

RESERVE BANK OF FIJI



CHECKLIST OF REQUIREMENTS FOR A LICENCE TO CONDUCT PAYMENT SYSTEM OPERATOR OR PAYMENT SERVICE PROVIDER IN FIJI

The following are minimum requirements that applicants must submit to the Reserve Bank of Fiji together with the application form to operate as a payment system operator or payment service provider in Fiji.

1. Application Letter

A letter from the applicant requesting for a licence to operate a payment system or provide a payment service in Fiji. This letter must be accompanied by:

- i. *Board Resolution:* The Board of Directors for the applicant company must attest in writing with their endorsement full support for the establishment of the applicant and their confirmation of the nominated person who will be liaising with the RBF during the licensing process.
- ii. *Shareholders Resolution:* A certified copy of all the shareholders endorsements signifying their approval to apply for a licence to operate a payment system or provide a payment service in Fiji.

An application that is received without an application letter **WILL NOT** be processed.

2. Capital Requirement:

There should be adequate evidence to prove ability to maintain a minimum unencumbered capital for the applicant's to operate a payment system or provide a payment service in Fiji. The minimum capital requirement to operate as a payment system operator or payment service provider are as follows;

- i. Payment System Operator - \$200,000
- ii. Payment Service Provider - \$50,000

3. Licence Applications Fees (non-refundable):

The licence application fees to operate as a payment system operator or payment service provider are as follows;

- i. Payment System Operator: \$20,000 (VEP)
- ii. Payment Service Provider: \$1,000 (VEP)

4. Documents of registration including the certificate of incorporation and the memorandum and articles of association.

5. For a payment service provider—

- (a) a certified copy of a current licence from the relevant authority in Fiji or elsewhere; and
 - (b) in the case of an e-money issuer, a certified copy of the management agreement where a custodial trust relationship exists with the payment service provider;
- 6. Evidence that the payment system operator and payment service provider holds the initial capital set out in Schedule 2. For applicants seeking to conduct more than one regulated payment service, the RBF will make a determination of the relevant capital requirements to be met based on the applicant's systemic importance and risk profile.**
- 7. A business plan, at a minimum, which includes the following:**
- (a) a description of your organisation and the business concept;
 - (b) details of the proposed system configuration with block diagrams, proposed technology interface with other licensees, network and terminal equipments and/or customer premise equipment (CPE) and the standards they conform to, etc;
 - (c) For payment service providers that are conducting e-money account issuance service, outline details for e-money account issuance services that the applicant intends to provide and if the applicant intends to provide more than one type of account, indicate the details such as load limit, redemption limit, channels of loading, channels for redemption and spending and indicated if it is incidental to any services.
 - (d) an indicative budget for the first 3 financial years that demonstrates that the applicant is able to operate efficiently and safely in Fiji;
 - (e) the type of services to be offered and the programme of operations to offer these services (including the terms and conditions that will apply to customers, agents and cash merchants);
 - (f) details on the mechanisms that have been put in place to protect users' funds in the eventuality of system failure, revocation/suspension of licence and/or insolvency; and
 - (g) information on the public interest that will be served by the provision of the payment service or payment system.
- 8. A current tax compliance certificate from the relevant tax authority in Fiji or elsewhere.**
- 9. A current credit rating report from a credit reference bureau (if applicable).**
- 10. A letter of no objection from the home regulatory authority where the applicant is a subsidiary of a foreign company, recommending the applicant to operate a payment system or payment service in Fiji.**

11. Details of:

- (a) the applicant's governance arrangements and internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrates that these governance arrangements, control mechanisms and procedures are proportionate, appropriate, sound and adequate;
- (b) comprehensive disclosure of all ultimate beneficial owners (UBOs), including but not limited to any natural persons who ultimately own or exercise control over the applicant, whether directly or indirectly, through shareholding, voting rights, or other means of effective control. In terms of ownership threshold, a person must meet one of the following criteria:
 - i. Significant Shareholding: Owning 20% or more (including both direct and indirect ownership) of a company's shares or capital in an entity; or
 - ii. Voting Rights: Holding 20% or more (including both direct and indirect) of the voting rights within the entity.";
- (c) the applicant must demonstrate that appropriate cybersecurity and information security measures have been established to safeguard systems, customer information and payment transactions from unauthorised access, fraud, cyberattacks and operational disruptions. This should include information security policies, access control measures, incident response procedures, vulnerability management processes, and details of any independent security assessments, certifications or audits conducted;
- (d) the applicant must provide a Board approved Business Continuity Plan and Disaster Recovery Plan demonstrating its ability to maintain critical payment services during periods of disruption. The plans should include business impact assessments, recovery objectives, contingency arrangements, testing schedules, disaster recovery sites and procedures for communication with customers, stakeholders and the Reserve Bank during incidents;
- (e) the applicant must provide details of its AML/CFT framework and demonstrate compliance with the Financial Transactions Reporting Act 2004 and relevant regulations and guidelines. The submission should include AML/CFT policies and procedures, customer due diligence requirements, enhanced due diligence measures, sanctions screening arrangements, suspicious transaction reporting procedures, staff training programmes and details of the appointed compliance officer;
- (f) the applicant must provide details of all material outsourcing arrangements and third-party service providers that support the proposed payment service or payment system. The submission should include outsourcing policies, service agreements, governance and oversight mechanisms, risk assessments, business continuity arrangements and exit strategies designed to minimise disruption to customers and the financial system; and
- (g) the applicant's structural organisation including, where applicable, its intended use of agents, cash merchants, branches and outsourcing arrangements, and its participation in a national and/or international payment system.

12. Details of the identity of:

- (a) responsible persons for the management of the payment service provider and operator in;
- (b) the applicant must submit sufficient information to enable the Reserve Bank to assess the fitness and propriety of all directors, senior management personnel, key officers and

responsible persons. This shall include detailed curriculum vitae, certified copies of identification documents, police clearance reports, declarations of any criminal convictions, evidence of academic qualifications, bankruptcy proceedings, tax clearance, civil litigation or disciplinary actions, together with any other information the Reserve Bank may require to determine the competence, integrity, financial soundness and suitability of the proposed individuals to manage and oversee the licensed activities.

- (c) the custodial trustees holding the cash which is represented in the payment service of the applicant; and
- (d) persons who, if the activities for which the licence is being sought are to be conducted in a separate division, are responsible for the management of that division.

13. If applicable, a detailed list of the volumes and value of transactions for the last 12 months

Pursuant to Regulation 3(3), the Reserve Bank may require further information to be accompanied with a new licence application for a payment system operator and payment service provider.