



CENTRAL BANK OF  
TRINIDAD & TOBAGO

# Payments System Guideline No. 3 – Operation of Payment Service Providers

**November, 2012**

### 3.1 INTRODUCTION

1. Section 36 (cc) of the Central Bank Act, Chapter 79:02 (CBA) gives the Central Bank of Trinidad and Tobago (Central Bank) the authority for the supervision of payment systems. The Central Bank has issued a number of Guidelines to provide standards of conduct for participants in the payment system. This Guideline 3 outlines the requirements for Payment Service Providers (PSPs) including Bill Payment Service Providers (BPSPs). Sections 3.1 to 3.6 **only** of this Guideline shall apply to the registration of BPSPs.
2. Payment services are those services that are necessary to support the issuance of payment instruments as well as the acceptance, clearance and settlement of the claims generated from the use of these instruments. Entities that provide these services are referred to as PSPs.
3. PSPs include institutions licensed under the Financial Institutions Act, 2008 (FIA) to do the business of banking or business of a financial nature. Section 16 (2) of FIA defines "banking business" and "business of banking" as including payment card business and business of commercial banking. Section 17 (2) of the FIA defines "business of a financial nature" as including the issuance of e-money. A person utilizing payment services in the capacity of either payer or payee, or both is referred to as a payment system user. A payer is a party to a payment transaction who issues the payment order or agrees to the transfer of funds, and a payee is a recipient of a payment.

### **3.2 IDENTIFICATION OF PAYMENT SERVICE PROVIDERS**

1. In Trinidad and Tobago, commercial banks and the Central Bank are the sole issuers of paper-based instruments, mainly cheques. With respect to electronic funds transfer (EFT) instruments, commercial banks are the main issuers of payment cards which include debit and credit cards, that can be used both at Automated Teller Machines (ATMs) and at Point-of-Sale (POS) terminals. Additionally, there are two other forms of electronic funds transfer offered by commercial banks and the Central Bank. These credit and debit transfers are facilitated by the Real Time Gross Settlement (RTGS) System and the Automated Clearing House (ACH). This Guideline applies to both bank and non-bank PSPs, including BPSPs, which handle largely utility bill payments.

### **3.3 REGISTRATION OF PAYMENT SERVICE PROVIDERS**

1. Commercial bank providers of payment services are already subject to the licensing framework of the Central Bank and therefore no additional registration arrangements are required.
2. Entities not licensed under the FIA to do the business of banking or business of a financial nature, desiring to commence or continue offering payment services or bill payment services in Trinidad and Tobago, must register with the Central Bank. Payment Service Providers are required to use the sample application letter (**Attachment 3.1**) and the approved application form (**Form 3 at Attachment 3.2**) while Bill Payment Service Providers should use **Attachment 3.3** and **Form 4 at Attachment 3.4**. These applications 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.**

### **3.4 REQUIRED DOCUMENTATION FOR REGISTRATION OF A PSP**

1. The following documentation together with the completed application form must be submitted by any entity making an application to become a registered PSP:
  - a. A statement of the name and registered address of the PSP;
  - b. A certified copy of the Articles of Incorporation/Continuance, Bye-laws or any other constituent document of the PSP;
  - c. The identification of shareholder/s of the PSP 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 PSP;
  - e. The latest audited Financial Statements of the PSP and the policies for risk management and internal controls;
  - f. A statement outlining the organizational structure of the PSP;
  - g. The Rules and Procedures governing the operations of the PSP;
  - h. Such additional information as may be required by the Central Bank.
  
2. A new form should be submitted when there are subsequent changes such as a change in ownership.

### **3.5 TERMS AND CONDITIONS OF REGISTRATION**

1. The Central Bank will maintain a register of all registered Payment Service Providers 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. All registered Payment Service Providers may be requested to submit data periodically to the Central Bank.

### **3.6 REMOVAL FROM REGISTER**

1. The Central Bank may remove a PSP from the register where the PSP—
  - (a) Does not provide payment services within 12 months of the effective date of registration;
  - (b) Requests the cancellation of the registration;
  - (c) Ceases to engage in any business activity for more than six months;
  - (d) Has furnished false statements or any other irregular information in the application for registration;
  - (e) Has provided payment services other than in accordance with what was identified in the registration of the service;
  - (f) Provides payment services which are otherwise unlawful; or
  - (g) Any other reason(s) that the Central Bank may deem to be damaging to public confidence in the payment system.
2. Where the Central Bank intends to remove a PSP from its register, the Central Bank will:-
  - a. give at least fourteen (14) days notice in writing to the PSP of its intentions, providing the reasons for so doing.
  - b. consider any representations made in writing by the PSP 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.

### **3.7 DISCLOSURE REQUIREMENTS**

1. The following information shall be made available by a PSP to users of its service:
  - a. Conditions for the use of the service;
  - b. Charges associated with the service;
  - c. The responsibilities and liabilities of the user and PSP;
  - d. The time within which the service may reasonably be expected to be executed.
  
2. A PSP must notify users of changes to payment services at least 1 month prior to the effective date. Where a response is required, failure on the part of the user to respond to such advice may be viewed as consent if the user continues to use the payment service(s). Temporary changes to payment services offered by PSPs must be communicated to users as soon as is practicable.
  
3. Each PSP must facilitate clear identification of transactions to users in a manner that is understandable and accessible to the user. Such identification must include:
  - a. References which will enable the user to identify the payment transaction including the date and time of transaction;
  - b. The amount of each transaction;
  - c. Charges payable in respect of the transaction;

### **3.8 OBLIGATIONS AND LIABILITIES**

The responsibilities of the parties concerned in the offering and use of payment services should be clearly documented and agreed to by users prior to use of the service:

#### **1. Obligations of the payment service provider**

A payment service provider should at a minimum:-

- a. Ensure that users understand and expressly agree to the terms and conditions of the service;
- b. Ensure that the personalized security features of the payment instrument are not accessible to persons other than the payer to whom the instrument has been issued;
- c. Provide a means of treating with payment service user complaints in accordance with best practice;
- d. Provide a means of contact to enable the payer to notify the institution in the event of theft, loss or unauthorised usage of the service or any associated instrument or equipment used to access the service; and prevent any further use of the instrument or service upon receipt of such notification;
- e. Ensure that the user is aware of 2 below.

#### **2. Liability of the payment service provider**

The payment service provider is liable for the value of transactions where -

- a. It has failed to make the appropriate information as outlined in 1 above available to the payer concerning the payment transaction;  
or
- b. A payment transaction was unauthorized subject to 1 above.
- c. It failed to provide to the payer a means of notification to be used in the event of the theft, loss or unauthorised usage of the service or

any associated instrument or equipment used to access the service.

In these circumstances the payment service provider should refund the unauthorized amount to the payer and where applicable restore the payer's account to the state it would have been in, if the payment had not been authorized.



**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 Payment Service Provider**

We hereby submit an application to register as a Non-Bank Payment Service Provider in accordance with Payment System Guideline #3 issued under 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 3: Application to register as a Payments Service Provider**

**NEW AND EXISTING PAYMENT SERVICE PROVIDERS**

1. Name of applicant :
2. Constitution of applicant:
  - (a) Is the applicant an individual or legal entity:
  - (b) If legal entity, is it a private limited company or public limited company (please enclose Articles of Incorporation/ Continuance and Memorandum of Articles of Association, Bye-Laws or other constituent documents):
  - (c) If the applicant is any other entity, please specify the statute under which it is incorporated/established:
3. Principal place of business and address (including telephone and fax numbers, email address and website):
4. If applicant is a firm, please list the names, nationality and addresses of the owners/partners/directors of the company:
5. Main business of the applicant:
6. Names and addresses of subsidiary companies/associated firms/other associated entities:
7. The latest audited Financial Statements:
8. Name of the Chief Executive Officer:
9. A statement outlining the organizational structure of the company, if applicable.
10. Original and copy of agreements with any third party payment service providers.

11. A document detailing the operations of the payment service including processing time frames and terms of use by the public.
12. A listing of all the offices/Agents of the Payment Service Provider where the services are to be offered:
13. Particulars of Payment Service System (full details to be furnished) including process flow, technology to be used, security features, etc (details can be given in a separate note, if required):
14. Whether the payment services are offered in a localized area or the whole country?

**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 Bill Payment Service Provider**

We hereby submit an application to register as a Bill Payment Service Provider in accordance with Payment System Guideline #3 issued under 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 4: Application to register as a Bill Payments Service Provider**

**NEW AND EXISTING BILL PAYMENT SERVICE PROVIDERS**

1. Name of applicant :
2. Constitution of applicant:
  - (a) Is the applicant an individual or legal entity:
  - (b) If legal entity, is it a private limited company or public limited company  
(please enclose Articles of Incorporation/ Continuance and Memorandum of  
Articles of Association, Bye-Laws or other constituent documents):
  - (c) If the applicant is any other entity, please specify the statute under which it  
is incorporated/established:
3. Principal place of business and address (including telephone and fax numbers,  
email address and website):
4. If applicant is a firm, please list the names, nationality and addresses of the  
owners/partners/directors of the company:
5. Main business of the applicant:
6. Names and addresses of subsidiary companies/associated firms/other  
associated entities:
7. The latest audited Financial Statements:
8. Name of the Chief Executive Officer:
9. A statement outlining the organizational structure of the company, if applicable
10. Original and copy of agreements with billing companies.

11. A document detailing the operations of the bill payment service including processing time frames and terms of use by the public.
12. A listing of all the offices/Agents of the Bill Payment Service Provider where the services are to be offered.
13. Particulars of Bill Payment Service System (full details to be furnished) including process flow, technology to be used, security features, etc (details can be given in a separate note, if required).
14. Whether the bill payment services are offered in a localized area or the whole country?