

(Payments Regulatory Board) Regulations, 2025 /GN/2025/008.— In exercise of the powers conferred by sub-section (1) of section 28 read with sub-section (1) of section 12 and sub-section (1) of section 13 of the International Financial Services Centres Authority Act, 2019 (50 of 2019); sub-section (1) and (2) of section 38 read with sub-section (4) of section 3 and section 34B of the Payment and Settlement Systems Act, 2007 (51 of 2007), the International Financial Services Centres Authority hereby makes the following regulations, namely: -

1. Short title and commencement (1) These regulations may be called the (Payments Regulatory Board) Regulations, 2024. (2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings as assigned to them below, and their cognate expressions shall be construed accordingly –

- (a) “Act” means the Payment and Settlement Systems Act, 2007 (51 of 2007);
- (b) “Authority” means the established under subsection (1) of section 4 of the Act, 2019 (50 of 2019);
- (c) “Board” means the Payments Regulatory Board constituted under sub-section (2) of section 3 of the Act;
- (d) “Chairperson” shall mean the Chairperson of the Board;
- (e) “Member” means a Member of the Board;
- (f) “International Financial Services Centre (IFSC)” shall have the meaning assigned to it in clause (g) of sub-section (1) of section 3 of the Act, 2019 (50 of 2019).

(2) Words and expressions used and not defined in these regulations but defined in the Act, the Act, 2019 (50 of 2019) or the Reserve Bank of India Act 1934 (2 of 1934) shall have the meanings respectively assigned to them in those Acts.

3. Composition of Board (1) The composition of the Board shall be as specified in section 3 of the Act. (2) The Board may invite persons with experience in the fields of payment and settlement systems, information technology, law, etc., to attend its meeting either as permanent or as ad hoc invitees to the meetings of the Board.

4. Eligibility and tenure of the nominated Members (1) The Members of the Board referred to in clause (d) of sub-section (3) of section 3 of the Act shall be nominated from amongst persons of ability, integrity and standing, having knowledge, experience and expertise in the field of payment systems, information technology including cyber security, law, etc., by the Central Government: Provided that no person shall be nominated as a Member, in case such person—

- (a) has completed the age of seventy years on the date of appointment as Member;
- (b) is a Member of Parliament or any State Legislature;
- (c) has been at any time, adjudged as an insolvent;
- (d) has been convicted of an offence which is punishable with an imprisonment for a term of one hundred and eighty days or more;
- (e) is physically or mentally incapable of discharging the duties of a Member of the Board; or
- (f) has a material conflict of interest with any other payment system and is unable to resolve such conflict.

(2) A Member of the Board nominated under clause (d) of sub-section (3) of section 3 of the Act, unless he/she is a public servant as defined in clause 28 of section 2 of the Bharatiya Nyaya Sanhita, 2023 (45 of 2023), shall hold office for a period of four years and shall not be eligible for re-nomination.

(3) A Member referred to under sub-regulation (2), unless he/she is a public servant as defined under clause 28 of section 2 of the Bharatiya Nyaya Sanhita, 2023 (45 of 2023), may resign from the Board, at any time before the expiry of his/her tenure under sub-regulation (2), by giving to the Central Government, a written notice of not less than six weeks, and on the acceptance of the resignation by the Central Government, he/she shall cease to be a Member of the Board.

5. Assistance to the Board The Board shall be assisted by the Division of Payment and Settlement Systems, International Financial Services Centres Authority which shall report to the Board.

6. Code of Conduct for the Members of the Board (1) The Members shall give a declaration in the form specified in the Schedule.

(2) The following code aims at providing broad guidance to the Members of the Board on their ethical conduct, which shall help in

enhancing the public trust and confidence in the Authority and its policies: (a) Members shall act in a manner consistent with the integrity, dignity and reputation of their office. (b) Members shall disclose any conflict of interest with regard to any matter that comes up for decision or otherwise to the Board and, if necessary, recuse themselves from the specific proceedings. (c) Members shall ensure that all information received by them as a Member of the Board is kept confidential and is not revealed to any person either knowingly or unknowingly. (d) Members shall maintain the highest standards of probity, consistent with public office. (3) Every Member shall be indemnified by the Authority against all losses and expenses incurred in discharging assigned duties, except such as may happen from his/her own wilful act or default.

7. Vacation of office A Member nominated under clause (d) of sub-section (3) of section 3 of the Act shall cease to hold office if he/she absents himself/herself, without the leave of the Chairperson, from three consecutive meetings of the Board.

8. Delegation of Powers The Board may, by general or special order, delegate any or all its powers or functions to the Chairperson or a Member of the Board or a Sub-Committee of the Board or officer(s) of the Authority as it may deem fit 7 and necessary for the efficient administration of the functions of the Board, subject to such conditions and limitations, if any, as it may specify in the order.

9. Meetings of the Board and Quorum (1) The Board shall ordinarily meet at least twice in a year at such place or through such mode as may be decided by the Chairperson from time to time. (2) Members shall be given sufficient notice to enable them to attend the meetings. (3) The quorum for holding a meeting of the Board shall be three Members and shall include the Chairperson and, in his absence, the Member appointed under clause (b) of sub-section (3) of Section 3 of the Act and a Member nominated under clause (d) of sub-section (3) of Section 3 of the Act. (4) The meetings of the Board shall be presided over by the Chairperson, and in his/her absence the Member of the Board under clause (b) of sub-section (3) of section 3 of the Act. (5) Each Member of the Board shall have one vote. (6) All matters for approval which come up during any meeting of the Board shall be decided by a majority of votes of the Members present and voting, and in the event of an equality of votes, the Chairperson, or in his/her absence, the Member of the Board under clause (b) of sub-section (3) of section 3 of the Act, shall have a second or casting vote. (7) If the Chairperson so directs, an item of business or issue which requires a decision of the Board, may be referred to Members by circulation and such item may be decided by a majority of votes of Members, and in the event of an equality of votes, the Chairperson, or in his/her absence, the Member of the Board under clause (b) of sub-section (3) of section 3 of the Act, shall have a second or casting vote. (8) The Chairperson shall, on a request made in writing by any Member of the Board, convene a meeting of the Board at such place or through such mode as he/she may decide.

(9) The proceeding of the Board shall be confidential.

10. Constitution of Committees (1) The Board may constitute Committee(s) for providing assistance or advice in the performance of its functions, as may be considered necessary from time to time. (2) A Committee shall have the power to invite persons with experience in the field of payment and settlement systems to attend the meetings of that Committee as invitees.

11. Remuneration and other allowances payable to the Members or invitees – Members nominated under clause (d) of sub-section (3) of section 3 of the Act to the Board, Members nominated under sub-regulation (1) of regulation 12 to any Committee, and invitees to the Board or any Committee shall be entitled to remuneration for each meeting they attend, and expenses relating to travel, transportation, lodging and boarding, as may be decided by the Board from time to time.

12. Repeal and saving (1) On and from commencement of these regulations, the International Financial Services Centres Authority (Board for Regulation and Supervision of Payment and Settlement Systems)

Regulations, 2024, shall stand repealed. (2) Notwithstanding such repeal, (a) anything done or any action taken, purported to have been taken or initiated under the said repealed regulations shall be deemed to have been done or taken under the corresponding provision of these regulations. 8 (b) any reference in other Circulars/Guidelines/Notifications issued by the Authority containing reference to the said repealed regulations, shall mean reference to these regulations. SCHEDULE (Regulation 6) FORM OF DECLARATION OF FIDELITY AND SECRECY I, _____ on becoming a Member of the Board or being invited as permanent or ad hoc invitee, do solemnly and sincerely declare that I will faithfully perform the duties to the best of my ability and that I will uphold the dignity of the position and that I will observe secrecy and will not directly or indirectly communicate or divulge any of the matters or any information which may come to my knowledge in the discharge of my duties, except when required or authorised to do so by these regulations or by law. Date _____ (Signature) and Published by the Controller of Publications, Delhi-110054. GORAKHA NATH YADAVA NATH YADAVA