



Banking Act 2009

2009 CHAPTER 1

PART 5

INTER-BANK PAYMENT SYSTEMS

Recognised systems

184 Recognition order

- (1) The Treasury may by order (“recognition order”) specify an inter-bank payment system as a recognised system for the purposes of this Part.
- (2) A recognition order must specify in as much detail as is reasonably practicable the arrangements which constitute the inter-bank payment system.
- (3) The Treasury may not specify an inter-bank system operated solely by the Bank of England.

185 Recognition criteria

- (1) The Treasury may make a recognition order in respect of an inter-bank payment system only if satisfied that any deficiencies in the design of the system, or any disruption of its operation, would be likely—
 - (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.
- (2) In considering whether to specify a 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 processes,
 - (c) whether those transactions or their equivalent could be handled by other systems,

Status: This is the original version (as it was originally enacted).

- (d) the relationship between the system and other systems, and
- (e) whether the system is used by the Bank of England in the course of its role as a monetary authority.

186 Procedure

- (1) Before making a recognition order in respect of a payment system the Treasury must—
 - (a) consult the Bank of England,
 - (b) notify the operator of the system, and
 - (c) consider any representations made.
- (2) The Treasury must also consult the FSA before making a recognition order in respect of a payment system the operator of which—
 - (a) is, or has applied to become, a recognised investment exchange within the meaning of section 285 of the Financial Services and Markets Act 2000,
 - (b) is, or has applied to become, a recognised clearing house within the meaning of that section, or
 - (c) has, or has applied for, permission under Part 4 of that Act (regulated activities).
- (3) In considering whether to make a recognition order in respect of a payment system the Treasury may rely on information provided by the Bank of England or the FSA.

187 De-recognition

- (1) The Treasury may revoke a recognition order.
- (2) The Treasury must revoke a recognition order if not satisfied that the criteria in section 185 are met in respect of the recognised inter-bank payment system.
- (3) Before revoking a recognition order the Treasury must—
 - (a) consult the Bank of England,
 - (b) notify the operator of the recognised inter-bank payment system, and
 - (c) consider any representations made.
- (4) The Treasury must also consult the FSA before revoking a recognition order in respect of a payment system the operator of which—
 - (a) is, or has applied to become, a recognised investment exchange within the meaning of section 285 of the Financial Services and Markets Act 2000,
 - (b) is, or has applied to become, a recognised clearing house within the meaning of that section, or
 - (c) has, or has applied for, permission under Part 4 of that Act (regulated activities).
- (5) The Treasury must consider any request by the operator of a recognised inter-bank payment system for the revocation of its recognition order.