



Central Bank of Oman

Mobile Payment Clearing and Switching System

Operating rules

July 2017

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1. INTRODUCTION

Technological advancements in the payments space have paved the way for mobile payment transactions that allow real-time transactions to be initiated by utilizing existing payment systems such as ACH and RTGS. These advancements have a direct correlation with the efficiency, safety, cost and access of electronic payments. However, the key concern continues to be the interoperability as subscribers with different Payment Service Providers (PSPs) are unable to send and receive payment messages freely. Hence, the need for introducing a switching and routing mechanism between the different PSPs was becoming a necessary development in payments infrastructure.

CBO in its capacity as the central banking authority, operator and regulator has embarked upon the Mobile Payment Clearing and Switching System an interoperable mobile payment switching and clearing central infrastructure that connects the customers through their PSPs for the smooth exchange of mobile payment financial transactions. Apart from its role as a switching and clearing platform, Mobile Payment Clearing and Switching System also facilitates the reporting requirements and monitoring services to the central bank.

CBO in its powers to regulate the banking business hereby promulgates the following operating rules that govern the Mobile payment switching and clearing system the Mobile Payment Clearing and Switching System in the Sultanate of Oman.

1.1. OBJECTIVES

The Central Bank of Oman in cooperation with banking sector and other stakeholders aims to facilitate mobile based payments to introduce a convenient and solid mobile payment system in the Sultanate of Oman. Given the ubiquity of the mobile, such mobile based payments aim at addressing financial inclusion in the Sultanate of Oman and support the National E-government Strategy thus progressing to a less cash economy at the National level. For other sector, such as banking sector an integrated and interoperable platform is provided for ensuring Straight through Processing (STP) with a standardized environment. Thereby promoting enhanced efficiency and security of payments effected through the medium of mobile. These operating rules highlight the system architecture and the roles and responsibilities of the various stakeholders within the legal and regulatory framework for effective discharge of obligations by the regulator, operator, overseer and participants under the system.

1.2. EFFECTIVE DATE OF IMPLEMENTATION

The operating rules stated in this document shall become effective on the first day of system go live as declared by the Central Bank of Oman.

1.3. DEFINITION OF TERMS USED WITHIN THIS DOCUMENT

The below are the list of terms used throughout the document.

Term	Description
Agent	Entity authorized by a licensed PSP to provide mobile payment services and approved by CBO.
ALIAS	It is an alternative name assigned to a customer account opened with a PSP that can be used as an alternative way of identifying an account rather than using the actual mobile number.
AML\CFT	Law on Combating Money Laundering and Terrorism Financing, issued by Royal Decree no. 30/2016.
Banked Customer	Customer having an account with any of the banks licensed to operate in the Sultanate of Oman under the prevalent law in force and uses such bank account for fund transfers through the mobile payment service
Bank Net	A computer data communication network in Oman which adopts the Multi-Packet Label Switching (MPLS) technology. The Bank Net is operated by Omantel and it provides services of sending/receiving multimedia information electronically to/from the CBO amongst the participants of National Payment System exclusively.
Beneficiary	The recipient of funds (whether person or institution) who received credit to his/her banked or un-banked account with the PSP.
Business Day	Official working hours as declared by the Central Bank of Oman in which all participants in the mobile payment clearing and switching system perform their financial transactions and the financial transactions are settled in the bank accounts with the CBO.
CBO	Central Bank of Oman
Clearing	The process of exchanging relevant payment information in the mobile payment clearing and switching system, among payment service providers during the clearing session.,

	generate financial clearing positions, and post them to the settlement system.
Clearing Session	The period determined and managed by the Central Bank for conducting clearing on official business days and holidays.
E-Wallet	Virtual account opened to hold electronic money with a payment service provider to Banked and un-banked customers to enable them to perform mobile payment transfers.
Final settlement	The actual execution of rights and obligations of participants by the transfer of funds which is irrevocable and unconditional.
Finality	Settlements in payment system which are both unconditional and irrevocable are designated as final.
Indirect PSP	Indirect Payment Service Provider. Entity licensed by CBO to provide mobile payment services through the Mobile Payment Clearing and Switching system to the customers through the settlement with a bank to settle the obligations related to mobile payment transactions.
Irrevocable	A transfer which cannot be revoked by the system operator or the PSP to the system.
KYC	Know Your Customer.
Mobile Payment Services	An electronic payment service approved/licensed, regulated and overseen by the Central Bank of Oman for customers to send/receive payments through the Mobile Payment Clearing and Switching System.
National Directory	Central Bank of Oman as an operator of the Mobile Payment Clearing and Switching System maintains the information of all registered customers in a directory which provides unified and centralized registry of all customers. The national directory lists the national record of each registered customer, which includes information such as the customer's mobile number, Alias, PSP and any other information as deemed necessary by the operator.
Net Clearing	The financial position for each PSP at the closure of each

Position (NCP)	clearing session by offsetting of the mutual obligations on a multilateral basis to arrive at the net debit or net credit positions of the participants
Payer	The initiator of payment instruction (whether person or institution) for transfer of funds from bank account either banked account or un-banked account with the PSP.
PSP	Payment Service Provider. Banks licensed by CBO under the extant law in force, and any other entity licensed to provide mobile payment services through the Mobile Payment Clearing and Switching system to the banked and unbanked customers.
Receiver PSP	The PSP of the receiving customer.
RTGS	Real-Time Gross Settlement System
Sender PSP	The PSP of the sending customer.
Transaction Threshold	The maximum amount that can be exchanged per transaction through the mobile payment switching and clearing system as set by CBO.
Un-Banked Customer	A person not having an account in any of the banks but opening E-Wallet account with a payment service provider.

1.4. LEGAL AND REGULATORY FRAMEWORK

Central Bank of Oman (CBO) in its capacity as the central banking authority, operator and regulator in the Sultanate of Oman and in accordance with the powers vested in it by the Banking Law issued by Royal Decree 114 of 2000 to regulate banking business hereby promulgates the following operating rules to govern the Mobile Payment Clearing and Switching System in the Sultanate of Oman.

This document provides the following operating rules that have to be complied with by the stakeholders.

1. The legal authority for these operating rules is the Banking Law 114/2000 and any law that is promulgated for payment systems in the country.
2. The Central Bank of Oman shall own, host and operate the Mobile Payment Clearing and Switching System and monitor its operations in accordance with CBO operating rules and regulations.
3. The CBO reserves the right to modify these operating rules as deemed necessary and notify all the participants accordingly.
4. The CBO may review these operating rules on a regular basis at its own discretion.
5. Participation in the Mobile Payment Clearing and Switching System is mandatory to all commercial and specialized banks licensed to operate in the Sultanate of Oman, subject to the provisions of the Banking Law and any other entity as approved/directed by the Central Bank that provides the facility of mobile payments through the medium of mobile with the use of mobile numbers.
6. Each Participant in the System shall comply with the provisions of this regulatory framework and any instructions issued by CBO in this respect.
7. The banked and unbanked customers are permitted to avail of the mobile payment facility extended by the participants of the Mobile Payment Clearing and Switching System.
8. The Participant qualifying for participation in the Mobile Payment Clearing and Switching System should provide the facility by debit to bank account or wallet (e money) for transfer of funds.
9. Participants have to comply with the relevant operating rules and regulations that are related, but not limited to the following:
 - Anti-Money Laundering Law and its related regulations.
 - Electronic Transaction Law and its related regulations.
 - Know Your Customer “KYC” process.

1.5. MOBILE PAYMENT CLEARING AND SWITCHING SYSTEM

- A National Mobile Payment solution introduced and hosted at CBO or at any licensed Entity authorized by CBO to host the system as per the regulations,
- The system facilitates interoperability and a unified switching and routing services between PSPs.
- The system facilitates the initiation of payment instructions using the mobile number/Alias, which are switched, cleared and netted by the system for calculating multilateral clearing positions and subsequent settlement through the RTGS.
- The System utilizes industry standard protocols, such as ISO 20022 for message exchange between PSPs and operates on 24/7 basis and supports defining the business day schedule of operations, including cut-off times and settlement integration schedules.

1.6. PAYMENT SERVICE PROVIDERS

- An Entity that is authorized by Central Bank of Oman to provide mobile payment services to its customers through the Mobile Payment Clearing and Switching System. PSPs should employ the required infrastructure scheme and systems to provide the customer with mobile payment service.
- The PSPs communicate with Mobile Payment Clearing and Switching System through a secure communication channel (Bank Net) for the purpose of exchanging mobile payment transactions which are initiated by a beneficiary through a registered mobile phone Number/alias. In addition, PSPs communicate with Mobile Payment Clearing and Switching System to register their customers in the CBO national directory.

2. BUSINESS OPERATING RULES

2.1. CURRENCY

The System supports the mobile payment transactions in Omani Rial only. CBO may consider introducing other currency upon need.

2.2. THRESHOLDS

Thresholds and amounts' limits are defined for each payment and customer type according to CBO operating rules and instructions.

PSPs have to comply with amount limits defined for their customers and monitor their payment transactions as per the following:

1. Amount limit according to the transaction type and its PSPs.
2. Daily limits according to the customer category (Banked Customer, Un-Banked Customer).
3. Daily limits according to the customer type (Person, Entity and Government).
4. Agent Limits should not exceed the limits set by the PSP.

2.3. OPERATING RULES

2.3.1. Compliance to the Operating Rules

These operating rules shall govern the mobile payment operations as well as the roles and the responsibilities of the stakeholders, such Central Bank, PSPs and Agent.

2.3.2. Amendment

Central Bank of Oman reserves the right to amend these operating rules when deemed necessary and communicate to the stakeholders the effective date.

2.3.3. Usage

Without prejudice to any laws of the Sultanate of Oman, all PSPs have to comply and adopt these operating rules when performing mobile payment services and its related operations.

3. REGISTRATION

3.1. PARTICIPANT'S REGISTRATION

3.1.1. Eligibility Criteria

Following shall be the eligibility criteria for a being inducted as a participant in the Mobile Payment Clearing and Switching System:

1. All banks licensed to operate in the Sultanate of Oman are eligible to be participants in the Mobile Payment Clearing and Switching System owned and operated by the CBO, and any entity approved by CBO under the law in force can participate in the Mobile Payment Clearing and Switching System for mobile payments and will be bound by these operating rules through an agreement executed with the Central Bank of Oman as an operator.
2. Such banks that provide mobile banking/ mobile wallet facility to their customers should mandatorily participate in the Mobile Payment Clearing

and Switching System for transactions up to the threshold specified for the purpose.

3. Such banks that provide mobile banking facility to their customers have to provide mobile wallet facility to their customers and unbanked customers.
4. Holding account at Central Bank of Oman; or having established a legal agreement with another Direct Participant who holds an account in CBO to act as their settlement agent for settling the Net Clearing Position (NCP).
5. Central Bank of Oman reserves the right to continuously monitor the continued maintenance of the specified criteria.

Central Bank of Oman in its role as an owner, regulator and an operator of the Mobile Payment Clearing and Switching System reserves the right to specify additional eligibility criteria as deemed necessary in its attempt to maintain safety and efficiency of the system eligibility

3.2. PSP REGISTRATION PROCESS

Banks/any entity approved/licensed respectively by CBO under the law in force for participation in the Mobile Payment Clearing and Switching System shall follow the following registration process to act as a PSP in the system:

1. To apply to the Central Bank of Oman in the specified application provided for the purpose to be registered as a Payment System Provider.
 - a. Description of the service to be provided and the technology that will be used.
 - b. Information security and protection policy.
 - c. Any other requirements the Central Bank may find fit.
2. When seeking approval/license for participation in the Mobile Payment Clearing and Switching System as a PSP, the PSP shall provide the curriculum vitae of the proposed manager, who shall be an Omani. It shall ensure and confirm with the provisions of fit and proper criteria, and provide evidence of compliance with

security requirements and safety precautions set by Royal Oman Police and Fire Prevention Authorities, and copies of lease agreement/ownership documents and lay out of the proposed premises.

3. To make available a special system that satisfies the technical and Business requirements specified by the Central Bank of Oman with the following prerequisites:
 - a. Ability to connect to the Mobile Payment Clearing and Switching System at CBO.
 - b. Ability to send and exchange all mobile payment transactions in accordance with the terms and conditions stated in these operating Rules.
 - c. Manage customers' mobile payment data and accounts, by allocating a single identification number for each account.
 - d. The system shall be able to provide the service at all times (24/7).
 - e. Maintain a safe and secure connection with the Mobile Payment Clearing and Switching System.
4. Approved/Licensed PSP shall start offering the mobile payment services within six months from the date of obtaining CBO approval, unless the PSP applies for extension of the deadline at least two months prior to the date of expiry, otherwise, the licensed should be cancelled.
5. The PSP may deal with more than one agent. The PSP should not stipulate exclusivity clause to the agents.
6. The same operating rules mentioned above will be applied for the Indirect PSP registration.
7. Indirect PSP have to maintain settlement account at a bank operates in the Sultanate of Oman to meet the financial obligation resulted from the mobile payment transfers.
8. In view of the time and effort required to process applications for authorization of new/relocated PSP branches, and taking into consideration the importance of

careful planning and compliance to the security measures required by the Royal Oman Police (ROP), all PSPs are advised to abide by the following requirements when submitting their applications for approval and license for PSP branches.

When submitting applications for authorization of new/relocated PSP branches, PSPs should submit the following documents/ information two weeks before the proposed date of commencement of operation of the respective branches:

- Copy of the lease agreement (Authenticated by the relevant Municipality)
- Confirmation that all security precautions have been completed
- No objection letter from the Directorate General of Operations of the Royal Oman Police in respect of Security measures (Final Approval)
- No objection letter from the Royal Oman Police in respect of Fire prevention requirements (Final approval)
- Drawings relating to the internal layout of the office/branch
- Drawings (map) relating to the location of the office/branch
- Authority to debit clearing account for license fees
- Proposed date of commencement of operation

- Confirmation of compliance with specific requirements, if any, mentioned in letters of initial approval.

All PSPs are advised that incomplete applications will not be processed until all the above documents/information are submitted. Complete applications received by the Central Bank of Oman less than two weeks from the proposed date of operation of the branches/offices will not be entertained to meet the proposed date of commencement of operation since they will be treated as received late.

CBO reserves the right to scrutinize the application and accept/reject the application as deemed fit.

3.3. AGENT REGISTRATION PROCESS

The Agent is an entity that is engaged by an approved Payment Service Provider under these operating rules to deliver mobile payment service by CBO approval.

While the PSP may enter into a Principal agent relationship the following high-level criteria have to be complied with the PSP:

1. Have a carefully crafted agency agreement wherein no conflict of interest is evidenced in the contract. Every such agreement should address the risks and risk mitigation strategies. The agreement should be flexible enough to allow the PSP to retain an appropriate level of control over the agent and the right to intervene with appropriate measures to meet legal and regulatory obligations
2. Appointments of an agent does not absolve the PSP of its obligations to the Mobile Payment Clearing and Switching System as the PSP has the ultimate responsibility/control of the agent.
3. The PSP should exercise due diligence with respect to agents. Clear policies on the sub agent activities should be specified in the contract.
4. The PSP is expected to exercise due diligence and take up the responsibility of any acts of omission or commissions by the agent.
5. The PSP while performing due diligence should consider compliance with all the laws, regulations, guidelines in force.
6. Appointment of an agent should not in any way affect the rights of the customer against the PSP.
7. Sufficient controls should be in place to ensure customer data confidentiality and agent's liability in case of breach of security and leakage of confidential customer related information as customer's confidence in the payment channel is very important.
8. PSP intending to appoint agent should put in place a comprehensive agency policy, approved by its Board, which incorporates, inter alia, criteria for selection of such agents.
9. The PSP should have a board approved policy for deciding on the limit for cash handling by the agent. Proper mechanisms should be put in place to

- ensure that the customer's funds reach the PSP on the same day. Due compliance to the KYC/Anti money laundering Law need to be specified in the contract.
10. PSP should refrain from inserting any exclusivity clause with the agent.
 11. In instances, where the agent works for multiple PSPs, care should be taken to build strong safeguards so that there is no comingling of information/documents, records and assets.
 12. PSP have the right to assign a certain service to an Agent.
 13. The system shall be able to provide the service at all times (24/7).
 14. Manage customer's mobile payment data and accounts.
 15. PSP have to get CBO approval for registration of an Agent.
 16. The agent may deal with more than one service provider.
 17. The agent's work may be subject to examination by CBO.
 18. Licensed Agent shall start offering authorized the mobile payment services within six months from the date of obtaining CBO approval unless the agent applies for extension of the deadline at least two months prior to the date of expiry, otherwise, the licensed should be canceled.

3.4. CUSTOMER'S REGISTRATION

The customers shall fall under one of two categories, Banked or Un-Banked. In an attempt to standardize the procedure of customer acquisition for mobile wallet, a service application form is developed to open the account, with the following information:

1. The full name of the Customer
2. National Identification Number or Passport Number for customers.
3. The mobile phone number of the Customer used for the service.

4. The record having the Customer's name, mobile number and the PSP should be uploaded to the centralized registry "National Directory" maintained at CBO as an operator.

The customer is also provided with the facility of assigning an alternative name (ALIAS) to his account opened with the PSP for identifying himself rather than using his actual mobile number. The customer has to give an undertaking to the PSP in the same application form, that the information given is correct and will inform the PSP of any changes in the above information immediately. Each PSP has to devise a procedure for exercising due diligence while changes are communicated by the customer and will be responsible for updating the national directory within 24 hours.

As stated above, customers shall fall under one of two categories, Banked or Un-Banked. Each category has its own registration procedures as follows:

3.4.1. Banked Customers

The banked customer is provided with the facility of mobile payments by debiting his account with the PSP or a wallet opened by the PSP under the operating rules for Mobile Payment Clearing and Switching System. The mobile number will be linked to a selected customer account maintained by PSP for offering mobile payment services. Accordingly, account holders will be able to operate their own accounts and perform mobile payments transactions with others within the same PSP or across the banking system.

3.4.2. The Registration Process

1. The customer shall complete the registration form and submit it to the bank officer. The bank officer verifies the customer information and the customer's bank account.

2. The Bank sends the information to the Mobile Payment Clearing and Switching System to verify the request.
3. The Mobile Payment Clearing and Switching System submits the registration process results to the PSP.
4. Upon the successful registration, the bank shall issue a user code and a PIN for the customer. Accordingly, the service shall be auto-activated and a notification shall be sent to the customer over the used mobile phone number for this service.
5. Upon authorization and activation of the subscription by the PSP, it becomes possible for registered customer to use the service and perform mobile payments transactions.
6. If the bank customer mobile number is not available or not linked with the customer account, then the request will be considered incomplete and void.

3.4.3. Un-Banked Customers

Through a virtual account (wallet) opened for the customer for this purpose within the service provider and linked to customer's mobile number, The Wallet will be used to perform mobile payment services and to cash-in and cash-out money from their wallet.

3.4.4. The Registration Process

1. The customer shall complete the application form which used for wallet account opening and submit to the PSP officer which includes all the necessary information for granting the registration with respect to the Law on Combating Money Laundering and Terrorism Financing Law.
2. The PSP sends the information to the Mobile Payment Clearing and Switching System to verify the registration request.

3. The Mobile Payment Clearing and Switching System then submit the registration process results back to the PSP.
4. Upon the successful registration, the PSP shall issue a user code and a PIN for the customer accordingly, the service shall be auto-activated and a notification shall be sent to the customer over the used mobile phone number for this service.
5. Upon authorization and activation of the subscription by the PSP, it becomes possible for registered customer to use the service and perform mobile payments transaction.

3.5. ACTIVATION PROCESS

3.1.1. PSP Activation

The Mobile Payment Clearing and Switching System operator shall activate the PSP within 3 working days after finalizing the registration process as a PSP.

3.1.2. Customer Activation

The Mobile Payment Clearing and Switching System operator shall activate the customer account on the same day of receiving the request approval, and the PSP shall send the activation key along with the PIN to the customer next working day at the maximum.

3.6. ALIAS

An Alias is an alternative name assigned to a customer account opened with a PSP that can be used as an alternative way of identifying an account rather than using the actual mobile number. Mobile Payment Clearing and Switching System shall retain a historical list of aliases for one year from closing date of the account. Bank should ensure that those aliases are proper and assigned to customers in a correct manner.

CBO shall define operating rules for account structure and PSP shall abide by these operating rules.

3.7. NATIONAL DIRECTORY

The Mobile Payment Clearing and Switching System maintain the information of all registered customers at the national directory which provides unified and centralized registry of all customers. The national directory lists the national record of each registered customer, which includes information such as the customer's mobile number, Alias, and PSP. It is the responsibility of the customer and the PSP to provide accurate information to the National Directory.

4. MANAGEMENT

4.1. PARTICIPANT MANAGEMENT

4.1.1. Participant Suspension

CBO has the full authority to suspend or expel a PSP from Mobile Payment Clearing and Switching System for any reason it deems appropriate. A PSP might be suspended for a reason such as violating the CBO operating rules and regulations on mobile payment services or if the PSP is declared insolvent or its banking license is revoked by Central Bank, or any other reason deemed appropriate by the Central Bank.

In case of suspension of a PSP, all its pending non-replied payment messages shall be cancelled but the suspended PSP shall continue to be liable for making payments to the concerned parties. The suspended PSP shall still be liable to fulfill its settlement obligation for payments of transaction which have been replied as 'accepted' by the 'suspended' PSP.

4.1.2. Participant Resumption

The resumption of the PSP may happen by a decision from CBO case the reason for suspension has been rectified.

4.1.3. Participant Termination

CBO has the full authority to terminate a PSP, for one of the following reasons:

1. If the PSP did not start its work within six (6) months of its registration date.
2. Violating the CBO operating rules and regulations concerning the mobile payment service.
3. For any other reason, it deems appropriate.

4.1.4. Participant Withdrawal

Any PSP wishing to withdraw from the Mobile Payment Clearing and Switching System shall notify the CBO in writing, stating the intention for the discontinuation ninety (90) days before ceasing its operations.

CBO has the full authority to accept or reject the withdrawal request. In case of acceptance, CBO will send notifications to all PSPs at least one month before the effective date of withdrawal of the PSP.

4.1.5. Participant Notification

Mobile Payment Clearing and Switching System shall notify the PSPs with any update on the suspension, resumption, termination, and withdrawal of PSPs.

4.1.6. Relocation

Approved/Licensed PSPs shall not make any relocations without authorization. They will submit requests for re-location, providing justifiable reasons for the same and taking into account the overall criteria and requirements set for licensing new

branches/offices and possible inconvenience the relocation will cause to the existing customers - particularly, when the relocation is going to be a different area or business zone. The Central Bank, if satisfied with the submissions, shall grant initial approval for the proposal, final approval/license on compliance with requirements, as in the case of new branch (to the extent relevant) and payment of re-location fee as decided by CBO (if it involves movement to a different commercial area or location and requires surrender and re-issue of license). The PSP shall ensure that inconvenience, if any, to customers is kept to the minimum on relocation and that all concerned, including the customers, are duly informed well in time.

4.1.7. Closure

There shall be no closure or making over a branch to any other PSP without the prior approval of the Central Bank and for valid reasons. Past history of closure of branches may weigh on consideration of future applications, as relevant and closure fee as decided by CBO.

4.2. SESSION MANAGEMENT

4.2.1. Session Opening

The CBO has the full authority to open the clearing session, as it deems appropriate.

4.2.2. Session Termination

The CBO has the full authority to terminate the clearing session, as it deems appropriate.

4.2.3. Business Calendar

Mobile Payment Clearing and Switching System shall operate all the days of the week (24/7) for exchanging financial transactions between customers.

4.3. SETTLEMENT MANAGEMENT

4.3.1. Settlement Schedule

Upon the closure of each clearing session, Net Clearing Position (NCP) report will be automatically generated by the Mobile Payment Clearing and Switching System, and submitted to RTGS system in the business working days for settlement at pre-defined intervals. All transactions cleared are settled through the RTGS on the same business day.

4.3.2. Settlement Process

Mobile Payment Clearing and Switching System prepares and generates NCP report for all PSPs. Transactions cleared between customer accounts at the same PSP do not go for settlement because they take the form of internal transactions (onus). NCP Fees, charges and Penalties will be calculated on daily basis and send to related PSPs at stipulated time as defined by CBO.

4.3.3. Finality of Settlement

When settlement of the Net Clearing Position (NCP) at CBO is completed successfully, all the transactions that are included in the NCP file are deemed 'final' and irrevocable.

5. OPERATIONS

5.1. SYSTEM OPERATION

5.1.1. Daily Operation

Mobile Payment Clearing and Switching System operates full time (24/7) for exchanging payment transactions between the PSPs.

Mobile Payment Clearing and Switching System is responsible for opening and closing the daily sessions for exchanging payment transactions, in addition to calculating the final net clearing position for each business day and sending it to the RTGS at CBO.

Mobile Payment Clearing and Switching System executes the following:

1. Receiving the registration messages from the different PSPs, and verifying the following:
 - a) If the received message is correct, accurate and sufficient.
 - b) If the sender PSP is licensed and active in the System.
 - c) If the customer is registered or not.
2. Receiving the payment transactions from the sender PSP, and forwarding them to the other receiver PSP, after validating the following:
 - a) The PSPs are valid and active in the System.
 - b) The transaction threshold is according to the transaction type and the customer type.
 - c) The currency of the payment transaction is allowed to be exchanged through the Mobile Payment Clearing and Switching System.
 - d) The availability of the clearing session (opened clearing session) for exchanging payment transactions.
 - e) The correctness, accuracy and sufficiency of the payment transactions.
 - f) Maintain electronic record for each transaction.
3. Receiving and sending the replies from/to the PSPs.
4. Guarantee the sustainability of the connectivity with the RTGS or any other clearing and settlement systems that are later employed.

5.1.2. Clearing Session

The Mobile Payment Clearing and Switching System utilizes the daily clearing sessions to exchange Mobile payment transactions between PSPs, and each clearing session is defined with:

- a) A unique ID that identifies each clearing session
- b) Currency
- c) Settlement date
- d) Predefined duration that is allowed for exchanging payment transactions within a particular clearing session that specified by CBO.

5.1.3. Session Configuration

Any mobile payment transaction exchanged under the defined clearing session must be replied by the receiving PSP immediately, otherwise it will be auto-replied. The session Configuration has the following settings:

- Starts from the previous Business Day (T-1) at 11:00am.
- Cut-off Time (End of exchange) for the clearing transaction takes place at 11:00 am on the current business day.
- NCP generation for transaction cleared is scheduled at 11:00am of the same business day (T) and send it to RTGS. During holidays, Mobile Payment Clearing and switching system will send the NCP on the available business day.

CBO reserves the right to adjust the actual start time/end time of each session on any business day due to any reason it deems appropriate.

5.1.4. Constraints

The Mobile Payment Clearing and Switching System allows exchanging the payment transactions between PSPs, with the following constraints:

1. Local payment transactions.
2. One account for each customer in all PSPs, CBO reserve the right to change this rule when it deems appropriate.
3. All payment transactions that exceed defined threshold will be rejected automatically by the System. CBO can modify the amount threshold, as it deems appropriate.
4. The PSP shall not grant any form of credit to mobile account holder.
5. The PSP shall not pay interest or profit on the mobile account balances or anything else that would add to the monetary value of the e-money.
6. The PSP shall not issue e-money at a discount, i.e. provide e-money that has a monetary value greater than the sum received.

5.1.5. Type of Transaction

No.	Symbol	Transaction Type
1	P2P	Person-to-Person Sending payment transactions from person to person.
2	P2B	Person-to-Business Sending payment transactions from a person to corporate(s). Request for credit (Direct debit).
3	P2G	Person-to-Government Sending payment transactions from a person to Government entities.
4	B2P	Business-to-Person Sending payment transactions from a corporate to a person.
5	G2P	Government-to-Person Sending payment transactions from a Government entity to a person.
6	B2B	Business-to-Business Sending payment transactions from a corporate to another corporate.
7	Cash In/Out	Cash Withdrawal and Deposit. For Customers

5.1.6. Cash In and Cash Out

Cash- In and Cash- Out is a service provided by the PSPs to Customers to deposit or withdraw funds from their wallet maintained at PSPs.

The following condition shall apply on the cash in and cash out operations:

1. Financial transactions shall be within the specified threshold.
2. Account Cash In operations shall not be used as collateral for negotiation of loans or any kind of credit.
3. Cash In shall not be interest bearing.
4. If the account balance falls below the minimum limit set by the Central Bank, the PSP shall notify the customer.
5. Terms and conditions which relevant to normal banks' accounts shall be applied on wallet accounts.
6. All on-us transactions should be submitted to Mobile Payment Clearing and Switching System for CBO reporting purposes.

6. FUND MANAGEMENT BY THE PSP

Each PSP has to maintain and monitor the funds received for issuance of a Wallet or reloading and its usage as per the transaction types permissible under these operating rules to banked and unbanked customers. The amounts dedicated to the mobile wallet (e money) for usage through the Mobile Payment Clearing and Switching system are specified as follows:

- **Credits:** Amount received towards issuance of mobile wallet to banked and unbanked customers, reloading the mobile wallet, including at agent locations and refunds received for failed/disputed/returned/cancelled transactions.
- **Debits:** (a) Payments from one person to another person (P2P) provided both the PSP of the sender and beneficiary are participants of the Mobile Payment Clearing and Switching System and are registered in the national directory. (b) Payments from a person to business entity (P2B) provided both the PSP of the

sender and beneficiary are participants of the Mobile Payment Clearing and Switching System and registered in the national directory. (c) Payments from a business entity to person (B2P) provided both the PSP of the sender and beneficiary are participants of the Mobile Payment Clearing and Switching System and registered in the national directory. (d) Payments from a person to Government (P2G) provided both the PSP of the sender and beneficiary are participants of the Mobile Payment Clearing and Switching System and registered in the national directory. (e) Payments from Government to person (G2P) provided both the PSP of the sender and beneficiary are participants of the Mobile Payment Clearing and Switching System and registered in the national directory. (f) Payments from a business to business entity (B2B) provided both the PSP of the sender and beneficiary are participants of the Mobile Payment Clearing and Switching System and registered in the national directory.

7. SYSTEM CONFIGURATION

7.1. TRANSACTION LIMIT

CBO shall define the upper limits for handling mobile payment transactions as the following:

Amount limit per transaction based on transaction type and customer type

No.	Symbol	Transaction Type	Maximum Transaction Limit
1	P2P	Person-to-Person Transfer	
		Banked Customer	500
		Un-Banked Customer	200
2	P2B	Person-to-Business	
		Banked Customer	500
		Un-Banked Customer	200
3	B2P	Business-to-Person	
		Banked Customer	300
		Un-Banked Customer	200

4	P2G	Person-to-Government Sending payment transactions from a person to Government entities	500
5	G2P	Government-to-Person Banked Customer Un-Banked Customer	500 400
6	B2B	Business-to-Business Sending payment transactions from a corporate to another corporate Utility bills payment	500
7	Cash In/Out	Cash Deposit Cash Withdrawal for Un-Banked Customers	300 100

7.2. SESSION LIMIT

CBO reserve the right to set a limit on the value of the fund which will be exchanged during a session, as it deems appropriate.

7.3. DEBIT CAP

CBO shall prescribe debit cap limits for PSPs in Mobile Payment Clearing and Switching system. The Debit Cap limits define the maximum intraday net debit positions allowed for each PSP to exchange within a session.

- Each PSP has one debit cap regardless number of agents.
- Indirect PSP has debit cap limits defined in the settlement bank.
- The PSP should define a limit for his agents to not exceed PSP's debit cap.
- Mobile Payment Clearing and Switching system will reject all the transactions exceed the debit cap.

CBO reserves the right to determine or to modify the Debit Cap Limit for any PSP.

7.4. RETENTION PERIOD

All the stakeholders shall keep records and documentation of whatever transactions it carries out to contain all data related to due diligence on customers for a period of at **least ten years** from the date of completion of the transaction, or the date of the termination of the working relation with the client, as appropriate, and update these data periodically.

8. CUSTOMER PROTECTION AND AWARENESS

The PSP shall issue well-defined guidelines for dealing with customers utilizing mobile payment services to guarantee customers education and awareness. These guidelines shall be available to customers, whether in the form of brochures or published on the website of the PSP. Guidelines must be written in plain and clear language (Arabic and English) including the following minimum details:

1. Types of Mobile Payment Services which provided by PSP.
2. The responsibilities and the duties of the PSP and the customer.
3. The registration process and the type of mobile payment services.
4. Details of fees and charges applicable on each service.
5. How to deal with customer complaints and suggestions.
6. Procedures that shall follow in the event of loss of customer's mobile phone.
7. Procedures of cessation of utilizing mobile payment services.
8. Clear procedures on how to minimize risks of fraud and loss of privacy.
9. Measures taken to ensure the security and confidentiality of customer information.
10. Procedure recommended for informing the customer through appropriate communication media in case of any change, amendment or modification of the guidelines.
11. The PSP must have customer service center, which provides the following:
 1. Provide advice and guidance to customers.
 2. Answer customer inquiries.
 3. Give customers adequate learning tools to promote the principle of ease of use, security, and confidentiality.
 4. Receive customer complaints and suggestions.

PSP shall follow the steps below as a minimum in dealing with customer complaints and suggestions:

1. Registering the complaints when received in a special file, giving a reference number to the file, and signing it from the customer.

2. Processing complaints in the first business day that follows their receiving date (immediately after receiving them).
3. Solving the complaint within three business days at a maximum, and inform the customer of the result.
4. Recording all calls that pass through the complaint center phone lines and maintain these recordings until the resolution of the conflict and the closure of the complaint.
5. Ensure minimum denial of service.

9. CUSTOMER RIGHTS

Below are the minimum rights granted to the customer when using Mobile Payment services:

1. Ease of use, accessibility, availability and affordability of services
2. Privacy, trust, security, and confidentiality of customer credentials and transactions data.
3. Convenience as much as possible anywhere, and anytime.
4. Access to funds upon the completion of the payment transaction.
5. Real-time transfer of transactions' amounts and access to transactions limits.
6. Convenience and immediate access to dispute resolution processes.

10. POWER AND RESPONSIBILITIES

10.1. CENTRAL BANK OF OMAN

The Central Bank of Oman shall assume the following responsibilities:

1. Register, license, activate and operate the Mobile Payment Clearing and Switching System Issue the instructions governing the mobile payment services'.

2. Impose control and exercise oversight over the PSPs' operations relevant to mobile payment service, and ensure that all PSPs are discipline with these operating rules.
3. Monitor Mobile Payment Clearing and Switching System for any misuse/abuse by any PSP(s).
4. Ensure Settlement and finality of payments.
5. Define the fees, charges and penalties scheme for the participants.
6. Act as arbitrator for the PSPs in case of dispute.
7. Define the upper limit for PSP charges depending on the nature of transactions performed through the system unless they were exempt from commissions.
8. Following the international best practices in relation to mobile payment services.
9. Ensuring (24/7) support for the system.
10. Maintain the archive for transactions and make it available through a dedicated link for the National Archiving System for a period of 10 years.
11. Conduct onsite CBO examination of the PSPs when deemed necessary.

10.2. OPERATOR

Mobile Payment Clearing and Switching System Operator shall assume the following responsibilities:

1. Register, activate and facilitate the PSP for providing mobile payments to its customers.
2. Run and manage Mobile Payment Clearing and Switching System in accordance with these operating rules and any instructions subsequently issued by CBO concerning the provision of the service.
3. Receive and send all the transactions executed by PSPs and maintain an electronic record for each transaction.

4. Take all the administrative and technical measures to ensure the compliance of PSPs to the provisions of these operating rules and any instructions subsequently issued by CBO.
5. Ensure continuous connectivity to the settlement system, or any Clearing system subsequently employed for the purposes of sending clearing results among PSPs.
6. Provide infrastructure of hardware, applications, network connectivity, and information security needed to operate the solution.
7. Provide business continuity plans and disaster recovery to provide the service at all times.
8. Maintain Mobile Payment Clearing and Switching System operation and availability for all PSPs.
9. Guarantee that the interoperable environment is compatible to allow the common operation among all the PSPs.
10. Make sure that all the financial transactions performed through Mobile Payment Clearing and Switching System are settled in the settlement system or any other clearing and settlement system.
11. Carrying out regular examination of the PSPs operations related to Mobile Payment Clearing and Switching System.
12. Ensuring that the PSPs will report any suspicious transaction according to AML\CFT Law applicable in Oman.
13. Provide each PSP with his own settlement report.
14. Operator shall establish Helpdesk for customer assistance for all questions, complaints, requests for support and notifications of cases regarding mobile payments and related services.
15. Ensuring (24/7) support for the system.
16. Cooperate with CBO in case of dispute management.
17. Responsibility of setting the operating rules for the operation of the Mobile Payment Clearing and Switching System operator.

18. Have a participation agreement with the participants in line with these operating rules.

10.3. PAYMENT SERVICE PROVIDER (PSP)

1. The PSP must be capable of monitoring and tracking all operations performed by the agent.
2. The PSP shall provide the CBO with information on their agents in accordance with the form dedicated for this purpose by CBO.
3. All PSPs shall abide by the requirements of the AML/CFT Law, and other circulars/ directives issued related to this effect.
4. All PSPs shall abide by the regulation issued and will be issued from CBO in regards of mobile payment services.
5. All PSPs shall adhere and execute the result from the dispute management.
6. The agent should comply with the limits and threshold defined by the PSP.
7. Shall regulate the relation with their agents through written agreements that indicate the roles and responsibilities of each party.
8. Establish appropriate procedures to manage the risks that may arise from the provision of this service, and these procedures should cover at least the following risks:
 - **Compliance Risk**, comply with any conditions or other instructions issued by CBO. And Compliance procedures related to “Know Your Customer (KYC)”, and the Law on Combating Money Laundering Law, and the related instructions.
 - **Operational Risk**, create backup infrastructure supporting the main infrastructure for disaster recovery. To ensure the validity of disaster recovery infrastructure and business continuity plans. To ensure that

Mobile Payment Clearing and Switching System and the mobile payment systems are available always and around the clock.

9. Shall meet the requirements for the necessary CBO examination for all completed mobile payment transactions.
10. Facilitate and coordinate with the Agent to oversee and conduct the necessary examination for the agent.
11. Educate Customers on the usage of the Mobile Payment Service including the security of their operations.
12. Immediate financial posting on the customer accounts.
13. Comply with the thresholds for the amounts defined by CBO.
14. Ensure transparency in announcing and publishing all fees and charges applicable on mobile payment services.
15. Keeping a log file for all financial transactions according to the relevant laws and legislation.
16. Retention of examination trails for all operations carried out within Mobile Payment Clearing and Switching System for 10 years.
17. Abiding by customer protection principles contained in the directives issued by CBO from time to time and these operating rules.
18. PSPs shall be held accountable and responsible for agents' compliance with these operating rules.
19. Abiding by the transaction threshold set by CBO.
20. Secure interoperability of the systems.
21. PSP shall establish Helpdesk for customer assistance for all questions, complaints, requests for support and notifications of cases regarding mobile payments and related services.
22. The Central Bank expects the PSP to have in perspective the social responsibility and national need to promote mobile payments transfer habits in all and respond to the genuine aspirations of various locations, particularly when the need is well articulated.

23. Ensure that all customer operations can be tracked, verified and validated.
24. The Indirect PSP shall not accept deposits from the public.
25. The same responsibilities shall be applying on the indirect PSP.
26. CBO may add any other responsibilities.

10.4. AGENT

1. Shall not accept deposits from the public.
2. Shall not use the money collected to extend loans.
3. Shall transfer the collected money to customer wallet according to limits set by CBO.
4. Shall have the responsibility on transmitting the transactions in a secure manner.
5. The agent should comply with the limits and threshold defined by the PSP.
6. Shall send immediate notification to customers for successful transactions.
7. Agent shall establish Helpdesk for customer assistance for all questions, complaints, requests for support and notifications of cases regarding mobile payments and related services
8. Receiving subscription applications for unbanked customers.
9. Liquidation of customer wallets according to the set limits.

10.5. CUSTOMER

The PSPs should ensure that their customers are advised to adhere to the following responsibilities, which should also find place in the agreement with the customers.

1. Ensure the protection of personal PIN number.
2. Ensure the details of the transaction in terms of the recipient of the transaction, phone number, and value before carrying out the transaction.
3. Ensure that the information given at the registration process are correct and accurate.

4. Comply with all the operating rules of security and confidentiality as stated by the PSP.
5. Not to transact without having sufficient funds in their accounts.
6. Inform the PSP once the mobile number/Alias has been changed.

11.REPORTS

Mobile Payment Clearing and Switching System provides the PSPs with different set of reports, which includes, but are not limited to, the following reports:

11.1. RECONCILIATION

This report will show the summary of all transactions for each participant in clearing sessions, also, it will show the total count and total amount of the sent transactions, and rejected transactions, central auto created transactions, and received transactions.

11.2. NET CLEARING POSITION

Mobile Payment Clearing and Switching System generates and send this report for all PSPs to show their net clearing positions results at the end of the clearing session.

11.3. TRANSACTIONS

This report is automatically generated and provides details about all the transactions that took place in a certain session for a certain PSPs after the session has been settled. The purpose of this report is to provide PSPs with details for all transmitted transactions.

12.FEES AND CHARGES AND PENALTIES

All PSPs in Mobile Payment Clearing and Switching System have to pay fees for their participation and usage of the Mobile Payment Clearing and Switching System. CBO will also apply charges on the misuse of Mobile Payment Clearing and Switching System.

CBO shall reserve the rights to define or modify the fees and charges when deemed necessary.

12.1. IMPLEMENTATION AND SETUP FEES

Each PSP shall pay a One-Time participation setup fee upon registration in Mobile Payment Clearing and Switching System.

12.2. ANNUAL SUPPORT FEES

Each PSP shall pay an annual support and maintenance fee for participation in Mobile Payment Clearing and Switching System.

12.3. TRANSACTION PROCESSING FEES

PSP in Mobile Payment Clearing and Switching System shall pay transaction fees on the each presented transaction through the clearing session.

And any other types of transactions that might be defined in the future.

12.4. PENALTIES

CBO may impose penalties on the misuse of the system and no-compliance or/and on complaints from the customer or PSP.

Note: CBO will consider the directives under Circular BM\REG\012\5\78 for Imposition of Penalties for non-compliance with the regulatory framework.

13.HELPDESK

A dedicated support team shall be available at CBO/Operator during normal working hours to support the PSP users to troubleshoot and to provide the suitable diagnosis for any problem that might appears at the application level.

PSP shall assign one or more persons to contact the helpdesk and report problems through the proper communication channels that will be circulated by CBO.

Moreover; the helpdesk shall have clear prioritization criteria to the PSP's requests; which mean that the reported problems shall be categorized according to their urgencies and priority levels in order to provide a proper handling to each priority level.

<i>Priority</i>	<i>Definition</i>
<i>Urgent</i>	A catastrophic problem which may severely impact the Mobile Payment Clearing and Switching System operation, or in which the system is down and not functioning and no procedural work around exists. A prompt response and a quick action must be taken at this case in order to continue the daily clearing work safely.
<i>High</i>	A problem where the Mobile Payment Clearing and Switching System is functioning but in a severely reduced capacity. The situation is causing significant impact to the Mobile Payment Clearing and Switching System business and functions.
<i>Normal</i>	A problem with a medium or low impact to the Mobile Payment Clearing and Switching System business and functions. At this case, the problem is considered as a "Minor" with limited loss or no loss of functionality or impact to the PSP's daily operations.

13.1. COMMUNICATION FAILURE AT BANK NET ON PSP' SITE

1. The PSP shall immediately inform CBO in case of facing any communication failure, connectivity problem or any other disruption situation from their end.
2. CBO shall evaluate the disruption situation (if it is a communication failure or can be resolved within a short period without having any impact on the

- continuity of business) and, provide the PSP with the suitable contingency procedure based on the level of failure.
3. CBO has the authority to give instructions to the PSP to move to the Continuity of Business (COB) site and complete operations until the PSP resolves the communication failure and returns to the normal working procedure.

14.CONTINUITY OF BUSINESS

Continuity of Business (COB) is a vital element in the Mobile Payment Clearing and Switching System. CBO shall avail a Continuity of Business site (COB site) to maintain a reliable solution for the disconnection problems between the PSP and the main site at CBO. This section provides the continuity information that concerns all parties in the unlikely events of a business disruption including, first-level support (helpdesk), Disaster Recovery site (DR) and Continuity of Business site (COB) to maintain a 99.9 % service availability, consistency, and recoverability.

PSPs must abide themselves by the terms listed below for the sake of protecting the daily operations:

1. Ensure that you and your staff are familiar with these procedures in advance of any disruption.
2. Keep a hard copy of all pertinent Business Continuity sections handy for easy access during an emergency.
3. Review this guide periodically to ensure you have the most recent information.
4. Contact the first level support team (helpdesk team) at the Mobile Payment Clearing and Switching System in case of facing any issues at the application-level to get the suitable support and troubleshooting.
5. Contact Mobile Payment Clearing and Switching System in the cases of disruption; such as Communication Failure and line Disconnection cases.

15.RETURN REASONS

All PSPs must use the following reasons for the rejection of the financial transactions:

No.	Reason	Description
1	Invalid Beneficiary Number	The account number does not match the required description.
2	Account is Closed	The account at the beneficiary bank is closed.
3	Account is Blocked	The account is blocked, so money transfer to this account is not allowed.
4	Transaction type is Not Allowed	It is not allowed to conduct any transaction of this kind.
5	Amount exceed threshold	The amount exceeds the maximum allowed threshold.
6	Minimum required Amount	The amount of money is less than the agreed upon amount.
7	Deceased Beneficiary	The beneficiary is deceased.
8	Incorrect Account Number	The account number/Alias Name is wrong.
9	Dormant Account	Account which has shown no activity over a long period.
10	Stopped Account	The Account has been stopped for certain cases such as court case or CBO request and account holder request.
11	Payment Type not allowed	The payment type is not allowed for this type of customers.
12	Unregistered PSP	The PSP is not registered at CBO.
13	Suspended PSP	PSP has been suspended by CBO
14	Terminated PSP	PSP has been terminated by CBO
15	Invalid Transaction/Insufficient Fund	In case of direct debit transaction, there is no sufficient Funds in the payer account to cover the obligation.
16	Duplicate Collection / Entry Duplicate Transaction	The transaction may be sent twice for the same payment ID.
17	Invalid File Format/ Invalid Message Structure	File structure or message structure not within CBO standard.

16.OBLIGATION TO LAW

16.1. CENTRAL BANK OF OMAN

Notwithstanding anything to the contrary stated in the Mobile Payment Clearing and Switching System operating rules or any of the reference documents, the Central Bank and its officers, employees and/or agents shall not be liable to the Participants or any other third party for any losses and damages or expenses incurred by them directly or indirectly from any of the following:

1. Delay caused due to breakdown, malfunctioning or deficiency of Mobile Payment Clearing and Switching System including hardware, software, telecommunication and electrical systems.
2. Partial or complete disruption or failure of Mobile Payment Clearing and Switching System to provide all or any other services provided by Mobile Payment Clearing and Switching System.
3. For the losses caused due to failure of the participant's systems.
4. The negligence, fraud, dishonesty, misconduct, unfamiliarity or omission of the participant or its official or employee in the use of Mobile Payment Clearing and Switching System.

16.2. FRAUD

All PSPs shall comply with applicable CBO instructions on Fraud Risk Management. Any loss arising due to fraud originated at the Participant's business shall be borne by the relevant Participant.

Central Bank is authorized to interrupt any transaction should Central Bank identifies any suspicion of money laundering activities or terrorism financing relating to a particular transaction.

16.3. FORCE MAJEURE

The Central Bank or any Participant shall not be liable for any losses or any non-performance of the Operating rules or of mobile payments or of any obligation in relation to Mobile Payment Clearing and Switching System arising directly or indirectly from circumstances beyond its or his reasonable control, including without limitation, strike, lockout, equipment malfunction, government action, riot and war.

16.4. CENTRAL BANK PERSONNEL

Nothing in this rule shall prejudice the liability to the Central Bank or officers, employees or agents of the Central Bank for their acts or omissions.

EMERGENCIES

If any malfunction, breakdown, or interruption or any emergency affects Mobile Payment Clearing and Switching System or its operations, transactions shall be handled in accordance with the directions of the Central Bank. Without limiting the discretion of the Central Bank, the Central Bank may extend the hours of operations of Mobile Payment Clearing and Switching System or reduce, pause any Participant direct the use of contingency facilities or close down Mobile Payment Clearing and Switching System in whole or in part. The Central Bank shall not be liable for any directions so given.

16.5. DISPUTE SETTLEMENT

In the event of any unresolved disputes or claims arising between any persons in relation to these Operating rules or any directives issued pursuant to them, the complainant may submit the dispute or claim for investigation to CBO.

16.6. GOVERNING LAW

These Operating rules are governed by the Laws of the Sultanate of Oman.

17. SECURITY AND TECHNICAL REQUIREMENTS

17.1. USERS TYPES AND MANAGEMENT

17.1.1. CBO Administrator

CBO Administrator has high privilege to grant the access to the system in order to organize and manage the Participant to use the system. The administrator has to ensure proper access to the system from the participant by:

1. Issue user name and temporary passwords to the participant administrator and this password must be changed.
2. Define the structure of the password.
3. assign, disable or restrict access to user accounts or functions
4. Define the access control to the users.
5. Assigning access rights and transaction limits.
6. Reset passwords for other users and administrators.
7. Disable the users upon the request of participant.

17.1.2. Participant's Administrator

Each Participant may assign staff with an administrator role for their own system. The duties of the administrator include the following:

- Managing user record creation and maintenance for all Participants' staff assigned as users.
- Define the user groups and roles for the authorized functions and access rights for the Participant's own users.
- Managing digital certificate of the participant to be used for PKI authentication of the participants' CI.

17.1.3. User Record Deletion

If a user of the Participant resigns, or is required to move to a different job, such that the user will no longer use the system, the Participant's Administrator must follow the following steps to delete the user record of the concerned staff:

- Prepare a System Authorization Request form for requesting CBO to delete the User Id from CBO
- Delete the User Record of the resigned/transferred out staff from the system.

17.2. EXAMINATION LOG MANAGEMENT

The system shall record examination trail records for each action performed by the users and the system.

Participants shall be allowed to export examination trails pertaining to their activities via an external file. Participants shall maintain proper backups of the exported external files for their own use.

17.3. MESSAGE SECURITY

The most critical issue for payment systems' communication networks is the security of the information transferred between the participants. In order to achieve a high level of security, the system must ensure the following for all data exchanged via its communication network.

- Authenticity of the data: Authentication allows the system to ensure that the senders and receiver of the messages are really who they claim to be.

- Integrity of the data: Integrity in communication networks means that the receivers of messages can be sure that the information transmitted has not been manipulated in an unlawful manner.
- Confidentiality of the data: Confidentiality is achieved by allowing only network Participants to view the information exchanged via the network.
- Non-repudiation of the data: Non-repudiation is a mechanism providing evidence of both the identity of the sender of a message and the integrity of that message, such that the sender is unable to deny the submission of the message or the integrity of its content.

17.4. TRANSACTION ENCRYPTION

All the transactions must be authenticated by the account holders using their respective Personal Identification Number (PIN) or similar other secured mechanism. To facilitate the mobile financial services, the said PIN may be issued and authenticated by the bank maintaining proper protection and security features.

The data exchange between PSPs and the system at CBO are submitted SWIFT MX or MT format All Financial transactions and its related replies that were exchanged between the concerned parties are encrypted to assure its safety during its cycle from side to side.

17.5. SYSTEM SECURITY

System Security Access to the Mobile Payment Clearing and Switching System application is controlled. Within this system, each user is provided with one unique ID that controls what module or program they can access. The system includes a log-on program, which is used to log on to the application using a unique user ID and a password. Before logging on, the system administrator must have set up at least one user profile for the user to use, consisting of (among other things) a unique user ID and a password. The system administrator will provide the user ID and password for the first

time log on. Once the login credentials are used to log on successfully for the first time, the system will prompt to change password immediately.

System security operating rules should insure:

1. That any sensitive information stored in third party systems is restricted with appropriate encryption and hardware security standards.
2. That proper system of verification of the phone number shall be implemented.
3. Segregation of duty of the admin user with the normal users.
4. logical access controls to data, systems, application software, utilities,
5. Physical access controls are strictly enforced. Physical security shall cover all the information systems and sites where they are housed, both against internal and External threats.
6. The use of proxy server type of firewall so that there is no direct connection between the Internet and the scheme providers' systems.
7. For sensitive systems, firewall shall be implemented to thoroughly inspect all packets of information, compare past and present transactions and enable a real-time security alert.
8. Segregation of duty of Security Officer / Group dealing exclusively with information systems security and Information Technology Division which actually implements the computer systems.

17.6. MAKER CHECKER CONCEPT

Maker-checker (or Maker and Checker, or 4-Eyes) is one of the central principles of authorization in the Information Systems of financial organizations. The principle of maker and checker means that for each transaction, there must be at least two individuals necessary for its completion. While one individual may create a transaction, the other individual should be involved in confirmation or authorization of the same.

All mobile transactions, including bank reconciliation, should be performed using a “maker- checker” concept.

18.GENERAL PROVISION

1. All accounts activated by the customer on the mobile application is linked to the mobile phone number. This mobile number shall be used as the second factor Authentication for mobile transactions.
2. All customer transactions should be traceable; examinational and can be validated.
3. The payment authorization message from the user’s mobile phone shall, at the minimum, be triple DES (Data encryption standard) encrypted and checked for tampering by the service or scheme provider. It shall not be possible for any interceptor to change the contents of the message.
4. CBO shall perform administration of security policies to which participant users must comply with. CBO shall have the right to modify the security policies depending on operating environment, and shall advise all participants accordingly.
5. All transactions on an account shall be allowed only after authentication of the mobile number and the PIN associated with it.
6. The mobile payments application shall not allow the option of saving the PIN either on the handset or on the application.
7. Transaction in foreign currency is not allowed in the system.
8. All transactions initiated and concluded within the Mobile Payment Clearing and Switching System shall have a unique transaction reference issued by the system.

9. All transactions shall have the following elements: Transaction reference number, sender and receiver phone numbers, transaction amount, transaction date and time stamps, categories, codes and other relevant transaction details and unique identifiers.
10. It is not allowed for an agent to Sub contract with another agent to carry out mobile payment services.
11. It is not allowed for an agent to offer any banking services not approved from CBO.
12. The location of the agent should not impede or interfere with the ability of the PSP to effectively oversee and manage its activities nor should it impede CBO in carrying out its supervisory functions and objectives.
13. Charging the customer any extra fees and charges not allowed by CBO.
14. Central Bank will not be liable for any damage or financial loss to a participant caused by any compromise on the private key information of the participant.
15. Customer complaints have to be addressed to the dispute management at CBO.
16. Only a single charge shall be applied from a consumer's wallet for a mobile payment transaction. No airtime deductions shall be made in respect of charges on any transaction.
17. The Agent shall open settlement account at the PSP to settle the customer's transactions executed at the wallet account.
18. The settlement account shall not be interest bearing; use as collateral for loans to the users and the agent.
19. The balance on the settlement account shall always be equal to the total outstanding balance of all holders of the e-money.
20. The Agent shall be required to do reconciliation on a daily basis with his PSP.

21. Terms and conditions which relevant to normal banks' accounts shall be applied on mobile users (banked and unbanked accounts).
22. The Wallet account shall not be interest bearing; no charges apply to the account, not use as collateral for loans and not allow to overdraft.
23. Electronic money units shall be exchanged for an equivalent cash amount (in Omani Rial), with no interest or incentives being payable.
24. The system shall allow transfers to similar mobile accounts managed by other PSPs and agent in accordance with the relevant regulations established by the CBO.
25. PSPs should note that non-compliance with the CBO regulatory framework will be viewed very seriously and hence are strongly advised to put in place adequate systems, procedures and controls to ensure compliance with the provisions of the Banking Law, Regulations, Directives, Policies, Circulars and other instructions of CBO and other applicable laws of the Sultanate.
26. The mobile number should not be linked to more than one account.
27. The service provider and the agent are not allowed to outsource or/and transfer the authorized mobile services to others without approval from CBO.
28. The customer shall have the right to subscribe to the service through any service provider irrespective of the mobile network operator of the mobile phone.
29. The customer's wallet shall be closed, and the customer's remaining balance shall be liquidated in case of changing the PSP.
30. All resolutions issued by the Central Bank prior to the issuance of these operating rules that are related to mobile payment transactions shall remain in force to the extent they are not inconsistent with these operating rules.

19.MESSAGE TYPES

The following Messages Types are used and supported by the system

Message	Description
pacs.008.001.05/MT103	Single Direct Credit. This message is sent by an instructing participant to credit a beneficiary account opened in an instructed participant.
pacs.002.001.06/MT196	Status Report (Reply Message). This type of messages is used to inform participants with the status of a previously sent transaction.
Pacs.003.001.05/MT104	Direct Debit (Request for Credit Message), this type of messages shall be sent by an instructing participant to debit a customer in and instructed participant (M2P)
cstmrreg.01.01	Customer Record Opening Request. Sent by an instructing participant to open a new record for a customer.
cstmrreg.02.01	Customer Record Maintenance Request. Sent by an instructing participant to update the information of a customer.
cstmrreg.03.01	Customer Record Closing Request. Sent by an instructing participant to close a customer record.
cstmrreg.06.01	Account Opening Request. Sent by an instructing participant to open a new account for an existing customer.
cstmrreg.07.01	Account Maintenance Request. Sent by an instructing participant to update the information of a customer account
cstmrreg.08.01	Account Closing Request. Sent by an instructing participant to close a customer account.
cstmrreg.10.01	Registration Response. This message informs the instructing participant of the decision taken on a previously sent registration request.

20.RETURN REASONS

20.1. User Return Reason

ID	Return Reason	Description	Category
1	Invalid account	The account number does not match the required description.	Return Reason
2	Account is closed/blocked	The account at the beneficiary bank is closed/blocked.	Return Reason
3	Deceased account holder	The beneficiary is deceased.	Return Reason
4	Dormant account	Account which has shown no activity over a long period.	Return Reason
5	Insufficient funds	In case of direct debit transaction, there is no sufficient Funds in the payer account to cover the obligation	Return Reason
6	Duplicate transaction	The transaction may send twice for the same payment ID.	Return Reason

20.2. System Return Reason

Reason Code	Payment Return Reason	Reason Category
1000	Processed successfully	System Reason
1001	Technical error	System Reason
1002	Parsing error	System Reason
1003	Digital signature/Security error	System Reason
1004	Invalid ID format	System Reason
1005	Sender is not allowed to send message type	System Reason
1006	Receiver is not allowed to receive message type	System Reason
1007	Purpose is not allowed for sending	System Reason
1008	Invalid reason	System Reason
1009	No session available	System Reason
1010	Auto replied	System Reason
1016	Debit cap exceeded	System Reason

1017	Credit cap exceeded	System Reason
1018	Limits exceeded	System Reason
1019	Transaction amount out of range	System Reason
1020	Transaction count out of range	System Reason

Reason Code	Reason	Description	Category
1100	Unregistered PSP	Payment	System Reason
1101	Alias already used	Registration	System Reason
1102	Maximum number of accounts reached	Registration	System Reason
1103	Could not resolve debtor	Payment	System Reason
1104	Could not resolve creditor	Payment	System Reason
1105	Reply timeout reached	Payment	System Reason

21.CLEARANCE FORM

صورة حديثة ملونه
New Color Photo

Central Bank of Oman



Name of the Bank/Invest. Comp.:	.....	اسم البنك / الشركة:
Full Name of the Nominee:	.....	الاسم الرباعي والقبيلة:
Place & Date of Birth:	.....	مكان وتاريخ الميلاد:
Current Nationality:	.....	الجنسية الحالية:
Former Nationality:	.....	الجنسية السابقة:
ID Card No. for Omanis:	.....	الرقم المدني للعمانيين:
Date of Expiry:	.....	تاريخ الانتهاء:
Passport No. (For Non-Omanis):	.....	رقم جواز السفر:
Name of Spouse & Nationality:	.....	اسم الزوج / الزوجة والجنسية:
Date of Expiry:	.....	تاريخ الانتهاء:
Address in Oman:	.....	العنوان داخل السلطنة:
Address Aboard (For Non-Omanis):	.....	العنوان خارج السلطنة (لغير العمانيين):
E-mail:	.....	البريد الالكتروني:
Tel. Nos.:	.....	أرقام الهواتف:
Qualifications:	.....	المؤهلات العلمية:
Professional Experience:	.....	الخبرة العملية:
Current title of the Nominee:	.....	المسمى الوظيفي الحالي:
Current Job responsibilities of the Nominee:	.....	الوظيفة الحالية:
Proposed Position & Responsibilities:	.....	الوظيفة المقترحة:

22.CBO CONTACTS DETAILS

Name	Designation	Number