



# Banking Act 2009

## 2009 CHAPTER 1

### [<sup>F1</sup>PART 5A

#### WHOLESALE CASH DISTRIBUTION

#### *[<sup>F1</sup>Recognised persons*

#### Textual Amendments

**F1** Pt. 5A inserted (29.8.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), s. 86(2)(d), [Sch. 9 para. 1](#)

#### **206G Wholesale cash oversight orders**

- (1) The Treasury may by order (a “wholesale cash oversight order”) specify a person as a recognised person for the purposes of this Part.
- (2) A person may be specified only if the person—
  - (a) performs a relevant function in relation to a wholesale cash distribution activity, and
  - (b) is recognised as having market significance (see section [206H](#)).
- (3) The following are relevant functions in relation to a wholesale cash distribution activity—
  - (a) undertaking the activity;
  - (b) managing the activity;
  - (c) providing a service in relation to the activity;
  - (d) providing financial assistance in relation to the activity.
- (4) A wholesale cash oversight order must specify in as much detail as is reasonably practicable—

*Changes to legislation: Banking Act 2009, Cross Heading: Recognised persons is up to date with all changes known to be in force on or before 27 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (a) each wholesale cash distribution activity in relation to which the specified person performs a relevant function, and
  - (b) each relevant function the person performs.
- (5) The Treasury may not make a wholesale cash oversight order in respect of an issuing authority or the Mint.

## **206H “Market significance” and “systemic significance”**

- (1) A wholesale cash oversight order must specify whether the person in respect of whom the order is made is recognised—
- (a) as having market significance only, or
  - (b) as also having systemic significance.
- (2) The Treasury may recognise a person as having market significance only if satisfied that any significant deficiency in, or disruption to, the performance of the person’s relevant functions in relation to wholesale cash distribution activities would be likely to undermine the effectiveness, resilience, or sustainability of wholesale cash distribution—
- (a) throughout the United Kingdom, or
  - (b) throughout any part of the United Kingdom.
- (3) The Treasury may recognise a person as having systemic significance only if satisfied that any significant deficiency in, or disruption to, the performance of the person’s relevant functions in relation to wholesale cash distribution activities would be likely (in addition to the consequences mentioned in subsection (2))—
- (a) to threaten the stability of, or confidence in, the UK financial system, or
  - (b) to have serious consequences for business or other interests throughout the United Kingdom or any part of the United Kingdom.
- (4) Where a person is part of a group, the Treasury may have regard to functions performed by other members of the group when determining matters mentioned in subsection (2) or (3).
- (5) In subsection (4), “group” has the meaning given by section 421 of the Financial Services and Markets Act 2000.
- (6) The Treasury must not recognise a company wholly owned by the Crown as having systemic significance.

## **206I Procedure**

- (1) Before making a wholesale cash oversight order in respect of a person the Treasury must—
- (a) consult the Bank of England,
  - (b) notify the person, and
  - (c) consider any representations made.
- (2) In addition, the Treasury must—
- (a) consult the FCA before making a wholesale cash oversight order in respect of a person who is, or has applied to be, an FCA-regulated person;

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- (b) consult the PRA before making a wholesale cash oversight order in respect of a person who has, or has applied for, Part 4A permission for the carrying on of a PRA-regulated activity;
  - (c) consult the Payment Systems Regulator before making a wholesale cash oversight order in respect of a person who is a participant in a regulated payment system.
- (3) In subsection (2)(c), “participant” and “regulated payment system” have the same meanings as in Part 5 of the Financial Services (Banking Reform) Act 2013 (see section 110 of that Act).
- (4) In considering whether to make the order, the Treasury may rely on information provided by—
- (a) the Bank of England;
  - (b) the FCA;
  - (c) the PRA;
  - (d) the Payment Systems Regulator.

#### **206J Amendment or revocation of a wholesale cash oversight order**

- (1) The Treasury may amend or revoke a wholesale cash oversight order.
- (2) The Treasury must revoke a wholesale cash oversight order if no longer satisfied that the person specified in the order—
- (a) performs a relevant function in relation to a wholesale cash distribution activity, and
  - (b) has market significance.
- (3) If a person is specified in a wholesale cash oversight order as having systemic significance, the Treasury must amend the order (so that the person is specified as having market significance only) if—
- (a) satisfied that the person continues to have market significance, but
  - (b) no longer satisfied that the person has systemic significance.
- (4) Subject to subsections (2) and (3), the Treasury must consider any request by a person specified in a wholesale cash oversight order for the amendment or revocation of the order.
- (5) Section 206I (procedure) applies to the amendment or revocation of a wholesale cash oversight order as it applies to the making of the order.]

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(8A)(8B) inserted by [2012 c. 21 s. 96\(3\)](#)
- s. 8(2)(d) and word inserted by [2012 c. 21 s. 96\(4\)\(b\)](#)