

FEES (PAYMENT SERVICES) INSTRUMENT 2017

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in or under the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules), as applied by paragraph 3 of Schedule 6 to the Payment Services Regulations 2017 (SI 2017/752) (“the Regulations”) and paragraph 2A of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99);
 - (b) section 137T (General supplementary powers), as applied by paragraph 3 of Schedule 6 to the Regulations and paragraph 2A of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99);
 - (c) section 139A (Power of the FCA to give guidance);
 - (d) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority);
 - (2) regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209);
 - (3) regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99); and
 - (4) regulations 118 (Costs of supervision) and 120 (Guidance) of the Regulations.
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 13 January 2018 except for FEES TP 17 which will come into force on 13 October 2017.

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.

Citation

- F. This instrument may be cited as the Fees (Payment Services) Instrument 2017.

By order of the Board
12 September 2017

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text.

Amend the existing definition as shown.

- fee-paying payment service provider* any of the following when they provide *payment services*:
- (a) a *payment institution*;
 - (aa) a *registered account information service provider*;
 - (b) a *full credit institution*;
 - (c) an *electronic money issuer* (except where it is an *electronic money issuer* whose only *payment service* activities are those relating to the issuance of *electronic money* by itself or if it is a *credit union*, a municipal bank or the National Savings Bank);
 - (d) the Post Office Limited;
 - (e) the Bank of England, other than when acting in its capacity as a monetary authority or carrying out functions of a public nature;
 - (f) government departments and local authorities, other than when carrying out functions of a public nature.

A *full credit institution* that is an *EEA firm* is only a *fee-paying payment service provider* if it is exercising an *EEA right* in accordance with Part 2 of Schedule 3 to the *Act* (exercise of passport rights) to provide *payment services* in the *United Kingdom*. An *EEA authorised payment institution* or an *EEA authorised electronic money institution* is only a *fee-paying payment service provider* if it is exercising a right under ~~Article~~ article 25 of the *Payment Services Directive* or ~~Article~~ article 3 of the *Electronic Money Directive* to provide *payment services* in the *United Kingdom*.

Annex B

Amendments to the Fees manual (FEES)

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

3 Application, Notification and Vetting Fees

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3.2 Obligation to pay fees

...

3.2.7R Table of application, notification, vetting and other fees payable to the FCA

Part 1: Application, notification and vetting fees		
(1) Fee payer	(2) Fee payable (£)	Due date
...		
(y) An applicant for authorisation as an <i>authorised payment institution</i> under regulation 5 of the <i>Payment Services Regulations</i> .	The highest of the tariffs set out in <i>FEES 3 Annex 8R</i> which apply to that application. Where an application only involves a simple change of legal status as set out in <i>FEES 3 Annex 1 Part 6</i> , the fee payable is 50% of the tariff that would otherwise be payable in <i>FEES 3 Annex 8R</i> .	On or before the date the application is made.
(ya) An applicant for <u>registration as an account information service provider under regulation 17 of the <i>Payment Services Regulations</i></u> .	<u><i>FEES 3 Annex 8R</i>, paragraph (2)(i).</u> <u>Where an application only involves a simple change of legal status as set out in <i>FEES 3 Annex 1 Part 6</i>, the fee payable is 50% of the tariff that would otherwise be payable in <i>FEES 3 Annex 8R</i>.</u>	<u>On or before the date the application is made.</u>

<p>(z) An application by a <i>small payment institution</i> for authorisation as an <i>authorised payment institution</i> because regulation 45 <u>16</u> of the <i>Payment Services Regulations</i> applies.</p>	<p>The highest of the tariffs set out in <i>FEES 3 Annex 8R</i> which apply to that application.</p>	<p>On or before the date the application is made.</p>
<p>(za) An applicant for registration as a <i>small payment institution</i> under regulation 42 <u>13</u> of the <i>Payment Services Regulations</i>.</p>	<p><i>FEES 3 Annex 8R</i>, paragraph (1). Where an application only involves a simple change of legal status as set out in <i>FEES 3 Annex 1R Part 6</i>, the fee payable is 50% of the tariff that would otherwise be payable in <i>FEES 3 Annex 8R</i>.</p>	<p>On or before the date the application is made.</p>
<p>(zb) An <i>authorised payment institution</i> applying to vary its authorisation under regulation 8 <u>5</u> of the <i>Payment Services Regulations</i>.</p>	<p>(1) If the <i>payment services</i> carried on by the <i>authorised payment institution</i> prior to the variation only fall within paragraph (f) or (g) or (h) of Part 1 of Schedule 1 to the <i>Payment Services Regulations</i> and any of the <i>payment services</i> in paragraphs (a) to (e) of Part 1 of that Schedule will apply after variation, the fee is 50% of the highest of the tariffs set out in <i>FEES 3 Annex 8R</i> which apply to that application.</p> <p>(2) Where the <i>authorised payment institution</i>:</p> <p>(i) already has authorisation to provide <i>payment services</i> within any one or more of paragraphs (a) to (e) of Part 1 of Schedule 1 to the <i>Payment Services Regulations</i> and wishes to add one or more other</p>	<p>On or before the date the application is made.</p>

	<p>services in (a) to (g <u>h</u>); or</p> <p>(ii) has authorisation to provide <i>payment services</i> in either paragraph (f) or , (g) or (h) of Part 1 of Schedule 1 to the <i>Payment Services Regulations</i> and wishes to extend its authorisation to include the <u>any</u> other paragraph <u>services in paragraphs ((f) or (g)) to (h)</u>;</p> <p>the fee payable is £250 irrespective of the number of <i>agents</i> it has.</p> <p>(3) In cases where the variation involves only the reduction (and no increases) of the types of <i>payment services</i> to be carried on after the variation, no fee is payable.</p>	
<p>(zc) A <i>small payment institution</i> applying to vary its registration under regulation 12<u>13</u> of the <i>Payment Services Regulations</i>.</p>	<p>(1) If the <i>payment services</i> carried on by the <i>small payment institution</i> prior to the variation only fall within [paragraph (f) or (g) of Part 1 of Schedule 1] to the <i>Payment Services Regulations</i> and any of the <i>payment services</i> in [paragraphs (a) to (e) of that Schedule] will apply after variation, the <u>The</u> fee is 50% of the highest of the tariffs set out in <i>FEES 3 Annex 8R</i>, <u>paragraph (1)</u>, which apply to that application.</p> <p>(2) Where the <i>small payment institution</i>: (i) is already registered to provide <i>payment services</i> within any one or more of</p>	<p>On or before the date the application is made.</p>

	<p>[[paragraphs (a) to (e) of Part 1 of Schedule 1] to the <i>Payment Services Regulations</i> and wishes to add one or more other of the services in [(a) to (g)]; or</p> <p>(ii) is registered to provide <i>payment services</i> in either paragraph (f) or (g) of Part 1 of Schedule 1 to the <i>Payment Services Regulations</i> and wishes to extend its registration to include the other paragraph ((f) or (g)); the fee payable is 250 irrespective of the number of <i>agents</i> it has.</p> <p>(32) In cases where the variation involves only the reduction (and no increases) of the types of <i>payment services</i> to be carried on after the variation, no fee is payable.</p>	
(zd) A financial institution notifying the FCA in accordance with regulation 121(2)(a) of the <i>Payment Services Regulations</i> .	50% of the highest of the tariffs set out in FEES 3 Annex 8R, paragraphs (2) to (5) which apply to that application.	On or before the date the application is made. [deleted]
...		

3 Annex 8R Fees payable for authorisation as an authorised payment institution or registration as a small payment institution, including notification fees, in accordance with the Payment Services Regulations

Authorisation and registration fees payable

Application type for authorisation, registration and notification under Part 2 of the <i>Payment Services Regulations</i>	Amount payable (£)
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(1) <i>small payment institution</i>	500
(2) <i>authorised payment institution</i> - where the applicant is applying for authorisation to provide <i>payment services</i> in paragraph(s) (f) (money remittance) and/or (g) (consent given by electronic device) <u>(payment initiation services)</u> and/or (h) <u>(account information services)</u> of Part 1 of Schedule 1 to the <i>Payment Services Regulations</i>	1,500
<u>(2)(i) registered account information service provider</u> - where the applicant is applying for registration to provide <i>payment services</i> in paragraph (h) <u>(account information services)</u> of Part 1 of Schedule 1 to the <i>Payment Services Regulations</i> only	<u>1,500</u>
(3) <i>authorised payment institution</i> - where the applicant is applying for authorisation to provide <i>payment services</i> in any one or more of paragraph(s): (a) <u>(enabling cash to be placed on payment account and all operations required for operating a payment account);</u> (b) <u>(enabling cash withdrawals enabled from a payments account and all operations required for operating a payment account);</u> (c) <u>(execution of direct debts, etc payment transactions executed through a payment card or similar device, credit transfers);</u> (d) <u>(execution of direct debits, etc where credit line available payment transactions where the funds are covered by a credit line for the payment service user);</u> (e) <u>(issuing payments instruments and transactions or acquiring payment transactions)</u> of Part 1 of Schedule 1 to the <i>Payment</i>	5,000

<i>Services Regulations</i>	
(4) <i>authorised payment institution</i> - where, at the time the application is made, the applicant intends to use <i>agents</i>	3 for each agent registered with the <i>FCA</i> at the time of application. This fee is in addition to any fee due under paragraph (2) or (3) of this table.
(5) <i>authorised payment institution</i> - where, during the course of the <i>FCA</i> financial year (12 months ending 31 March), the <i>firm</i> notifies the <i>FCA</i> of any changes to the list of <i>agents</i> it has registered since authorisation	3 for each change notified to the <i>FCA</i> during the <i>FCA</i> financial year. No fee is due under paragraph (5) if the total number of notifications to the <i>FCA</i> during the <i>FCA</i> financial year numbers 100 or less.
<u>(6) A person (service provider) - where, during the course of the <i>FCA</i> financial year (12 months ending 31 March) that person notifies the <i>FCA</i> under regulation 38 of the <i>Payment Services Regulations</i> of its use of the limited network exclusion</u>	<u>300</u> <u>If the <i>FCA</i> determines that the claim for exemption is not valid and the business must apply for authorisation or registration, then the latest exemption charge paid by the business will be deducted from the relevant application fee.</u>
<u>(7) A person (service provider) – where, during the course of the <i>FCA</i> financial year (12 months ending 31 March), that person notifies the <i>FCA</i> under regulation 39 of the <i>Payment Services Regulations</i> of its use of the electronic communications exclusion</u>	<u>200</u> <u>If the <i>FCA</i> determines that the claim for exemption is not valid and the business must apply for authorisation or registration, then the latest exemption charge paid by the business will be deducted from the relevant application fee.</u>
<u>Note: See <i>FEES</i> TP 17 for transitional provisions relating to fees payable for authorisation as an authorised payment institution or registration as a small payment institution under the <i>Payment Services Regulations</i> 2017 (SI 2017/752).</u>	

4 Periodic fees

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4 Annex 11R Periodic fees in respect of payment services, electronic money, and regulated covered bonds

This Annex sets out the periodic fees in respect of *payment services* carried on by *fee-paying payment service providers* under the *Payment Services Regulations* and electronic money issuance by *fee-paying electronic money issuers* under the

Electronic Money Regulations and issuance of *regulated covered bonds* by issuers and *CBTL business* carried on by *CBTL firms* under the *MCD Order* and ~~*firms* registered under the *Money Laundering Regulations*~~ in relation to the period 1 April 2017 to 31 March 2018

Part 1 - Method for calculating the fee for fee-paying payment service providers	
(1)	The periodic fee for <i>fee-paying payment service providers</i> is calculated by identifying the relevant activity group under Part 2 and then adding the minimum fee to an additional fee calculated by multiplying the tariff base identified in Part 3 of <i>FEES 4 Annex 11R</i> by the appropriate rates applying to each tranche of the tariff base as indicated in the table at Part 5. For <i>small payment institutions</i> and <i>small electronic money institutions</i> the tariff rates are not relevant and a flat fee is payable.
(2)	A <i>fee-paying payment service provider</i> may apply the relevant tariff bases and rates to non-UK business, as well as to its UK business, if:
(a)	it has reasonable grounds for believing that the costs of identifying the <i>firm's UK</i> business separately from its non-UK business in the way described in Part 3 of <i>FEES 4 Annex 11R</i> is disproportionate to the difference in fees payable; and
(b)	it notifies the <i>FCA</i> in writing at the same time as it provides the information concerned under <i>FEES 4.4</i> (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.
(3)	For a <i>fee-paying payment service provider</i> which is required to comply with <i>FEES 4.4.9D</i> (Information on which fees are calculated) and has not done so for this period:
(a)	the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10; and
(b)	an additional administrative fee of £250 is payable.
(c)	[deleted]

...

Part 2 - Activity groups relevant to fee-paying payment service providers
This table shows how the <i>payment services</i> performed by <i>fee-paying payment service providers</i> are linked to activity groups (fee-blocks). A <i>fee-paying payment service provider</i> can use the table to identify which fee-blocks it falls into based on its authorisation or registration.

Activity group	Fee payer falls into this activity group if:
...	...
G.3 Large payment institutions <u>and registered account information service providers</u>	it is a <i>fee-paying payment service provider</i> that is an <i>authorised payment institution</i> , an <i>EEA authorised payment institution</i> , a <u><i>registered account information service provider</i></u> , an <u><i>EEA registered account information service provider</i></u> , the Post Office Limited or a <i>fee-paying electronic money issuer</i> (except if it is a <i>small electronic money institution</i>)
...	...

...

Part 3

This table indicates the tariff base for each fee-block. The tariff base is the means by which the *FCA* measures the amount of business conducted by *fee-paying payment service providers*, *fee-paying electronic money issuers*, *CBTL firms*, ~~*MLR firms*~~ and *issuers of regulated covered bonds*.

Activity Group	Tariff base
...	
G.3	<p>RELEVANT INCOME</p> <p>This is the sum of the following elements of the <i>firm's UK</i> business:</p> <ul style="list-style-type: none"> Interest income Interest expenses Gross commissions and fees received Gross other operating income <p>calculated in the same manner as the relevant indicator referred to in paragraph 180(3) of Schedule 3 to the <i>Payment Services Regulations</i>.</p> <p>For the Post Office Limited only, Relevant Income relates only to its <i>payment services</i> business.</p>
...	...

Part 4 - Valuation period	
...	
Activity group	Valuation date
...	

Part 5 - Tariff rates		
...		
Activity group	Fee payable in relation to 2017/18	
...		
G.3	Minimum fee (£)	...
	£ thousands or part thousand of Relevant Income	...

...		

Insert the new *FEES* TP 17 after *FEES* TP 16 Transitional Provisions for Market Data Processor System Connectivity Fees. The text is not underlined.

TP 17 Transitional provisions relating to fees payable for authorisation as an authorised payment institution or registration as a small payment institution under the Payment Services Regulations 2017

(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
Interpretation					
1.	<i>FEES</i> TP 17	R	In these transitional provisions:	From commencement	13 January 2018
			(1) References to the Payment Services Regulations 2017		

			are to the Payment Services Regulations 2017 (SI 2017/752); and		
			(2) references to the Electronic Money Regulations 2011 are to the Electronic Money Regulations 2011 (SI 2011/99) as amended by the Payment Services Regulations 2017.		
Fees for authorisation and registration applications submitted prior to 13 January 2018					
2.	<i>FEES 3</i> Annex 8	R	<p>If, prior to 13 January 2018, an applicant: submits an application for authorisation as an authorised payment institution under regulation 5 of the Payment Services Regulations 2017 the fee for that application will be the highest of the tariffs in (i) and (ii) below which apply to that application.</p> <p>(i) where the applicant is applying to provide the payment services in paragraph(s) (f) (money remittance) and/or (g) (payment initiation services) and/or (h) (account information services) of Part 1 of Schedule 1 to the Payment Services Regulations 2017 the fee is £1,500.</p> <p>(ii) where the applicant is applying to provide</p>	From 13 October 2017 until 13 January 2018	N/A

			<p>the payment services in any one or more of the following paragraph(s) of Part 1 of Schedule 1 to the Payment Services Regulations 2017:</p> <p>(a) (enabling cash to be placed on payment account and all operations required for operating a payment account);</p> <p>(b) (enabling cash withdrawals from a payments account and all operations required for operating a payment account);</p> <p>(c) (execution of direct debts, payment transactions executed through a payment card or similar device, credit transfers);</p> <p>(d) (execution of payment transactions where the funds are covered by a credit line for the payment service user);</p> <p>(e) (issuing payment instruments or acquiring payment transactions)</p> <p>the fee is £5,000.</p> <p>This fee is due on or before the date the application is made.</p>		
3.	<i>FEES 3</i> Annex 8	R	Where an applicant submits an application for authorisation as an authorised payment institution under regulation 5 of the Payment Services Regulations 2017 prior	From 13 October 2017 until 13 January 2018	N/A

			<p>to 13 January 2018 and that applicant intends to use <i>agents</i> there will be a fee of £3 for each agent registered with the <i>FCA</i> at the time of application.</p> <p>This fee is in addition to any fee due under <i>FEES</i> TP 17(2).</p>		
4.	<i>FEES</i> 3 Annex 8	R	<p>If, prior to 13 January 2018, an applicant submits an application to be registered as an account information service provider under regulation 17 of the Payment Services Regulations 2017 the fee for this application will be £1,500.</p> <p>This fee is due on or before the date the application is made.</p>	From 13 October 2017 until 13 January 2018	N/A
5.	<i>FEES</i> 3 Annex 8	R	<p>If, prior to 13 January 2018, an applicant submits an application for registration as a small payment institution under regulation 13 of the Payment Services Regulations 2017 the fee for that application will be £500.</p> <p>This fee is due on or before the date the application is made.</p>	From 13 October 2017 until 13 January 2018	N/A
6.	<i>FEES</i> 3 Annex 8	R	<p>If, prior to 13 January 2018, an applicant submits an application to vary:</p> <p>(i) its authorisation under regulation 5 of the Payment Services</p>	From 13 October 2017 until 13 January 2018	N/A

			<p>Regulations 2017; or</p> <p>(ii) its registration under regulation 13 of the Payment Services Regulations 2017</p> <p>the fee is 50% of the highest of the tariffs set out in FEES TP17 which apply to that application.</p> <p>In cases where the variation involves only the reduction (and no increases) of the types of payment services to be carried on after the variation, no fee is payable.</p> <p>If a fee is payable this fee is due on or before the date the application is made.</p>		
Fees for re-authorisation and re-registration					
7.	FEES 3 Annex 8	R	<p>Where a <i>person</i> is treated as having made an application under regulation 150(4) of the Payment Services Regulations 2017 the fee for this application will be £750.</p> <p>This fee is due on or before the date the application is treated as having been made.</p>	From 13 October 2017 until 13 April 2018	N/A
8.	FEES 3 Annex 8	R	<p>Where a <i>person</i> makes an application under regulation 151(2) of the Payment Services Regulations 2017 the fee for this application will be £250.</p> <p>This fee is due on or before the date the</p>	From 13 October 2017 until 13 October 2018	N/A

			application is made.		
9.	<i>FEES 3</i> Annex 10	R	<p>Where a <i>person</i> makes or is treated as having made an application for re-authorisation under regulation 78A of the Electronic Money Regulations 2011 the fee for this application will be £750.</p> <p>This fee is due on or before the date the application is made or is treated as having been made.</p>	From 13 October 2017 until 13 April 2018	N/A
10.	<i>FEES 3</i> Annex 10	R	<p>Where a <i>person</i> makes or is treated as having made an application for re-registration under regulation 78A of the Electronic Money Regulations 2011 the fee for this application will be £250.</p> <p>This fee is due on or before the date the application is made or is treated as having been made.</p>	From 13 October 2017 until 13 October 2018	N/A