



Framework for Voluntary Surrender of Certificate of Authorisation by Payment System Operators

1. **Objective:** This document sets out the framework for voluntary surrender of Certificate of Authorisation (CoA) by Payment System Operators (PSOs), authorised under Payment and Settlement Systems Act, 2007 (PSS Act), and intending to discontinue their payment system operations.
2. Such PSOs may request Reserve Bank of India (RBI, the Bank) for surrendering and consequent cancellation of the CoA on voluntary basis as per procedure mentioned below:
3. **Process to be followed by the PSO:**
 - I. **Entity has commenced PSO operations:**
 1. Such an entity needs to submit the following documents to Department of Payment and Settlement Systems (DPSS), Central Office (CO), RBI, Mumbai:
 - a) A request in writing by its authorised signatory, along with a copy of its recent Board Resolution, indicating its intent and the reason for voluntary surrender of CoA.
 - b) A statement certified by its Chartered Accountant (CA) indicating its escrow account details, outstanding liabilities related to its payment system operations to customers / merchants / Indian agents / banks, etc., as applicable.
 - c) A 'Memorandum of Procedure (MoP)' indicating, *inter alia*, the process to be adopted for extinguishing / repaying the liabilities to customers / merchants / Indian agents / banks, etc., as applicable. This should also include the processes and time-line for extinguishing the outstanding liabilities, if any.
 - d) An undertaking, duly signed by its authorised signatory, clearly stating that it would not undertake payment system operations (for which CoA is being surrendered) during the process of voluntary surrender.
 - e) In case of Bharat Bill Payment Operating Units (BBPOUs), the

entity shall also submit a 'No Objection Certificate' from Bharat Bill Payment Central Unit (BBPCU).

2. Based on the information submitted, the Bank will process such requests and advise the entity having liabilities towards customers / merchants / Indian agents / banks, etc., as applicable, to initiate the following processes :

i. Intimate all stakeholders regarding its intent to close payment system operations and issue a public notice in English, Hindi and a vernacular language, in print / visual media, on three different occasions, informing the customers / merchants about its intent to close its payment system operations. Such public notice shall, *inter alia*, indicate,

- The process to be adopted for repaying the liabilities to customers / merchants / Indian agents / banks, etc.
- The mode of receipt of such requests for repayment of liabilities.
- Name, contact address, phone number and email id of a Nodal Officer to whom such requests could be sent.
- Time-line within which the entity would process such requests and repay the liabilities.

ii. Submit monthly progress report to the Bank regarding the progress in extinguishing its liabilities.

3. On completing the process of extinguishing the liabilities to customers / merchants / Indian agents / banks, etc., (as applicable), the entity would be required to submit a 'No liability' certificate from its CA¹.

4. Based on the information submitted, the Bank will process the request for cancellation of such CoA.

5. On receipt of the advice from the Bank about acceptance of the request for voluntary surrender of CoA, the entity shall submit the original CoA to DPSS, CO, Mumbai for cancellation.

¹ If the entity is not able to extinguish its liabilities, it shall submit an undertaking to the effect that it will not recognise the extant balance amount in escrow account pertaining to customers/ merchants, Indian agents, etc. (as applicable) as an income or transfer it to profit and loss account for three years from the date of cancellation of CoA and would honor the claims, if any, received from the customers, merchants, Indian agents etc. during the said period of three years. The entity shall submit the status of outstanding amount in escrow account after the completion of said period of three years. Subsequently, after acceptance of request for voluntary surrender, a Press Notification would be issued by RBI containing the clause "customers or merchants having a valid claim on the entity as PSO, can approach it for settlement of their claims within three years from the date of cancellation of CoA", if liabilities remain unextinguished.

II. Entity has not commenced operations as a PSO:

1. Such an entity needs to submit the following documents to DPSS, CO, RBI, Mumbai:
 - i. A request in writing by its authorised signatory, along with a copy of its recent Board Resolution, indicating its intent and the reason for such voluntary surrender of CoA.
 - ii. Any other documents (like cancellation of the associated project, etc.) in support of its request for such voluntary surrender.
 - iii. A certificate from its CA in respect of non-commencement of any payment system operations by the entity.
 - iv. A copy of the latest audited balance sheet of the entity.
2. Based on the information submitted, the Bank will process the request for cancellation of such CoA.
3. On receipt of the advice from the Bank about acceptance of the request for voluntary surrender of CoA, the entity shall submit the original CoA to DPSS, CO, Mumbai for cancellation.