

## **Maldives Card Transaction Acquiring Regulation**

### **Maldives Monetary Authority**

<date>

This Regulation is issued pursuant section 36 of the Maldives Monetary Authority Act 1981(as amended by Law number 3/2007).

#### **Section 1: Citation and commencement**

1. This regulation maybe cited as Maldives Card Transaction Acquiring Regulation and shall come into operation on..., 2009.

#### **Section 2: Definitions**

In this Regulation, unless the context otherwise requires:

*Acquirer* means the entity or entities that hold(s) deposit accounts for card acceptors (merchants) and to which the card acceptor transmits the data relating to the transaction. The acquirer is responsible for the collection of transaction information and settlement with the acceptors.

*Acquiring agent* means a third party entity who conducts one or more of the following services or activities for an acquirer (i) solicits merchants, (ii) maintains merchant relationships, (iii) conducts marketing activities , (iv) maintains terminals (v) any other service or activity deemed by MMA as an activity or service given by an acquiring agent

*Acquiring business* means provision of services by a bank to a merchant to allow the merchant to accept a card for payment for goods or services in the Republic of Maldives;

*Bank* shall mean a bank duly licensed under the Maldives Monetary Authority Act 1981(As amended by Law No: 2/2007 MMA Act Amendment Act)

*Card* means debit card, credit card or store value card or any other card, used by a customer to effect an electronic fund transfer;

*Merchant or Acceptor* means any commercial or trading establishment in the Republic of Maldives that accepts a card for the payment for goods or services via a card of an electronic money instrument.

*National Switch* means the centralized electronic funds transfer point of sale switching system established by the Maldives Monetary Authority to ensure interoperability of all automated teller machines and point of sale devices and payment processing devices used in the Republic of Maldives.

*Not on-us acquired transactions* means transactions where the card issuing bank is not the same bank as the merchant's bank.

### **Section 3: Acquiring business**

1. No entity shall undertake acquiring business, unless it has a banking license granted by the Maldives Monetary Authority. Such activity shall be deemed illegal and is subject to the penalty under Section 9 of this Regulation.
2. With the written approval of MMA, banks undertaking acquiring business may engage a third parties to act as their acquiring agent as per Section 5 of this Regulation.

### **Section 4: Acquiring Business in the Republic of Maldives**

1. All acquired funds and credit or other card receipts must be deposited into the merchant's account held at a bank duly licensed by the Maldives Monetary Authority.
2. All not on- us acquired transactions must be switched through the National Switch established by the Maldives Monetary Authority irrespective of the owner of the Switch.

3. All cards issued by Members of the National Switch must bear the logo of the National Switch on their cards.
4. Settlement of all funds associated with acquiring transactions including credit card receipts in the Republic of Maldives must be settled in Maldivian Rufiya through the Acquiring Bank's settlement account held with the MMA.

### **Section 5: Acquiring Agent**

1. An entity shall not act as an acquiring agent unless it has the written approval from the MMA.
2. Entities that want to act as acquiring agents shall submit to the MMA through their Principal bank, information relating to the card acquiring activities as maybe prescribed from time to time by the MMA for purposes of granting approval.

### **Section 6: Prohibition of offshore merchant acquiring**

1. Acquiring into Merchant accounts held outside the Republic of Maldives is hereby prohibited and subject to the penalty under Section 9 of this Regulation.
2. Acquirers engaged in acquiring into offshore merchant accounts at the time of commencement of this regulation, must cease their acquiring business latest by 3 months from commencement of this Regulation.

### **Section 7: Internet Merchants**

1. Internet Merchants registered outside the Republic of Maldives accepting cards issued by a Bank licensed in the Republic of Maldives as mode of payment are exempt from this Regulation.

2. Internet Merchants registered in the Republic of Maldives accepting cards as mode of payment must be compliant to the provisions of this Regulation.

### **Section 8: Record Keeping, Auditing and Inspections**

1. Acquirers and Acquiring Agents shall make available transaction records related to card acquiring business for inspection of the Maldives Monetary Authority as prescribed under sub section 2 of this section 8.
2. Auditing and inspection of acquirers and acquiring agents are subject to the Supervisory regime under the provisions of Regulation for Banks and Financial Institutions issued under Maldives Monetary Act of 1981 (as amended by Law number 3/2007), and any other laws and regulations MMA may issue from time to time.
3. Acquirers and Acquiring agents shall submit to the MMA periodic reports in formats prescribed by MMA documenting that all acquired funds are remitted in the Maldivian Banking system as prescribed under Section 4 of this Regulation.

### **Section 9: Penalty**

1. Any breach of the provisions of this Regulation by any entity or person shall be subject to a fine of Maldivian Rufiya Ten thousand (MVR 10,000) or subject to sub section 2 of this Section 9.
2. If the value of the disputed transaction exceeds Maldivian Rufiya Ten thousand, breach of the provisions of this Regulation by any entity or person shall be subject to a fine equivalent to five times the value of the transaction in dispute.

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