



# Banking Act 2009

## 2009 CHAPTER 1

### PART 5

#### <sup>F1</sup> ... PAYMENT SYSTEMS

##### *Recognised systems*

#### 184 Recognition order

- (1) The Treasury may by order (“recognition order”) specify [<sup>F1</sup>a] 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 <sup>F2</sup>... payment system.
- (3) The Treasury may not specify [<sup>F3</sup>a payment] system operated solely by the Bank of England.

#### Textual Amendments

- F1** Word in s. 184(1) substituted (27.6.2017) by [Digital Economy Act 2017 \(c. 30\)](#), s. 118(2), [Sch. 9 para. 6\(2\)](#)
- F2** Word in s. 184(2) omitted (27.6.2017) by virtue of [Digital Economy Act 2017 \(c. 30\)](#), s. 118(2), [Sch. 9 para. 6\(3\)](#)
- F3** Words in s. 184(3) substituted (27.6.2017) by [Digital Economy Act 2017 \(c. 30\)](#), s. 118(2), [Sch. 9 para. 6\(4\)](#)

#### Commencement Information

- I1** S. 184 in force at 4.8.2009 by [S.I. 2009/2038](#), art. 2, [Sch. para. 3](#)

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*Changes to legislation: Banking Act 2009, Cross Heading: Recognised systems is up to date with all changes known to be in force on or before 27 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## 185 Recognition criteria

- (1) The Treasury may make a recognition order in respect of [<sup>F4</sup>a] 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,
  - (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.

### Textual Amendments

- F4** Word in s. 185(1) substituted (27.6.2017) by [Digital Economy Act 2017 \(c. 30\)](#), s. 118(2), [Sch. 9 para. 7](#)

### Commencement Information

- I2** S. 185 in force at 4.8.2009 by [S.I. 2009/2038](#), art. 2, [Sch. para. 3](#)

## 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.
- [<sup>F5</sup>(2) In addition, the Treasury—
- (a) must consult the FCA before making a recognition order in respect of a payment system the operator of which—
    - (i) is, or has applied to become, a recognised investment exchange, or
    - (ii) has, or has applied for, a Part 4A permission, and
  - (b) if the operator has, or has applied for, a Part 4A permission for the carrying on of a PRA-regulated activity, must also consult the PRA.]
- (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[<sup>F6</sup>, the FCA or the PRA].

### Textual Amendments

- F5** S. 186(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 104\(4\)\(a\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, [Sch.](#)

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**F6** Words in s. 186(3) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 104(4)(b)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

#### Commencement Information

**I3** S. 186 in force at 4.8.2009 by [S.I. 2009/2038](#), [art. 2](#), [Sch. para. 3](#)

### [<sup>F7</sup>186A Amendment of recognition order

- (1) The Treasury may amend a recognition order.
- (2) Before amending a recognition order the Treasury must—
  - (a) consult the Bank of England,
  - (b) notify the operator of the recognised <sup>F8</sup>... payment system, and
  - (c) consider any representations made.
- (3) In addition, the Treasury—
  - (a) must consult the FCA before amending a recognition order in respect of a payment system the operator of which—
    - (i) is, or has applied to become, a recognised investment exchange, or
    - (ii) has, or has applied for, a Part 4A permission, and
  - (b) if the operator has, or has applied for, a Part 4A permission for the carrying on of a PRA-regulated activity, must also consult the PRA.
- (4) The Treasury must consider any request by the operator of a recognised <sup>F9</sup>... payment system for the amendment of its recognition order.]

#### Textual Amendments

- F7** S. 186A inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 104(2)**, 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F8** Word in s. 186A(2)(b) omitted (27.6.2017) by virtue of [Digital Economy Act 2017 \(c. 30\)](#), [s. 118\(2\)](#), [Sch. 9 para. 8](#)
- F9** Word in s. 186A(4) omitted (27.6.2017) by virtue of [Digital Economy Act 2017 \(c. 30\)](#), [s. 118\(2\)](#), [Sch. 9 para. 8](#)

### 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 <sup>F10</sup>... payment system.
- (3) Before revoking a recognition order the Treasury must—
  - (a) consult the Bank of England,
  - (b) notify the operator of the recognised <sup>F11</sup>... payment system, and
  - (c) consider any representations made.
- [<sup>F12</sup>(4) In addition, the Treasury—
  - (a) must consult the FCA before revoking a recognition order in respect of a payment system the operator of which—
    - (i) is, or has applied to become, a recognised investment exchange, or

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- (ii) has, or has applied for, a Part 4A permission, and
- (b) if the operator has, or has applied for, a Part 4A permission for the carrying on of a PRA-regulated activity, must also consult the PRA.]
- (5) The Treasury must consider any request by the operator of a recognised <sup>F13</sup> ... payment system for the revocation of its recognition order.

#### Textual Amendments

- F10** Word in s. 187(2) omitted (27.6.2017) by virtue of [Digital Economy Act 2017 \(c. 30\)](#), s. 118(2), [Sch. 9 para. 9](#)
- F11** Word in s. 187(3)(b) omitted (27.6.2017) by virtue of [Digital Economy Act 2017 \(c. 30\)](#), s. 118(2), [Sch. 9 para. 9](#)
- F12** S. 187(4) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 104\(5\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F13** Word in s. 187(5) omitted (27.6.2017) by virtue of [Digital Economy Act 2017 \(c. 30\)](#), s. 118(2), [Sch. 9 para. 9](#)

#### Commencement Information

- I4** S. 187 in force at 4.8.2009 by [S.I. 2009/2038](#), [art. 2](#), [Sch. para. 3](#)

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