

## Chapter 9

# Payment Systems Regulator funding

9.1 Application and purpose

Application

9.1.1

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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

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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

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

9.1.4

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- (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

		<p>(d) any expenses incurred, or expected to be incurred, by the <i>FCA</i> in connection with the discharge of the <i>PSR's</i> functions by an officer or member of staff of the <i>FCA</i> under arrangements made under paragraph 5 of Schedule 4 of <i>FSBRA</i>.</p> <p>(3) The amounts in (1) may include the expenses of the <i>FCA</i> in collecting <i>PSR fees</i>.</p>
9.1.5	G	■ FEES 9 sets out the <i>rules</i> referred to in ■ FEES 9.1.4 G
9.1.6	G	<p>The <i>FCA</i> must pay to the <i>PSR</i> the amounts that it receives as <i>PSR fees</i>, apart from the following amounts (which it may keep):</p> <p>(1) expenses under ■ FEES 9.1.4G (2)(b) to ■ (d); and</p> <p>(2) collection costs, referred to in ■ FEES 9.1.4G (3).</p>
		<p><b>Publication of fees information</b></p> <p>.....</p>
9.1.7	G	<p>(1) Paragraph 4(1) of Schedule 4 of <i>FSBRA</i> requires the <i>PSR</i> to adopt an annual budget which has been approved by the <i>FCA</i>.</p> <p>(2) Paragraph 6(1) of Schedule 4 of <i>FSBRA</i> requires the <i>PSR</i> to prepare an annual plan which has been approved by the <i>FCA</i>.</p>
9.1.8	G	<p>(1) <i>PSR fees</i> will vary from year to year, depending on the <i>PSR's AFR</i> and the <i>transaction volumes</i> and <i>transaction values</i> in the <i>relevant time period</i>.</p> <p>(2) The <i>PSR</i> will publish each year the <i>PSR's AFR</i> along with the total <i>transaction volumes</i> and <i>transaction values</i> for the <i>relevant time period</i> to enable <i>PSR fee payers</i> to apply the methodology in ■ FEES 9 Annex 1R if they wish.</p> <p>(3) [deleted]</p>