



**Electronic Money
Association**

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Payments Consultation Banking & Credit Team

Floor 1, Red
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

13 November, 2014

Dear Sirs,

The EMA welcomes the opportunity to respond to HMT's consultation, '**Designation of Payment Systems for Regulation by the Payment Systems Regulator**'.

Background

Pursuant to section 43(1) of the Financial Services (Banking Reform) Act, 2013 ("**2013 Act**") HM Treasury may by order designate a payment system as a regulated payment system for the purposes of the 2013 Act and, therefore, subject to the regulation of the Payment Systems Regulator. Section 44(2) of the 2013 Act states that when considering whether to make a designation order in respect of a payment system, HM Treasury must have regard to:

- (a) the number and value of the transactions that the system presently processes or is likely to process in the future;
- (b) the nature of the transactions that the system presently processes or is likely to process in the future;
- (c) whether those transactions or their equivalent could be handled by other payment systems; and
- (d) the relationship between the system and other payment systems.

Response to Consultation

A. The Electronic Money Association (“**EMA**”) agrees with HM Treasury’s proposed designation of: (i) Bacs; (ii) CHAPS; (iii) Faster Payments; (iv) LINK; (v) Cheque and Credit; (vi) Northern Ireland Clearing; (vii) Visa; and (viii) MasterCard, as payment systems for the purposes of the 2013 Act because:

- (i) the number and value of transactions that are processed or are likely to be processed in the future by these payment systems are significant;
- (ii) the nature of the transactions that the payment systems presently process or are likely to process in the future are important;
- (iii) the transactions or their equivalent could not be handled by other payment systems; and
- (iv) there are relationships between each designated payment system and at least another payment system.

B. The EMA agrees with HM Treasury’s conclusion that: (i) American Express; (ii) Diners Club; (iii) PayPal; and (iv) Google Wallet, should not be designated as payment systems because:

- (i) the number and value of transactions that are processed or are likely to be processed in the future by these payment systems are not significant enough; and
- (ii) the transactions or their equivalent could be handled by other payment systems.

Yours sincerely,

Dr Thaer Sabri

Chief Executive

Electronic Money Association

The Electronic Money Association (EMA) is the trade body representing electronic money issuers and payment service providers. A list of EMA members is given overleaf.

Advanced Payment Solutions Ltd
Airbnb Inc
American Express
Blackhawk Network Ltd
Boku Inc
Citadel Commerce UK Ltd
ClickandBuy International Ltd
Corner Banca SA
Ekuantia EDE, S.L.
Euronet Worldwide Inc
Facebook Payments International Ltd
Google Payment Ltd
iCheque Network Limited
IDT Financial Services Limited
Ixaris Systems Ltd
Kalixa Pay Ltd
National Australia Group
One Money Mail Ltd
Optimal Payments
Orwell Union Partners LLP

Park Card Services Limited
PayPal Europe Ltd
PayPoint Plc
PayU
Paywizard
PPRO Financial Ltd
Prepaid Services Company Ltd
PrePay Technologies Ltd
PSI-Pay Ltd
R. Raphael & Sons plc
Securiclick Limited
Skrill Limited
Stripe
Syspay Ltd
Transact Payments Limited
Ukash
Wave Crest Holdings Ltd
Wirecard AG
Worldpay UK Limited
Yandex.Money