

BANK OF ENGLAND RECOGNISED PAYMENT SYSTEMS FUNDAMENTAL RULES CODE OF PRACTICE

Powers exercised

- A. This code of practice is published under section 189 of the Banking Act 2009.
- B. A failure to comply with this code of practice will constitute a “compliance failure” under section 196 of the Banking Act 2009, which can result in the imposition of a sanction under sections 198 to 200 of the Banking Act 2009 (financial penalty, management disqualification, and in certain specified circumstances, a closure order). It can also involve publication of the details of the compliance failure and any sanction imposed under section 197 of the Banking Act 2009.

Commencement

- C. This code of practice comes into force on 18 July 2026.

Citation

- D. This code of practice may be cited as the Bank of England Recognised Payment Systems Fundamental Rules Code of Practice.

26 June 2025

PART 1: FUNDAMENTAL RULES

1 APPLICATION

- 1.1 This part of the code of practice applies to:
- (1) an *RPSO* incorporated in the UK that is not operated by a recognised clearing house or a recognised central securities depository; and
 - (2) an *SSP* incorporated in the UK.
- 1.2 The *Fundamental Rules* apply with respect to activities wherever they are carried on.
- 1.3 The following definitions apply:
- Bank*
- means the Bank of England.
- Fundamental Rules*
- means the provisions set out in paragraph 2.
- RPSO*
- means a recognised payment system operator that is the operator of a payment system specified by order as a recognised payment system under section 184 of the Banking Act 2009.
- SSP*
- means a service provider to a payment system specified in a Treasury order made under section 206A of the Banking Act 2009.

2 FUNDAMENTAL RULES

- 2.1 *Fundamental Rule 1*: An *RPSO* or *SSP* must conduct its business with integrity.
- 2.2 *Fundamental Rule 2*: An *RPSO* or *SSP* must conduct its business with due skill, care and diligence.
- 2.3 *Fundamental Rule 3*: An *RPSO* or *SSP* must act in a prudent manner.
- 2.4 *Fundamental Rule 4*: An *RPSO* or *SSP* must maintain sufficient financial resources.
- 2.5 *Fundamental Rule 5*: An *RPSO* or *SSP* must have effective risk strategies and risk management systems.
- 2.6 *Fundamental Rule 6*: An *RPSO* or *SSP* must organise and control its affairs responsibly and effectively.
- 2.7 *Fundamental Rule 7*: An *RPSO* or *SSP* must deal with its regulators in an open and cooperative way and must disclose to the *Bank* appropriately anything relating to the *RPSO* or *SSP* of which the *Bank* would reasonably expect notice.
- 2.8 *Fundamental Rule 8*: An *RPSO* or *SSP* must prepare for resolution or administration so, if the need arises, it can be resolved or placed into administration in an orderly manner with a minimum disruption to critical services.
- 2.9 *Fundamental Rule 9*: An *RPSO* or *SSP* must maintain sufficient operational resilience.

- 2.10 *Fundamental Rule 10*: An *RPSO* or *SSP* must identify, assess and manage the risks that its operations could pose to the stability of the financial system.