



# Financial Services (Banking Reform) Act 2013

## 2013 CHAPTER 33

### PART 6

#### SPECIAL ADMINISTRATION FOR OPERATORS OF CERTAIN INFRASTRUCTURE SYSTEMS

##### *Introductory*

#### **111 Financial market infrastructure administration**

This Part—

- (a) provides for a procedure to be known as FMI administration, and
- (b) restricts the powers of persons other than the Bank of England in relation to the insolvency of infrastructure companies.

#### **112 Interpretation: infrastructure companies**

- (1) In this Part “infrastructure company” has the meaning given by this section.
- (2) “Infrastructure company” means a company which is—
  - (a) the operator of a recognised inter-bank payment system, other than an operator excluded by subsection (3),
  - (b) approved under regulations under section 785 of the Companies Act 2006 (provision enabling procedures for evidencing and transferring title) as the operator of a securities settlement system, or
  - (c) a company designated by the Treasury under subsection (4).
- (3) But a company is not an infrastructure company if it is a recognised central counterparty, as defined by section 285 of FSMA 2000.
- (4) The Treasury may by order designate a company for the purposes of subsection (2)(c) if—

- (a) the company provides services to a person falling within subsection (2)(a) or (b), and
  - (b) the Treasury are satisfied that an interruption in the provision of those services would have a serious adverse effect on the effective operation of the recognised inter-bank payment system or securities settlement system in question.
- (5) An order under subsection (4) must specify the recognised inter-bank payment system or securities settlement system in connection with which the company is designated.
- (6) Before designating a company under subsection (4), the Treasury must consult—
- (a) the company to be designated,
  - (b) the person within subsection (2)(a) or (b) to whom the company provides services,
  - (c) the Bank of England,
  - (d) if the company is a PRA-authorized person, the PRA and the FCA, and
  - (e) if the company is an authorised person other than a PRA-authorized person, the FCA.

### **113 Interpretation: other expressions**

- (1) In this Part—

“company” means a company registered under the Companies Act 2006;

“operator”, in relation to a recognised inter-bank payment system, is to be read in accordance with section 183 of the Banking Act 2009;

“recognised inter-bank payment system” means an inter-bank payment system, as defined by section 182 of the Banking Act 2009, in respect of which a recognition order under section 184 of that Act is in force;

“the relevant system” means—

- (a) in relation to an infrastructure company falling within subsection (2)(a) of section 112, the recognised inter-bank payment system,
- (b) in relation to an infrastructure company falling within subsection (2)(b) of that section, the securities settlement system,
- (c) in relation to a company designated under subsection (4) of that section, the recognised inter-bank payment system or securities settlement system falling within paragraph (b) of that subsection;

“securities settlement system” means a computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters.

- (2) Expressions used in the definition of “securities settlement system” in subsection (1) are to be read in accordance with section 783 of the Companies Act 2006.