

Select Committee Report Summary

Payment and Settlement Systems (Amendment) Bill, 2014

- The Select Committee on the Payment and Settlement Systems (Amendment) Bill, 2014 submitted its report on February 26, 2015. The Bill was passed in the Lok Sabha on December 9, 2014.
- The Bill amends the Payment and Settlement Systems Act, 2007, and seeks to increase transparency and stability of financial markets in line with globally accepted norms.

The 2007 Act designates the Reserve Bank of India (RBI) as the authority to regulate such systems. These systems include inter-bank transfers such as the National Electronics Funds Transfer system, ATMs, credit cards, mobile banking, etc.
- The Committee recommended that the Bill be enacted without any changes.
- Further, the Committee was of the opinion that the RBI must conduct oversight and issue suitable directions to system participants in payment and settlement systems (such as banks) on their operations. This may be done through regulations under the Act or any other relevant law.
- Such directions would provide further regulatory support to the byelaws of Clearing Corporation of India Limited (CCIL). These byelaws require that system participants provide information of circumstances that may result in their winding up.

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