



# Financial Services (Banking Reform) Act 2013

## 2013 CHAPTER 33

### PART 5

#### REGULATION OF PAYMENT SYSTEMS

##### *Designation as a regulated payment system*

#### **43 Designation orders**

- (1) The Treasury may by order (a “designation order”) designate a payment system as a regulated payment system for the purposes of this Part.
- (2) A designation order must specify in as much detail as is reasonably practicable the arrangements that constitute the payment system.

#### **44 Designation criteria**

- (1) The Treasury may make a designation order in respect of a payment system only if they are satisfied that any deficiencies in the design of the system, or any disruption of its operation, would be likely to have serious consequences for those who use, or are likely to use, the services provided by the system.
- (2) In considering whether to make a designation order in respect of a payment system, the Treasury must have regard to—
  - (a) the number and value of the transactions that the system presently processes or is likely to process in the future,
  - (b) the nature of the transactions that the system presently processes or is likely to process in the future,
  - (c) whether those transactions or their equivalent could be handled by other payment systems, and
  - (d) the relationship between the system and other payment systems.

#### **45 Procedure**

- (1) Before making a designation order in respect of a payment system the Treasury must—
  - (a) consult the Payment Systems Regulator and, if the system is a recognised inter-bank payment system, the Bank of England,
  - (b) notify the operator of the system, and
  - (c) consider any representations made.
- (2) In considering whether to make a designation order in respect of a payment system, the Treasury may rely on information provided by—
  - (a) the Bank of England,
  - (b) the FCA,
  - (c) the PRA, or
  - (d) the Payment Systems Regulator.

#### **46 Amendment of designation order**

- (1) The Treasury may amend a designation order.
- (2) Before amending a designation order made in respect of a payment system, the Treasury must—
  - (a) consult the Payment Systems Regulator and, if the payment system is a recognised inter-bank payment system, the Bank of England,
  - (b) notify the operator of the payment system, and
  - (c) consider any representations made.
- (3) The Treasury must consider any request by the operator of a regulated payment system for the amendment of its designation order.

#### **47 Revocation of designation orders**

- (1) The Treasury may revoke a designation order.
- (2) The Treasury must revoke a designation order if they are not satisfied that the criteria in section 44 are met in respect of the payment system to which the order relates.
- (3) Before revoking a designation order made in respect of a payment system, the Treasury must—
  - (a) consult the Payment Systems Regulator and, if the payment system is a recognised inter-bank payment system, the Bank of England,
  - (b) notify the operator of the payment system, and
  - (c) consider any representations made.
- (4) The Treasury must consider any request by the operator of a regulated payment system for the revocation of its designation order.

#### **48 Publication**

- (1) The Treasury must publish any designation order.
- (2) If the Treasury amends a designation order, the Treasury must publish the amended order.

(3) The Treasury must publish any revocation of a designation order.