Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 5

REGULATION OF PAYMENT SYSTEMS

"Payment system" etc

42 Participants in payment systems etc

(1) This section applies for the purposes of this Part.

(2) The following persons are "participants" in a payment system—

(a) the operator of the payment system (see subsection (3));

(b) any infrastructure provider (see subsection (4));

(c) any payment service provider (see **[**[F1]subsections (5) and (5A)**]**).

(But see also subsection (8).)

(3) "Operator", in relation to a payment system, means any person with responsibility under the system for managing or operating it; and any reference to the operation of a payment system includes a reference to its management.

(4) "Infrastructure provider", in relation to a payment system, means any person who provides or controls any part of the infrastructure used for the purposes of operating the payment system.

(5) "Payment service provider", in relation to a payment system, means any person who provides services to persons who are not participants in the system for the purposes of enabling the transfer of funds using the payment system.

[[F2](5A) "Payment service provider" in relation to a payment system that includes arrangements using digital settlement assets means—

Changes to legislation: *Financial Services (Banking Reform) Act 2013, Section 42 is up to date with all changes known to be in force on or before 07 October 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) a person responsible for managing the issuance and redemption of digital settlement assets;

(b) a person whose business or occupation is to safeguard, or to safeguard and administer digital settlement assets, including their private cryptographic keys (or means of access);

(c) a digital settlement asset exchange provider;

(d) a person who—

(i) sets rules, standards, or conditions of access or participation in relation to the system, or

(ii) provides any service that facilitates, or supports, a transfer of money or digital settlement assets to be made using the system, including any infrastructure provider in relation to the system.**]**

(6) A payment service provider has "direct access" to a payment system if the payment service provider is able to provide services for the purposes of enabling the transfer of funds using the payment system as a result of arrangements made between the payment service provider and the operator of the payment system.

(7) Any reference to participation in a payment system is to be read in accordance with this section, and in particular—

(a) in the case of an operator of a payment system, includes a reference to developing the system, and

(b) in the case of a payment service provider with direct access to a payment system, includes a reference to entering into an agreement with a person to enable the person to become a payment service provider in relation to the system.

(8) The Bank of England is not to be regarded as a participant of any kind in any payment system.

Textual Amendments

F1 Words in s. 42(2)(c) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(a), **Sch. 6 para. 42(2)**

F2 S. 42(5A) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(a), **Sch. 6 para. 42(3)**

Commencement Information

I1 S. 42 in force at 1.3.2014 by S.I. 2014/377, art. 2(1)(a), **Sch. Pt. 1**

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Changes and effects yet to be applied to :

- specified provision(s) amendment to earlier commencing S.I. 2015/490, art. 2 by S.I. 2015/2055 art. 2
- specified provision(s) savings and transitional provisions for commencing SI 2015/490 by S.I. 2015/492 Order

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. 59(7) inserted by 2024 c. 13 Sch. 29 para. 11(2)
- s. 61(6) inserted by 2024 c. 13 Sch. 29 para. 11(3)