

Chapter 9

Payment Systems Regulator funding

9.1 Application and purpose

Application

9.1.1

R

This chapter applies to:

- (1) operators of regulated payment systems;
- (2) operators of IFR card payment systems;
- (2A) operators of payment systems under the *Payment Services Regulations*; and
- (3) direct payment service providers.

Purpose

9.1.2

G

This chapter sets out how the fees payable by *PSR fee payers* and other *participants* will be calculated, to establish and fund the *PSR*.

Introduction

9.1.3

G

Section 40(1) of *FSBRA* (The Payment Systems Regulator) requires the *FCA* to establish the *PSR*.

9.1.4

G

(1) Paragraph 9 of Schedule 4 of *FSBRA* and the *2015 Interchange Regulations* applying *FSBRA* in a modified form and the *Payment Services Regulations* applying *FSBRA* in a modified form allow the *FCA* to make rules requiring *participants in regulated payment systems* and *IFR card payment systems* to pay the *FCA* specified amounts or amounts calculated in a specified way to:

- (a) meet the relevant costs referred to in (2) below; and
- (b) enable the *PSR* to maintain adequate reserves.

(1A) [deleted]

(2) The relevant costs in (1)(a) means:

- (a) the expenses incurred, or expected to be incurred, by the *PSR* in connection with the discharge of its functions;
- (b) the expenses incurred by the *FCA* in establishing the *PSR*;
- (c) any other expenses incurred by the *FCA* in connection with the discharge of its functions under Part 5 of *FSBRA*; and

(d) any expenses incurred, or expected to be incurred, by the *FCA* in connection with the discharge of the *PSR*'s functions by an officer or member of staff of the *FCA* under arrangements made under paragraph 5 of Schedule 4 of *FSBRA*.

(3) The amounts in (1) may include the expenses of the *FCA* in collecting *PSR fees*.

9.1.5 G ■ FEES 9 sets out the *rules* referred to in ■ FEES 9.1.4 G

9.1.6 G The *FCA* must pay to the *PSR* the amounts that it receives as *PSR fees*, apart from the following amounts (which it may keep):

(1) expenses under ■ FEES 9.1.4G (2)(b) to ■ (d); and

(2) collection costs, referred to in ■ FEES 9.1.4G (3).

Publication of fees information
.....

9.1.7 G (1) Paragraph 4(1) of Schedule 4 of *FSBRA* requires the *PSR* to adopt an annual budget which has been approved by the *FCA*.

(2) Paragraph 6(1) of Schedule 4 of *FSBRA* requires the *PSR* to prepare an annual plan which has been approved by the *FCA*.

9.1.8 G (1) *PSR fees* will vary from year to year, depending on the *PSR*'s *AFR* and the *transaction volumes* and *transaction values* in the *relevant time period*.

(2) The *PSR* will publish each year the *PSR*'s *AFR* along with the total *transaction volumes* and *transaction values* for the *relevant time period* to enable *PSR fee payers* to apply the methodology in ■ FEES 9 Annex 1R if they wish.

(3) [deleted]