



Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 5

REGULATION OF PAYMENT SYSTEMS

“Payment system” etc

41 Meaning of “payment system”

- (1) In this Part “payment system” means a system which is operated by one or more persons in the course of business for the purpose of enabling persons to make transfers of funds, and includes a system which is designed to facilitate the transfer of funds using another payment system.
- (2) But “payment system” does not include—
 - (a) any arrangements for the physical movement of cash;
 - (b) a system which does not make any provision for the transfer of funds by payers, or to recipients, in the United Kingdom;
 - (c) a securities settlement system operated by a person approved under regulations under section 785 of the Companies Act 2006 (provision enabling procedures for evidencing and transferring title);
 - (d) a system operated by a recognised clearing house;
 - (e) any other system whose primary purpose is not that of enabling persons to transfer funds.
- (3) In this section—

“recognised clearing house” has the meaning given by section 285(1) of FSMA 2000;

“securities settlement system” means a computer-based system, and procedures, which enable title to units of a security to be evidenced and

Status: This is the original version (as it was originally enacted).

transferred without a written instrument, and which facilitate supplementary and incidental matters.

- (4) The Treasury may by order amend this section so as to—
- (a) add descriptions of systems or arrangements that are not to be regarded as payment systems, or
 - (b) vary or remove any such description.

42 Participants in payment systems etc

- (1) This section applies for the purposes of this Part.
- (2) The following persons are “participants” in a payment system—
- (a) the operator of the payment system (see subsection (3));
 - (b) any infrastructure provider (see subsection (4));
 - (c) any payment service provider (see subsection (5)).
- (But see also subsection (8).)
- (3) “Operator”, in relation to a payment system, means any person with responsibility under the system for managing or operating it; and any reference to the operation of a payment system includes a reference to its management.
- (4) “Infrastructure provider”, in relation to a payment system, means any person who provides or controls any part of the infrastructure used for the purposes of operating the payment system.
- (5) “Payment service provider”, in relation to a payment system, means any person who provides services to persons who are not participants in the system for the purposes of enabling the transfer of funds using the payment system.
- (6) A payment service provider has “direct access” to a payment system if the payment service provider is able to provide services for the purposes of enabling the transfer of funds using the payment system as a result of arrangements made between the payment service provider and the operator of the payment system.
- (7) Any reference to participation in a payment system is to be read in accordance with this section, and in particular—
- (a) in the case of an operator of a payment system, includes a reference to developing the system, and
 - (b) in the case of a payment service provider with direct access to a payment system, includes a reference to entering into an agreement with a person to enable the person to become a payment service provider in relation to the system.
- (8) The Bank of England is not to be regarded as a participant of any kind in any payment system.