

Chapter 16

Reporting requirements



16.13 Reporting under the Payment Services Regulations

Application

16.13.1 G This section applies to a *payment service provider* as set out in this section (see ■ SUP 16.1.1A D).

Purpose

16.13.2 G The purpose of this section is to:

- (1) give directions to *authorised payment institutions, small payment institutions and registered account information service providers* under regulation 109(1) (Reporting requirements) of the *Payment Services Regulations* in relation to:
 - (a) the information in respect of their provision of *payment services* and their compliance with requirements imposed by or under Parts 2 to 7 of the *Payment Services Regulations* that they must provide to the *FCA*; and
 - (b) the time at which and the form in which they must provide that information and the manner in which it must be verified;
- (2) give directions to *payment service providers* under regulation 109(5) (Reporting requirements) of the *Payment Services Regulations* in relation to the form of the statistical data on fraud relating to different means of payment that must be provided to the *FCA* under regulation 109(4) of the *Payment Services Regulations* at least once per year;
- (3) give directions to *payment service providers* under regulation 98(3) (Management of operational and security risks) of the *Payment Services Regulations* in relation to:
 - (a) the information that must be contained in the assessment of operational and security risks and the adequacy of mitigation measures and control mechanisms that must be provided to the *FCA*;
 - (b) the intervals at which that assessment must be provided to the *FCA* (if the assessment is required to be provided more frequently than once a year); and
 - (c) the form and manner in which that assessment must be provided; and
- (4) [deleted]

		(5) give directions to <i>payment service providers</i> referred to at SUP 16.13.3-BD under regulation 109(1) (Reporting requirements) of the <i>Payment Services Regulations</i> in relation to annual financial crime reporting to the FCA.
16.13.2-A	G	The purpose for which this section requires information to be provided to the FCA under regulation 109 of the <i>Payment Services Regulations</i> is to assist the FCA in the discharge of its functions under regulation 106 (Functions of the FCA), regulation 108 (Monitoring and enforcement) and regulation 109(6) (Reporting requirements) of the <i>Payment Services Regulations</i> .
16.13.2A	G	The purpose of this section is also to set out the rules applicable to <i>payment service providers</i> in relation to complete and timely reporting and failure to submit reports.
16.13.2B	G	<i>Authorised payment institutions</i> and <i>small payment institutions</i> should refer to the transitional provisions in ■ SUP TP 1.11 (Payment services and electronic money returns).
		Reporting requirement
16.13.3	D	<p>(1) An <i>authorised payment institution</i>, a <i>small payment institution</i> or a <i>registered account information service provider</i> must submit to the FCA the duly completed return applicable to it as set out in column (2) of the table in ■ SUP 16.13.4D.</p> <p>(2) An <i>authorised payment institution</i>, a <i>small payment institution</i> or a <i>registered account information service provider</i> must submit the return referred to in (1):</p> <ul style="list-style-type: none"> (a) in the format specified as applicable in column (3) of the table in ■ SUP 16.13.4D; (b) at the frequency and in respect of the periods specified in column (4) of that table; (c) by the due date specified in column (5) of that table; and (d) by electronic means made available by the FCA.
16.13.3-A	D	■ SUP 16.4.5R (Annual controllers report) and ■ SUP 16.5.4R (Annual Close Links Reports) apply to an <i>authorised payment institution</i> as if a reference to <i>firm</i> in these <i>rules</i> were a reference to an <i>authorised payment institution</i> .
16.13.3-AA	D	<p>■ SUP 16.23.4R to ■ SUP 16.23.7R (Annual Financial Crime Report) apply to a <i>payment institution</i> as if a reference to <i>firm</i> in these <i>rules</i> and <i>guidance</i> were a reference to a <i>payment institution</i> and the reference to <i>group</i> is read accordingly, other than:</p> <p>(1) a <i>payment institution</i> where its authorisation or registration permits it to provide only one or more of the following <i>payment services</i> and it is not permitted to carry on any <i>regulated activities</i>:</p> <ul style="list-style-type: none"> (a) <i>account information services</i>;

- (b) *payment initiation services*; or
- (c) *money remittance*, or

(2) a person with *temporary PI authorisation* that immediately before *IP completion day* was providing *payment services* other than through a branch in the UK or a UK-based agent.

16.13.3A D ■ SUP 16.3.11 R (Complete reporting) and ■ SUP 16.3.13 R (Timely reporting) also apply to *authorised payment institutions*, *small payment institutions* and *registered account information service providers* as if a reference to *firm* in these *rules* were a reference to these categories of *payment service provider*.

16.13.3B R ■ SUP 16.3.14 R (Failure to submit reports) also applies to *payment service providers* that are required to submit reports or assessments in accordance with this section and the *Payment Services Regulations* as if a reference to *firm* in this *rule* were a reference to the relevant category of *payment service provider*.

16.13.3C G *Authorised payment institutions*, *small payment institutions* and *registered account information service providers* are reminded that they should give the *FCA* reasonable advance notice of changes to their *accounting reference date* (among other things) under regulation 37 of the *Payment Services Regulations*. The *accounting reference date* is important because many frequencies and due dates for reporting to the *FCA* are linked to the *accounting reference date*.

16.13.4 D The table below sets out the format, reporting frequency and due date for submission in relation to regulatory returns that apply to *authorised payment institutions*, *small payment institutions* and *registered account information service providers*.

(1)	(2)	(3)	(4)	(5)
Type of pay-ment service provider	Return	Format	Reporting Frequency	Due date
<i>authorised payment in-stitution</i>	Authorised Payment In-stitution Capital Ad-equacy Return	FSA056 (Note 1)	Annual (Note 2)	30 <i>business days</i> (Note 3)
<i>registered ac-count in-formation service provider</i>	Authorised Payment In-stitution Capital Ad-equacy Return	FSA056 (Note 1)	Annual (Note 2)	30 <i>business days</i> (Note 3)
<i>small pay-ment in-stitution</i>	Payment Ser-vices Direct-ive Transactions	FSA057 (Note 4)	Annual (Note 5)	1 <i>month</i> (Note 3)

(1)	(2)	(3)	(4)	(5)
Note 1	When submitting the completed return required, the <i>authorised payment institution</i> or <i>registered account information service provider</i> must use the format of the return set out in SUP 16 Annex 27CD. Guidance notes for the completion of the return are set out in SUP 16 Annex 27DG.			
Note 2	This reporting frequency is calculated from an <i>authorised payment institution's</i> or <i>registered account information service provider's</i> accounting reference date.			
Note 3	The due dates are the last day of the periods given in column (5) of the table above following the relevant reporting frequency period set out in column (4) of the table above.			
Note 4	When submitting the completed return required, the <i>small payment institution</i> must use the format of the return set out in SUP 16 Annex 28CD. Guidance notes for the completion of the return are set out in SUP 16 Annex 28DG.			
Note 5	This reporting frequency is calculated from 31 December each calendar year.			

Statistical data on fraud

- 16.13.5** G Regulation 109(4) of the *Payment Services Regulations* requires *payment service providers* to provide to the FCA statistical data on fraud relating to different means of payment.
- 16.13.6** G This requirement applies to:
- (1) *authorised payment institutions*;
 - (2) *small payment institutions*;
 - (3) *registered account information service providers*;
 - (4) *electronic money institutions*;
 - (5) *credit institutions* with permission to accept deposits under Part 4a of FSMA.
- 16.13.7** D This statistical data on fraud must be submitted to the FCA by electronic means made available by the FCA using the format of the return set out in SUP 16 Annex 27ED. Guidance notes for the completion of the return are set out in SUP 16 Annex 27FG.
- 16.13.8** D
- (1) In the case of an *authorised payment institution*, an *authorised electronic money institution* or a *credit institution* with permission to accept deposits under Part 4a of FSMA:
 - (a) the return set out in SUP 16 Annex 27ED must be provided to the FCA every six months;
 - (b) returns must cover the reporting periods 1 January to 30 June and 1 July to 31 December; and
 - (c) returns must be submitted within two months of the end of each reporting period.

- (2) In the case of a *small payment institution*, a *registered account information service provider* or a *small electronic money institution*:
- (a) two returns set out in ■ SUP 16 Annex 27ED must be provided to the FCA every twelve *months*. Each return must cover a *six-month* period;

(b) one return must cover the period 1 January to 30 June and the other return must cover the period 1 July to 31 December; and

(c) both returns must be submitted within two *months* of the end of the calendar year.

16.13.8A

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The return in ■ SUP 16 Annex 27ED reflects the EBA’s Guidelines on fraud reporting under the Payment Services Directive 2 (PSD2), published on 18 July 2018 (EBA/GL/2018/05). The return also includes fraud reporting for *registered account information service providers*, as required by regulation 109 of the *Payment Services Regulations*.

Operational and Security Risk assessments

16.13.9

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Regulation 98(1) of the *Payment Services Regulations* provides that each *payment service provider* must establish a framework with appropriate mitigation measures and control mechanisms to manage the operational and security risks relating to the *payment services* it provides.

16.13.10

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Regulation 98(2) of the *Payment Services Regulations* provides that each *payment service provider* must provide to the FCA an updated and comprehensive assessment:

(1) of the operational and security risks relating to the *payment services* it provides; and

(2) on the adequacy of the mitigation measures and control mechanisms implemented in response to those risks.

The purpose of ■ SUP 16.13.11G to ■ 16.13.17G is to direct the form and manner of the assessment and the information that the assessment must contain.

16.13.11

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The EBA issued Guidelines on 12 December 2017 on the security measures for operational and security risks of payment services under the *Payment Services Directive* (EBA/GL/2017/17). The Guidelines specify requirements for the establishment, implementation and monitoring of the security measures that *payment service providers* must take to manage operational and security risks relating to the *payment services* they provide.

[Note: see EBA guidelines: Guidelines on the security measures for operational and security risks of payment services, 12 December 2017/EBA/GL/2017/17.]

16.13.12

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Payment service providers must comply with the EBA’s Guidelines the on security measures for operational and security risks of payment services (EBA/GL/2017/17) as issued on 12 December 2017 where they are addressed to *payment service providers*.

- 16.13.13** D The assessments required by regulation 98(2) of the *Payment Services Regulations* must be submitted (except *payment service providers* mentioned in paragraph (1) (c) and (ca) of the *Glossary* definition of *payment service provider* and paragraph (1)(c) of the *Glossary* definition of *electronic money issuer*) to the FCA:
- (1) at least once every calendar year;
 - (2) in writing, in the form specified in ■ SUP 16 Annex 27GD, and attaching the documents described in that form; and
 - (3) by electronic means made available by the FCA.
- In the case of *credit institutions*, this provision applies only to those with permission to accept deposits under Part 4a of FSMA.
- 16.13.14** G *Payment service providers* (except *payment service providers* mentioned in paragraph (1) (c) and (ca) of the *Glossary* definition of *payment service provider* and paragraph (1)(c) of the *Glossary* definition of *electronic money issuer*) should submit the form and the assessments to the FCA in accordance with ■ SUP 16.13.13D(2) as soon as practicable after the assessments have been completed. In the case of *credit institutions*, this paragraph applies only to those with permission to accept deposits under Part 4a of FSMA.
- 16.13.15** G *Payment service providers* (except *payment service providers* mentioned in paragraphs (1) (c) and (ca) of the *Glossary* definition of *payment service provider* and paragraph (1)(c) of the *Glossary* definition of *electronic money issuer*) may provide operational and security risk assessments to the FCA on a more frequent basis than once every calendar year if they so wish. *Payment service providers* (except *payment service providers* mentioned in paragraph (1) (c) and (ca) of the *Glossary* definition of *payment service provider* and paragraph (1)(c) of the *Glossary* definition of *electronic money issuer*) should not, however, submit such assessments more frequently than once every quarter. In the case of *credit institutions*, this paragraph applies only to those with permission to accept deposits under Part 4a of FSMA.
- 16.13.16** G Subject to the requirements in ■ SUP 16.13.13D, *payment service providers* (except *payment service providers* mentioned in paragraph (1) (c) and (ca) of the *Glossary* definition of *payment service provider* and paragraph (1)(c) of the *Glossary* definition of *electronic money issuer*) should submit a nil return for each quarter in which they do not make a submission to the FCA. In the case of *credit institutions*, this paragraph applies only to those with permission to accept deposits under Part 4a of FSMA.
- 16.13.17** G [deleted]
- 16.13.17A** G ■ SYSC 15A (Operational resilience) sets out further provisions which are relevant to a *payment service provider's* Operational and Security Risk assessment.
- 16.13.18** G Article 17 of the SCA RTS permits *payment service providers* not to apply strong customer authentication in respect of legal persons initiating

electronic *payment transactions* through the use of dedicated payment processes or protocols that are only made available to *payers* who are not consumers, where the *FCA* is satisfied that those processes and protocols guarantee at least equivalent levels of security to those provided for by the *Payment Services Regulations*.

16.13.19

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Payment service providers intending to make use of the exemption in article 17 of the *SCA RTS* must include in the operational and security risk assessment submitted in accordance with ■ SUP 16.13.13D:

- (1) a description of the *payment services* that the *payment service provider* intends to provide in reliance on this exemption; and
- (2) an explanation of how the *payment service provider's* processes and protocols achieve at least equivalent levels of security to those provided for by the *Payment Services Regulations*.

16.13.20

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Payment service providers should comply with ■ SUP 16.13.19D at least three months before making use of the exemption in article 17 of the *SCA RTS*, and subsequently each time they prepare and submit the operational and security risk assessment required by regulation 98(2) of the *Payment Services Regulations* in respect of a period in which they have made use of the article 17 exemption.

16.13.21

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Payment service providers that follow the guidance in paragraphs 20.55 to 20.60 of the *FCA's* Approach Document and comply with ■ SUP 16.13.19D and ■ 16.13.20D may make use of the article 17 exemption on the basis that the *FCA* is satisfied with the levels of security of their processes and protocols, unless informed otherwise by the *FCA*.

[Note: see <https://www.fca.org.uk/publication/finalised-guidance/fca-approach-payment-services-electronic-money-2017.pdf>.]

Reporting statistics on the availability and performance of a dedicated interface

16.13.22

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Article 32(4) of the *SCA RTS* requires *account servicing payment service providers* that opt to provide a dedicated interface under article 31 of the *SCA RTS* to monitor the availability and performance of that interface. They must also publish on their website quarterly statistics on the availability and performance of the dedicated interface and of the interface used by its *payment services users*.

16.13.23

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Account servicing payment service providers shall submit to the *FCA* the quarterly statistics on the availability and performance of a dedicated interface that they are required by article 32(4) of the *SCA RTS* to publish on their website:

(1) within 1 month of the quarter to which the statistics relate;

(2) using the form set out in ■ SUP 16 Annex 46AD; and

(3) by electronic means made available by the *FCA*.

- 16.13.24** **G** The quarterly statistics should cover the periods January to March, April to June, July to September and October to December.
- An *account servicing payment service provider* becoming subject to the obligation in **■ SUP 16.13.23D** part way through a quarter should submit the first statistics only in relation to the part of the quarter when this obligation applied.
- Guidance notes for completing the form set out in **■ SUP 16 Annex 46AD** are in **■ SUP 16 Annex 46BG**.