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Title : Motion for introduction of the Payment and Settlement Systems Bill, 2006 . (Motion Adopted and Bill Passed).

MR. SPEAKER: Item No.9, Bill to be introduced. – Shri Pawan Kumar Bansal.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): Sir, I beg to move for leave to introduce a Bill to provide for the regulation and supervision of payment systems in India and to designate the Reserve Bank of India as the authority for that purpose and for matters connected therewith or incidental thereto. ...(*Interruptions*)

MR. SPEAKER: Motion moved:

"That leave be granted to introduce a Bill to provide for the regulation and supervision of payment systems in India and to designate the Reserve Bank of India as the authority for that purpose and for matters connected therewith or incidental thereto."

SHRI BASU DEB ACHARIA : Sir, I oppose introduction of the Bill. I have given notice on this.

MR. SPEAKER: There is no reason for that. I have got your letter before me. It has nothing to do with the legislative competence of the Bill.

SHRI BASU DEB ACHARIA : Sir, the very purpose of this Bill is to separate the clearing function from the Reserve Bank of India.

MR. SPEAKER: That you will speak during the discussion on the Bill and not now.

SHRI BASU DEB ACHARIA : I will take just one minute. There are 1600 clearing centres for the country.

MR. SPEAKER: These are all merits of the Bill, Mr. Acharia.

* Published in the Gazette of India, Extraordinary, Part-II, Section 2, dt. 25.7.2006

SHRI BASU DEB ACHARIA : Only 16 centres are being managed by the Reserve Bank of India and approximately 900 by the State Bank of India.

MR. SPEAKER: This is on merits of the Bill. It has nothing to do with legislative competence.

SHRI BASU DEB ACHARIA : Since this function is being done by the Reserve Bank of India, it has been satisfactorily done. Ninety per cent of the work is being done today.

MR. SPEAKER: So, according to you there is no reason for this Bill.

SHRI BASU DEB ACHARIA : There is no need to separate this function by the Reserve Bank of India and to have a separate company for clearing of the cheques. This is nothing but an attempt to allow outsourcing in some of the activities of the Reserve Bank of India.

MR. SPEAKER: All your points they will come to know and come prepared. Do not do that. That is on the merits.

SHRI BASU DEB ACHARIA : Sir, there is no complaint in regard to clearing of the cheques. .

MR. SPEAKER: Shri Radhakrishnan now. Shri Radhakrishnan is a lawyer and he has mentioned the words 'legislative competence'. Of course, it has nothing to do with legislative competence.

SHRI BASU DEB ACHARIA : Why is a separate company being formed to do this work?

MR. SPEAKER: He has got your points already.

SHRI BASU DEB ACHARIA : Why is a separate company being formed to do a work which has been done so long by the Reserve Bank of India very satisfactorily. Customer satisfaction is to the extent of 96 per cent. So, I oppose the introduction of this Bill.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I oppose the introduction of the Bill on the basis of legislative powers. The Bill refers to Section 38 regarding regulations to be issued. As per regulations issued, a new Committee will be constituted under Subclause 2 of Clause 3. The constitution of the Committee is very pertinent and very important.

MR. SPEAKER: It has nothing to do with legislative competence.

SHRI VARKALA RADHAKRISHNAN : If the Committee is constituted, its powers and functions must form part of the Bill [\[KMR48\]](#).

19.00 hrs.

MR. SPEAKER: That is not the legislative competence.

SHRI VARKALA RADHAKRISHNAN : They have said that it is only a procedural matter. But that is not a procedural matter. It should form part of the Bill itself because the Committee to be constituted will have definite constitutional powers. But unfortunately, the mover has taken a stand that it is only a procedural matter that if the delegated legislative powers, they have takenâ€¦. *...(Interruptions)*

MR. SPEAKER: What is meant by legislative competence, Shri Radhakrishnan?

SHRI VARKALA RADHAKRISHNAN : I oppose the introduction because it is an encroachment on the legislative functioning of this House also. *...(Interruptions)*

MR. SPEAKER: That is not legislative competence.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN : They will have the issues of regulations. *...(Interruptions)* This is a very important Bill giving powers to the RBI. He has brought a very lengthy Bill. At the same time, if it is allowed, my humble submission is that it will be an encroachment on the legislative functioningâ€¦. *...(Interruptions)*

SHRI BASU DEB ACHARIA : The regulatory functioning of RBI will be diluted with a separate company. *...(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : Hence, I object the introduction of the Bill. *...(Interruptions)*

MR. SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the regulation and supervision of payment systems in India and to designate the Reserve Bank of India as the authority for that purpose and for matters connected therewith or incidental thereto."

The motion was adopted.

SHRI PAWAN KUMAR BANSAL: Sir, I introduce* the Bill.

* Introduced with the recommendation of the President.

19.02 hrs.