Treasury Laws Amendment (Payments System Modernisation) Act 2025

No. 46, 2025

An Act to amend the law relating to payment systems, and for related purposes

Note: An electronic version of this Act is available on the Federal Register of Legislation (https://www.legislation.gov.au/)

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An Act to amend the law relating to payment systems, and for related purposes

[*Assented to 19 September 2025*]

The Parliament of Australia enacts:

1 Short title

This Act is the *Treasury Laws Amendment (Payments System Modernisation) Act 2025*.

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	**Column 2**	**Column 3**
Provisions	**Commencement**	**Date/Details**
1. The whole of this Act	The day after the end of the period of 3 months beginning on the day this Act receives the Royal Assent.	19 December 2025

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

(2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendment of the Payment Systems (Regulation) Act 1998 etc.

Part 1—Payment systems and participants

Payment Systems (Regulation) Act 1998

1 Section 7 (definition of *access*)

Omit "the system" (wherever occurring), substitute "the payment system".

2 Section 7

Insert:

funds includes, but is not limited to, the following:

(a) money;

(b) digital units of value, including digital currency (within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999*).

3 Section 7 (definition of *participant*)

Repeal the definition, substitute:

participant, in a payment system, has the meaning given by subsection 7A(2).

4 Section 7 (definition of *payment system*)

Repeal the definition, substitute:

payment system has the meaning given by subsection 7A(1).

5 After section 7

Insert:

7A Meaning of *payment system* and *participant*

(1) A ***payment system***:

(a) is a system under which, or pursuant to which, one or both of the following occur:
  (i) the making of payments or the transfer of funds;
  (ii) the transmission or receipt of messages that effect, enable, facilitate or sequence the making of payments or the transfer of funds (whether or not those payments are made, or those funds are transferred, under or pursuant to the system); and
(b) includes any instruments or procedures that relate to that system.

(2) A ***participant*** in a payment system is a constitutional corporation that:
  (a) operates, administers or participates in the payment system; or
  (b) provides services that enable or facilitate one or more of the following:
    (i) the operation or administration of, or participation in, the payment system;
    (ii) the making of payments, or the transfer of funds, under or pursuant to the payment system;
    (iii) the transmission or receipt of messages under or pursuant to the payment system, being messages that effect, enable, facilitate or sequence the making of payments or the transfer of funds (whether or not those payments are made, or those funds are transferred, under or pursuant to the payment system).

(3) For the purposes of subsections (1) and (2), a payment may be made, or funds may be transferred, under or pursuant to a system (the ***target system***) even if the making of the payment, or the transfer of the funds, is effected by a system other than the target system.

(4) In this section:

system means an arrangement or series of arrangements.

5A Subsection 11(1)

Omit “by notifiable instrument”, substitute “by legislative instrument”.

6 Subsection 11(1)

Omit "payment system if it considers that designating the system", substitute "payment system, or each payment system in a class of payment systems, if it considers that designating the payment system, or each payment system in the class,".

7 Savings provision

Despite the amendments made by this Part, any instrument made under subsection 11(1) of the *Payment Systems (Regulation) Act 1998* that was in force immediately before the commencement of this Part continues in force on and after that commencement.

Part 2—Special designated payment systems

Division 1—Amendments

Payment Systems (Regulation) Act 1998

8 Paragraph 6(3)(a)

Repeal the paragraph, substitute:

(a) the designation of payment systems (see Division 2 for designated payment systems and Division 2A for special designated payment systems); and

9 Paragraphs 6(3)(b) to (e)

Omit "designated payment systems", substitute "payment systems that are designated payment systems or special designated payment systems (or both)".

10 At the end of subsection 6(3)

Add:

Note: A payment system may be a designated payment system and a special designated payment system: see subsections 11(1A) and 11B(2).

11 Section 7

Before "In this Act", insert "(1)".

12 Section 7 (definition of *access regime*)

Omit "designated payment system", substitute "payment system that is a designated payment system or a special designated payment system (or both)".

13 Section 7 (paragraph (a) of the definition of *access regime*)

After "Reserve Bank", insert "or a nominated special regulator".

14 Section 7

Insert:

head, of a nominated special regulator, has the meaning given by subsection (2).

matters direction has the meaning given by paragraph 11F(1)(a).

national interest has a meaning affected by section 8A.

nominated special regulator, in relation to a special designated payment system, has the meaning given by subsection 11D(2).

15 Section 7 (definition of *public interest*)

Omit "the meaning given", substitute "a meaning affected".

16 Section 7

Insert:

purposes direction has the meaning given by paragraph 11F(1)(b).

responsible Minister has the same meaning as in the *Public Governance, Performance and Accountability Act 2013*.

special designated payment system means a payment system that is designated under section 11B.

special regulator has the meaning given by section 11C.

17 At the end of section 7

Add:

(2) In this Act, a person is the ***head*** of a special regulator (including a special regulator that is a nominated special regulator) if:

(a) in the case of the Reserve Bank—the person is the Governor of the Reserve Bank; or

(b) in the case of an entity prescribed by the regulations as a special regulator—the person is prescribed by the regulations as the head of that special regulator.

18 Section 8

Omit "public interest", substitute "***public interest***".

19 After section 8

Insert:

8A Meaning of *national interest*

In determining, for the purposes of this Act, whether a particular action is in the ***national interest***:

(a) the Minister may have regard to a matter (a ***core public interest matter***) that the Reserve Bank would be required to have regard to if it were determining, for the purposes of this Act, whether the action is in the public interest (see section 8); and

(b) whether or not the Minister has regard to a core public interest matter—the Minister must identify, and have regard to, one or more matters each of which:

(i) is not a core public interest matter; and

(ii) is a matter that the Minister considers materially relevant to determining whether the action is in the national interest.

20 Subsection 10(1)

Repeal the subsection, substitute:

(1) Under this Part:

(a) the Reserve Bank is given the power to designate payment systems, which are then known as designated payment systems (see Division 2); and

(b) the Minister is also given the power to designate payment systems, which are then known as special designated payment systems (see Division 2A).

Note: A payment system may be a designated payment system and a special designated payment system: see subsections 11(1A) and 11B(2).

21 After subsection 10(1)

Insert:

(1A) Under Division 2A, the Minister is given the power to:

(a) nominate special regulators in relation to special designated payment systems; and

(b) give directions to nominated special regulators in relation to the performance of their functions or the exercise of their powers under this Act.

22 Subsection 10(2)

After "designated payment system", insert ", and a nominated special regulator has the following powers in relation to a special designated payment system".

23 Paragraph 10(2)(a)

Omit "it may impose an access regime on the", substitute "to impose an access regime on".

24 Paragraphs 10(2)(b) to (d)

Omit "it may", substitute "to".

25 At the end of subsection 10(2)

Add:

Note: Restrictions apply to when a nominated special regulator may perform its functions or exercise its powers: see section 11E.

26 Division 2 of Part 3 (heading)

Omit "**Designation of**", substitute "**Designated**".

27 After subsection 11(1)

Insert:

(1A) To avoid doubt, the Reserve Bank may designate a payment system under subsection (1) whether or not that payment system has been designated by the Minister under subsection 11B(1).

Note: However, if the payment system has been designated by the Minister under subsection 11B(1), consultation requirements apply: see subsection 11A(1).

28 After section 11

Insert:

11A Multiple designation—consultation by Reserve Bank

Consultation before multiple designation

(1) If a payment system is a special designated payment system, the Reserve Bank must, before designating the payment system under subsection 11(1), consult each nominated special regulator in relation to the payment system that is not the Reserve Bank (if there are any such nominated special regulators).

Consultation after multiple designation

(2) Subsection (3) applies if a payment system (the ***target payment system***) is both a designated payment system and a special designated payment system.

(3) Before the Reserve Bank exercises a power covered by subsection (4) in relation to the target payment system, the Reserve Bank must consult each nominated special regulator in relation to the target payment system that is not the Reserve Bank (if there are any such nominated special regulators).

(4) This subsection covers the following powers of the Reserve Bank:
- (a) the power under subsection 12(1) to impose an access regime on participants in a designated payment system, and the power to vary or revoke such an access regime;
- (b) the power under subsection 18(1) to determine a standard to be complied with by participants in a designated payment system, and the power to vary or revoke such a standard;
- (c) the power under subsection 21(1) to give a direction to a participant in a designated payment system, and the power to vary or revoke such a direction.

Note: This subsection does not cover powers (if any) that the Reserve Bank may have in its capacity as a nominated special regulator. For consultation requirements that apply to nominated special regulators (including the Reserve Bank, if the Reserve Bank is a nominated special regulator), see subsection 11E(5).

29 After Division 2 of Part 3

Insert:

Division 2A—Special designated payment systems

11B Minister may designate payment systems

(1) The Minister may, by legislative instrument, designate a payment system as a ***special designated payment system*** if the Minister considers that designating the payment system is in the national interest.

(2) To avoid doubt, the Minister may designate a payment system under subsection (1) whether or not the payment system has been designated by the Reserve Bank under subsection 11(1).

Conditions on designation

(3) Before designating a payment system under subsection (1), the Minister must:
- (a) consult the Reserve Bank and each special regulator on the proposed designation; and
- (b) consider the following:
  - (i) whether there are alternatives to the designation available under this Act or any other Act;
  - (ii) the outcome of the consultation undertaken by the Minister under paragraph (a);
  - (iii) any other matter the Minister considers relevant.

Revocation

(4) The Minister may revoke the designation if, at the time of the revocation, the Minister considers that the designation is no longer necessary or appropriate.

11C Meaning of *special regulator*

(1) The following are ***special regulators***:
- (a) the Reserve Bank;
- (b) any entity prescribed by the regulations as a special regulator.

(2) An entity may be prescribed as a special regulator only if the entity is a Commonwealth entity (within the meaning of the *Public*

Governance, Performance and Accountability Act 2013) or a Commonwealth company (within the meaning of that Act).

11D Nomination of special regulators

(1) The Minister may, by legislative instrument, nominate one or more special regulators in relation to a special designated payment system if the Minister considers that doing so is in the national interest.

(2) If a special regulator is nominated in relation to a special designated payment system under subsection (1), then the special regulator is a ***nominated special regulator*** in relation to that special designated payment system.

(3) The special regulator is a nominated special regulator either:
- (a) for the period specified in the nomination; or
- (b) if no period is specified—until the nomination is revoked.

Conditions on nomination

(4) Before nominating a special regulator under subsection (1), the Minister must:
- (a) consult the special regulator; and
- (b) if the Minister is not the responsible Minister for the special regulator—obtain written consent to the nomination from the responsible Minister; and
- (c) be satisfied that the nomination is consistent with any functions of the special regulator under this Act or any other Act (and with any requirements that apply to the performance of those functions); and
- (d) consider the following:
  - (i) the outcome of the consultation undertaken by the Minister under paragraph (a);
  - (ii) any other matter the Minister considers relevant.

Revocation

(5) The Minister may revoke a nomination made under subsection (1) if, at the time of the revocation, the Minister considers that the nomination is no longer necessary or appropriate.

11E Functions and powers of nominated special regulators

(1) Subject to this section, a nominated special regulator in relation to a special designated payment system may perform the functions, and exercise the powers, of a nominated special regulator under this Act in relation to that special designated payment system.

Restrictions relating to Ministerial directions

(2) A nominated special regulator must not perform a function, or exercise a power, of the kind mentioned in subsection (1) unless:

(a) the Minister has given the nominated special regulator a matters direction under subsection 11F(1), the effect of which is that specified matters must be considered by the nominated special regulator before performing the function or exercising the power; and

(b) the nominated special regulator has considered those matters.

(3) Subsection (2) does not apply to functions and powers under the following:

(a) section 26 (which deals with requests for information);

(b) section 30A (which deals with enforceable undertakings);

(c) section 31 or 31A (which deal with delegations);

(d) the Regulatory Powers Act as it applies in relation to this Act.

(4) In performing a function, or exercising a power, of a kind mentioned in subsection (1), a nominated special regulator must comply with any directions given to the nominated special regulator by the Minister under subsection 11F(1).

Consultation

(5) Before a nominated special regulator in relation to a special designated payment system performs a function, or exercises a power, under this Act in relation to the special designated payment system, the nominated special regulator must consult:

(a) the Reserve Bank (if the nominated special regulator is not the Reserve Bank); and

(b) if there are one or more other nominated special regulators in relation to the special designated payment system—each of those other nominated special regulators.

11F Ministerial directions to nominated special regulators

(1) Subject to this section, the Minister may, by legislative instrument, give directions of the following kinds to a nominated special regulator in relation to the performance of its functions, or the exercise of its powers, under this Act in relation to a special designated payment system:

(a) a direction (a ***matters direction***) specifying matters that must be considered before performing or exercising such a function or power;

(b) a direction (a ***purposes direction***) specifying purposes for which such a function or power must, or must not, be performed or exercised.

Note: Nominated special regulators must comply with directions given under this subsection: see subsections 11E(2) and (4).

(2) However, the Minister must not give a nominated special regulator a purposes direction in relation to a function or power unless, before or at the same time as giving the purposes direction, the Minister gives the nominated special regulator a matters direction in relation to that function or power.

(3) To avoid doubt, a direction given under subsection (1) may relate to all functions and powers of the kind mentioned in that subsection, or only to one or more specified functions or powers of that kind.

Conditions on giving directions

(4) The Minister must not give a direction under subsection (1) unless the Minister considers that doing so is in the national interest.

(5) Before giving a direction to a nominated special regulator under subsection (1), the Minister must:

(a) consult the nominated special regulator; and

(b) if the nominated special regulator is not the Reserve Bank—consult the Reserve Bank; and

(c) if the Minister is not the responsible Minister for the nominated special regulator—obtain written consent to the direction from the responsible Minister; and

(d) be satisfied that giving the direction is consistent with any functions of the nominated special regulator under this Act or any other Act (and with any requirements that apply to the performance of those functions); and

(e) consider the following:

(i) the outcome of the consultation undertaken by the Minister under paragraph (a) and (if applicable) paragraph (b);

(ii) any other matter the Minister considers relevant.

Restrictions on content of directions

(6) The Minister must not give a direction under subsection (1) in relation to functions and powers under any of the following:

(a) section 26 (which deals with requests for information);

(b) section 30A (which deals with enforceable undertakings);

(c) section 31 or 31A (which deal with delegations);

(d) the Regulatory Powers Act as it applies in relation to this Act.

(7) A direction given under subsection (1) may specify matters or purposes that relate to a particular special designated payment system, but must not specify matters or purposes that relate to a particular participant in a special designated payment system.

(8) To avoid doubt, a direction given under subsection (1) must not require a nominated special regulator to do any of the following:

(a) impose, vary or repeal a particular provision of an access regime;

(b) determine, vary or revoke a particular standard;

(c) give, vary or revoke a particular direction.

When direction is in force

(9) A direction given under subsection (1):

(a) comes into force:

(i) unless subparagraph (ii) of this paragraph applies—on the day on which it is given; or

(ii) if the direction specifies a later day as the day on which it comes into force—on the day so specified; and

(b) continues in force until it is revoked.

Revocation

(10) The Minister may revoke a direction given under subsection (1) if, at the time of the revocation, the Minister considers that the direction is no longer necessary or appropriate.

11G Reports by nominated special regulators

(1) The Minister may, by notice in writing, request a nominated special regulator in relation to a special designated payment system to report in writing to the Minister on:

(a) the performance of functions and exercise of powers under this Act by the nominated special regulator; or

(b) without limiting paragraph (a), the nominated special regulator's compliance with a direction given to the nominated special regulator under subsection 11F(1).

(2) The nominated special regulator must comply with a request made by the Minister under subsection (1).

(3) If the Minister is not the responsible Minister for the nominated special regulator, the nominated special regulator must also provide a copy of a report prepared under subsection (1) to the responsible Minister.

30 Division 3 of Part 3 (heading)

Omit "**to designated systems**", substitute "**regimes**".

31 Subdivision A of Division 3 of Part 3 (heading)

Omit "**Access regimes**", substitute "**Operation of access regimes**".

32 Subsection 12(1)

Omit "the participants", substitute "participants".

33 After subsection 12(1)

Insert:

(1A) A nominated special regulator in relation to a special designated payment system may, by legislative instrument, impose an access regime on participants in that special designated payment system.

34 Subsection 12(2)

After "Reserve Bank" (first occurring), insert "or the nominated special regulator (as the case may be)".

35 Paragraph 12(2)(a)

Repeal the paragraph, substitute:

(a) in the case of an access regime imposed by the Reserve Bank under subsection (1)—whether imposing the access regime would be in the public interest; and

36 Paragraph 12(2)(d)

After "Reserve Bank", insert "or the nominated special regulator (as the case may be)".

37 After subsection 12(2)

Insert:

(3) Without limiting subsection (1) or (1A), the Reserve Bank or the nominated special regulator (as the case may be) may, in an instrument made under either of those subsections:

(a) specify participants or classes of participants to whom the access regime does or does not apply; or

(b) provide that the access regime applies differently in relation to different participants or classes of participants.

Note: See also subsection 33(3A) of the *Acts Interpretation Act 1901*.

38 Subsection 12(5)

After "Reserve Bank", insert "or the nominated special regulator".

39 Subsection 14(1)

After "Reserve Bank" (first occurring), insert "or a nominated special regulator in relation to a special designated payment system".

40 Subsection 14(1)

After "access regime", insert "that it has imposed".

41 Subsection 14(1)

After "Reserve Bank" (second occurring), insert "or the nominated special regulator (as the case may be)".

42 Paragraph 14(1)(a)

Repeal the paragraph, substitute:

(a) in the case of an access regime imposed by the Reserve Bank under subsection 12(1)—whether the variation would be in the public interest; and

43 Paragraph 14(1)(d)

After "Reserve Bank", insert "or the nominated special regulator (as the case may be)".

44 Subsection 14(5)

After "Reserve Bank", insert "or the nominated special regulator".

45 Subsection 15(1)

After "access regime" (first occurring), insert "that the Reserve Bank or a nominated special regulator has imposed".

46 Paragraph 15(1)(b)

Repeal the paragraph, substitute:

(b) the entity that imposed the access regime, on the application of the participants in the payment system concerned, revokes the access regime; or

47 Paragraph 15(1)(c)

Omit "Reserve Bank", substitute "entity that imposed the access regime".

48 Paragraph 15(1)(d)

Repeal the paragraph, substitute:

(d) the payment system concerned ceases to exist; or

(e) either:

(i) in the case of an access regime imposed by the Reserve Bank under subsection 12(1)—the payment system concerned ceases to be a designated payment system; or

(ii) in the case of an access regime imposed by a nominated special regulator under subsection 12(1A)—the payment system concerned ceases to be a special designated payment system.

Note: Even if an access regime does not cease to be in force under this subsection, the operation of section 15AA may result in the whole or a part of the access regime not applying.

49 Subsection 15(3)

Omit "Reserve Bank" (first occurring), substitute "entity that imposed the access regime (whether the Reserve Bank or a nominated special regulator)".

50 Subsection 15(3)

Omit "Reserve Bank" (second occurring), substitute "entity".

51 Paragraph 15(3)(a)

Repeal the paragraph, substitute:

(a) in the case of an access regime imposed by the Reserve Bank under subsection 12(1)—whether revoking the access regime would be in the public interest; and

52 Paragraph 15(3)(d)

Omit "Reserve Bank", substitute "entity".

53 Subsection 15(5)

Omit "Reserve Bank", substitute "entity that imposed the access regime".

54 After section 15

Insert:

15AA Conflicts between access regimes

(1) This section applies if:

(a) a particular payment system is both a designated payment system and a special designated payment system; and

(b) the Reserve Bank has, under subsection 12(1), imposed an access regime (the ***normal access regime***) on participants in the payment system; and

(c) a nominated special regulator has, under subsection 12(1A), imposed an access regime (the ***special access regime***) on participants in the payment system; and

(d) the normal access regime is, to any extent, inconsistent with the special access regime.

(2) For the purposes of this Act, the normal access regime does not apply to the extent that it is inconsistent with the special access regime.

55 Paragraph 15A(a)

Omit "designated payment system", substitute "payment system that is a designated payment system or a special designated payment system (or both)".

56 Section 16

Repeal the section, substitute:

16 Right to ask for directions

(1) This section applies if a person who has been denied access to a payment system that is a designated payment system or a special designated payment system (or both) considers that the denial of access constitutes, or is attributable (wholly or partly) to, a breach of a provision of an access regime by a participant.

(2) The person may ask the entity that imposed the access regime (whether the Reserve Bank or a nominated special regulator) to use its power under section 21 to give a direction to remedy the situation.

57 Subsection 17(1)

Omit "designated payment system", substitute "payment system that is a designated payment system or a special designated payment system (or both)".

58 Subsection 17(2)

Repeal the subsection, substitute:

(2) The person must notify the entity that imposed the access regime (whether the Reserve Bank or a nominated special regulator) of the application to the Federal Court.

(2A) The entity may apply to the Federal Court to be joined as a party to the proceedings for the order.

59 Division 4 of Part 3 (heading)

Omit "**for designated systems**".

60 Section 18 (heading)

Repeal the heading, substitute:

18 Making of standards

61 After subsection 18(1)

Insert:

(1A) A nominated special regulator in relation to a special designated payment system may, by legislative instrument, determine standards to be complied with by participants in that special designated payment system.

Note 1: A failure to comply with a standard is not an offence, but it may lead to a direction being given under section 21.

Note 2: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

(1B) Without limiting subsection (1) or (1A), the Reserve Bank or the nominated special regulator (as the case may be) may, in an instrument made under either of those subsections:

(a) specify participants or classes of participants to whom the standard does or does not apply; or

(b) provide that the standard applies differently in relation to different participants or classes of participants.

Note: See also subsection 33(3A) of the *Acts Interpretation Act 1901*.

62 At the end of subsection 18(2)

Add:

Note: Even if a standard does not cease to be in force under this subsection, the operation of section 18AA may result in the whole or a part of the standard not applying.

63 Subsection 18(6)

After "Reserve Bank", insert "or a nominated special regulator".

64 After section 18

Insert:

18AA Conflicts between standards

(1) This section applies if:

(a) a particular payment system is both a designated payment system and a special designated payment system; and

(b) the Reserve Bank has, under subsection 18(1), determined a standard (the ***normal standard)*** to be complied with by participants in the payment system; and

(c) a nominated special regulator has, under subsection 18(1A), determined a standard (the ***special standard***) to be complied with by participants in the payment system; and

(d) the normal standard is, to any extent, inconsistent with the special standard.

(2) For the purposes of this Act, the normal standard does not apply to the extent that it is inconsistent with the special standard.

65 Division 5 of Part 3 (heading)

Omit "**relating to designated systems**".

66 Paragraph 19(a)

After "designated payment system", insert "(that is not also a special designated payment system)".

67 Paragraph 19(b)

Omit "designated payment system", substitute "payment system that is a designated payment system or a special designated payment system (or both) and".

68 Subsection 20(1)

Omit "section. The Reserve Bank must only do so if", substitute "section if".

69 After paragraph 20(1)(b)

Insert:

; and (c) if the dispute is of a kind mentioned in paragraph 19(b)—the dispute relates to whether an access regime imposed by the Reserve Bank under subsection 12(1) is being complied with.

70 After subsection 20(1)

Insert:

(1A) A nominated special regulator in relation to a special designated payment system may arrange for a dispute to which this Division applies to be settled by arbitration in accordance with this section if:

(a) the dispute is of a kind mentioned in paragraph 19(b); and

(b) the dispute relates to whether an access regime imposed by the nominated special regulator under subsection 12(1A) is being complied with; and

(c) the parties to the dispute agree to the nominated special regulator arranging the arbitration.

Note: The nominated special regulator may be acting on its own initiative or in response to a request from one or more of the parties to the dispute in arranging for the arbitration.

71 Subsection 20(2)

Repeal the subsection, substitute:

(2) The arbitration is to be conducted:

(a) in the case of an arbitration arranged by the Reserve Bank—by the Governor of the Reserve Bank, or by a person appointed in writing by the Governor to conduct the arbitration; or

(b) in the case of an arbitration arranged by a nominated special regulator—by the head of the nominated special regulator, or by a person appointed in writing by the head of the nominated special regulator to conduct the arbitration.

Note: The functions and powers of the Governor of the Reserve Bank and the head of a nominated special regulator under this subsection cannot be delegated: see subsections 31(2A) and 31A(3).

72 Division 6 of Part 3 (heading)

Omit "**in designated systems**".

73 Paragraphs 21(1)(a) and (b)

Repeal the paragraphs, substitute:

(a) the participant has failed to comply with a standard determined by the Reserve Bank under subsection 18(1); or

(b) the participant has failed to comply with an access regime imposed by the Reserve Bank under subsection 12(1).

74 After subsection 21(1)

Insert:

(1A) A nominated special regulator in relation to a special designated payment system may give a direction to a participant in the special designated payment system if the nominated special regulator considers that:

(a) the participant has failed to comply with a standard determined by the nominated special regulator under subsection 18(1A); or

(b) the participant has failed to comply with an access regime imposed by the nominated special regulator under subsection 12(1A).

75 Subsection 21(2)

After "Reserve Bank", insert "or the nominated special regulator (as the case may be)".

76 Subsection 21(3)

Omit "be consistent", substitute "not be inconsistent".

77 At the end of subsection 21(3)

Add "(whether or not the standard was determined or the access regime was imposed by the entity giving the direction)".

78 At the end of subsection 21(8)

Add:

Note: Even if a direction does not cease to be in force under this subsection, the operation of section 21A may result in the whole or a part of the direction not applying.

79 At the end of Division 6 of Part 3

Add:

21A Conflicts between directions

(1) This section applies if:

(a) a particular payment system is both a designated payment system and a special designated payment system; and

(b) the Reserve Bank has, under subsection 21(1), given a direction (a ***normal direction***) to a participant in the payment system; and

(c) a nominated special regulator has, under subsection 21(1A), given a direction (a ***special direction***) to a participant in the payment system; and

(d) the normal direction is, to any extent, inconsistent with the special direction.

(2) For the purposes of this Act, the normal direction does not apply to the extent that it is inconsistent with the special direction.

80 Section 26 (heading)

After "**Reserve Bank**", insert "**and nominated special regulators**".

81 Subsection 26(1)

After "designated payment system", insert "or a special designated payment system".

82 After subsection 26(1)

Insert:

(1A) A nominated special regulator in relation to a special designated payment system may require a participant in the special designated payment system to give the nominated special regulator information relating to that special designated payment system and its participants.

83 After section 26

Insert:

26A Authorised use or disclosure of information

Authorised use or disclosure—Reserve Bank, officers, etc.

(1) A person covered by subsection (2) may use or disclose information or documents obtained under, or for the purposes of, this Act if:

(a) the use or disclosure is for the purposes of this Act; and

(b) in the case of disclosure—the disclosure is to a nominated special regulator.

Note: This subsection, and subsection (3), constitute authorisations for the purposes of the *Privacy Act 1988*.

(2) For the purposes of subsection (1), the following persons are covered by this subsection:

(a) the Reserve Bank;

(b) a person who is an officer within the meaning of subsection 79A(1) of the *Reserve Bank Act 1959*, except a person mentioned in paragraph (e) of the definition of ***officer*** in that subsection;

(c) a person who, because of the person's employment or engagement, or in the course of that employment or engagement, has obtained information or documents under, or for the purposes of, this Act;

(d) a person prescribed by regulations made for the purposes of this paragraph.

Authorised use or disclosure—nominated special regulators

(3) A person covered by subsection (4) in relation to a special designated payment system may use or disclose information or documents obtained under, or for the purposes of, this Act if:

(a) the use or disclosure is for the purposes of this Act; and

(b) in the case of disclosure—the disclosure is to:

(i) the Reserve Bank; or

(ii) a nominated special regulator in relation to the special designated payment system.

(4) For the purposes of subsection (3), the following persons are covered by this subsection in relation to a special designated payment system:

(a) a nominated special regulator (other than the Reserve Bank) in relation to the special designated payment system;

(b) the head of such a nominated special regulator;

(c) a delegate of such a nominated special regulator, or of the head of such a nominated special regulator;

(d) a person prescribed in relation to such a nominated special regulator by regulations made for the purposes of this paragraph.

Protection from liability

(5) A person does not commit an offence, and is not liable to any penalty, under any law of the Commonwealth, or any law of a State or Territory, as a result of the person using or disclosing information or documents in accordance with this section.

84 Subsection 29(1)

After “Reserve Bank’, insert “or a nominated special regulator”.

85 Subsection 29(2)

After “Reserve Bank”, insert “or the nominated special regulator (as the case may be)”.

86 Subsection 29(3)

Omit "revokes a standard or an access regime, the Reserve Bank", substitute "or a nominated special regulator revokes a standard or an access regime, the Reserve Bank or the nominated special regulator (as the case may be)".

87 Section 31 (at the end of the heading)

Add "**—Reserve Bank**".

88 Subsection 31(1)

After "this Act", insert "(including its functions or powers as a nominated special regulator)".

89 Subsection 31(2)

Omit "The Governor", substitute "Subject to subsection (2A), the Governor".

90 Subsection 31(2)

After "this Act", insert "(including the Governor's functions or powers as the head of a nominated special regulator)".

91 After subsection 31(2)

Insert:

(2A) A power or function under subsection 20(2) (which relates to the conduct of arbitrations) must not be delegated under subsection (2) of this section.

92 At the end of section 31

Add:

(4) This section does not limit a power of delegation that a delegator mentioned in subsection (1) or (2) has under any other Act.

93 After section 31

Insert:

31A Delegation—nominated special regulators

(1) A nominated special regulator (other than the Reserve Bank) in relation to a special designated payment system may, by written instrument, delegate all or any of its functions or powers under this Act to:

(a) the head of the nominated special regulator; or

(b) a person prescribed by the regulations as an eligible delegate in relation to the nominated special regulator.

(2) Subject to subsection (3), the head of a nominated special regulator (other than the Governor of the Reserve Bank) in relation to a special designated payment system may, in writing, delegate all or any of the head's functions or powers under this Act to a person prescribed by the regulations as an eligible delegate in relation to the nominated special regulator.

(3) A power or function under subsection 20(2) (which relates to the conduct of arbitrations) must not be delegated under subsection (2) of this section.

(4) Before delegating a function or power to a person under subsection (1) or (2), the delegator must have regard to:

(a) if the power or function is to be delegated to a person holding, occupying, or performing the duties of, a specified office or position—whether the office or position is sufficiently senior for the person to perform the function or exercise the power; or

(b) otherwise—whether the person has appropriate qualifications or expertise to perform the function or exercise the power.

(5) In exercising powers under a delegation under subsection (1) or (2), the delegate must comply with any directions of the delegator.

Note: For further information about delegations, see sections 34AA to 34A of the *Acts Interpretation Act 1901*.

(6) This section does not limit a power of delegation that a delegator mentioned in subsection (1) or (2) has under any other Act.

Division 2—Application and saving provisions

94 Application provision—conflicting access regimes, standards and directions

(1) Section 15AA of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to an access regime imposed by the Reserve Bank under subsection 12(1) of that Act before, on or after the commencement of this Part.

(2) Section 18AA of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to a standard determined by the Reserve Bank under subsection 18(1) of that Act before, on or after the commencement of this Part.

(3) Section 21A of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to a direction given by the Reserve Bank under subsection 21(1) of that Act before, on or after the commencement of this Part.

95 Application provision—denials of access

(1) Section 16 of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to a denial of access to a designated payment system that occurred before, on or after the commencement of this Part.

(2) A request made by a person to the Reserve Bank under section 16 of the *Payment Systems (Regulation) Act 1998* before the commencement of this Part, and in relation to which the Reserve Bank had not made a decision immediately before that commencement, is taken, on and after that commencement, to have been made under subsection 16(2) of that Act as inserted by this Part.

96 Application provision—notification of Federal Court applications

(1) Subject to subitem (2), subsection 17(2) of the *Payment Systems (Regulation) Act 1998*, as amended by this Part, applies in relation to an application to the Federal Court made by a person before, on or after the commencement of this Part.

(2) Subitem (1) does not apply if, before the commencement of this Part, the person notified the Reserve Bank of the application under subsection 17(2) of that Act

97 Saving provision—applications to be joined to Federal Court proceedings

An application made by the Reserve Bank under subsection 17(2) of the *Payment Systems (Regulation) Act 1998* before the commencement of this Part, and that had not been decided immediately before that commencement, is taken, on and after that commencement, to have been made under subsection 17(2A) of that Act as inserted by this Part.

98 Saving provision—directions

A direction given by the Reserve Bank under section 21 of the *Payment Systems (Regulation) Act 1998* before the commencement of this Part, and that was in force immediately before that commencement, continues in force on and after that commencement and is taken to have been given under section 21 of that Act as amended by this Part.

99 Application provision—information and documents

(1) Subsection 26(1A) of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to information obtained by a participant in a special designated payment system before, on or after the commencement of this Part.

(2) Section 26A of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to a use or disclosure of information or documents that occurs on or after the commencement of this Part, whether the information or documents were obtained before, on or after that commencement.

Part 3—Criminal and civil penalties

Payment Systems (Regulation) Act 1998

100 Section 7

Insert:

civil penalty provision has the same meaning as in the Regulatory Powers Act.

contravene an offence or civil penalty provision has a meaning affected by section 9B.

Note: The meaning of ***contravention*** is correspondingly affected (see section 18A of the *Acts Interpretation Act 1901*).

Regulatory Powers Act means the *Regulatory Powers (Standard Provisions) Act 2014*.

101 At the end of Part 2

Add:

9A Functions and powers under the Regulatory Powers Act

Unless this Act expressly provides otherwise, a reference in this Act to a function or power under this Act includes a reference to a function or power under the Regulatory Powers Act as it applies in relation to this Act.

9B Contravening an offence provision or a civil penalty provision

(1) This section applies if a provision of this Act provides that a person contravening another provision of this Act (the ***conduct provision***) commits an offence or is liable to a civil penalty.

(2) For the purposes of this Act, and the Regulatory Powers Act to the extent that it relates to this Act, a reference to a contravention of an offence provision or a civil penalty provision includes a reference to a contravention of the conduct provision.

102 Subsections 21(6) and (7)

Repeal the subsections.

103 Before subsection 21(8)

Insert:

When direction is in force

104 Subsection 21(8)

Renumber as subsection (6).

105 Subsection 21(9)

Repeal the subsection.

106 At the end of section 21

Add:

Revocation of directions

(7) The Reserve Bank or the nominated special regulator (as the case may be) may revoke the direction by notice in writing given to the participant if, at the time of revocation, it considers that the direction is no longer necessary or appropriate.

Contravention of directions

(8) The participant contravenes this subsection if:
- (a) the participant does, or fails to do, an act; and
- (b) doing, or failing to do, the act results in a contravention of the direction given under subsection (1) or (1A); and
- (c) if the direction was given under subsection (1)—the doing of the act, or the failure to do the act, occurs at a time when:
  - (i) the participant is still a participant in the payment system referred to in subsection (1); and
  - (ii) that payment system is still a designated payment system; and
- (d) if the direction was given under subsection (1A)—the doing of the act, or the failure to do the act, occurs at a time when:

(i) the participant is still a participant in the payment system referred to in subsection (1A); and

(ii) that payment system is still a special designated payment system.

Fault-based offence

(9) The participant commits an offence if the participant contravenes subsection (8). The physical elements of the offence are set out in that subsection.

Penalty: 100 penalty units.

Civil penalty provision

(10) A person is liable to a civil penalty if the participant contravenes subsection (8).

Civil penalty: 100 penalty units.

Continuing contraventions of offence provision

(11) If a contravention of the direction occurs in circumstances that give rise to the participant committing an offence against subsection (9), the participant commits an offence against that subsection in respect of:

(a) the day on which the contravention occurs; and

(b) each subsequent day (if any) on which the contravention continues (including the day of conviction for any such offence or any later day).

Note 1: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

Note 2: Subsection (10) is a continuing civil penalty provision under section 93 of the Regulatory Powers Act.

107 At the end of subsection 26(1)

Add:

Note: Part VIII of the *Reserve Bank Act 1959* imposes secrecy requirements upon certain information provided to the Reserve Bank.

108 Before subsection 26(3)

Insert:

Refusal or failure to comply with requirement to give information

109 Subsection 26(3)

Omit “commits an offence”, substitute “contravenes this subsection”.

110 Subsection 26(3) (penalty)

Repeal the penalty.

111 Subsection 26(3) (notes 1, 2 and 3)

Repeal the notes.

112 After subsection 26(3)

Insert:

Fault-based offence

(3A) A corporation commits an offence if the corporation contravenes subsection (3). The physical elements of the offence are set out in that subsection.

Penalty: 200 penalty units.

Civil penalty provision

(3B) A corporation is liable to a civil penalty if the corporation contravenes subsection (3).

Civil penalty: 200 penalty units.

Continuing contraventions of offence provision

113 Subsection 26(4)

Omit “(3)”, substitute “(3A)”.

114 Subsection 26(4) (note)

Omit “Note”, substitute “Note 1”.

115 At the end of subsection 26(4)

Add:

Note 2: Subsection (3B) is a continuing civil penalty provision under section 93 of the Regulatory Powers Act.

116 After section 29

Insert:

30 Enforcement of civil penalty provisions

Enforceable civil penalty provisions

(1) Each civil penalty provision of this Act is enforceable under Part 4 of the Regulatory Powers Act.

Note: Part 4 of the Regulatory Powers Act allows a civil penalty provision to be enforced by obtaining an order for a person to pay a pecuniary penalty for the contravention of the provision.

Authorised applicant

(2) For the purposes of Part 4 of the Regulatory Powers Act, the following are authorised applicants:

(a) in relation to subsection 21(10) of this Act—the entity (whether the Reserve Bank or a nominated special regulator) that gave the direction to which the contravention of that subsection relates;

(b) in relation to subsection 26(3B) of this Act—the entity (whether the Reserve Bank or a nominated special regulator) that imposed the requirement to which the contravention of that subsection relates.

Relevant court

(3) For the purposes of Part 4 of the Regulatory Powers Act, each of the following courts is a relevant court in relation to each civil penalty provision of this Act:

(a) the Federal Court;

(b) the Federal Circuit and Family Court of Australia (Division 2);

(c) a court of a State or Territory that has jurisdiction in relation to the matter.

Extension to external Territories

(4) Part 4 of the Regulatory Powers Act, as that Part applies in relation to the civil penalty provisions of this Act, extends to every external Territory.

117 Application provision—directions

(1) Subject to subitem (3), the amendments made by this Part apply in relation to a contravention of subsection 21(8) of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, if the conduct constituting the contravention of that subsection occurs wholly on or after the commencement of this Part.

(2) Subitem (1) applies whether the direction to which the contravention relates was given before, on or after the commencement of this Part.

(3) Subsection 21(7) of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to a direction given before, on or after the commencement of this Part.

118 Application provision—requests for information

(1) The amendments made by this Part apply in relation to a contravention of subsection 26(3) of the *Payment Systems (Regulation) Act 1998*, as amended by this Part, if the conduct constituting the contravention of that subsection occurs wholly on or after the commencement of this Part.

(2) Subitem (1) applies whether the requirement to which the contravention of subsection 26(3) relates arose before, on or after the commencement of this Part.

Part 4—Other amendments

Payment Systems (Regulation) Act 1998

119 Before section 31

Insert:

30A Enforceable undertakings

Acceptance of undertakings

(1) The Reserve Bank may accept a written undertaking given by a participant in a payment system (whether or not it is a designated payment system or a special designated payment system) in connection with a matter in relation to which the Reserve Bank (including in its capacity as a nominated special regulator) has a function or power under this Act, the regulations or another legislative instrument made under this Act.

(2) However, if:

(a) the written undertaking is in connection with a matter in relation to which the Reserve Bank has a function or power under this Act, the regulations or another legislative instrument made under this Act; and

(b) that function or power is one that the Reserve Bank has other than in its capacity as a nominated special regulator;

then the Reserve Bank may accept the undertaking only if doing so would be consistent with the Reserve Bank's payments system policy (within the meaning of the *Reserve Bank Act 1959*).

(3) A nominated special regulator (other than the Reserve Bank) in relation to a special designated payment system may accept a written undertaking given by a participant in that special designated payment system in connection with a matter in relation to which the nominated special regulator has a function or power under this Act, the regulations or another legislative instrument made under this Act.

Withdrawal or variation

(4) The participant may withdraw or vary the undertaking at any time, but only with the consent of the Reserve Bank or the nominated special regulator (as the case may be).

Breach of undertakings

(5) If the Reserve Bank or the nominated special regulator (as the case may be) considers that the participant who gave the undertaking has breached any of the terms of the undertaking, the Reserve Bank or the nominated special regulator may apply to the Court for an order under subsection (6).

(6) If the Court is satisfied that the participant has breached a term of the undertaking, the Court may make all or any of the following orders:
   (a) an order directing the participant to comply with that term of the undertaking;
   (b) an order directing the participant to pay to the Commonwealth an amount up to the amount of any financial benefit that the participant has obtained directly or indirectly and that is reasonably attributable to the breach;
   (c) any order that the Court considers appropriate directing the participant to compensate any other person who has suffered loss or damage as a result of the breach;
   (d) any other order that the Court considers appropriate.

Authorisation for the purposes of the Competition and Consumer Act 2010

(7) For the purposes of subparagraph 51(1)(a)(i) of the *Competition and Consumer Act 2010*, the following are taken to be specified in, and specifically authorised by, this Act:
   (a) anything done by the Reserve Bank or a nominated special regulator under this section;
   (b) the giving, by a participant in a payment system, of a written undertaking to the Reserve Bank or a nominated special regulator under subsection (1) or (3) of this section;
   (c) anything done by the participant in accordance with the terms of that written undertaking.

Definitions

(8) In this section:

Court means:

(a) the Federal Court; or

(b) the Federal Circuit and Family Court of Australia (Division 2); or

(c) a court of a State or Territory that has jurisdiction in relation to the matter.

30B Protection from civil liability

Protection from civil liability—conduct relating to designated payment systems

(1) A person covered by subsection (2) is not subject to civil liability in respect of an act or omission of the person if:

(a) the act or omission is done in good faith:

(i) in the performance or exercise (or purported performance or exercise) of a function or power under this Act; or

(ii) for the purpose of assisting another person to perform or exercise a function or power under this Act; and

(b) the act or omission relates to a designated payment system.

(2) The following persons are covered by this subsection:

(a) the Reserve Bank;

(b) a person who is an officer within the meaning of subsection 79A(1) of the *Reserve Bank Act 1959*, except a person mentioned in paragraph (d) or (e) of the definition of ***officer*** in that subsection;

(c) a person prescribed by regulations made for the purposes of this paragraph.

Protection from civil liability—conduct relating to special designated payment systems

(3) A person covered by subsection (2) or (4) is not subject to civil liability in respect of an act or omission of the person if:

(a) the act or omission is done in good faith:
(i) in the performance or exercise (or purported performance or exercise) of a function or power under this Act; or
(ii) for the purpose of assisting another person to perform or exercise a function or power under this Act; and
(b) the act or omission relates to a special designated payment system; and
(c) if the act or omission contravenes a direction given by the Minister under subsection 11F(1), or a direction given by a delegator as mentioned in subsection 31(3) or 31A(5)—the person attempted in good faith to comply with the direction.

(4) The following persons are covered by this subsection:
(a) a nominated special regulator (other than the Reserve Bank);
(b) the head of such a nominated special regulator;
(c) a delegate of such a nominated special regulator, or of the head of such a nominated special regulator;
(d) a person prescribed in relation to such a nominated special regulator by regulations made for the purposes of this paragraph.

30C Protections from criminal or civil liability do not limit each other

(1) The following provisions do not limit, and are not limited by, each other:
(a) subsection 20(3);
(b) subsection 26A(5);
(c) subsections 30B(1) and (3).

(2) The provisions referred to in subsection (1) do not limit, and are not limited by, any other provision of a Commonwealth law that protects a person from criminal or civil liability.

120 Application provision—enforceable undertakings

Section 30A of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to undertakings given on or after the commencement of this Part.

121 Application provision—protection from civil liability

Section 30B of the *Payment Systems (Regulation) Act 1998*, as inserted by this Part, applies in relation to an act or omission that occurs on or after the commencement of this Part.

Part 5—Consequential amendments

Australian Securities and Investments Commission Act 2001

122 Paragraph 12BAA(8)(e)

Repeal the paragraph, substitute:

(e) a facility that is:

(i) a designated payment system or special designated payment system (or both) for the purposes of the *Payment Systems (Regulation) Act 1998*; and

(ii) declared by regulations made for the purposes of this paragraph not to be a financial product;

Competition and Consumer Act 2010

123 Section 55A

Insert:

payment system standard means a standard determined under section 18 of the *Payment Systems (Regulation) Act 1998*.

124 Section 55A (definition of *Reserve Bank standard*)

Repeal the definition.

125 Subparagraph 55B(2)(a)(i)

Omit "Reserve Bank", substitute "payment system".

126 Paragraph 55B(2)(b)

Omit "Reserve Bank", substitute "payment system".

Corporations Act 2001

127 Paragraph 765A(1)(j)

Repeal the paragraph, substitute:

(j) a facility that is:

(i) a designated payment system or special designated payment system (or both) for the purposes of the *Payment Systems (Regulation) Act 1998*; and

(ii) declared by regulations made for the purposes of this paragraph not to be a financial product;

Income Tax Assessment Act 1997

128 Paragraph 820-588(3)(a)

After “section 11”, insert “or 11B”.

129 Application provision

The amendment of the *Income Tax Assessment Act 1997* made by this Schedule applies in relation to assessments for the 2026-27 income year and later income years.

Schedule 2—Amendments of the Legislation (Exemptions and Other Matters) Regulation 2015

Legislation (Exemptions and Other Matters) Regulation 2015

1 Section 10 (table item 26)

Repeal the item.

2 Application of amendments

The repeal of item 26 of the table in section 10 of the *Legislation (Exemptions and Other Matters) Regulation 2015* applies in relation to legislative instruments made on or after the commencement of this item.

[*Minister's second reading speech made in—*
House of Representatives on 30 July 2025
Senate on 4 September 2025]

(53/25)