

*These notes refer to the Banking Act 2009 (c.1)
which received Royal Assent on 12 February 2009*

BANKING ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Inter-Bank Payment Systems

Enforcement

Section 198: Penalty

438. In the event of a compliance failure, *subsection (1)* gives the Bank of England the power to impose on the operator of a recognised inter-bank payment system a financial penalty.
439. *Subsection (2)* provides that the financial penalty is to be paid to the Bank of England and is enforceable as a debt. *Subsections (3)* and *(4)* specify that the Bank must prepare and publish on its website a statement of principles which it will apply in determining whether to impose a financial penalty, and the quantum of the penalty, for compliance failures under this Part. The Bank must send a copy of the statement to the Treasury and review the statement from time to time. In considering financial penalties for compliance failures under this Part, the Bank must apply the statement in force when the failure occurred.