



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. _____

Series of 2019

Subject: **Rules and Regulations On the Registration of Operators of Payment Systems**

The Monetary Board, in its Resolution No. ____ dated _____ 2019, approved the following rules and regulations implementing Republic Act (R.A.) No. 11127 (An Act Providing for the Regulation and Supervision of Payment Systems):

Section 1. Declaration of Policy. The Bangko Sentral recognizes the crucial role of payment systems in maintaining a stable financial system and facilitating the realization of monetary policy objectives. It is thus important for the operation of payment systems to be safe, efficient and reliable in order to control systemic risk and provide an environment conducive to the sustainable growth of the economy.

Section 2. Definition of Terms. For purposes of these implementing rules and regulations, the definition of terms under Section 4 of R.A. No. 11127 shall be applied.

Section 3. Authority of the Bangko Sentral. The Bangko Sentral shall oversee the payment systems in the Philippines. It shall exercise supervisory and regulatory powers over these financial market infrastructures.

Section 4. Registration requirement for operators of payment systems. All operators of payment systems (OPS) as defined under R.A. No. 11127 and clarified in this Section shall register with the Bangko Sentral.

Coverage. For purposes of this Section, an OPS shall be a person that performs any of the following activities:

- a. Maintains the platform that enables payments or fund transfers, regardless of whether the source and destination accounts are maintained with the same or different institutions;
- b. Operates the system or network that enables payments or fund transfers to be made through the use of a payment instrument;
- c. Issues payment instrument/s except issuers of payment instruments which can be used for a limited number of well-defined purposes wherein its use is restricted to a number of well-identified points of sale within a well-defined location;
- d. Provides a system that processes payments on behalf of a person, the government and the like; and
- e. Such other activities related or similar to the foregoing, as may be determined by the Monetary Board.

Examples of activities performed by an OPS under the categories set forth above can be found in Appendix A.

Requirements for Registration. The following rules shall apply to the registration of an OPS pursuant to Section 10 of R.A. No. 11127.

- a. **Application for registration.** An OPS shall submit the following documents and information to the appropriate department of the Financial Supervision Sector (FSS):
 - (1) Application for Registration signed by the president, chief executive officer or other senior officer holding an equivalent position;
 - (2) Business Plan, which includes the business model and the target markets; and
 - (3) Copy of the business registration/permit indicating the line of business of the registered entity, from the city or municipality that has territorial jurisdiction over the place of establishment and operation of the office of the OPS for the current period.

The Bangko Sentral may, in the course of the evaluation of the application for registration, request submission of documents and information in addition to those listed above.

- b. **Issuance of Bangko Sentral Certificate of Registration (COR).** Upon receipt of the application for registration and required documents from the OPS, the Bangko Sentral shall issue a provisional COR to the OPS. It shall be valid for the period stated therein unless indicated otherwise in the List of Provisional Registrations published at the BSP website. Thereafter, if warranted and adequately supported by the documents and information submitted by the OPS, the BSP shall issue a COR to the OPS. Expiry of the provisional COR and non-issuance of the COR means that based on its submitted application for registration and supporting documents, it is not required to register as an OPS.
- c. **Operating a payment system without registration.** When an OPS is found to be operating a payment system without registration, the Bangko Sentral shall issue a directive to such OPS to comply with the registration requirements under this Section. If the OPS remains unregistered, the Bangko Sentral shall issue an order to such OPS to cease and desist from operating a payment system without registration from the Bangko Sentral and to take immediate action to register. The Bangko Sentral may coordinate with other government agencies to inform them that the said OPS is operating a payment system without registration from the Bangko Sentral as required under R.A. No. 11127 and in the regulations promulgated by the Bangko Sentral.

Date of Registration. All OPS shall register with the Bangko Sentral within one (1) month from the start of their operations except in the following instances where registration is required prior to commencement of operation:

- a. A regulatory authority or government agency requires endorsement from the Bangko Sentral prior to the start of the OPS business;
- b. The OPS offers remittance as well as fund transfer services from one transaction account to another without any underlying trade/commercial activity; and
- c. Such other circumstances as may be determined by the Monetary Board.

Fees for Registration. An OPS shall pay a one-time non-refundable registration fee of Twenty Thousand Pesos (Php 20,000.00). Should the COR need to be replaced, for whatever reason, a non-refundable replacement fee of One Thousand Pesos (Php 1,000.00) shall be assessed and collected.

Section 5. Requirements for institutions already registered/licensed with the Bangko Sentral. Institutions that are already registered/licensed by the Bangko Sentral such as banks, electronic money issuers (EMIs), or those involved in money service business (MSB) and are also OPS as defined under R.A. No. 11127 and clarified in Section 4 of this Circular will only have to submit a duly accomplished Application for Registration signed by its president, chief executive officer, or another senior officer holding an equivalent position.

If warranted and adequately supported by the documents and information already with the Bangko Sentral, the Bangko Sentral shall issue a COR as OPS to the registered/licensed institution. This institution shall not pay a registration fee of Twenty Thousand Pesos (Php 20,000.00).

Section 6. Notification requirements for registered operators of payment systems. A registered OPS shall comply with the notification requirements set out in this Section. It shall notify the appropriate department of the FSS in hard copy or electronic form of the following events within three (3) business days from the date of occurrence.

Reportable Events. A registered OPS shall inform the appropriate department of the FSS of the following events:

- a. Commencement of operations except in cases where an OPS is not required to register prior to operations.
- b. Change of ownership or control that will result in ownership or control of at least twenty percent (20%) of the voting shares of stock by any person or which will enable such person to elect, or be elected as, a director of the OPS. The notification shall indicate the details of the change in ownership or control.
- c. Closure of business. Relative to this event, the OPS shall submit the following documents to the Bangko Sentral:
 - (1) Certification by the owner or partnership/board resolution, as the case may be, authorizing/attesting to the closure of the OPS; and
 - (2) Original copy of COR issued by the Bangko Sentral to the OPS.
- d. Suspension or revocation of permits, licenses or other authorities issued to the OPS by other government agencies. The notification shall include the ground/s for the suspension or revocation, and the action taken or to be taken by the

- OPS relative to such suspension or revocation. Thereafter, the OPS shall provide regular updates on the status of the suspension or revocation of permits, licenses, or other authorities issued by other government agencies.
- e. Change in key officers or representatives authorized to officially communicate to the BSP.

Change of registered/business name. A registered OPS shall not change its registered/business name without submitting the required documents to the appropriate department of the FSS at least ten (10) business days prior to effecting the change. The Bangko Sentral shall issue a new COR indicating the new registered/business name of the OPS.

Section 7. Transitory provisions. An OPS that is already existing at the time of the effectivity of R.A. No. 11127 shall register with the Bangko Sentral by complying with the registration requirements prescribed under this Section not later than _____.

Section 8. Detailed Registration Guidelines. The specific guidelines on the mode and manner of submission of the abovementioned registration requirements (including corresponding reporting templates, as necessary) shall be covered by a separate memorandum issuance.

This Circular shall take effect immediately after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:

BENJAMIN E. DIOKNO
Governor

_____ 2019

Examples of Activities Performed by an Operator of a Payment System

Maintains the platform that enables payments or fund transfers, regardless of whether the source and destination accounts are maintained with the same or different institutions

- Owns or operates a computer application system that enables payments or fund transfers
- Sets rules by which payments may be made or funds may be transferred
- Allows customers to fund their accounts by submitting to the company cash or its equivalent in exchange for the value to be stored in their account
- Allows accounts of system users to be linked to their accounts with other financial institutions (FIs) (e.g. deposit account, e-money account, credit card account)

Operates the system or network that enables payments or fund transfers to be made through the use of a payment instrument

- Provides a system or network infrastructure that enables payments and financial services of FIs
- Sets rules, functions, procedures, arrangements or devices that enable an account holder or holder of the payment instrument to transact with a third party
- Transfers payment information (e.g. card transaction details) to and from participating institutions
- Provides network participants with a listing of the amounts due to/from other participants
- Offers service/s to more than one (1) FI and enables them to perform payments or fund transfers among each other
- Enables the acceptance of specific payment instrument/s by institutions such as government, commercial establishments, and the like

Issues payment instrument/s except issuers of payment instruments which can be used for a limited number of well-defined purposes wherein its use is restricted to a number of well-identified points of sale within a well-defined location

- Issues payment instrument that is accepted as payment by person/s or institution/s other than your company
- Allows payment instrument to be used for more than one of the following purposes: ___ purchase of goods ___ payment of utilities ___ payment of services ___ others
- Allows fund transfers among customers of the same company
- Allows fund transfers from the company's customers to non-customers

Provides a system that processes payments on behalf of a person, the government and the like

Receives payment for or on behalf of the sellers of goods, providers of services, or creditors/billers in accordance with the written agreement entered into with the company

Sets rules, provides arrangements or facilities to collect funds from the public and transmits the same to sellers of goods, providers of services, or creditors/billers in accordance with the written agreement entered into with the company

Allows payments to be made to more than one commercial establishment or creditor/biller

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APPLICATION FOR REGISTRATION AS OPERATOR OF A PAYMENT SYSTEM (OPS)

(To be completely filled up. Indicate "N/A" if an item is not applicable.)

Thru: The Office of the Director Payment System Oversight Department (PSOD)					Date:	
This form is to be accomplished by the Operator of a Payment System (OPS). An OPS refers to any person performing any of the activities as defined in Section 4(1) of R.A. No. 11127 (The National Payment Systems Act). Kindly indicate in the checklist at the back of this form the activities performed by your company.						
1. FULL COMPANY NAME				2. TIN		
3. COMPANY NAME						
4. REGISTERED BUSINESS/TRADE NAME/S						
5. COMPANY REGISTRATION NO.			6. DATE ISSUED		7. VALID UNTIL	
8. BUSINESS LOCATION		If within a Building, specify stall, room, floor number	Street No. and Name	Barangay	City/Municipality	
9. CONTACT INFO.		Landline	Mobile No.	Email Address ¹	Website	
10. BUSINESS PERMIT/NATURE or TYPE OF BUSINESS		Business Permit No.	Date Issued	Valid Until	Kind of Business	Years in Business
11. Are you licensed to do business in the Philippines?		<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, indicate the type of license issued to the company			
12. FORM OF BUSINESS ORGANIZATION (e.g. Sole Proprietorship, Partnership, Corporation, Cooperative, etc.)			13. TOTAL EQUITY/AUTHORIZED CAPITAL STOCK			
14. OWNERSHIP AND MANAGEMENT STRUCTURE						
14.1 List of Board of Directors/Partners/Owners						
Name	Citizenship	Address		Position	TIN	Email Address
14.2 List of Shareholders (with ownership of at least 10%)						
Name	Citizenship	Address		Position	TIN	Email Address
14.3 List of Key Officers (President, Finance Officer, Treasurer and their equivalent)						
Name	Citizenship	Address		Position	TIN	Email Address
15. BRIEF DESCRIPTION ON HOW THE BUSINESS OPERATES AND TARGET MARKET						
15.1 Primary Product/Service			15.2 Revenue Generating Activities		15.3 Target Market	
16. NETWORK AND OPERATIONS						
16.1 Number of branches or servicing units (over-the-counter/teller assisted)			16.2 Number of payment terminals (self-service – ATM, Payment Kiosks)		16.3 Number of participants/users	
17. TYPES OF PAYMENT INSTRUMENTS/MEDIA ISSUED		Short Description of Payment Instruments/Media	Number of payment instruments/accounts	Average monthly volume of transactions	Average monthly value of transactions	

¹Shall be considered the official e-mail address registered with BSP.

APPLICATION FOR REGISTRATION AS OPERATOR OF A PAYMENT SYSTEM (OPS)

(To be completely filled up. Indicate "N/A" if an item is not applicable)

Kindly place a check mark (✓) beside the activity/ies performed by your company.

OPS-related activities:

A. Maintains the platform that enables payments or fund transfers, regardless of whether the source and destination accounts are maintained with the same or different institutions.

- Owns or operates a computer application system that enables payments or fund transfers
- Sets rules by which payments may be made or funds may be transferred
- Allows customers to fund their accounts by submitting to the company cash or its equivalent in exchange for the value to be stored in their account
- Allows accounts of system users to be linked to their accounts with other financial institutions (FIs) (e.g. deposit account, e-money account, credit card account)

B. Operates the system or network that enables payments or fund transfers to be made through the use of a payment instrument.

- Provides a system or network infrastructure that enables payments and financial services of FIs
- Sets rules, functions, procedures, arrangements or devices that enable an account holder or holder of the payment instrument to transact with a third party
- Transfers payment information (e.g. card transaction details) to and from participating institutions.
- Provides network participants with a listing of the amounts due to/from other participants.
- Offers service/s to more than one (1) FI and enables them to perform payments or fund transfers among each other.
- Enables the acceptance of specific payment instrument/s by institutions such as government, commercial establishments, and the like.

C. Issues payment instrument/s except issuers of payment instruments which can be used for a limited number of well-defined purposes wherein its use is restricted to a number of well-identified points of sale within a well-defined location

- Issues payment instrument that is accepted as payment by person/s or institution/s other than your company
- Allows payment instrument to be used for more than one of the following purposes
 purchase of goods payment of utilities payment of services others
- Allows fund transfers among customers of the same company
- Allows fund transfers from the company's customers to non-customers

D. Processes a system that processes payments on behalf of a person, the government and the like

- Receives payment for or on behalf of the sellers of goods, providers of services, or creditors/billers in accordance with the written agreement entered into with the company.
- Sets rules, provides arrangements or facilities to collect funds from the public and transmits the same to sellers of goods, providers of services, or creditors/billers in accordance with the written agreement entered into with the company
- Allows payments to more than one commercial establishment or creditor/biller

I, [insert name], [insert designation] of [insert company name], hereby certify to the following:

1. I am authorized to accomplish and file this Application for Registration as OPS and sign the same on behalf of [insert company name].
2. The completion of the Application for Registration as OPS was made after conduct of self-assessment whereby it was determined that [insert company name] is an OPS pursuant to R.A. No. 11127 (The National Payment Systems Act) and BSP Circular No. ____. As OPS, [insert company name] performs: [insert activities performed as an OPS].
3. [insert company name] is licensed to do business in the Philippines and has obtained the necessary authorities and permits from the relevant government agencies or units to perform the abovementioned activities.
4. By indicating in this registration form the personal information of the Board of Directors, list of partners, owners, shareholders, and key officers, said persons are aware of their rights under R.A. No. 10173 (Data Privacy Act of 2012) and they authorize the BSP to collect, process and store their personal information and share with and make available this Application for Registration to interested parties for lawful purposes and legitimate interests and to comply with legal mandate.
5. The information provided herein are true, accurate, timely and complete.

Name

Designation of Authorized Officer