

SCHEDULES

SCHEDULE 6

DIGITAL SETTLEMENT ASSETS

PART 1

AMENDMENTS TO THE BANKING ACT 2009

- 4 (1) Section 182 (interpretation of payment system) is amended as follows.
- (2) In the heading, for ““payment system”” substitute “key terms”.
- (3) In subsection (1), after “money” insert “or digital settlement assets”.
- (4) After subsection (4) insert—
- “(4A) In subsection (1) “digital settlement asset” means a digital representation of value or rights, whether or not cryptographically secured, that—
- (a) can be used for the settlement of payment obligations,
 - (b) can be transferred, stored or traded electronically, and
 - (c) uses technology supporting the recording or storage of data (which may include distributed ledger technology).
- (4B) In this section, “digital settlement asset” includes a right to, or an interest in, a digital settlement asset.”
- (5) After subsection (5) insert—
- “(5A) In this Part, a “DSA service provider” is a person who provides one or more services in relation to a payment system that includes arrangements using digital settlement assets where—
- (a) the person creates or issues the digital settlement assets involved in the payment system,
 - (b) the person provides services to safeguard, or to safeguard and administer, digital settlement assets including their private cryptographic keys (or means of access),
 - (c) the person is directly involved in any of the activities mentioned in paragraphs (a) or (b),
 - (d) the person is a digital settlement asset exchange provider,
 - (e) the person sets rules, standards, or conditions of access or participation in relation to the payment system, or
 - (f) the person provides any service that facilitates, or supports, a transfer of money or digital settlement assets to be made using the payment system, including any infrastructure provider in relation to the system.

*Changes to legislation: There are currently no known outstanding effects for the
Financial Services and Markets Act 2023, Paragraph 4. (See end of Document for details)*

- (5B) In this Part “digital settlement asset exchange provider” means a person who provides one or more of the following services, including as creator or issuer of any of the digital settlement assets, by—
- (a) exchanging, or arranging the exchange of—
 - (i) digital settlement assets for money,
 - (ii) money for digital settlement assets,
 - (iii) digital settlement assets and money for digital settlement assets, or
 - (iv) digital settlement assets and money for money,
 - (b) exchanging, or arranging the exchange of, one digital settlement asset for another, or
 - (c) operating an automated process to carry out any of the activities mentioned in paragraphs (a) and (b).
- (5C) The Treasury may by regulations amend—
- (a) the definition of “digital settlement asset” in subsection (4A);
 - (b) the definition of “DSA service provider” in subsection (5A);
 - (c) the definition in section 206AA of a person who provides services connected with a recognised payment system that uses digital settlement assets.”

Commencement Information

II Sch. 6 para. 4 in force at 29.8.2023, see **s. 86(2)(a)**

Changes to legislation:

There are currently no known outstanding effects for the Financial Services and Markets Act 2023, Paragraph 4.