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**President of the National Bank of Georgia**  
**Order #92/04**  
**12 October 2012, Tbilisi**

**On the approval of the rule of registration and cancellation of registration  
of payment system operator in the  
National Bank of Georgia**

Pursuant to Article 15, Paragraph 1 Sub-paragraph “g” of the Organic Law of Georgia on “the National bank of Georgia” and Article 3, Paragraph 2 of the Law of Georgia on “Payment System and Payment Service”, I order:

**Article 1**

Rule of registration and cancellation of registration of payment system operator in the National Bank of Georgia including annexes to be approved.

**Article 2**

Legal entities under Georgian legislation being involved in operation of payment system prior to the entrance into force of present order shall be registered in the National Bank of Georgia within three months after the entrance into force of this order.

**Article 3**

This order shall come into force upon its publication.

President of the  
National Bank of Georgia

*Giorgi Kadagidze*

**Rule of registration and cancellation of registration of payment system operator  
in the National Bank of Georgia**

**Article 1 General Provisions**

1. This rule establishes procedures and terms of registration and cancellation of registration for the payment system operator (hereafter “the Operator”) by the National Bank of Georgia (hereafter the National Bank).

2. The Operator is authorized to govern payment system on the territory of Georgia only after being registered in the National Bank.

3. The requirements of this rule do not apply to the entities specified in Article 5 of The Law of Georgia on “Payment System and Payment Service”.

### **Article 2 Terms of Registration of Operator**

1. For the purpose of registration Operator shall provide the National Bank with the following documentation:

- a) Operator’s registration form (Annex 1);
- b) Extract from the Register of Entrepreneurs and Non-entrepreneurial (Non-commercial) Legal Entities;
- c) Information on the holder (owner) of 10% or over 10% of Operator’s authorized capital or paid-in capital (hereafter “significant share”) (in case of a natural person – copies of identity documents, while for legal entities - Extract from the Register of Entrepreneurs and Non-entrepreneurial (Non-commercial) Legal Entities);
- d) Information on the persons authorized to represent the Operator, together with the copies of identity documents;
- e) Certificate of previous record of conviction of the Operator’s authorized representative or/and the holder of significant share;
- f) The document which certifies the right of ownership or right of use of immovable property in which the Operator’s head office will be located;
- g) System’s rules;
- h) The list of Payment System’s settlement agents, by which settlement between participants is provided;
- i) Schematic description of the Payment System including all the stages from initiating a transfer order to the settlement between System’s participants;
- j) List of Payment System’s components (functional) operated (governed) by other entity, specifying the name, domicile and contact information of the entity;

2. A Person who is convicted for grave or especially grave crime, financing terrorism, or/and illegal income legalization or other economic offense is prohibited to be Operator’s authorized representative or/and significant shareholder.

3. The National Bank has the right to request additional information and documentation to make decision on registration.

4. Where the documentation submitted by the Operator does not meet the requirements of this Order, the National Bank shall give the concerned person 30 calendar days to correct the mistakes or/and specify the data provided. Within the mentioned period, the term flow provided by paragraph 5 of this Article shall be suspended. Failure by the concerned person to submit additional information and documents requested by the National Bank within the term given for correcting mistakes or/and specification of the data provided is deemed the reason for rejection of registration.

5. The National Bank makes the decision on registration or rejection of registration of Operator within 30 calendar days after the acceptance of the Operator’s application and relevant documentation.

6. The National Bank will issue an individual administrative legal act on the registration of the Operator, which shall specify Operator's name, registration number and date along with mandatory details stipulated by Georgian legislation. One copy of the individual administrative legal act shall be submitted to a concerned person.

7. In case the National Bank designates the system governed by the Operator as the Important System pursuant to Article 4 of The Law of Georgia on "Payment System and Payment Services", the Operator shall provide additional documentation in accordance with the rules of National bank and meet relevant requirements.

8. The National Bank shall maintain a specialized electronic register of the Operators and enter information about registration of the Operator within 2 business days after decision on the registration.

### **Article 3 Registration of Changes**

1. In case of any changes in the Operator's name, legal form, domicile, authorized representative and/or significant shareholders, the Operator shall notify in writing the National Bank within 10 calendar days after such changes.

2. The National Bank shall issue an individual administrative legal act on changes in the Operator's registration within 10 calendar days after receipt of a notice of changes undertaken according to Paragraph 1 of this Article and enter this information into the specialized electronic register within 2 business days following the issuance of this act.

3. Operator shall notify the National Bank about the following changes planned in relation to the management of the Payment System:

- a) Amendments to be introduced to Payment System rules;
- b) The change of the submitted Payment System scheme;
- c) Transfer of any component (functional) of the Payment System to other entity for management;
- d) Adding of a new participant;
- e) Implementation of a new payment system.

4. The Operator shall notify the National Bank as soon as possible about the suspension or termination of participation by any of the System's participant.

5. The National bank is authorized to require the Operator to provide additional information concerning the changes stipulated by Paragraph 3 of this Article and set 10 calendar days for the submission of this information.

### **Article 4 Cancellation of the Operator's Registration**

1. Operator's registration shall be cancelled:

- a) Upon submission by the Operator a written application for cancellation of the registration to the National bank;
- b) Upon liquidation of the Operator, or termination of functioning of the Payment System
- c) Where any falsification or incorrect data has been revealed in the documents presented for registration in the National Bank;

d) Where a notice is received from an authorized body on the removal of the Operator from the Register of Entrepreneurs and Non-entrepreneurial (Non-commercial) Legal Entities;

e) Where the Operator fails for three consecutive times to submit to the National bank the report in accordance with the format and terms prescribed by the National Bank;

f) In case of systematic infringement of the Law of Georgia on “Payment Systems and Payment Service”, this rule and/or requirements of Georgian legislation regardless the instructions given by the National Bank to remedy these infringements;

g) If the Operator did not allow the National Bank employee to conduct inspection or it has not been found on the address indicated in the registration documentation for three consecutive months, which resulted in failure of on-site inspection;

h) If relevant payment system has not been put into operation within 6 months after registration;

i) Where a court verdict on a deprivation of the right of activity entered into legal force.

2. The National Bank shall issue an individual administrative legal act on a cancellation of Operator’s registration and enter the relevant information in the electronic register within 2 working days after the issuance of the above mentioned act.

3. In case of cancellation of Operator’s registration based on the reasons indicated in Paragraph 1, Sub-paragraphs “c”, and “e-I” of this Article, , the owner of the entity shall not be authorized to apply to the National Bank for registration within the next 6 months.

#### **Article 5 System Rules**

Payment System operation is defined by the rules set by the Operator of the System, which should meet the following minimum requirements:

a) Clearly and unambiguously provide conditions and terms for the participation, as well as for the suspension and termination of participation in the System;

b) Specify rights and obligations of the Operator and System’s participants;

c) Cover the description of the basic principles of functioning of Payment System main components and features of the System;

d) Define the mechanisms of settlement between the participants;

e) Include safety measures of the Payment System.

#### **Article 6 Information to be Submitted to the National Bank**

The Operator shall provide the National Bank with:

a) Information specified in Annex 2 of this Rule by the date of 15<sup>th</sup> of the month subsequent to the reporting month;

b) Full list of direct and indirect participants of the Payment System including their names, domicile and contact details by the date of 15<sup>th</sup> of the month subsequent to each quarter.

**Registration Form for the Payment System Operator**

| 1. | Payment System Operator 's name                                                       |  |
|----|---------------------------------------------------------------------------------------|--|
| 2. | Legal form                                                                            |  |
| 3. | Tax Payer's Identification Number                                                     |  |
| 4. | Domicile                                                                              |  |
| 5. | Contact telephones                                                                    |  |
| 6. | E-mail address                                                                        |  |
| 7. | Bank details:<br><i>(Bank(s) name and Account Number in this (these)<br/>Bank(s))</i> |  |

Payment System Operator 's  
Authorized Person

\_\_\_\_\_

Signature

\_\_\_\_\_

Date of sending/submission of the Registration Form to National Bank of Georgia :

\_\_\_\_\_

*Form 1. Information on Transactions Conducted in Payment System*

Payment System Operator:

Payment System:

Reporting Month

Date of submission of report

|    |                                                                                                      | Volume | Value |
|----|------------------------------------------------------------------------------------------------------|--------|-------|
| 1  | Transactions between the Payment System's (within the payment system) participants (Gross principle) |        |       |
| 2  | Payment System participants' transactions (transfers) outside the payment system                     | -      | -     |
| a) | Inside the country                                                                                   |        |       |
| b) | Outside the country                                                                                  |        |       |
| 3  | Transactions received by the Payment System participants from outside the system (incoming)          | -      | -     |
| a) | inside the country                                                                                   |        |       |
| b) | outside the country                                                                                  |        |       |

|                                         |  |
|-----------------------------------------|--|
| Number of Payment System's participants |  |
|-----------------------------------------|--|

Person responsible:

Telephone

*Notes*

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