



INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

CIRCULAR

e.F.No. IFSCA-FMPP0BR/12/2023-Banking-Part(2)

October 27, 2026

To,

All Authorised Payment System Operators (PSOs) in the International Financial Services Centre (IFSC)

All Applicant(s) desirous of commencing Payment System in the IFSC

Subject: Financial Soundness Criteria applicable to existing PSO(s) and the Applicant(s) desirous of commencing Payment System.

(1). Reference may be drawn to the Payment and Settlement Systems Act, 2007 ("the Act"), in particular sub-section 2 of section 10 read with section 18, and clause (vi) of sub-section (1) of section 7 of the Act.

(2). In this regard, International Financial Services Centres Authority ("the Authority") hereby specifies the financial soundness criteria, set out in **Annexure 1**, applicable to existing PSOs and for applicants desirous of commencing Payment System in IFSC.

(3). The financial soundness criteria specified in Annexure-I shall be complied with by an existing PSO within 6 months from the date of the issuance of this circular, and thereafter such PSO shall submit a certificate issued by its statutory auditor certifying compliance with the said criteria for the preceding financial year, on or before the thirtieth day of September of each year;

Provided that in the case of a PSO acting as a Trade Repository, such certificate shall also be accompanied by half-yearly computation specified in Annexure-I.

(4). An applicant desirous of commencing Payment System in IFSC shall, along with the application, submit a certificate issued by its statutory auditor certifying compliance with the financial soundness criteria specified in Annexure-I.

(5). For the purpose of this Circular, the term “Net-worth” (referred to in Annexure 1) shall consist of paid-up equity capital, preference shares that are compulsorily convertible to equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of assets but not reserves created by revaluation of assets adjusted for accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Explanation. – For the removal of doubts, it is clarified that compulsorily convertible preference shares may be issued either as a cumulative or non-cumulative preference shares, which shall be compulsorily convertible into equity shares in accordance with the terms of their issue, and the shareholders’ agreement shall specifically prohibit any withdrawal of such preference capital at any time.

(6). This circular is issued in exercise of the powers conferred under sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, and shall come into force with immediate effect.

A copy of this Circular is available on the International Financial Services Centres Authority website at www.ifsc.gov.in.

Yours faithfully,

(Supriyo Bhattacharjee)
Executive Director
Department of Banking

Annexure-I

Financial soundness criteria for existing PSO(s) and for applicant(s) desirous of commencing Payment System in IFSC

Sr No	Category of Payment System	Financial soundness criteria
1	Large Value Payment Systems (LVPS)	The entity shall have sound financial status
2	Trade Repository (TR)	The entity shall at all times, maintain net-worth equivalent to at least one year's operating costs, calculated on half yearly basis.
3	Issuer of Legal Entity Identifier (LEI)	The entity shall have a minimum net-worth of USD 0.2 million.
4	Card Payment Networks	The entity shall have sound financial status.
5	Trade Receivables Discounting System (TReDS)	The entity shall have a minimum net-worth of USD 1 million.
