

Reforms to the Payment Systems (Regulation) Act 1998

Feedback to consultation questions 1 and 2:

The proposed approach to redefine "Payment System" and its "Participants" may inadvertently cause the definition to be generic and vague, resulting in a lack of clarity and focus on which key entities should be Participants, and may therefore need to be regulated when there is "national interest" to do so.

For instance the reference to "transfer of value" may result in goods or services, them being items of value, to be inadvertently be covered within the definition. For instance the reference to "any instruments and procedures that relate to the arrangement or series of arrangements" is very generic and any entities which have procedural involvement in the facilitation of payments may therefore be regarded as a Participant of a Payment System.

We will suggest to more clearly cite and precisely define the different roles which will result in an entity being regarded as a Participant as opposed to the proposed "catch-all" approach. Businesses will then be able to more confidently operate, knowing whether they are Participants of the Payment System, and whether more care needs to be exercised.