



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2020-21/73

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December 4, 2020

The Chairman / Managing Director / Chief Executive Officer  
Non-bank Payment System Operators

Madam / Dear Sir

**Authorisation of entities for operating a Payment System under the Payment and Settlement Systems Act, 2007 (PSS Act) – Introduction of Cooling Period**

Please refer to provisions contained in Section 4 of PSS Act and '[Oversight Framework for Financial Market Infrastructures and Retail Payment Systems issued on June 13, 2020](#)', in terms of which any person before commencing or operating a payment system shall obtain authorisation from the Reserve Bank and for the purpose shall apply in a prescribed format to RBI as defined in Payment and Settlement Systems Regulations, 2008.

2. To inculcate discipline and encourage submission of applications by serious players as also for effective utilisation of regulatory resources, it has been decided to introduce the concept of Cooling Period in the following situations –

- a) Authorised Payment System Operators (PSOs) whose Certificate of Authorisation (CoA) is revoked or not-renewed for any reason; or
- b) CoA is voluntarily surrendered for any reason; or
- c) Application for authorisation of a payment system has been rejected by RBI.
- d) New entities that are set-up by promoters involved in any of the above categories; definition of promoters for the purpose, shall be as defined in the Companies Act, 2013.

3. The Cooling Period shall be for one year from the date of revocation / non-renewal / acceptance of voluntary surrender / rejection of application, as the case may be. In respect of entities whose application for authorisation is returned for any reason by RBI, condition of Cooling Period shall be invoked after giving the entity an additional opportunity to submit the application.



4. During the Cooling Period, entities shall be prohibited from submission of applications for operating any payment system under the PSS Act.

5. This directive is issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(P Vasudevan)  
Chief General Manager