

FINANCIAL SERVICES (BANKING REFORM) ACT 2013

EXPLANATORY NOTES

COMMENTARY

Part 5 – Regulation of Payment Systems

Designation as a regulated payment system

Sections 43 to 48: Designation orders

233. *Section 43* gives the Treasury a power to issue a “designation order” to designate a payment system, to bring that system into the scope of regulation by the Payment Systems Regulator. *Sections 44 to 48* set out the procedural requirements for making, amending and revoking such orders. Orders can only be made where the Treasury are satisfied that certain criteria are met in respect of the system, and the Treasury are required to take into account the matters set out in *subsection (2)* of *section 44* when assessing whether the criteria were met, and they must consult the Payment Systems Regulator and the operator before making, amending or revoking any designation order (see *sections 45, 46 and 47*). The Treasury have a duty to consider any request by the operator of a regulated payment system for the amendment or revocation of its designation order (*sections 46(3) and 47(4)*). The Treasury is also required to publish any designation order, any amended designation order and any revocation of a designation order (*section 48*).