



MINIMUM REQUIREMENTS FOR A RETAIL SERVICE PAYMENT SYSTEMS PROVIDER

Entities or individuals wishing to register and operate a payment systems switch or such products and services should comply with the RBZ Act [22:15], NPS Act [Chap24:23], Banking Act [24:20], BUP and SML Act [Chap24:24].

Below are additional requirements that should be provided and fulfilled before conducting any operation.

1. Corporate Governance Issues

- a. Beneficial /Ownership structure
- b. Memorandum and Articles of Association.
- c. Adequate Capital Amount
- d. Net worth statements for directors
- e. Director clearance by Police and credit rating bureau
- f. Organizational structure and proposed names of key office holders
- g. Board and Senior Management profiles

2. Business Plan

- a. Objectives and mission statement
- b. Business case
- c. System Technology / The system functionalities/process flow
- d. Market Analysis

- e. Financials
- f. Viability and projections

3. Comprehensive Risk Management Framework

- a. Identify all pertinent risks
- b. Measurement
- c. Mitigating measures
- d. Transactions limits
- e. Controls

4. Agreements

- a. Service level agreements
- b. Contractual agreements with third parties signed

5. Clearing and Settlement Modalities

- a. Clearing arrangements
- b. Settlement procedures and processes
- c. Collateral
- d. Rules and procedures
- e. Third party entry and access criteria

6. Policies and Procedures

- a. Pricing policy
- b. Conflict resolution policy
- c. Customer protection issues
- d. Customer due diligence procedures
- e. AML Policy

7. Anti-money laundering Requirements(AML)

- a. ML/TF risk assessment
- b. Beneficial ownership
- c. Politically exposed persons
- d. Customer Due Diligence:

- Know your customer/employee/customer/agent/partner
- e. Record keeping
- f. Continuous risk assessment of new and existing technological products
- g. Suspicious transaction report
- h. Third parties service level agreements and due diligence

8. Systems Integrity and Audit Report

- a. System design and architecture
- b. System providers
- c. Capacity and reliability of the system
- d. Pilot tests results

9. Special requirements for Cross Border payments

- a. Compliance with Exchange Control law
- b. Regulatory Certificate of good standing from country of origin (foreign entity)

10. Application fees will be guided accordingly from time to time.

11. NB.

- a. *Non banking institutions should partner with a bank of their choice and ensure that the application is submitted through the same bank.*
- b. *In addition, no pilot tests or live launch of the product should be done without the requisite regulatory approval.*