



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1049

Series of 2019

Subject: Rules and Regulations on the Registration of Operators of Payment Systems

The Monetary Board, in its Resolution No. 1360 dated 5 September 2019, approved the rules and regulations on the registration of operators of payment systems to implement Republic Act (R.A.) No. 11127 or the National Payment Systems Act. These rules and regulations shall form part of the newly-created Manual of Regulations for Payment Systems (MORPS).

Section 1. Part I, Section 101 of the MORPS shall read, as follows:

101 REGISTRATION OF OPERATORS OF PAYMENT SYSTEMS (OPS)

Policy Statement. 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.

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

Coverage. All OPS as defined under R.A. No. 11127 and clarified in this Section shall register with the Bangko Sentral. For this purpose, an OPS shall be a person that performs any of the following functions:

- 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. Provides a system that processes payments on behalf of any person or the government; and
- d. Such other activities similar to the foregoing, as may be determined by the Monetary Board.

The examples of activities performed by an OPS under the functions set forth above are found in Appendix 1.

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

OPS that have yet to commence operations. The following requirements shall apply to an OPS that have yet to commence operations at the date of the effectivity of this Circular:

- a. **Application for Registration.** An OPS shall submit the following documents and information to the appropriate department of the Bangko Sentral:
 - (1) Duly accomplished Application for Registration (Form 1) signed by the president, chief executive officer, or a senior officer holding an equivalent position;
 - (2) Business Plan, which includes the description of its existing business, business model and target markets; and
 - (3) Copy of the business registration/permit indicating the line of business of the OPS, from the city or municipality that has territorial jurisdiction over the principal place of business of the OPS for the current period.

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

- b. **Fees for Registration.** Upon the issuance of the Certificate of Registration (COR), an OPS shall pay a registration fee of P 20,000.00. A fee of P 1,000.00 shall be assessed and collected for the replacement of a COR for whatever reason.
- c. **Date of Registration.** All OPS that have not commenced operations 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:
 - (1) A regulator or government agency requires appropriate action from the Bangko Sentral prior to the start of the OPS business;
 - (2) The OPS offers remittance services as well as other similar activities performed by money service businesses; and
 - (3) Such other circumstances, as may be determined by the Monetary Board.

OPS that are currently operating. The following requirements shall apply to an OPS that is already operating at the date of the effectivity of this Circular:

- a. **Application for Registration.** An OPS that has already commenced operations at the date of the effectivity of this Circular shall submit the following documents and information to the appropriate department of the Bangko Sentral:
 - (1) Duly accomplished Application for Registration (Form 1) signed by the president, chief executive officer, or a senior officer holding an equivalent position;
 - (2) Business Plan, which includes a description of existing business, business model, and target markets; and
 - (3) Copy of the business registration/permit indicating the line of business of the OPS, from the city or municipality that has territorial jurisdiction over the place of establishment and operation 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. *Fees for Registration.* Upon the issuance of the COR, an OPS shall pay a registration fee of P 20,000.00. A fee of P 1,000.00 shall be assessed and collected for the replacement of a COR for whatever reason.
- c. *Date of Registration.* An OPS that is currently operating 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 three (3) months from effectivity of this Circular.

Banks and EMIs. The following requirements shall apply to banks and electronic money issuers (EMIs) that are currently operating, or will later operate, as an OPS as defined under R.A. No. 11127 and clarified in this Section:

- a. *Registration through Notification.* A Bank or an EMI shall submit to the appropriate department of the Bangko Sentral, a notification of its activities as an OPS. It shall include a description of its existing business as an OPS, business model, and target markets. The submission shall be signed by the president, chief executive officer, or a senior officer holding an equivalent position. The Bangko Sentral may, in the course of the evaluation of said submission, require additional documents and information in relation to said notification.
- b. *Date of Submission.* A bank or an EMI shall submit the notification with the supporting documents prescribed under this Section not later than three (3) months from effectivity of this Circular, or within one (1) month from the start of their operations as OPS, as appropriate.

Issuance of Bangko Sentral Certificate of Registration (COR). Upon receipt of the duly accomplished Application for Registration (Form 1) and the required documents, or Notification, as the case may be, from the OPS, the Bangko Sentral shall issue a provisional COR (PCOR). It shall be valid for the period stated therein unless indicated otherwise in the List of PCORs published on the Bangko Sentral website. Thereafter, the Bangko Sentral shall issue a COR to the OPS, if warranted, and provided that the submitted documents satisfy the regulatory requirements.

Notice Requirements for Registered Operators of Payment Systems. Registered OPS, except for banks or EMIs registered as OPS, shall give notice to the appropriate department of the Bangko Sentral of the following events within five (5) business days from the date of occurrence.

- a. Commencement of operations for OPS required to register prior to operations.
- b. Change of ownership or control of the OPS 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 notice shall indicate the details of the change of ownership or control. The change in ownership

or control of OPS of a designated payment system shall also be subject to the approval requirements as may be required by RA No. 11127 and its implementing rules and regulations.

- c. Suspension or revocation of permits, licenses or other authorities issued to the OPS by other government agencies. The notice shall include the ground/s for the suspension or revocation, and the action taken or to be taken by the OPS relative to the suspension or revocation. Thereafter, the OPS shall provide bi-weekly updates on the status of the suspension or revocation of its permits, licenses, or other authorities issued by other government agencies.
- d. Change in key officers or representatives authorized to officially communicate to the Bangko Sentral.
- e. Change of registered/business name.

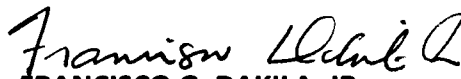
In case of change in the registered/business name, the Bangko Sentral shall issue a new COR indicating the new registered/business name of the OPS upon its payment of a replacement fee of P 1,000.00, submission of the amended Articles of Incorporation (AOI) or equivalent document reflecting the new registered/business name and return of the COR issued by the Bangko Sentral to the OPS.

Operating a Payment System Without Registration. When an OPS required to be registered under this Section is found to be operating a payment system without registration, the Monetary Board shall issue a directive to such OPS to comply with the registration requirements under this Section. If the OPS remains unregistered, the Monetary Board shall issue an order to such OPS to stop from operating a payment system without registration and to take immediate action to register. The Bangko Sentral may coordinate with other regulators and concerned government agencies to inform them that the said OPS is operating a payment system without registration from the Bangko Sentral. The above is without prejudice to the enforcement actions by the Bangko Sentral, as may be applicable, under existing laws, rules and regulations.

Enforcement Actions. The Bangko Sentral may deploy enforcement actions to ensure compliance with the provisions of this Section and bring about timely corrective actions. Any violation of this Section shall subject the OPS and/or its directors, officers, and/or employees to the sanctions set forth in Section 37 of R.A. No. 7653, as amended, and Section 19 of R.A. No. 11127, as appropriate.

Section 2. Effectivity. This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


FRANCISCO G. DAKILA, JR.
Officer-in-Charge

9 September 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 operator 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 other merchants/billers

Provides a system that processes payments on behalf of any person or the government

- Receives payment for or on behalf of the sellers of goods, providers of services, or creditors/billers in accordance with a written agreement
- 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 a written agreement
- Allows payments to be made to more than one commercial establishment or creditor/biller

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.

- 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 operator 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 other merchant/billers
- C. Provides a system that processes payments on behalf of any person or the government**
- Receives payment for or on behalf of the sellers of goods, providers of services, or creditors/billers in accordance with a written agreement.
 - 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 a written agreement.
 - Allows payments to be made 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 sign this Application for Registration as OPS for and 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 and complete.

Name

Designation of Authorized Officer