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Regulation on the activity of payment service providers within money remittance systems, approved by the DCA of the NBM, No. 204 of October 15, 2010

Note: The translation is unofficial, for information purpose only

Official Monitor of the Republic of Moldova no. 231-234, of 26 November 2010, Article 900

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No.799 of 19 November 2010

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REGULATION
on the activity of payment service providers within money remittance systems
(version including amendments and additions as in accordance with the list*)

Chapter I
GENERAL PROVISIONS

1. The provisions of this Regulation shall be applied to payment system providers eligible to provide money remittance services, in accordance with the Law no.114 of 18 May 2012 on payment services and electronic money (Official Monitor of the Republic of Moldova, 2012, no.193-197, Article 661) (hereinafter the Law).
(Item 1modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013,art. 1370;in force on 15.09.2013)

2. For the purposes of this Regulation the following definitions are used:
Money remittance - has the meaning provided by the Law.
(Item 2 „definition modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370;in force on 15.09.2013)

Money remittance system - system governed by common rules for the participants of the funds processing, clearing and settlement of funds related to money remittances, and within which the execution of money remittance is not determined by the use of a payment account of the payer/payee.
(Item 2 definition modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

Participating payment service provider – payment service provider of the payer or beneficiary from the Republic of Moldova, participating in money remittance system.
(Item 2 definition modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)
Provider of money remittance system - a legal entity that organizes and ensures the operation of the money remittance system.
(Item 2 definition modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

Payer - a person who gives the money remittance order if there is no a payment account.
(Item 2 definition modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

Payee - a person who receives funds that were the subject of a money remittance payment transaction.
(Item 2 definition modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

Credit risk - the risk that an obligation relating to money remittances will not be settled (written off) for full value, either when due or at any time thereafter.
Liquidity risk - the risk that an obligation relating to money remittances will not be settled (written off) for full value when due, but it may be settled at some unspecified time thereafter.
Operational risk - the risk that the deficiencies in the information system, internal control system, communication system, and human error can cause loss of data or affect the completion of the settlement of the obligation relating to money remittances.
Unique reference number of the money remittances – a combination of letters, numbers or symbols set by the participating provider of payment services, which is used for carrying out money remittance transfers.
[Item 2, term "Unique reference number of the money remittance" inserted by the Decision of the EB of the NBM no.158 of 16.06.2016, Official Monitor of the Republic of Moldova no.184-192/01.07.2016, Article 1151]

Chapter II
GENERAL REQUIREMENTS FOR BANKS ACTIVITY WITHIN MONEY REMITTANCE SYSTEMS

3. Prior to the establishment of business relations with the provider of money remittance system, participating payment service providers shall identify and apply precautionary measures according to the risk associated with the provider of money remittance system. The provisions of the Law no.190 - XVI of 26 July 2007 on preventing and combating money laundering and terrorist financing shall be applied accordingly.

4. In order to start the activity in a money remittance system, the participating payment system providers shall submit a written approach to the National Bank of Moldova, at least 30 days prior to commencement of the activity.
(Item 4 modified by the Decision of the CA of the NBM no.190 of 25.09.2014, MO no.325-332/1530 of 31.10.2014)

5. The approach referred to in item 4 shall contain at least the following information:
1) money remittance system name; name, identification data, administrators and beneficial owners of the provider of money remittance system;
2) description of the status, type of activity of the participating payment service provider within the money remittance system;
3) operation scheme of the money remittance system (flow of information and money), stakeholders and their responsibilities in the operation scheme.
(Item 5 modified by the Decision of the CA of the NBM no.190 of 25.09.2014, MO no.325-332/1530 of 31.10.2014)

6. A copy of the contract under which the participating payment service provider is entitled to provide money remittance services within a money remittance system shall be attached to the approach referred to item 4.
(Item 6 modified by the Decision of the CA of the NBM no.190 of 25.09.2014, MO no.325-332/1530 of 31.10.2014)

7. Within 30 days, the National Bank shall examine the approach and the copy of the contract submitted under items 4 - 6. If the National Bank identifies violations of this Regulation and other relevant normative acts, it shall inform the participating payment service provider about such violations.
(Item 7 modified by the Decision of the CA of the NBM no.190 of 25.09.2014, MO no.325-332/1530 of 31.10.2014)

8. Participating payment service provider shall remove all violations detected and communicated by the National Bank, before starting its activity within a money remittance system.

8^1. Participating payment service provider shall begin its activity within a money remittance system after receiving the confirmation of the National Bank of Moldova.
(Item $_8$1 introduced by the Decision of the CA of the NBM no.190 of 25.09.2014, MO no.325-332/1530 of 31.10.2014)

9. Within 10 working days as of occurrence of any changes in the information previously submitted to the National Bank in conformity with items 5 and 6, participating payment service providers shall inform in writing the National Bank about such changes.

10. Participating payment service providers shall approve written internal procedures for the conduct of activities within money remittance systems, which shall be developed in compliance with this Regulation and other normative acts in force regarding:
1) risk management related to the activity in money remittance systems;
2) transparency of conditions related to money remittance services;

3) money laundering prevention and terrorism financing combat.
101. Participating payment service provider shall update the internal procedures in accordance with the amendments and supplements made to the normative acts in force.
(Item 101 introduced by the Decision of the CA of the NBM no.190 of 25.09.2014, MO no.325-332/1530 of 31.10.2014)

11. Participating payment service providers shall segregate the responsibilities of the personnel involved in providing money remittance services and shall establish requirements relating to their regular training.

12. Participating payment service providers shall establish a permanent mechanism for monitoring the compliance of the participating payment service providers responsible persons with the internal procedures and shall take prompt and effective actions in case of detecting violations thereof.

13. In the event of closure of the activity in a money remittance system, participating payment service providers shall inform in writing the National Bank within 10 working days as of the date such final decision was taken.

Chapter III
MANAGEMENT OF RISKS ASSOCIATED WITH BANKS ACTIVITY WITHIN MONEY REMITTANCE SYSTEMS

14. Within its activity in the money remittance systems, participating payment service providers shall pay close attention to the management of the following risks:
1) financial, including liquidity and credit risks;
2) operational;

15. Participating payment service providers shall assess the risk management mechanisms established by the provider of money remittance system on the basis of factors that influence the risk level.

16. Participating payment service providers shall assess the financial risk management mechanisms established by the provider of money remittance system, at least according to the following factors:
1) execution term of money remittance;
2) settlement (write-off) manner of the obligations related to money remittances (on a gross basis, on a net basis, etc.);
3) the existence of a guarantee fund set up at the level of the money remittance system, the principles of its formation and distribution;
4) the frequency of funding the accounts used in the settlement of obligations relating to money remittances and their location (accounts opened with banks from the Republic of Moldova, accounts opened with foreign banks).
(Item 16,paragraph 4 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

17. Participating payment service providers shall assess the operational risk management mechanisms adopted by the provider of the money remittance system, at least according to the following factors :
1) to ensure the continuity of the processes related to the activity within the money remittance systems:
a) the existence of alternative channels for the receipt/transmission of information relating to money remittances;
b) the existence of incident scenarios and segregation of the responsibilities of the involved parties;
c) the existence of requirements regarding the reservation of the automated work stations for the interaction with the money remittance system, its hardware/software components, as well as of the components that ensures its functioning (e.g., uninterrupted electricity supply, etc.) at the level of participating payment service provider.
2) to ensure data security and the security of the activity regarding money remittances:
a) security of electronic communications channels, which ensure the receipt/transmission of information relating to money remittances;
b) the existence of mechanisms to verify the authentication of the transactions conducted through the money remittance system;
c) the existence of mechanisms to ensure an adequate level of logical access control as for instance, usage of multi-factor authentication means like those based on passwords combined with other technical means such as smart card, hardware token type, biometric identifiers; segregation of responsibilities at the information system level as for instance, existence of roles with administration rights, introduction/modification, approval; monitoring of critical actions within the money remittance system.

18. Participating payment service provider, according to the assessment of risk management mechanisms established within the money remittance systems in which it participates, shall apply appropriate measures to prevent the involvement in risky or suspicious operations and to protect the users of money remittance services.
(Item 18 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

19. Participating payment service provider shall keep record of fraud and attempts of fraud in a special register, taking all necessary measures to minimize the fraud and to deter the attempts of fraud within the money remittance systems.

20. If the participating payment service provider identifies fraudulent schemes within the money remittance systems that may harm the interests of the users of the money remittance services, it shall inform the payer about the characteristics of fraudulent schemes as to his/her involvement in such schemes, such as payments/money remittances in advance, money remittances to persons unknown to the payer, money remittance abroad, while the person is not in the receiving country, sending the copy of the document confirming the remittance of money to unknown persons.
(Item 20 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

Chapter IV
TRANSPARENCY OF THE CONDITIONS FOR MONEY REMITTANCE SERVICES

(Item 21 excluded by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

22. Participating payment service provider shall ensure that the conditions of money remittance services through money remittance systems are displayed at their counters, published on their official website and updated as changes occur.
(Item 22 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

23. The conditions money remittance shall include at least information regarding to:
1) the transfer fee charged for money remittance service;
2) the execution term of money remittance;
3) money remittance currency;
4) the validity period and conditions of returning money remittance;
5) other information referred to in Article 38 of the Law.
(Item 23, paragraph 2 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)
(Item 23, paragraph 5 introduced by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

24. The information related to the fee charged for money remittance service through a money remittance system shall contain at least the its amount, and the party paying the fee for the respective money remittance.

25. The information on the validity period and conditions for return of the money remittance shall include at least the number of days within which the money remittance may be received, the circumstances of the return of money remittance and conditions thereof.
(Item 25 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

26. Participating payment service provider shall development, display at its counters and publish on its official website the Rules of providing money remittance services (hereinafter Rules).

27. The Rules shall contain provisions common to all money remittance systems in which the participating payment service provider is a participant, updated information and shall be observed in relation with the payers/beneficiaries of the money remittances.

28. The Rules shall include at least the followings:
1) the name of the systems in which the participating payment service provider is a participant, the manner in which the funds related to money remittance are send/received (documents necessary for the transfer/receive of the money, etc.);
2) requirements related to foreign exchange legislation with regard to money remittances;
3) the manner of informing the payer/beneficiary on the conditions of money remittance services;
4) the rights and obligations of the payer/beneficiary within the process of providing money remittance services by the participating payment service provider;
5) the rights and obligations of the participating payment service provider within the process of providing money remittance services;
6) the submission way by the payer/beneficiary of the complaints on money remittance services.
(Item 28, paragraph 1 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

29. When sending/receiving funds related to money remittances, participating payment service provider shall ensure that the payer/beneficiary has been informed about the conditions for the respective money remittance and about the existence of the Rules, which shall be presented to the payer/beneficiary upon request.

(Item 29 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

29[1]. Payment service provider shall meet the requirements on transparency of conditions and information requirements for payment services and requirements for corrective and preventive measures, according to the Law.
(Item 29[1] modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

30. Participating payment service provider shall establish a procedure for the examination of complaints related to money remittance services.

31. Participating payment service provider shall receive, record, and examine the complaints related to money remittance services, conducted through money remittance systems, and shall inform the petitioner about their decision, according to the normative acts in force.
(Item 31 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

Chapter V
PREVENTION OF MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM BY MEANS OF MONEY REMITTANCE SYSTEMS
(Chapter V excluded by the Decision of the NBM no.203 of 09.08.2018, Official Monitor 321-332/24.08.2018, Article 1314)

Chapter VI
SUPERVISION OF THE ACTIVITY OF PARTICIPATING PAYMENT SERVICE PROVIDER WITHIN MONEY REMITTANCE SYSTEMS

39. To determine the level of compliance with the provisions of this Regulation and other normative acts in force, National Bank shall conduct on-site and off-site supervision on the activity of the participating payment service provider within money remittance systems.

40. National Bank shall conduct off-site supervision on participating payment service provider within the money remittance systems by examining the information submitted by them in accordance with the requirements of this Regulation, published on the official website of participating payment service provider, and other relevant information.
(Item 40 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

41. In order to supervise the activity of the participating payment service provider within the money remittance, the National Bank is entitled to request and the participating payment service provider is obliged to disclose any information relating to their activity within money remittance systems.
(Item 41 modified by the Decision of the CA of the NBM no.157 of 01.08.2013,MO no.191-197 of 06.09.2013, art. 1370; in force on 15.09.2013)

* List of normative acts which amended and/or completed the Regulation on the activity of payment service providers within money remittance systems

1. Decision of the CA of the NBM, no.157 of August 1, 2013 (Official Monitor of the Republic of Moldova no. 191-197/1370 of September 6, 2013, in force on September 15, 2013);

2. Decision of the CA of the NBM, no. 190 of September 25, 2014 (Official Monitor of the Republic of Moldova no. 325-332/1530 of October 31, 2014, effective from the date of publication);

3. Decision of the EB of the NBM, no. 158 of June 16, 2016 (Official Monitor of the Republic of Moldova no. 184-192/1151 of July 1, 2016, in force on August 1, 2016);

4. Decision of the EB of the NBM no.203 of 24 August 2018 (Official Monitor of the Republic of Moldova no.321-332/1314 of 24 August 2018, effective from the date of publication).

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