



# 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.
- [<sup>F4</sup>(4) See section 206A for the power to specify in a recognition order a person as a person who provides services that form part of the arrangements constituting the recognised system.]

#### **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\(4\)](#)
- F4** S. 184(4) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\), arts. 1\(2\), 2\(4\)](#)

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#### Commencement Information

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

### 185 Recognition criteria

- (1) The Treasury may make a recognition order in respect of [<sup>F5</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

**F5** 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 [<sup>F6</sup>and the Payment Systems Regulator],
  - (b) notify the operator of the system, and
  - (c) consider any representations made.
- [<sup>F7</sup>(See section 206A(4) for the procedure to be followed before specifying a person under section 206A(2)(b) (service providers in relation to recognised payment systems) in a recognition order.)]

[<sup>F8</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.]

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- (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>F9</sup>, the FCA or the PRA].

#### Textual Amendments

- F6** Words in s. 186(1)(a) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\)](#), arts. 1(2), **2(5)(a)**
- F7** Words in s. 186(1) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\)](#), arts. 1(2), **2(5)(b)**
- F8** 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.](#)
- F9** 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>F10</sup>**186A Amendment of recognition order**

- (1) The Treasury may amend a recognition order.
- (2) Before amending a recognition order the Treasury must—
- consult the Bank of England <sup>F11</sup>and the Payment Systems Regulator],
  - notify the operator of the recognised <sup>F12</sup>... payment system, and
  - consider any representations made.
- <sup>F13</sup>(See section 206A(4) for the procedure to be followed before amending a recognition order so as to specify a person under section 206A(2)(b) (service providers in relation to recognised payment systems) in the order.)]
- <sup>F14</sup>[ Before amending a recognition order so as to revoke or amend the specification of a (2A) person under section 206A(2)(b), the Treasury must also—
- consult the FCA and the PRA,
  - notify the specified person, and
  - consider any representations made.]
- (3) In addition, the Treasury—
- must consult the FCA before amending a recognition order in respect of a payment system the operator of which—
    - is, or has applied to become, a recognised investment exchange, or
    - has, or has applied for, a Part 4A permission, and
  - 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>F15</sup>... payment system for the amendment of its recognition order <sup>F16</sup>or any request by a service provider in relation to such a system for the amendment or revocation of its specification].]

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### Textual Amendments

- F10** 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.](#)
- F11** Words in s. 186A(2)(a) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\)](#), [arts. 1\(2\)](#), **2(6)(a)(i)**
- F12** 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](#)
- F13** Words in s. 186A(2) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\)](#), [arts. 1\(2\)](#), **2(6)(a)(ii)**
- F14** S. 186A(2A) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\)](#), [arts. 1\(2\)](#), **2(6)(b)**
- F15** 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](#)
- F16** Words in s. 186A(4) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\)](#), [arts. 1\(2\)](#), **2(6)(c)**

## 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>F17</sup>... payment system.
- (3) Before revoking a recognition order the Treasury must—
  - (a) consult the Bank of England [<sup>F18</sup>and the Payment Systems Regulator],
  - (b) notify the operator of the recognised <sup>F19</sup>... payment system, and
  - (c) consider any representations made.
- [<sup>F20</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
    - (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>F21</sup>... payment system for the revocation of its recognition order.

### Textual Amendments

- F17** 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](#)
- F18** Words in s. 187(3)(a) inserted (30.11.2017) by [The Banking Act 2009 \(Service Providers to Payment Systems\) Order 2017 \(S.I. 2017/1167\)](#), [arts. 1\(2\)](#), **2(7)**
- F19** 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](#)
- F20** 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.](#)

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**F21** 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](#)

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**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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