

FEES (PAYMENT SYSTEMS REGULATOR) (NO 2) INSTRUMENT 2016

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the powers in paragraph 9 (Funding) of Schedule 4 (The Payment Systems Regulator) of the Financial Services (Banking Reform) Act 2013 (“FSBRA”);
 - (2) the powers in Regulation 15 of The Payment Card Interchange Fee Regulations 2015 (SI 2015/1911); and
 - (3) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137T (General supplementary powers);
 - (b) section 139A (Power of the FCA to give guidance); and
 - (c) paragraph 23 of schedule 1ZA (Fees).
- B. The rule-making powers listed above are specified for the purpose of paragraph 9 of schedule 4 to FSBRA and section 138G (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 8 July 2016.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Fees manual (FEES) is amended in accordance with Annex B to this instrument.

Notes

- F. In the Annexes to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Fees (Payment Systems Regulator) (No 2) Instrument 2016.

By order of the Board
23 June 2016

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

IFR transactions by acquirers operating in the United Kingdom all transactions subject to the *IFR* acquired by:

- (a) *UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located in the *United Kingdom*, where the *card issuer* is located in the *EEA*;
- (b) *UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located outside the *United Kingdom*, where the *card issuer* is located in the *EEA*; and
- (c) *non-UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located in the *United Kingdom*, where the *card issuer* is located in the *EEA*.

IFR transactions by card issuers operating in the United Kingdom all transactions subject to the *IFR* on cards issued by *UK-based card issuers* (or an *operator* acting as such an *card issuer*), where the *acquirer* is located in the *EEA*.

Amend the following definitions as shown.

PSR fee the fee payable by a *direct payment service provider* or an operator of an *IFR card payment system* under *FEES* 9.2.1R.

payment system allocation (a) for each *regulated payment system* listed in column 1 of Table A of *FEES* 9 Annex 1R, the annual allocation of *PSR fees* specified for that *regulated payment system* in column 2 of Table A of *FEES* 9 Annex 1R.

(b) for each *IFR card payment system* listed in column 1 of Table C of *FEES* 9 Annex 1R, the annual allocation of *PSR fees* specified for that *IFR card payment system* in column 2 of Table C of *FEES* 9 Annex 1R.

payment system denominator (a) for each *regulated payment system* listed in column 1 of Table A of *FEES* 9 Annex 1R, the figure specified for that *regulated payment system* in column 6 of Table A and which is also the

total *transaction volumes* for that *regulated payment system* undertaken by all relevant *direct payment service providers* in the *relevant time period*, prior to any adjustment resulting from the application of *FEES 9.2.1AR*.

- (b) for each *IFR card payment system* listed in column 1 of Table C of *FEES 9 Annex 1R*, the figure specified for that *IFR card payment system* in column 4 of Table B and column 6 of Table C of *FEES 9 Annex 1R*, and which is also the total *transaction volumes* for that *IFR card payment system* undertaken by all relevant *acquirers*, *card issuers* and *operators* acting as such *acquirers* or *card issuers* in the *relevant time period*, prior to any adjustment resulting from the application of *FEES 9.2.1CR*.

relevant time period

- (a) for each *regulated payment system* listed in column 1 of Table A of *FEES 9 Annex 1R*, the time period or date specified for that *regulated payment system* in column 4 of Table A.
- (b) for each *IFR card payment system* listed in column 1 of Table C of *FEES 9 Annex 1R*, the time period specified for that *IFR card payment system* in column 2 of Table B and column 4 of Table C of *FEES 9 Annex 1R*.

transaction volumes

- (a) for each *regulated payment system* listed in column 1 of Table A of *FEES 9 Annex 1R*, the number of transfers of funds of the type specified in column 5 of Table A undertaken by a *direct payment service provider* in the *relevant time period*.
- (b) for each *IFR card payment system* listed in column 1 of Table C of *FEES 9 Annex 1R*, the number of transfers of funds of the type specified in column 1 of Table B and column 5 of Table C of *FEES 9 Annex 1R* undertaken in the *relevant time period* by:
- (i) an *acquirer*; or
- (ii) a *card issuer*; or
- (iii) an *operator* of an *IFR card payment system* acting as such an *acquirer* or *card issuer*.

transactions by acquirers operating in the United Kingdom

- all transactions acquired by:
- (a) *UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located in the *United Kingdom*;
- (b) *UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located outside the *United Kingdom*; and
- (c) non-*UK-based acquirers* (or an *operator* acting as such an *acquirer*) resulting in payments to merchants located in the

United Kingdom.

*transactions by
card issuers
operating in the
United Kingdom*

all transactions on cards issued by *UK-based card issuers*, ~~irrespective of where the cardholder is located or the payment is initiated~~ (or an operator acting as such a card issuer).

Annex B

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 Fees Manual

1.1 Application and Purpose

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Application

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1.1.2A R *FEES* 1 and *FEES* 9 apply to:

- (1) operators of regulated payment systems;
- (2) operators of IFR card payments systems; and
- (3) direct payment service providers.

...

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; and
- (3) direct payment service providers.

Purpose

9.1.2 G This chapter sets out the fee payable by a *direct payment service provider* or an operator of an IFR card payment system to establish and fund the *PSR*.

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9.2 PSR fees

Obligation to pay PSR fees

- 9.2.1 R *A direct payment service provider, acquirer, ~~or~~ card issuer or operator of an IFR card payment system must pay the PSR fees applicable to it and calculated as set out in FEES 9 Annex 1R:*
- (1) in full and without deduction; and
 - (2) in accordance with this chapter, subject to:
 - (a) *FEES 9.2.1AR;*
 - (b) *FEES 9.2.1CR;*
 - (c) *FEES 9.2.1DR; and*
 - (d) *FEES 9.2.1FR.*
- 9.2.1A R *If either of the following tests is met by an acquirer or card issuer in a card payment system in any given fee year, the transaction volumes attributable to that acquirer or card issuer are not to be included in the payment system denominator for that card payment system for that fee year, and that acquirer or card issuer is not required to pay any PSR fee in respect of the ~~PSR's functions and activities in relation to regulated payment systems~~ payment system allocation to that card payment system for that fee year where:*
- (1) *the PSR fee for that acquirer or card issuer calculated as set out in FEES 9 Annex 1R would be less than £50 for the current fee year for that card payment system if FEES 9.2.1AR were not applied; or*
 - (2) *a direct payment service provider in that card payment system realises in total less than 100,000 transactions by an acquirer operating in the United Kingdom and plus transactions by a card issuer operating in the United Kingdom in the relevant time period.*
- ...
- 9.2.1B R ...
- (2) ~~FEES 9.2.1DR(1)~~ *FEES 9.2.1BR(1) also applies when the business acquired, transferred or merged is not a legal entity but is an unincorporated business, or is in the form of assets and/or contracts.*
- 9.2.1C R (1) *If an acquirer or card issuer meets either of the following tests in an IFR card payment system in any given fee year, the transaction volumes attributable to that acquirer or card issuer are not to be included in the payment system denominator for that IFR card payment system for that fee year, and that acquirer or card issuer is not required to pay any PSR fee in respect of the payment system allocation to that IFR card payment system for that fee year where:*
- (a) *the PSR fee for that acquirer or card issuer calculated as set out in FEES 9 Annex 1R would be less than £50 for the current fee year for that IFR card payment system if FEES 9.2.1CR were*

not applied; or

(b) a direct payment service provider in that IFR card payment system realises in total less than 100,000 IFR transactions by an acquirer operating in the United Kingdom plus IFR transactions by a card issuer operating in the United Kingdom in the relevant time period.

(2) If the total number of IFR transactions by an acquirer operating in the United Kingdom plus IFR transactions by a card issuer operating in the United Kingdom under a given IFR card payment system in the relevant time period amount to less than 100,000, no payment system allocation must be made to that IFR card payment system for the relevant fee year, and the acquirers, card issuers and operator in that IFR card payment system are not required to pay any PSR fee in respect of that IFR card payment system for that fee year.

9.2.1D R If there is a payment system allocation for a given fee year to an IFR card payment system (as set out in Table C of FEES 9 Annex 1R), and none of the acquirers and card issuers in that IFR card system is required to pay any PSR fee for that fee year as a result of the application of FEES 9.2.1CR(1), then the operator of that IFR card payment system must pay the entire payment system allocation for that IFR card payment system as PSR fees for that fee year.

9.2.1E R If:

(1) there is a payment system allocation for a given fee year to a card payment system or to an IFR card payment system (in either Table A or Table C of FEES 9 Annex 1R respectively); and

(2) the operator of that payment system is acting as an acquirer, as a card issuer or as both an acquirer and card issuer in that card payment system or IFR card system;

that operator must pay the entire payment system allocation for that card payment system or IFR card payment system as PSR fees for that fee year.

9.2.1F R Where FEES 9.2.1ER applies, no other acquirers or card issuers are required to pay any PSR fee for that card payment system or IFR card system in accordance with FEES 9.2.1R.

9.2.1G G Where FEES 9.2.1ER applies, the payment system denominator for that card payment system or IFR card payment system is not included in column 6 of Table A or Table C, as appropriate, of FEES 9 Annex 1R.

Time of payment

9.2.2 R If the PSR fee paid by a direct payment service provider for the previous fee year for a particular regulated payment system or IFR card payment system was at least £20,000, that direct payment service provider must pay to the operator of that particular regulated payment system or IFR card payment

system:

- (1) an amount equal to 50% of the *PSR fee* payable for the previous *fee year*, by 15 March at the end of the previous *fee year*; and
- (2) the balance of the *PSR fee* due by 15 ~~August~~ September in the current *fee year*.

9.2.2A R The operator of each *regulated payment system* or *IFR card payment system* must pay the amounts collected (as collection agent for the *FCA*) under *FEES* 9.2.2R to the *FCA* by the following dates:

- (1) 1 April in the current *fee year*;
- (2) 1 ~~September~~ October in the current *fee year*.

9.2.2B R If an operator of an *IFR card payment system* or *card payment system* is liable to pay *PSR fees* itself under *FEES* 9.2.1DR or *FEES* 9.2.1ER, and the *PSR fee* it paid for the previous *fee year* for its *IFR card payment system* or *card payment system* was at least £20,000, that operator must pay to the *FCA*:

- (1) an amount equal to 50% of the *PSR fee* payable for the previous *fee year*, by 15 March at the end of the previous *fee year*; and
- (2) the balance of the *PSR fee* due by 15 September in the current *fee year*.

[Note: Transitional provisions apply to *FEES* 9.2.2R to *FEES* 9.2.2BR inclusive: see *FEES* TP 12.4]

9.2.3 R If the *PSR fee* paid by a *direct payment service provider* for a particular *regulated payment system* or *IFR card payment system* for the previous *fee year* was less than £20,000, the *direct payment service provider* must pay its *PSR fee* in full to the operator of that *regulated payment system* or *IFR card payment system*:

- (1) by 15 ~~August~~ September in the current *fee year*; or
- (2) if later, within 30 days of the date of the invoice.

9.2.3A R The operator of each *regulated payment system* and *IFR card payment system* must pay the amounts collected (as collection agent for the *FCA*) under *FEES* 9.2.3R to the *FCA* by the following date:

- (1) ~~30 August~~ 1 October in the current *fee year*; or
- (2) if later, within 15 days of the date payment of an amount in respect of *PSR fees* is received by the operator from a *direct payment service provider*.

[Note: Transitional provisions apply to *FEES* 9.2.2R to *FEES* 9.2.2BR inclusive: see *FEES* TP 12.4]

9.2.3B R If an operator of an IFR card payment system or card payment system is liable to pay PSR fees itself under FEES 9.2.1DR or FEES 9.2.1ER, and the PSR fee it paid for the previous fee year for its IFR card payment system or card payment system was less than £20,000, that operator must pay its PSR fee in full to the FCA:

- (1) by 15 September in the current fee year; or
- (2) if later, within 30 days of the date of the invoice.

Method of payment and invoicing

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9.2.4A R A direct payment service provider must pay its PSR fees to the operator (acting as collection agent for the FCA) of the regulated payment system or IFR card payment system to which the fee relates.

9.2.4B R The operator of a regulated payment system or an IFR card payment system, acting as collection agent for the FCA, must pay to the FCA the amounts it receives from or on behalf of direct payment service providers under FEES 9.2.4AR.

9.2.4C R With respect to invoices for ~~PSR fees~~ PSR fees:

- (1) the operator of each regulated payment system or IFR card payment system must issue invoices to its direct payment service providers for the amount of the PSR fee relating to each direct payment service provider for their participation in that regulated payment system or IFR card payment system;

...

- (3) invoices must be issued by the operator on a sufficiently timely basis to enable the direct payment service providers to pay PSR fees to the ~~operator~~ operator (acting as collection agent for the FCA) by the dates specified in FEES 9.2.2R and 9.2.3R; and

- (4) the requirements of FEES 9.2.4CR(1), (2) and (3) also apply where the operator of a card payment system or IFR card payment system is liable to pay PSR fees itself under FEES 9.2.1DR or FEES 9.2.1ER.

9.2.4D R (1) The operator of a regulated payment system or IFR card payment system must provide to the PSR, for each of its direct payment service providers (and for itself, where it is an operator acting as an acquirer or card issuer), a copy of:

- (a) its calculations (as specified in column 3 of ~~Table~~ Tables A and C of FEES 9 Annex 1R); and
- (b) the underlying data (as specified in column 5 of ~~Table~~ Tables A and C of FEES 9 Annex 1R).

- (2) The *operator* of a *regulated payment system* or *IFR card payment system* must:
- (a) provide the information in (1) to the *PSR* as soon as possible once *FEES* 9 Annex 1R is updated for a *fee year*, and
 - (b) obtain the *PSR*'s agreement to the individual *PSR fees* on a sufficiently timely basis to be able to issue invoices to *direct payment service providers* in accordance with *FEES* 9.2.4CR.
- (3) The *operator* of each *regulated payment system* and *IFR card payment system* must provide to the *PSR* an updated version of the information set out in *FEES* 9.2.4DR(1) by no later than two *working days* after the dates set out in *FEES* 9.2.2R and *FEES* 9.2.3R, indicating which *direct payment service providers* have not paid, or not paid in full, their *PSR fees*.

- 9.2.4E G An *operator* of a *regulated payment system* or an *IFR card payment system* should pay the amounts due to the *FCA* under *FEES* 9.2.2BR, *FEES* 9.2.3BR and *FEES* 9.2.4BR by electronic credit transfer and should notify the *FCA* if it intends to pay in another way.

Ceasing to be designated as a regulated payment system, and ceasing to be a direct payment system provider of a regulated payment system or *IFR card payment system*, and ceasing to be subject to the *IFR*

- 9.2.5 G The *FCA* will not relieve or refund a *PSR fee* if after the start of that fee year:
- (1) a *payment system* ceases to be a *regulated payment system*; or
 - (2) an *IFR card payment system* ceases to be subject to the *IFR*; or
 - (3) if a ~~person~~ *person* ceases to be a *direct payment service provider* of a *regulated payment system*, ~~after the start of that fee year~~ or an *IFR card payment system*.
- 9.2.6 R If a *payment system* ceases to be a *regulated payment system*, or an *IFR card payment system* ceases to be subject to the *IFR*, all *direct payment service providers* of that system, and the *operator* of that *IFR card payment system*, must pay any outstanding *PSR fees* before the system ceases to hold that status.
- 9.2.6A R If a ~~person~~ *person* ceases to be:
- (1) a *direct payment service provider* of a *regulated payment system* or of an *IFR card payment system*, it must pay any outstanding *PSR fees* in respect of that system, before it ceases to be a *direct payment system provider* of the system; or
 - (2) the *operator* of a *IFR card payment system*, it must pay any outstanding *PSR fees* in respect of that system before it ceases to be the *operator* of that *IFR card payment system*.

Late payments

- 9.2.7 R If a *direct payment service provider* or an operator of an IFR card payment system does not pay the total amount of its *PSR fees* before the end of the date on which it is due, it must pay to the *FCA*:
- (1) an administrative fee of £250; plus
 - (2) interest on any unpaid part of the fee at an annual rate of 5% above the Official Bank Rate from time to time in force, accruing daily from the date on which the amount concerned became due.

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- 9.2.10 G The *FCA* will not consider a claim to refund a *PSR fee* due to a mistake of fact or law by the fee paying *direct payment service provider* or operator of an IFR card payment system if the claim is made more than two years after the beginning of the *fee year* to which the fee relates.

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the following new table. The text is not underlined.

9 Annex 1R PSR fees for the period 1 April 2016 to 31 March 2017

Table A below shows the *PSR fee* applicable to the *direct payment system providers, acquirers and card issuers* of each *regulated payment system*.

Table A

Regulated payment system (column 1)	Payment system allocation for 2016/17 (£) (column 2)	Calculation methodology for PSR fee payable by direct payment service providers, acquirers and card issuers of regulated payment systems (column 3)	Relevant time period (column 4)	Relevant transaction volumes or shareholdings, as applicable (column 5)	Payment system denominator (column 6) (rounded to the nearest 500)
<i>Bacs</i>	£1.96 million	The <i>PSR fee</i> is calculated for each individual <i>direct payment service provider</i> proportionally to the relevant <i>transaction volumes</i> processed, issued or acquired on behalf of that <i>direct payment service provider</i> through the <i>regulated payment system</i> in question during the <i>relevant time period</i> .	1 January to 31 December 2015	All transactions processed through the <i>Bacs regulated payment system</i> . Transactions include both the initiation of the transfer of funds, and the receipt of transferred funds.	12,159,494,000
<i>C&C</i>	£1.90 million		1 July to 31 December 2015	All transactions including 'in clearing' and 'out clearing' transactions for GBP, USD and EUR processed through the <i>C&C regulated payment system</i> .	420,930,500
<i>CHAPS</i>	£1.96 million	The calculation formula is: <i>payment system allocation</i> multiplied by <i>direct payment service provider's relevant transaction volumes</i> divided by <i>payment system</i>	1 January to 31 December 2015	All MT103 and MT202 transactions processed through the <i>CHAPS regulated payment system</i> . Transactions include both the initiation of the transfer of funds, and the receipt of transferred funds.	74,947,500
<i>FPS</i>	£1.96 million		1 January to 31	All transactions processed through the <i>FPS regulated payment system</i> . Transactions include both the	2,494,069,000

Regulated payment system (column 1)	Payment system allocation for 2016/17 (£) (column 2)	Calculation methodology for PSR fee payable by direct payment service providers, acquirers and card issuers of regulated payment systems (column 3)	Relevant time period (column 4)	Relevant transaction volumes or shareholdings, as applicable (column 5)	Payment system denominator (column 6) (rounded to the nearest 500)
		<i>denominator.</i>	December 2015	initiation of the transfer of funds, and the receipt of transferred funds.	
<i>LINK</i>	£1.96 million		1 January to 31 December 2015	All transactions issued and acquired under the <i>LINK regulated payment system</i> , including GBP cash withdrawals, foreign currency dispenses, balance enquiries, PIN management, charity donations, non-cash transactions and mobile payment transactions, but excluding ' <i>on us</i> ' transactions. Both issuing and acquiring transactions are taken into account.	6,324,217,500
<i>MasterCard</i>	£1.96 million	General calculation methodology: The <i>PSR fee</i> is calculated for each individual <i>acquirer</i> and <i>card issuer</i> proportionally to the relevant <i>transaction volumes</i> under the <i>card payment system</i> in question during the <i>relevant time period</i> . The calculation formula is: <i>payment system allocation</i> multiplied by <i>acquirer</i> or <i>card issuer's</i> relevant <i>transaction volumes</i> divided by <i>payment system denominator</i> . Exception pursuant to <i>FEES 9.2.1ER</i> : Where the <i>operator</i> of a <i>card</i>	1 January to 31 December 2015	All <i>transactions by acquirers operating in the United Kingdom</i> and <i>card issuers operating in the United Kingdom</i> under the <i>MasterCard regulated payment system</i> , including point of sale transactions, merchant sales volumes, and cash purchase transactions on cards, but excluding cash-only withdrawals. All <i>MasterCard-branded</i> transactions are included irrespective of the <i>processing entity (MasterCard</i> itself, a third party <i>processing entity</i> or ' <i>on us</i> ' transactions). Both issuing and acquiring transactions are taken into account.	5,008,627,000 (prior to any adjustment resulting from the application of <i>FEES 9.2.1AR</i>)
<i>Visa</i>	£1.96 million		1 January to 31 December 2015	All <i>transactions by acquirers operating in the United Kingdom</i> and <i>card issuers operating in the United Kingdom</i> under the <i>Visa regulated payment system</i> , including point of sale transactions, merchant sales volumes, and cash purchase transactions on cards, but	24,095,219,000 (prior to any adjustment resulting from the application of

Regulated payment system (column 1)	Payment system allocation for 2016/17 (£) (column 2)	Calculation methodology for PSR fee payable by direct payment service providers, acquirers and card issuers of regulated payment systems (column 3)	Relevant time period (column 4)	Relevant transaction volumes or shareholdings, as applicable (column 5)	Payment system denominator (column 6) (rounded to the nearest 500)
NICC	£55,400	<p><i>payment system</i> is acting as an <i>acquirer</i>, as a <i>card issuer</i> or as both, the <i>PSR fee</i> is equal to the <i>payment system allocation</i> for that <i>card payment system</i>.</p> <p>The <i>PSR fee</i> is calculated for each <i>direct payment service provider</i> proportionally to its <i>shareholding</i> in the <i>operator</i> of the <i>NICC regulated payment system</i> during the <i>relevant time period</i>.</p> <p>The calculation formula is: <i>payment system allocation</i> multiplied by <i>direct payment service provider's</i> shareholding in the capital of the Belfast Bankers' Clearing Company Ltd (expressed as a percentage).</p>	31 December 2015	<p>excluding cash-only withdrawals. All <i>Visa</i>-branded transactions are included irrespective of the <i>processing entity</i> (<i>Visa</i> itself, a third party <i>processing entity</i> or '<i>onus' transactions</i>). Both issuing and acquiring transactions are taken into account.</p> <p>All shareholdings held in Belfast Bankers' Clearing Company Ltd, the <i>operator</i> of the <i>NICC regulated payment system</i>.</p>	FEES 9.2.1AR
					Not applicable

Insert the following new Table B in FEES 9 Annex 1R. The text is not underlined.

Table B below shows the tiers and their levels for determining how the *payment system allocation* is allocated to individual *IFR card payment systems*.

Table B

Relevant IFR transaction volumes (column 1)	Relevant time period (column 2)	Tier (column 3)	Payment system denominator (rounded to the nearest '000) (column 4)	Allocation methodology for the payment system allocation for 2016/17 for each IFR card payment system (column 5)
<p>All IFR transactions by acquirers operating in the United Kingdom and IFR transactions by card issuers operating in the United Kingdom (or those by the operator of that IFR card payment system acting as such an acquirer or card issuer) under that IFR card payment system, including point of sale transactions, merchant sales volumes, and cash purchase transactions on cards, but excluding cash-only withdrawals.</p> <p>All transactions under the brand of that IFR card payment system are included irrespective of the processing entity (the operator or IFR card payment system itself, a third party processing entity or 'on us' transactions).</p> <p>Both issuing and acquiring transactions are taken into account for each IFR card payment system.</p>	<p>1 January to 31 December 2015</p>	<p>1</p>	<p>Total relevant IFR transaction volumes for the IFR card payment system in question of <100,000 in the relevant time period (application of FEES 9.2.1DR)</p>	<p>Exemption from PSR fees</p>
		<p>2</p>	<p>Total relevant IFR transaction volumes for the IFR card payment system in question of between 100,000 and 10,000,000 in the relevant time period (prior to any adjustment resulting from the application of FEES 9.2.1CR)</p>	<p>Payment system allocation to each relevant IFR card payment system amounting to 0.5% of the total 2016/17 funding requirement in relation to the PSR's IFR functions and activities</p>
		<p>3</p>	<p>Total IFR transaction volumes for the IFR card payment system in question of greater than 10,000,000 in the relevant time period (prior to any adjustment resulting from the application of FEES 9.2.1CR)</p>	<p>Equal payment system allocation to each relevant IFR card payment system for the remaining total 2016/17 funding requirement in relation to the PSR's IFR functions and activities</p>

Insert the following new Table C in FEES 9 Annex 1R. The text is not underlined.

Table C below shows the *PSR fee* applicable to the *acquirers, card issuers and operators* of each *IFR card payment system*.

Table C

IFR card payment system (column 1)	Payment system allocation for 2016/17 (£) (column 2)	Calculation methodology for PSR fee payable by acquirers, card issuers and operators of IFR card payment systems (column 3)	Relevant time period (column 4)	Relevant IFR transaction volumes (column 5)	Payment system denominator (column 6) (rounded to the nearest '000)
<i>JCB</i>	Nil	General calculation methodology: The <i>PSR fee</i> is calculated for each individual <i>acquirer</i> and <i>card issuer</i> proportionally to the relevant <i>transaction volumes</i> under the <i>IFR card payment system</i> in question during the <i>relevant time period</i> .	1 January to 31 December 2015	All <i>IFR transactions by acquirers operating in the United Kingdom</i> and <i>IFR transactions by card issuers operating in the United Kingdom</i> (or by the operator of that <i>IFR card payment system</i> acting as such an <i>acquirer</i> or <i>card issuer</i>) under that <i>IFR card payment system</i> , including point of sale transactions, merchant sales volumes, and cash purchase transactions on cards, but excluding cash-only withdrawals.	Not applicable as a result of the application of <i>FEES 9.2.1DR</i>
<i>UPI</i>	Nil				Not applicable as a result of the application of <i>FEES 9.2.1DR</i>
<i>Diners Club</i>	£7,500				Not applicable as a result of the application of <i>FEES 9.2.1GG</i>
<i>AmEx</i>	£497,500	The calculation formula is: <i>payment system allocation</i> multiplied by <i>acquirer</i> or <i>card issuer's</i> relevant <i>transaction volumes</i> divided by <i>payment system denominator</i> .			Not applicable as a result of the application of <i>FEES 9.2.1GG</i>
<i>MasterCard</i>	£497,500	The figure in column 6 of Table C is the <i>payment system denominator</i> set out in column 6 of Table A, and it must be adjusted for the purposes of Table		All transactions under the brand of that <i>IFR card payment system</i> are included irrespective of the <i>processing entity</i> (the <i>operator</i> or the <i>IFR card payment system</i> itself, a third party <i>processing</i>	5,008,627,000 (prior to any adjustment resulting from the application of <i>FEES 9.2.1CR</i> ; and prior to any adjustments by the <i>operator</i> as set out in column 3 of Table C to reflect the relevant <i>transaction volumes</i> for that <i>IFR card payment system</i>)

IFR card payment system (column 1)	Payment system allocation for 2016/17 (£) (column 2)	Calculation methodology for PSR fee payable by acquirers, card issuers and operators of IFR card payment systems (column 3)	Relevant time period (column 4)	Relevant IFR transaction volumes (column 5)	Payment system denominator (column 6) (rounded to the nearest '000)
Visa	£497,500	<p>C by the operator to reflect the total relevant transaction volumes for that IFR card payment system, including IFR transactions by acquirers operating in the United Kingdom plus IFR transactions by card issuers operating in the United Kingdom, as set out in column 5 of Table C.</p> <p>Exception pursuant to FEES 9.2.1DR or FEES 9.2.1ER:</p> <p>Where the operator of an IFR card payment system is acting as an acquirer, as a card issuer or as both, the PSR fee is equal to the payment system allocation for that IFR card payment system.</p>		<p>entity or 'on us' transactions).</p> <p>Both issuing and acquiring transactions are taken into account for each IFR card payment system.</p>	<p>24,095,219,000</p> <p>(prior to any adjustment resulting from the application of FEES 9.2.1CR; and and prior to any adjustments by the operator as set out in column 3 of Table C to reflect the relevant transaction volumes for that IFR card payment system)</p>

...

Amend the following as shown.

TP 12 Transitional provisions relating to direct payment service providers and operators of IFR card payment systems

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
12.4	<p><i>FEES</i> 9.2.2R, <i>FEES</i> 9.2.2AR and <i>FEES</i> 9.2.2BR</p>	R	<p>Replace <i>FEES</i> 9.2.2R, <i>FEES</i> 9.2.2AR and <i>FEES</i> 9.2.2BR with the following: “If the <i>PSR fee</i> paid by a <i>direct payment service provider</i> for the <i>previous fee year</i> for a particular <i>regulated payment system</i> was at least £20,000, that <i>direct payment service provider</i> must pay:</p> <ol style="list-style-type: none"> (1) an amount equal to 50% of the <i>PSR fee</i> payable for the <i>previous fee year</i>, by 15 April in the current <i>fee year</i>; and (2) the balance of the <i>PSR fee</i> due by 15 August <u>September</u> in the current <i>fee year</i>. <p>The <i>operator</i> of each <i>regulated payment system</i> must pay the amounts collected (as collection agent for the <i>FCA</i>) under <i>FEES</i> 9.2.2R to the <i>FCA</i> by the following dates:</p> <ol style="list-style-type: none"> (a) 30 April in the current <i>fee year</i>; and (b) 1 September <u>October</u> in the current <i>fee year</i>.” 	<p>From 1 April 2016 until 29 February 2017</p>	<p>1 March 2017</p>