

PAYMENT AND SETTLEMENT SYSTEM OVERSIGHT IN THE RUSSIAN FEDERATION



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Abstract

This article focuses on the study of the problems of legal regulation of payment and settlement system oversight. The results of the study showed certain shortcomings of legal techniques in the sphere of legal regulation of public relations, formed in the process of providing this oversight in the national payment system. These shortcomings arise from inaccuracy and inconsistency of the concept of payment and settlement system oversight, as well as difficulty to establish the precise range of objects of oversight, as well as a number of other challenging issues. In this respect, the author suggests an original definition of payment and settlement system oversight in the Russian Federation, which can be brought into use in the federal legislation.

The work makes a distinction between payment and settlement system oversight and supervision, which makes it possible to

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consider the latter as a separate direction of the control and supervision of the Bank of Russia, the main body of monetary regulation.

The article also examines the impact of the Bank for International Settlements (BIS) documents on the process of introducing Russian national legislation into the national payment system oversight, as well as the definition of the subject of assessment conducted during such monitoring. This suggests that the Bank of Russia adequately approaches the implementation of the principles set out in the BIS documents. It introduces the best international practice, with due consideration of features of the legal regulation of public relations developing in the Russian national payment system. Currently, the oversight model in the national payment system fully corresponds to the oversight proposed by the BIS.

Keywords

Payment and settlement system oversight, national payment system, supervision, financial control, oversight, Bank of Russia, Bank for International Settlements, monitoring, assessment, initiation of changes, payment systems

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INTRODUCTION

Payment and settlement system oversight in the national payment system is a separate part of the activities of the Bank of Russia. Its legal basis was first set forth in the Federal Law of 27 June 2011

No. 161-FZ “On the National Payment System”² (hereinafter referred to as the NPS Law) as a result of accumulation of foreign practice and recommendations of BIS. According to A. Haldane and E. Latter, “the main objective of oversight is to assess and, if necessary, mitigate systemic risk in payment systems.”³

Oversight in the national payment system implicates a fundamentally new approach to the implementation of financial control in the financial market. This activity involves ongoing monitoring of the stability of the overall national payment system (not only individual participants), as well as the adoption of successful foreign practices of regulating public relations formed in the course of functioning of the national payment system. It also involves introducing measures aimed at increasing the stability and efficiency of financial and economic activities of the national payment system entities. At the same time, this activity is primarily carried out by means of persuasion, rather than coercion. The characteristics ultimately determine scientific interest in the research issue under consideration.

PAYMENT AND SETTLEMENT SYSTEM OVERSIGHT IN THE NATIONAL PAYMENT SYSTEM: DEFINITION

S. 2 of Art. 31 of the NPS Law, for the purposes of this Law, defines payment and settlement system oversight as a set of optimisation activities of the Bank of Russia conducted by money transfer operators, payment system operators, payment infrastructure service providers (organisations under oversight), other entities of the national payment system of their activities and services, as well as the development of payment systems, payment infrastructure (objects of oversight) based on the recommendations of the Bank of Russia.

This definition does not seem entirely successful for the following reasons:

— The above definition shows that oversight corresponds to the activity of the Bank of Russia aimed at making its objects of oversight

² Collected Acts of the Russian Federation. 2011. No. 27. Art. 3872.

³ Haldane, A. and Latter, E. The Role of Central Banks in Payment Systems Oversight. Bank of England Quarterly Bulletin. Spring 2005. P. 67.

as being to improve its performance, which seems inconsistent from the point of view of formal logic (it would be more precise to speak about the Bank of Russia arranging prospective amendments to the business and financial activities of the objects of oversight and making them familiar with relevant proposals);

— Despite the fact that the definition provides the purpose and objects of oversight, it remains unclear what exactly is being controlled by the Bank of Russia, and also what exactly an oversight means. According to Yuri V. Surodeev, activities of the Bank of Russia aimed at developing payment systems components, which is formulated in the legal definition, are not actually an oversight, but rather the purpose of such an oversight.⁴

— Payment and settlement system oversight primarily means providing changes in financial and economic activities made by the objects of oversight. Meanwhile, under the NPS Law, payment and settlement system oversight also includes monitoring and assessment.⁵

To summarise, payment and settlement system oversight in the national payment system is a supervisory activity of the Bank of Russia related to the monitoring and assessment of financial and economic activities of the subjects of the national payment system, as well as formulating proposals for changing this activity, based on such assessment. The aim of these proposals is to ensure stability and sustainability of the national payment system, as well as individual payment systems and their participants.

CORRELATION BETWEEN OVERSIGHT AND SUPERVISION IN THE NATIONAL PAYMENT SYSTEM

Oversight in the NPS is closely related to another direction of the oversight activity of the Bank of Russia in the national payment system — supervision. Meanwhile, as scientific sources show,

⁴ Surodeev Yu. V. *Finansovo-pravovoe regulirovanie nacionalnoj platezhnoj sistemy Rossijskoj Federacii* : avtoref. ... dis. kand. jurid. nauk. M., 2016. P. 134.

⁵ S. 1 Art. 35 of the NPS Law.

“unlike payment and settlement system oversight, supervision in the national payment system is to a greater extent focused on the development tasks, following the standards of the best world and domestic practice, recommendations of the Bank of Russia in order to make payment systems provide optimal means of reaching efficiency and reliability (in terms of risks), as well as the appropriateness of the national payment system to the needs of the economy, the banking sector and the financial market of the Russian Federation.”⁶

The report “Central bank oversight of payment and settlement systems”⁷ of the Committee on Payment and Settlement Systems of the Bank for International Settlements (Basel, Switzerland, May 2005) (hereinafter — CPSS) played a significant role in the implementation of oversight in Russian legislation. Based on an analysis of leading countries experience, this report stipulates the principles of oversight and summarises the best international practices. The first translation of this report was made in 2007 and published in the issue of the Bank of Russia “Payment and settlement systems.”⁸

The CPSS report of BIS “Central bank oversight of payment and settlement systems” stated 10 principles of effective oversight, dividing them into two main groups:

1) general principles for oversight are principles applicable to all arrangements of an oversight. This group includes the principles of “transparency”, “international standards”, “effective powers and capacity”, “consistency”, and “cooperation with other authorities”;

2) principles for international cooperative oversight are principles used by the central banks together with other international or national bodies in the course of oversight implementation. The group includes the principles of “notification”, “primary responsibility”, “assessment

⁶ Guznov A. G., Rozhdestvenskaya T. E. *Regulirovanie, kontrol i nadzor na finansovom rynke v Rossijskoj Federacii*. M., 2017. P. 266.

⁷ Bank for International Settlements (2005), *Central bank oversight of payment and settlement systems*, Committee on Payment and Settlement Systems.

⁸ *Tsentrāl'nyj bank RF. Platezhnye i raschetnye sistemy. Mezhdunarodnyj opyt. 2007. Vyp. 2 Nablyudenie tsentrāl'nogo banka za platezhnymi i raschetnymi sistemami.*

of the system as a whole”, and “settlement arrangements”, “unsound systems”.⁹

As the analysis of oversight practice of the Bank of Russia shows, at present, the specified direction of the mega regulator activity fully corresponds to these principles. At the same time, the Bank of Russia exercises the implementation of these principles by introducing best international practice, with due account for the peculiarities of the legal regulation of public relations in Russia developing in the national payment system.

The analysis of the report, as well as the current legislation, makes it possible to state that supervision and oversight in the NPS exist in the form of independent, absolutely different directions of control activities of the Bank of Russia, and the oversight model proposed in the report fully corresponds to the Russian oversight model.

The main difference between the concepts of supervision and oversight is that the former is commonly aimed at assessing the financial sustainability of a particular organisation, while the key objective of the latter is the assessment of the sustainability of the national payment system. According to G. Gimigliano, “oversight is concerned with infrastructure soundness and effectiveness, meaning that its success with timely regulatory responses that adequately complement market developments.”¹⁰

The CPSS report of BIS also stresses that “oversight is also complementary to prudential supervision (which may or may not be an additional, separate activity of the central bank) in that both contribute to financial stability. However, while effective oversight is likely to involve formal relationships with certain private sector institutions, not least those that operate systems, the aim of oversight is the safety and efficiency of a system as a whole, focusing on the interconnections between participating institutions inherent in systems. The concept of payment and settlement oversight is therefore distinct from prudential

⁹ For further details see: Bank for International Settlements (2005), Central bank oversight of payment and settlement systems, Committee on Payment and Settlement Systems. P. 2–7.

¹⁰ Gimigliano G. (2016). Money, Payment Systems and European Union. The Regulatory Challenges of Governance. Cambridge Scholars Publishing. P. 145.

supervision and regulation, which focuses on the soundness of individual financial institutions.”¹¹

The procedure for conducting oversight is regulated exclusively by legislation on the national payment system and by subordinate regulatory legal acts passed in accordance therewith, viz. Bank of Russia Regulation of 31 May 2012 No. 380-P¹² “On the Procedure for Conducting Oversight in the National Payment System” (hereinafter — Regulation No. 380-P). In its turn, the legal regulation of supervision in the national payment system varies depending on the object:

- supervision of credit organisations-subjects of the national payment system is carried out by the Bank of Russia under the legislation of the Russian Federation on Banks and Banking Activities¹³;
- supervision of other organisations is carried out by the Bank of Russia under the Law on NPS.

Thus, credit institutions-subjects of the national payment system are subject to bank supervision.

Supervision and oversight also differ in the methods used. S. 1 of Art. 32 of the Law on NPS states that when exercising supervision in the national payment system, the Bank of Russia applies both remote and contact methods.

S. 1 of Art. 35 of the Law on NPS stipulates that supervision in the national payment system implicates the following types of activities:

- 1) collection, arrangement and analysis of information on the activities of organisations under oversight, as well as of other entities of the NPS and relevant objects of oversight (monitoring);
- 2) assessment of activities of organisations under oversight and related objects of oversight (assessment);
- 3) formulation of proposals, based on the results of the assessment, to change the activities of the assessed organisations under oversight and related objects of oversight (initiation of changes).

¹¹ Bank for International Settlements (2005). Central bank oversight of payment and settlement systems, Committee on Payment and Settlement Systems. P. 11.

¹² Bank of Russia Publications (2012). No. 31.

¹³ Except for the case specified in S. 8 of Art. 34 of the NPS Law.

Consequently, unlike supervision, oversight may be carried out only through remote methods. In the meantime, during the course of oversight, the Bank of Russia is entitled to use information based on the results of inspections conducted within its supervisory powers.

The outlined “types of activities” are applied in full measure only to significant payment systems. S. 2 of Art. 35 of the Law on NPS states the oversight of such systems as that of high priority. In contrast, for supervision in the NPS, such priorities are not defined.

Another difference is that while exercising an oversight, the right of Bank of Russia to use coercive measures and to prosecute subjects of supervision is limited (except for cases of failure to provide information). Conversely, Art. 34 of the Law on NPS establishes certain actions and coercive measures to be applied by the Bank of Russia in case a supervised entity violates the requirements of this Law or the regulatory acts of the Bank of Russia adopted in accordance with this Law.

All the above mentioned makes it possible to provide a clear distinction between supervision and oversight in the NPS, treating them as independent methods of control activity of the Bank of Russia.

OBJECTS OF OVERSIGHT IN THE NATIONAL PAYMENT SYSTEM

The analysis of the norms of the current legislation makes it essential to clarify what exactly is meant by an object of oversight in the NPS. The current Law on the NPS does not single out such a concept (Article 3 of this Law, in particular), but suggests inferring it from the notion of oversight fixed in S. 5 of Art. 31 of the Law on NPS. Broadly, two basic groups of objects of oversight can be mentioned here:

1) organisations under oversight, which include money transfer operators, payment system operators, payment infrastructure service operators;

2) other subjects of the national payment system, such as bank payment agents (subagents), payment agents, organisations of the federal postal service (when providing payment services under the legislation of the Russian Federation).

Meanwhile, C. 1 of S. 1 of Art. 35 of the Law on NPS defines oversight as the collection, arrangement and analysis of information on the activities of organisations under oversight, as well as of other entities of the NPS and relevant objects of oversight. Concerning the assessment and initiation of changes, it mentions “organisations under oversight” and a group of “related objects of oversight” (hereinafter referred to as the third group), without mentioning “other subjects of the national payment system”. A similar approach is fixed in Bank of Russia Regulation No. 380-P.

It bears mentioning that the definition of an oversight also implies that it covers the development of payment systems and payment infrastructure. At the same time, referring payment systems and payment infrastructure to the third group, in the context of the Law on NPS itself, seems unreasonable, since both payment systems and payment infrastructure amount to a set of subjects making up these systems, i.e. persons referring to the first and the second groups of objects of oversight, respectively.

To define the third group of monitoring objects more clearly, it seems appropriate to refer to the CPSS report of BIS. This report, in particular, defines the so-called “scope of oversight”, i.e. aggregate of objects of oversight. The CPSS report of BIS states that “the scope of oversight relates closely to the public policy objectives which the central bank aims to achieve” and, depending on a particular country, may include: payment systems; securities settlement system and central counterparties; payment instruments; pay-through banks and custodians; third-party service providers.

Obviously, payment instruments, under the Russian law cannot be considered as an object of control, but rather its subject. Therefore, securities settlement systems, central counterparties and custodians, due to the specific features of their activities, become at the same time a subject of control within the national payment system and in the securities market.

The abovementioned shows that the current legislation does not make it possible to specify the range of objects of oversight, which, in its turn, leads to lack of legal clarity.

Types of activity that constitute an oversight in the national payment system. As previously noted, an oversight in the NPS involves the use of a broad range of methods of financial control, which differ in content, objects, objectives, etc. As such, it seems essential to systematically analyse the activities of the Bank of Russia that constitute the substance of an oversight in the NPS.

1. Monitoring. With reference to the Provision of C. I. 1 S. 1 of Art. 35 of the Law on NPS, monitoring should be understood as the collection, arrangement and analysis of information on the activities of organisations under oversight, as well as of other entities of the NPS and relevant objects of oversight. The definition, in our opinion, fairly presents the essence of monitoring within the scope of an oversight in the NPS. Meanwhile, it is essential to emphasise that monitoring is carried out regularly and continuously. This feature distinguishes monitoring in the NPS from other methods of oversight, from assessment, in particular.

In the course of monitoring, the Bank of Russia uses the information obtained from:

- accounts provided by NPS entities to the Bank of Russia;

- supervision in the NPS;

- interaction with federal executive bodies, central banks and other supervisory and monitoring bodies in national payment systems of foreign countries;

- interaction with NPS entities.

The list of forms of interaction between the Bank of Russia and NPS entities is meant to be transparent.¹⁴

NPS entities must provide information “upon the request of the Bank of Russia within the established time limit for its provision”. Furthermore, Regulation No. 380-P does not stipulate any specific deadline for the provision of relevant information. Consequently, these terms are to be set in the request itself. From our point of view, this kind of an approach poses a threat of its excessive use. In that context,

¹⁴ The Bank of Russia is entitled to send requests for providing necessary information by NPS entities, hold working meetings with authorized representatives of the entity (entities) of the NPS, including those within the working groups created in cooperation with them, and also use other forms of interaction

it seems reasonable to make the Regulation No. 380-P fix the minimum time limits for providing information to NPS subjects in the course of monitoring.

2. Assessment. According to S. 5 of Art. 35 of the Law on NPS in the course of the assessment, the Bank of Russia considers the quality of conformance of the organisations under oversight and related objects of oversight to the recommendations of the Bank of Russia, which include the recommendations of the Bank of Russia itself, as well as guidelines for the use of standards of best international and domestic practices, provided that the relevant documents are published in the official editions of the Bank of Russia, in the Russian language. If necessary, the Bank of Russia issues guidance papers on the use of these recommendations.

The object of assessment may only be represented by significant payment systems (hereinafter referred to as SPS). In this case, under S. 2 Art. 3.2 of Regulations No. 380-P, assessment of the nationally significant payment systems is carried out by the Bank of Russia, should such systems be considered systemically and/or socially significant. Thus, only systemically and socially significant payment systems may become the object of assessment.

Currently, significant payment systems are assessed for compliance with the recommendations stated in the “Principles for Financial Market Infrastructures”,¹⁵ issued in 2012 by the CPSS and the IOSCO Technical Committee.¹⁶ The legal framework for assessing significant payment systems for compliance with the Principles for Financial Market Infrastructure is represented by: Bank of Russia Order of 9 April 2014 No. 047-O-607 concerning systemically important payment

¹⁵ Bank for International Settlements (2012), Principles for financial market infrastructures, Committee on Payment and Settlement Systems, Technical Committee of the International Organisation of Securities Commissions.

¹⁶ After the crisis of 2008, the issue of the need to revise the existing approaches to the regulation of financial markets was raised. Therefore the CPSS and IOSCO worked on the unification of the principles of construction and functioning for financial market infrastructure organisations. The work resulted in “Principles for Financial Market Infrastructures”. It should be noted that this approach in general corresponds to the current trend of unification of approaches to the legal regulation of organisations in financial markets.

systems, as well as Order of the Bank of Russia of 6 November 2014 No. OD-3118, concerning socially significant payment systems. Moreover, the Bank Letter of the Bank of Russia of 14 April 2014 No. 59-T “On Compliance with the Recommendations of the Bank of Russia”¹⁷ further recommended that payment system operators (both significant and non-significant) independently determine the degree of compliance of their related payment systems with standards stated in the CPSS-IOSCO document “Principles for Financial Market Infrastructures”, involving the use of the CPSS-IOSCO document “Principles for Financial Market Infrastructure: Disclosure Structure and Assessment Methodology”.

The CPSS-IOSCO document under consideration states 24 principles. In respect of each of them, certain “key considerations” are expressed. These considerations amplify the provisions of the principles and detail their substance. These principles may be applied to payment systems, the central securities depository, securities settlement systems, a central counterparty and a trade repository. Nevertheless, only 10 principles may be applied to all organisations of the financial market infrastructure.

With respect to payment systems, 18 principles are applicable (1–5, 7–9, 12–13, 15–19, 21–23). There are no specific principles for payment systems. Furthermore, some types of key considerations may not be applied to certain types of payment systems.¹⁸

It can therefore be concluded that, the importance of the Principles for Financial Market Infrastructures is based on the fact that they determine the subject of the assessment conducted within the scope of the oversight.

In accordance with S. 3.2 of the Provision No. 380-P, the Bank of Russia assesses the SPS at least triennially and conducts it within a period not more than six months from the date the Bank of Russia

¹⁷ Bank of Russia Publications (2014). No. 37.

¹⁸ This, in particular, concerns the payment system of the Bank of Russia. For example, the key consideration 2 of principle 9 “Remittances” is not applied to this payment system. According to this one, “if the central bank funds are not used, the FMI should conduct its cash settlements using risk-free assets or settlement assets with low credit risk and liquidity risk”, as in the framework of the Bank of Russia payment system, settlements can be made only in the central bank.

starts the assessment. Not later than three months before the audit, the Bank of Russia forwards a special letter to the operator of the payment system about the start date of the SPS assessment.

The process of assessment of the payment system requires two stages. At the first stage, the payment system operator independently conducts a preliminary assessment (self-assessment). According to S. 3.3 of Provision No. 380-P, the Bank of Russia, concurrently with the forwarding the letter, suggests that the SPS operator should conduct a self-assessment. Formally, the current legislation does not entail any liability for the failure to carry out self-assessment. Nevertheless, the SPS operator is obliged to provide the Bank of Russia with the results of the preliminary assessment, as well as the internal documents of the SPS operator and the organisations under oversight, which operate the SPS, on the basis of which the self-assessment was performed and which are necessary for the assessment, to the Bank of Russia no later than the date set by the Bank of Russia in the corresponding letter. Thus, for failure to provide these documents, the operator of the SPS can be brought to administrative responsibility.

At the second stage, an assessment of the payment system by the Bank of Russia takes place. The Bank of Russia conducts the assessment in accordance with the assessment methodologies, which establish the assessment criteria and the rating system for assessing the degree of compliance of the SPS with the recommendations of the Bank of Russia for the SPS. Assessment criteria are grouped according to certain separate areas of the SPS operation, including: general procedure, credit risk and liquidity risk management, payments settlement, rules usage and procedures undertaking in case of default from obligation by a participant, management of operational risk and other risks, management of participation, ensuring efficiency, disclosure of information (S. 3.10.2 of Regulation No. 380-P).¹⁹

In accordance with C. 3.6 of Regulation No. 380-P, in the course of assessment, the Bank of Russia performs the following: analyzing information on the organisations under oversight which ensure the

¹⁹ The assessment methodologies may contain certain conditions in which the assessment of the SPS is carried out in all or some of the areas of operation of the SPS.

operation of the SPS received during the monitoring for the purposes of assessment of the SPS; analyzing the results of self-assessment obtained from the SPS operator; stating the facts impeding the assessment of the SPS; conducting an assessment of the degree of compliance (inconsistency) of the general procedure and the operation of the SPS with recommendations for the SPS based on the assessment methodologies; identifying the best domestic practice applicable to payment systems; etc.

Thus, the Bank of Russia assesses:

- individual participants of the payment system;
- the payment system itself;
- the national payment system as a whole (identifying, in particular, “the best domestic practices”).

The final document of the corresponding control measure is the report on the significant payment system assessment. Regulation No. 380-P provides a list of points which must be included in the report: the results of the assessment of the SPS, SPS assessment materials, proposals for changing the performance of the organisations under oversight being monitored. Also, the report may contain additional information characterising the performance of the organisations under oversight and the functioning of the SPS.

3. Initiation of changes. In spite of the fact that initiation of changes is stated in the Law on NPS as an independent oversight activity of the Bank of Russia, it is nevertheless an inseparable part of the assessment in the NPS. As noted previously, proposals for changing are included in the NPC assessment report, while the NPS Law and Regulation No. 380-P do not provide any rules allowing the initiation of changes outside the scope of the assessment. Moreover, the analysis of the norms stated in Art. 4 “Formulation of proposals for changing the performance of organisations under oversight being monitored and related SPS and bringing the assessment materials with its results to the management bodies of the operator of the SPS” of Regulation No. 380-P shows that the norms included in this Article follow Article 3 of this Regulation, and contain procedural rules stipulating the order of bringing the assessment results to the operators of the SPS, as well as operating in the case of consent or disagreement (partial disagreement)

with the results of the assessment and (or) proposals for changing etc., expressed by the operator of the SPS. Thus, the initiation of changes, in fact, proves to be an integral part of the assessment. In addition, unlike monitoring and assessment, initiation of changes can hardly be considered as a method of financial control. Initiation of changes is the consequence of the application of these methods.

Regulation No. 380-P contains an open list of proposals for changing, which can be formulated by the Bank of Russia.²⁰

Based on the results of the SPS assessment, the Bank of Russia forwards a report to the operator of the SPS. This report contains proposals for changing. The operator can agree or disagree (or partially disagree) with the assessment results and/or proposals for changing. In the latter case, the SPS operator is expected to reason the position expressed. The Bank of Russia considers the position of the SPS operator and then, regarding the results, submits controversial issues for the discussion with the SPS operator and with other organisations under oversight that provide the SPS functioning. It focuses on controversial issues based on the results of the SPS assessment and proposals for changing, taking into account the position of the SPS operator. It may be done through working meetings and teleconferences.²¹

Should the Bank of Russia consider the position of the SPS operator reasonable enough, it can correct the results of the assessment and/or proposals for changing. In such a case, the Bank of Russia renders a decision to make adjustments to both the results of the discussion and the remote consideration of the position of the operator of the SPS.

Thus, we come to the conclusion that the proposals for changes made by the Bank of Russia:

²⁰ Meanwhile, S. 4.2. of the above-mentioned Regulations lists the main possible proposals for changing, such as: introducing appropriate changes to the rules of the SPS, internal documents of the observing organisations providing the operation of the SPS, relevant contracts with organisations under oversight providing the operation of the SPS, the participants in the SPS; making appropriate changes to the risk management system, including to ensure the smooth performance of the SPS; improving information and communication technologies of the organisations under oversight in terms of ensuring the protection of information during money transfers, etc.

²¹ S. 4.7. of Provision No. 380-P.

- are a “soft” form of interference in the economic activity of objects of oversight;
- formally are not obligatory for operators of SPS;
- have as their priority, principles of persuasion, not coercion.

CONCLUSION

1. Oversight in the national payment system is a separate direction of the activities of the Bank of Russia, which includes monitoring and assessment of financial and economic activities of the subjects of the national payment system, formulating on the basis of such assessment proposals for changing these activities, aimed at ensuring the stability and sustainability of the national payment system, as well as individual payment systems and their participants.

2. Supervision and oversight in the national payment system require absolutely different approaches to the implementation of financial control in the national payment system. The mentioned areas of activity of the Central Bank of the Russian Federation differ in purpose, sources of legal regulation, methods, and also the scope of the rights of the Bank of Russia to use coercive measures.

3. The current legislation does not make it possible to specify the range of objects of oversight in the NPS, dividing them into three groups: organisations under oversight, other subjects of the national payment system and related objects of oversight.

4. Currently, the main document on the compliance with the requirements of which the assessment of the activities of the NPS entities is carried out is the CPSS-IOSCO document “Principles for Financial Market Infrastructures”. In the process of oversight, the Bank of Russia actually assesses not only payment systems and their participants, but also the national payment system as a whole, identifying, in particular, “the best domestic practices”. This expresses the effect of direct and reverse links in the national payment system.

5. Initiation of changes is not an independent method of financial control. On the contrary, it should be considered as an integral part of the assessment in the national payment system.

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