

REGULATION ON MOBILE PAYMENT SERVICES

(Unofficial English Translation)

NOTES

1. This regulation was published in the Government Gazette on 17th July 2016, and as per Section 2, this regulation came into effect on the date of publication.
2. The original Dhivehi text shall prevail over any discrepancies between this translated version and the original text.

- operate as a mobile telecommunications service provider; and a letter from the Communications Authority of Maldives confirming that they have no objection to the applicant providing mobile payment services;
- (3) registered address and the proposed name under which applicant intends to provide mobile payment services;
 - (4) the names and permanent address of the major shareholders' and members of the Board of Directors of the applicant and any other information relating to such persons as may be determined by the Authority;
 - (5) the names, permanent address, educational qualifications, professional experience, and any other information as may be determined by the Authority, of persons in senior management with the responsibility for providing mobile payment services;
 - (6) details of the mobile payment services proposed to be offered;
 - (7) name and address of the bank or banks proposed for appointment as custodian bank;
 - (8) details of the custodian arrangements to be entered into with each proposed custodian bank and a copy of the proposed agreement to be entered with each such bank;
 - (9) certified true copies of the audited annual balance sheet and profit and loss statement for the last 3 (three) years;
 - (10) a detailed business plan describing the objectives and the types of mobile payment services to be offered, establishment of adequate systems, resources and procedures for the provision of mobile payment services, and forecasts of 3 (three) years financial statements for achieving the said objectives;
 - (11) measures to be taken to safeguard the funds of customers of the mobile payment services and measures to be for the consumer protection;
 - (12) details of payment settlement procedures for e-money account transactions;
 - (13) details of the technology system to be utilised for the provision of mobile payment services;

- (14) details of the applicant's management arrangements and internal control mechanisms including administrative procedures designed to ensure adequate and sound operations of the same, and risk management and accounting procedures;
- (15) details of the internal control mechanisms to be established in order to comply with obligations in relation to anti-money laundering and combatting terrorist financing;
- (16) the applicant's organisational structure including, if applicable, details about appointment of agents, outsourcing arrangements and participation in local or foreign payment systems;
- (17) such other document or information as the Authority may require.

**Matters of
Relevance to the
Authority when
Issuing Licence**

- 5. The Authority in reviewing an application for a mobile payment services licence and determining whether to issue or refuse a licence, will consider the following:-
 - (1) the fitness and propriety of persons in senior management with the responsibility for providing mobile payment services;
 - (2) the soundness of its proposed operations of the mobile payment services, financial viability of the business plan and satisfaction of the business plan to the Authority;
 - (3) the soundness of the proposed technology system to be used for mobile payment services;
 - (4) the soundness of the arrangements to be implemented between the applicant and proposed custodian bank or banks;
 - (5) the capability to comply with requirements on consumer protection;
 - (6) where the applicant is engaged in any other commercial activities, the potential of that activity impairing or otherwise affecting the safety and soundness of the provision of the proposed mobile payment services;
 - (7) the public interest that will be served from the proposed mobile payment services; and

(8) any other matter that the Authority may deem necessary.

**Conditions of
Licensing**

6 (a) Any person providing mobile payment services shall comply with the following conditions:-

- (1) commence the business for which licence is granted, within 12 (twelve) months from the date of issuance of the licence, unless a period less than 12 (twelve) months is provided as a licensing condition;
- (2) provide mobile payment services to an individual, only if they are above the age of 18 (eighteen);
- (3) establish custodian arrangements with a bank or banks in connection with the provision of mobile payment services;
- (4) implement information technology systems capable of becoming interoperable with payment systems and the systems of other mobile payment service providers. Interoperability shall be implemented, as instructed by the Authority, upon the commencement of mobile payment services by other parties within the Maldives;
- (5) determine and maintain appropriate internal controls and other appropriate systems and policies to manage the risks of its business;
- (6) monitor and supervise the activities of its agents and e-money account holders, and ensure that the agents operate within their authorised mandate in the provision of services;
- (7) comply and adhere to all applicable laws of the Republic of Maldives, including Law No.: 10/2014 (Prevention of Money Laundering and Terrorism Financing Act) and any regulation, guideline or any instruction issued thereunder;
- (8) shall not engage in any criminal activities, including criminal breach of trust, fraud, money laundering and the financing of terrorism;
- (9) provide mobile payment services only under the name that has been approved by the Authority for the provision of such services;

- (10) the senior management responsible for the business of providing mobile payment services, shall at all times be fit and proper according to the standards stipulated by the Authority; and
 - (11) comply with all prudential requirements determined by the Authority, as well as guidelines, circulars, instructions and directives issued by the Authority.
- (b) For the purpose of sub-section (a) (4), implementing interoperability shall mean implementation of a system which provides the ability for customers of one network to send and receive payments to mobile payment system customers of other networks.
 - (c) In addition to the conditions stated in sub-section (a), the Authority may impose additional licence conditions when granting a license or subsequent to the initial licensing may impose additional conditions or modify or waive any conditions of the license in writing.
 - (d) The Authority may take action as specified in Law No.: 6/81 (the Maldives Monetary Authority Act) or in this Regulation against mobile payment service providers contravening any condition(s) of its licence.

Exemption from Obtaining Licence 7. Banks licenced by the Authority do not require a licence pursuant to this Regulation to provide mobile payment services. However, such banks shall obtain approval of the Authority prior to the provision of mobile payment services. The Authority may issue its approval subject to a condition or conditions.

Prohibited Activities 8. A mobile payment service provider shall not:-

- (1) issue e-money at a discount, i.e. issue e-money that has a monetary value greater than the sum of Maldivian Rufiyaa received by the mobile payment service provider;
- (2) use the money received against e-money issued, to grant loans or any form of credit;
- (3) provide interest or profit on e-money account;
- (4) grant any form of credit to an e-money account holder; and

(5) consider money received against e-money issued, to be a deposit.

**Existing Mobile
Payment Service
Providers**

9. At the commencement of this Regulation, any party providing mobile payment services in the Maldives, under a license granted by the Authority, shall be deemed to have been licensed as a payment service provider under this Regulation.

CHAPTER THREE

RISK MANAGEMENT

**Risk
Management**

10. The Board of Directors of the mobile payment service provider shall establish appropriate risk management policies, procedures and infrastructure to address risks that may arise during the provision of mobile payment services. The implementation of such policies and procedures shall be a responsibility of the Board of Directors.

**Operational
Risks**

11. Mobile payment service providers shall establish adequate operational arrangements and internal controls in providing mobile payment services. Such arrangements and internal control measures shall include, but shall not be limited to the following:-

- (1) measures to ensure safety, security and operational reliability of mobile payment services including contingency arrangements;
- (2) measures to ensure safety, security and operational reliability in matters relating to systems and personnel administration;
- (3) maintain separate sets of records and accounts for its mobile payment services from other business activities;
- (4) measures to ensure clearing and settlement arrangements are efficient, reliable and secure;
- (5) implement arrangements for proper accounting of mobile payment services and maintain adequate information required for reconciliation of outstanding balance of e-money accounts against the balance of the custodian account;
- (6) any other arrangements and internal controls as may be specified by the Authority.

- Security Risk**
12. Mobile payment service providers shall implement an adequate security risk management framework to actively identify, assess, reduce and monitor security risk. The security risk management framework shall at a minimum ensure the following:-
- (1) maintain confidentiality of sensitive information by protecting it from unauthorised viewing during transmission and storage;
 - (2) all information processed, stored or transmitted is accurate, reliable and complete;
 - (3) ensure there is a proper authentication process to validate that the mobile payment is being initiated by an authorised user and adequate arrangements in place to prevent access to payment and customer information, except by authorised viewers;
 - (4) adequate monitoring the operations of its agents and the manner in which business operations which have been outsourced are being carried out, including adequate arrangements for issuance of approvals pursuant to work carried out by such parties, in instances where an approval is required.
- Disaster Recovery Procedures and Business Continuity Plan**
13. (a) Mobile payment service providers shall establish adequate procedures to carry out the following in the event of a disaster or incident preventing the provision of mobile payment services, with all such procedures to be regularly reviewed and tested:-
- (1) maintenance of records and other information required for the operation of the business in a manner such that they are not lost or can be recovered without adverse effects to the service;
 - (2) recovery from adverse effects to the systems; and
 - (3) arrangements for the provision of uninterrupted services and in the event of a disruption of services, the resumption of services within a reasonable timeframe.
- (b) Any disaster or incidents obstructing or preventing the provision of mobile payment services shall be recorded by the mobile payment service provider. All major payment security incidents shall also be reported to the Authority.

Technology and Information Security

- 14.** Matters relating to technology and information security systems utilised by mobile payment service providers in the provision of services, shall be maintained according to the standards specified below and in accordance with any standards as determined and instructed by the Authority:-
- (1) The technology used for providing mobile payment service facilities shall be safe and secure, and the technology shall be capable of maintaining the confidentiality, integrity, authenticity and non-repudiation of the payment related information.
 - (2) Information security policies established for the adequate maintenance of security of payment transactions made through mobile phones, shall be updated and enforced.
 - (3) Mobile payment service providers shall be ready and vigilant against any possible cyber risks and shall implement security systems to minimise such risks.

CHAPTER FOUR

CUSTOMER REGISTRATION AND E-MONEY ACCOUNT

Customer Registration

- 15.** (a) Mobile payment service provider shall establish a formal system for registration of its customers and until otherwise instructed by the Authority, the registration shall be carried out through signed documents submitted by customers.
- (b) Mobile payment service provider, shall at the time of registration of a customer for mobile payment services, provide its terms and conditions to the customer, in either Dhivehi language or English language at the choice of the customer. Registration shall be carried out upon only acceptance of the terms and conditions by the customer. The mobile payment service provider can employ various means such as its website or registration form to communicate its terms and conditions to the customer.

E-money

- 16.** (a) Each mobile payment service provider shall open and maintain a separate e-money account for each customer seeking mobile payment services. Only

Account

one e-money account shall be opened per customer and regardless of a customer having more than one SIM card registered in the name of the customer, an e-money account can be opened only for one of those SIM cards.

- (b) A customer with an e-money account opened to a particular SIM card can open an e-money account with a different SIM card, only after closing the first e-money account.
- (c) A SIM card for which an e-money account has been opened shall be registered to another person only after the e-money account has been closed.
- (d) Mobile payment service providers shall perform customer due diligence before opening an e-money account for a customer. The due diligence measures shall include, but not be limited to identifying the customer and verifying the identity of the customer.
- (e) Where a customer appoints another person to act on his behalf in opening an e-money account, the mobile payment service provider shall carry out the following:-
 - (1) identify the person appointed to act on behalf of the customer and verify their identity; and
 - (2) verify the authority of the person so appointed to act on behalf of the customer and retain copies of documents used to verify such authority.
- (f) For the purpose of identification requirements in sub-section (d) and (e), the mobile payment service provider shall obtain and record information of the customer and the person acting on behalf of the customer, including but not limited to the following:-
 - (1) full name, including any aliases or names by which such person is referred to;
 - (2) nationality of the customer;
 - (3) National Identity Card number of Maldivian customers, passport number and visa number of foreign customers, where the customer is

a legal entity the incorporation number or business registration number; and

- (4) permanent and current address and contact information, where the customer is a legal entity its registered or business address and contact information.
- (g) The mobile payment service provider shall obtain and record the information specified in sub-section (f) relating to the person operating an e-money account opened by a legal entity.
- (h) Mobile payment service providers shall provide a statement of the e-money account to the customer, electronically or in a printed form, periodically or upon request of the customer.
- (i) Mobile payment service providers shall maintain the mobile airtime accounts and the e-money accounts of customers separately. The monetary value of the air time stored in the mobile air time account shall not be transferred to the e-money account, however airtime can be bought from an e-money account.
- (j) Mobile payment service provider shall notify the customer, on real time basis, of the transactions made from the customer's e-money account which effects the value of e-money stored in the account.
- (k) Mobile payment service providers shall determine limits on customers' and agents' e-money accounts regarding the maximum balance of e-money and transactions, only after obtaining the approval of the Authority. Amendments to the determined limits shall also be subject to the approval of the Authority.
- (l) At the written request of a customer to close an e-money account, the mobile payment service provider shall do so expeditiously and convert the monetary value of the e-money account to cash and deliver to the customer.

**Customer
Registry**

- 17. Mobile payment service provider shall maintain a registry of its customers which shall include identification details of all customers and balance outstanding in their e-money account.

CHAPTER FIVE

CUSTODIAN ACCOUNT

**Custodian
Account**

18. (a) A mobile payment service provider shall not provide mobile payment services without opening a custodian account or accounts at a bank or banks.
- (b) An agreement shall be entered into between the custodian bank and the mobile payment service provider in order to open and operation of the custodian account and to ensure that the movement of funds are transparent. The agreement shall specify the responsibilities of the custodian bank and the mobile payment service provider and shall contain the following conditions at minimum.
- (1) the custodian bank shall determine the procedures for conducting transactions from the custodian account such that the custodian bank can carry out its fiduciary responsibilities;
 - (2) arrangements for daily reconciliation of funds held in the custodian account with the cumulative balances of all e-money accounts held with the service provider, including arrangements for reconciling where balance of the custodian account is less than cumulative balance of all e-money accounts; and
 - (3) provision of access to customers' identification information by the mobile payment service provider to the custodian bank in the event of the mobile money service provider becoming insolvent or termination of business or ceases the provision of mobile payment services.
- (c) An agreement entered into under sub-section (b) of this section shall not include exclusivity clauses preventing the custodian bank from opening custodian accounts for other mobile payment service providers or the mobile payment service provider opening a custodian account at another bank.
- (d) All money accepted by the mobile payment service provider in exchange for the issuance of e-money shall be deposited in a custodian account or accounts. The balance available in the custodian account or accounts shall at

all times be equivalent to the cumulative balance of all e-money accounts.

- (e) The funds deposited to the custodian account as stated in sub-section (d), do not belong to the mobile payment service provider, but to the holders of the e-money accounts with the mobile payment service provider.
- (f) Where a mobile payment service provider opens multiple custodian accounts with more than one bank, the mobile payment service provider shall clearly define the set of e-money accounts related to each custodian account.
- (g) Custodian account or accounts opened pursuant to sub-section (a) of this section, may be an interest or profit bearing account or accounts and such interest or profit shall be credited to a separate account.
- (h) Mobile payment service providers shall not have access to the e-money account holders' funds deposited in the custodian account and shall not use such funds as a security or collateral at any time.
- (i) The custodian account is a deposit liability of the custodian bank.
- (j) Mobile payment service provider shall provide access to the custodian bank to its e-money system, as and when requested by the custodian bank, in order to monitor balances and activities of e-money account.
- (k) The Authority may at its discretion instruct a mobile payment service provider to open custodian accounts with more than one bank.
- (l) A custodian bank may, with the approval of the Authority invest the funds in the custodian account opened at such bank in interest or profit earning financial instruments which have been approved by the Authority.

**Action on
Insolvency,
Termination of
Business and/or
Cessation of
Service**

- 19.** (a) In the event of termination of the business or declaration of insolvency of the mobile payment service provider or cessation of the provision of mobile payment services, the custodian bank shall block the funds, held in relation to the e-money, in the custodian account of such mobile payment service provider.
- (b) Mobile payment service provider shall have no right to claim the funds, held in relation to the e-money, in the custodian account in the event of termination of its business or declaration of insolvency of the mobile

payment service provider or cessation of provision of the mobile payment service;

- (c) In the event of declaration of insolvency or termination of the business of the mobile payment service provider or cessation of the provision of mobile payment services, the custodian bank shall settle the claims submitted by e-money account holders from their funds held in the custodian account.

**Responsibilities
of the Custodian
Bank**

- 20. (a) Prior to operating as a custodian bank, a bank shall obtain a no objection from the Authority.
- (b) The custodian bank shall be responsible for the following in the maintenance and administration of the custodian account:-
 - (1) Monitoring, at predefined frequencies, all transactions carried out from the custodian account by the mobile payment service provider;
 - (2) Reconciliation of funds held in the custodian account with the cumulative balance of all e-money accounts with by the service provider; Where the balance of the custodian account is less than cumulative balance of all e-money accounts, it shall be reported to the Authority and the mobile payment service provider, and shall ensure that the service provider deposits the shortfall amount to the custodian account within 7 (seven) days.
 - (3) Implement adequate mechanisms to safeguard customers in the event of the mobile payment service provider ceasing its operations.

CHAPTER SIX

APPOINTMENT OF AGENTS AND OUTSOURCING

**Appointment of
Agents**

- 21. (a) Any mobile payment service provider seeking to provide mobile payment services through the use of agents shall do so only after obtaining the approval of the Authority and in accordance with guidelines specified by the Authority. Upon receipt of approval from the Authority, subsequent approval of each agent is not required. The details of agents appointed

shall be communicated to the Authority within 5 (five) working days of appointment.

- (b) Appointment of an agent to provide mobile payment services on behalf of a mobile payment service provider shall be made by means of a written agreement with the agent, which shall specify the rights, duties and responsibilities of both parties.
- (c) A mobile payment service provider shall adhere to the following conditions in the provision of services through agents:-
 - (1) implement and adhere to a thorough and properly-instituted screening procedures and policies in the appointment of agents, carry out due diligence of agents and maintain full details of agents;
 - (2) provide appropriate training to agents;
 - (3) implement adequate systems to ensure that agents are complying with guidelines and instructions issued by the Authority, and shall inform and familiarise agents on the conduct of agents specified within such guidelines and instructions;
 - (4) implement all necessary steps to mitigate risks relating to the provision of services through its agents, including operational risks, liquidity risks, reputational risks and risks relating to the safety of funds collected from customers;
 - (5) ensure that agents disclose that they act as an agent of the mobile payment service provider in the provision of mobile payment services;
 - (6) ensure that agents have opened bank accounts with a bank in the Maldives for the provision and operation of mobile payment services.

Registry of Agents

22. A mobile payment service provider who provides services through agents shall maintain and publish a register containing details of all its agents.

Outsourcing

23. (a) A mobile payment service provider shall not, without prior written approval of the Authority, outsource any of its operational functions to third parties. The application for outsourcing, shall include all the relevant information in relation to the proposed outsourcing.

- (b) An outsource of operational functions shall be made by the mobile payment service provider by means of a written agreement with the third party, and shall specify the details of the function being outsourced and the duties and responsibilities of both parties in carrying out the function.
- (c) Where a mobile payment service provider outsources a material operational function, it shall ensure that -
 - (1) the outsourcing does not result in the delegation by senior management of its responsibility to another party;
 - (2) the relationship and obligations of the mobile payment service provider towards its customers is not altered; and
 - (3) licence conditions which the payment service provider is required to comply with remain so, and are not undermined.
 - (4) For the purpose of sub-section (c) of this section, an operational function shall be regarded as material if a defect or failure in its performance would materially impair the continuing compliance of the mobile payment service provider with the licensing conditions, its financial performance; or the soundness or the continuity of its mobile payment services.

Responsibilities relating to Outsourcing and appointment of Agents

- 24. (a) Persons carrying out mobile payment services through agents or by outsourcing shall ensure that such agents or outsourced parties comply fully with this Regulation.
- (b) A mobile payment service provider shall remain fully liable for all actions of its employees, agents and any third party to whom any functions have been outsourced.

CHAPTER SEVEN

CONSUMER PROTECTION

- Consumer 25. (a) Mobile payment service providers and their agents shall inform customers,

Protection

in a clear and adequate manner, of the terms and conditions pursuant to which mobile payment services are provided. Communication of such terms and conditions can be made utilising various methods such as its website or registration form, and shall be in Dhivehi language and English language and shall contain the following:-

- (1) permitted types of mobile payments;
 - (2) the rights and responsibilities of the mobile payment service provider, agents and e-money account holders in connection with mobile payment services;
 - (3) fees and charges charged for mobile payment services;
 - (4) benefits and rewards relating to mobile payment services;
 - (5) procedures for investigating and resolving customer issues, which shall include the following:-
 - (a) manner in which suspected fraudulent payments and incidents, unusual incidents and any other matter shall be reported by customers to the mobile payment service provider;
 - (b) manner in which mobile payment service provider shall respond to customer on matters they report; and
 - (c) manner in which mobile payment services provider will notify to the customer on transactions which are not deemed carried out by the customer, or those deemed fraudulent transactions;
 - (6) procedure for reporting lost or stolen mobile phones;
 - (7) procedure for stop payments; and
 - (8) customer service numbers.
- (b) The terms and conditions on mobile payment service shall not be amended or modified in any manner except by a prior written notice to the customers, through appropriate communication media, in Dhivehi language or English language as preferred by the customer.

Fees and Charges

26. Fees and charges charged to customers by mobile payment service providers shall not exceed any limits if any that may have been determined by the Authority.

Awareness and Dispute resolution

27. (a) Mobile payment service providers shall implement systems to educate customers on mobile payment services, filing of customers complaints, resolution of disputes, and which shall also include the following:-

- (1) educate customers on protective measures to take for safe and secure usage of mobile services; this includes education on applying security features, the importance of protecting their personal information.
- (2) implement an adequate system to address customer complaints and issues regarding mobile services, including procedures to follow with regard to disputed payments and lost mobile phones;
- (3) resolution of disputed transactions filed by customers in a responsible manner, and may include procedures for charge backs to resolves such disputes and complaints;
- (4) inform customers of the means available to file complaints and the procedure for handling complaints.

(b) Mobile payment service providers shall provide 24 hour service with respect to customer inquiries and complaints.

CHAPTER EIGHT

CONFIDENTIALITY

Confidentiality

28. (a) A mobile payment service provider, and its agents shall maintain the confidentiality of e-money accounts of customers. It shall be prohibited to provide information on the customer or the customer's e-money account, directly or indirectly, without the written approval of the concerned customer or, in the event that the customer is deceased, without the consent of the customer's heirs or legatees or without the Order of a Court of law or without a written request from a designated criminal investigative authority or without a written request from the Prosecutor General or the existence of

one of the cases permitted under this regulation. This prohibition shall remain in effect even if the relationship between the customer and the payment service provider ends for any reason.

- (b) The prohibition specified in sub-section (a) of this section applies to any current or former employee or former agent of a mobile payment service provider.
- (c) Sub-sections (a) and (b) of this section shall not apply to disclosure of information in the following instances:-
 - (1) The performance of duties assigned legally to auditors appointed by the mobile payment service provider or appointed by the Authority pursuant to this regulation.
 - (2) Submission of information and documents requested by the Authority.
 - (3) Submission of information and documents requested by the Custodian bank.
 - (4) Actions taken in good faith in the course of the implementation of measures for the prevention of corruption and countering money laundering and financing of terrorism pursuant to laws or regulations dealing with such matters.
 - (5) A mobile payment service provider's disclosure of information regarding a customer and the customer's financial affairs at the request of a Court in connection with the Court proceeding of a dispute between the customer and one or more other persons or a matter before the Court, subject to such confidentiality restrictions regarding further disclosure as the Court may require.

CHAPTER NINE

ACCOUNTS, FINANCIAL STATEMENTS AND AUDIT

- Record keeping** 29. Mobile payment service providers shall maintain accurate and complete records of the provision of mobile payment services and shall maintain records of all

transactions conducted for a period of not less than 5 (five) years from the date of the transaction. Such records shall contain the following:-

- (a) Identification records of customers and agents;
- (b) records of e-money accounts, including transactions carried out by customers from their e-money accounts and outstanding balances of the e-money accounts;
- (c) records of the transactions carried out from each custodian account, the outstanding balance held at each custodian account, and the aggregate e-money value; and
- (d) any other record that the Authority may specify.

Audit

- 30. (a) Mobile payment service providers shall cause an audit of its financial statements and systems with respect to the business of providing mobile payment services, by an independent external auditor on annual basis.
- (b) The Authority or an auditor appointed by the Authority may audit the operations of the mobile payment activities of the mobile payment service provider. The cost of such audit shall be borne by the mobile payment service provider;

CHAPTER TEN

OVERSIGHT AND ADMINISTRATIVE MEASURES

Oversight

- 31. The Authority may at any time cause an on-site inspection of the business of mobile payment service providers, their agents and custodian banks, through its officers or person appoint by the Authority, for the purpose of determining the extent to which the service provider complies with the applicable laws and regulations or any other matter that the Authority deems necessary. The books, records, accounts, documents, computer systems and other systems and machinery of the mobile payment service provider or agent or custodian bank can be inspected during such inspection and can be confiscate if the Authority deems this necessary. The employees and any other connected person of the payment service provider or agent or custodian bank can be

interviewed during such inspection.

Submission of Reports and Information

32. (a) Each mobile payment service provider, and its agents, and custodian banks, shall furnish to the Authority, any information, documents or reports requested by the Authority, in the form and detail and at the intervals specified by the Authority.
- (b) Each mobile payment service provider shall submit to the Authority, annual audited financial statements for its business and for its activities of providing mobile payment services, within 4 (four) months after the end of its financial year.
- (c) Each mobile payment service provider shall furnish to the custodian bank, any information, documents or reports requested by it, in order to monitor balances and activities of e-money account holders.

Administrative Penalties

33. (a) The Authority may take any measure or impose any administrative penalties stipulated in sub-section (b) of this section, as applicable, in cases where it determines that a mobile payment service provider, or a member of its management, or an agent or a custodian bank of a mobile payment services provider, , has carried out or has reasonable grounds to believe may carry out any of the following:-
- (1) violate provisions of this Regulation, conditions of licensing, , instructions or order issued by the Authority; or
- (2) provision of mobile payment services in an unsound manner.
- (b) If the Authority determines or has reasonable grounds to believe that any of the person stated in sub-section (a), have violated or may violate any of the matters stipulated in sub-section (a) (1) or (2) , the following are included in the measures that can be imposed against such person:-
- (1) require such person to take affirmative action to correct the violation which contravenes sub-section (a) (1) or (2);
- (2) order to cease and desist from a particular activity;
- (3) impose additional conditions in carrying out the business of mobile payment services business;

- (4) require the placement of a deposit of an amount and for a period to be determined by the Authority and with the imposition of such other conditions as the Authority determines are reasonable;
- (5) require the mobile payment service provider to suspend or permanently remove an agent;
- (6) impose an administrative penalty; provided that, at the discretion of the Authority, administrative penalties may be imposed on a daily basis until the violation has ceased or compliance is obtained. Such administrative penalties shall not be more MVR 100,000 (Maldivian Rufiyaa one hundred thousand) on a daily basis subject to the total penalty shall not exceed 5% (five per cent) of the total paid up authorised capital of such person.
- (7) revoke the license or approval issued to such person.
- (8) impose any measures specified in Law No.: 6/81 (Maldives Monetary Authority Act).

Definitions

34. In this Regulation unless the context otherwise requires, phrases and words shall have the meanings assigned to them below:-

“agent” means a person who, for a fee, provides mobile payment services on behalf of a mobile payment service provider under an agency agreement;

“Authority” means the Maldives Monetary Authority established under Law No.: 6/81 (Maldives Monetary Authority Act);

“Bank” shall have the definition given to it in Law No.: 24/2010 (Banking Act of the Maldives);

“e-money” or “electronic money” means claims against the person issuing it and which satisfies the following conditions:-

- (1) electronically, including magnetically or other tangibly or intangibly (for example on a sim card or a software) stored monetary value;
- (2) it has been issued against receipt of funds of an amount not less than the monetary value issued; and

(3) is accepted by persons other than the issuer as a means of payments;

“major shareholder” means a person who directly or indirectly holds a minimum of 10% (ten per cent) of the share capital or voting rights, or any person who in the opinion of the Authority has control over an entity;

“mobile payment services” means the issuance of e-money against funds received, transferring e-money from one e-money account to another and the redemption of e-money for funds, through a payment system based on mobile phone device ;

“mobile payment service provider” means a person holding a licence issued by the Authority for providing mobile payment service.