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**Changes to legislation:** There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013, Cross Heading: Penalty receipts. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 4

#### THE PAYMENT SYSTEMS REGULATOR

##### *Penalty receipts*

- 10 (1) The Regulator must in respect of each of its financial years pay to the Treasury its penalty receipts after deducting its enforcement costs.
- (2) The Regulator's "penalty receipts" in respect of a financial year are any amounts received by it during the year by way of penalties imposed under section 73.
- (3) The Regulator's "enforcement costs" in respect of a financial year are the expenses incurred by it during the year in connection with—
- (a) the exercise, or consideration of the possible exercise, of any of its enforcement powers in particular cases, or
  - (b) the recovery of penalties imposed under section 73.
- (4) For the purposes of sub-paragraph (3) the Regulator's enforcement powers are—
- (a) its powers under sections 72 to 75;
  - (b) its powers under any other enactment specified by the Treasury by order;
  - (c) its powers in relation to the investigation of relevant offences;
  - (d) its powers in England and Wales or Northern Ireland in relation to the prosecution of relevant offences.
- (5) In sub-paragraph (4) "relevant offences" means—
- (a) offences under this Part;
  - (b) any other offences specified by the Treasury by order.
- (6) The Treasury may give directions to the Regulator as to how it is to comply with its duty under sub-paragraph (1).
- (7) The directions may in particular—
- (a) specify descriptions of expenditure that are, or are not, to be regarded as incurred in connection with either of the matters mentioned in sub-paragraph (3),
  - (b) relate to the calculation and timing of the deduction in respect of the Regulator's enforcement costs, and
  - (c) specify the time when any payment is required to be made to the Treasury.
- (8) The directions may also require the Regulator to provide the Treasury at specified times with specified information relating to—
- (a) penalties that the Regulator has imposed under section 73, or
  - (b) the Regulator's enforcement costs.

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- (9) The Treasury must pay into the Consolidated Fund any sums received by them under this paragraph.

**Modifications etc. (not altering text)**

- C1** Sch. 4 paras. 5, 7, 9-14 applied (with modifications) (9.12.2015) by [The Payment Card Interchange Fee Regulations 2015 \(S.I. 2015/1911\)](#), regs. 1, **15(3)** (as amended (1.1.2024) by [The Electronic Money, Payment Card Interchange Fee and Payment Services \(Amendment\) Regulations 2023 \(S.I. 2023/790\)](#), reg. **3(10)**)
- C2** Sch. 4 paras. 9-14 applied (with modifications) (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), regs. 1(6), **136(3)** (with reg. 3)

**Commencement Information**

- II** Sch. 4 para. 10 in force at 1.3.2014 by [S.I. 2014/377](#), art. 2(1)(a), **Sch. Pt. 1**

- 11 (1) The Regulator must prepare and operate a scheme (“the financial penalty scheme”) for ensuring that the amounts that, as a result of the deduction for which paragraph 10(1) provides, are retained by the Regulator in respect of amounts paid to it by way of penalties imposed under section 73 are applied for the benefit of participants in regulated payment systems.
- (2) The financial penalty scheme may, in particular, make different provision with respect to different classes of participant.
- (3) The financial penalty scheme must ensure that those who have become liable to pay a penalty to the Regulator in any financial year do not receive any benefit under the scheme in the following financial year.
- (4) Up-to-date details of the financial penalty scheme must be set out in a document (the “scheme details”).

**Modifications etc. (not altering text)**

- C1** Sch. 4 paras. 5, 7, 9-14 applied (with modifications) (9.12.2015) by [The Payment Card Interchange Fee Regulations 2015 \(S.I. 2015/1911\)](#), regs. 1, **15(3)** (as amended (1.1.2024) by [The Electronic Money, Payment Card Interchange Fee and Payment Services \(Amendment\) Regulations 2023 \(S.I. 2023/790\)](#), reg. **3(10)**)
- C2** Sch. 4 paras. 9-14 applied (with modifications) (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), regs. 1(6), **136(3)** (with reg. 3)

**Commencement Information**

- I2** Sch. 4 para. 11 in force at 1.3.2014 by [S.I. 2014/377](#), art. 2(1)(a), **Sch. Pt. 1**

- 12 (1) The scheme details must be published by the Regulator in the way appearing to it to be best calculated to bring them to the attention of the public.
- (2) Before making the financial penalty scheme, the Regulator must publish a draft of the proposed scheme in the way appearing to the Regulator to be best calculated to bring it to the attention of the public.
- (3) The draft must be accompanied by notice that representations about the proposals may be made to the Regulator within a specified time.

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- (4) Before making the scheme, the Regulator must have regard to any representations made to it in accordance with sub-paragraph (3).
- (5) If the Regulator makes the proposed scheme, it must publish an account, in general terms, of—
  - (a) the representations made to it in accordance with sub-paragraph (3), and
  - (b) its response to them.
- (6) If the scheme differs from the draft published under sub-paragraph (2) in a way which is, in the opinion of the Regulator, significant, the Regulator must (in addition to complying with sub-paragraph (5)) publish details of the difference.
- (7) The Regulator must, without delay, give the Treasury a copy of any scheme details published by it.
- (8) The Regulator may charge a reasonable fee for providing a person with a copy of—
  - (a) a draft published under sub-paragraph (2);
  - (b) scheme details.
- (9) Sub-paragraphs (2) to (6) and (8)(a) also apply to a proposal to alter or replace the financial penalty scheme.

**Modifications etc. (not altering text)**

- C1** Sch. 4 paras. 5, 7, 9-14 applied (with modifications) (9.12.2015) by [The Payment Card Interchange Fee Regulations 2015 \(S.I. 2015/1911\)](#), regs. 1, **15(3)** (as amended (1.1.2024) by [The Electronic Money, Payment Card Interchange Fee and Payment Services \(Amendment\) Regulations 2023 \(S.I. 2023/790\)](#), **reg. 3(10)**)
- C2** Sch. 4 paras. 9-14 applied (with modifications) (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), regs. 1(6), **136(3)** (with reg. 3)

**Commencement Information**

- I3** Sch. 4 para. 12 in force at 1.3.2014 by [S.I. 2014/377](#), art. 2(1)(a), **Sch. Pt. 1**

**Changes to legislation:**

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