

These notes refer to the Financial Services (Banking Reform) Act 2013 (c.33) which received Royal Assent on 18 December 2013

FINANCIAL SERVICES (BANKING REFORM) ACT 2013

EXPLANATORY NOTES

COMMENTARY

Part 5 – Regulation of Payment Systems

Regulatory and competition functions

Sections 54 to 58: Powers of Regulator

235. *Sections 54 to 58* set out the regulatory powers of the Payment Systems Regulator. The Payment Systems Regulator has the following powers: to give directions to participants in regulated payment systems (*section 54*); to impose certain requirements on the operator of a regulated payment system concerning the rules of the system (*section 55*); to order the provision of access to a regulated payment system (*section 56*); to vary the fees and charges payable under, and other terms and conditions of, an agreement concerning access to a regulated payment system (*section 57*); and to require the disposal of an interest in the operator of a regulated payment system (*section 58*). The powers to order the provision of access to a payment system and to vary agreements can only be exercised where an application has been received by the Payment Systems Regulator. The power to order the disposal of an interest in a regulated payment system can only be exercised if the Payment Systems Regulator is satisfied that, if the power were not exercised, it is likely that there would be a restriction or distortion of competition in the market for payment systems or for services they provide (*section 58(2)*). The exercise of this power is subject to the consent of the Treasury (*section 58(3)*).