



**BANK OF ENGLAND**

# News release

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17 January 2002

## **Bank of England Settlement Accounts**

The Bank of England has today issued a consultation document setting out its proposed policy on the provision of settlement facilities to payment systems and their members. The document explains the criteria the Bank intends to use.

The deadline for comments is 28 February 2002. The Bank will then publish a final policy statement.

David Clementi, Deputy Governor for Financial Stability, said: "Acting as settlement agent for certain payment systems is one of the ways in which the Bank can contribute to the efficiency and stability of the financial system. This document sets out our proposed policy in a transparent way. It complements our previous policy statement on the oversight of payment systems."

### **Notes to Editors**

A key feature of any payment system is an agreed means of settling the claims that arise amongst system members. This process usually involves transfers across accounts ("settlement accounts") on the books of a "settlement agent" - in many cases, this settlement agent role is performed by the central bank. The consultation paper explains when the Bank is prepared to offer this service to further its aim of promoting the safety and efficiency of payments systems in the UK.

The IMF has agreed a code of good practice to promote transparency in monetary and financial policies and the G10 central banks called for transparency in goals, objectives and policies for payments systems in a report published in 2001. The Bank explained its approach to the oversight of payment systems in the UK in a paper published in November 2000 and this consultation document on settlement accounts complements - and was foreshadowed in - that earlier document.

The Bank's general responsibilities for financial stability, including for payment systems, are set out in the Memorandum of Understanding agreed in October 1997 between H M Treasury, the Bank and the Financial Services Authority.

The G10 Committee on Payment and Settlement Systems report on Core Principles for Systemically Important Payment Systems can be found on the BIS website at: [www.bis.org/publ/cpss43.htm](http://www.bis.org/publ/cpss43.htm)

The IMF Code of Good Practices on Transparency in Monetary and Financial Policies is available at: [www.imf.org/external/np/mae/mft/index.htm](http://www.imf.org/external/np/mae/mft/index.htm)

The Oversight of Payment Systems paper can be found on the Bank of England website.

The consultation document is available on the Bank of England website.  
[boesettleaccs.pdf](#)

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