of the payment transactions carried out by each agent it uses to the satisfaction of the Bank; and
- (e) maintain a list of agents used, and information relevant to these agents including name, address, Global Positioning System coordinates, telephone contact, including the contacts and addresses for each outlet of the agent at which it will provide services on behalf of the payment service provider, which shall be submitted to the Central Bank on a quarterly basis.

