
STATUTORY INSTRUMENTS

2017 No. 692

The Money Laundering, Terrorist Financing and Transfer
of Funds (Information on the Payer) Regulations 2017

PART 9

Enforcement

CHAPTER 2

Civil penalties and notices

Power to impose civil penalties: suspension and removal of authorisation

77.—(1) Paragraph (2) applies if the FCA is satisfied that a relevant person or a payment service provider has—

- (a) repeatedly or systematically failed to include the information it is required to include on the payer or the payee under Articles 4, 5 or 6 of the funds transfer regulation;
 - (b) failed to implement effective risk-based procedures in breach of Articles 8 or 12 of the funds transfer regulation;
 - (c) failed to comply with Articles 11, 12 or 16 of the funds transfer regulation, where the failure is a serious one;
 - (d) repeatedly or systematically failed to retain records in breach of Article 16 of the funds transfer regulation; or
 - (e) failed to comply with a relevant requirement.
- (2) The FCA may take one or more of the measures set out in sub-paragraphs (a) and (b)—
- (a) to cancel or suspend, for such period as it considers appropriate—
 - (i) any permission which an authorised person has to carry on a regulated activity;
 - (ii) the authorisation of a payment service provider as an authorised payment institution under the Payment Services Regulations [^{F1}2017];
 - (iii) the registration of a payment service provider as a small payment institution under the Payment Services Regulations [^{F1}2017];
 - (iv) the authorisation of a payment service provider as an authorised electronic money institution under the Electronic Money Regulations 2011 ^{M1}; or
 - (v) the registration of a payment service provider as a small electronic money institution under the Electronic Money Regulations 2011;
 - (b) to impose, for such period as it considers appropriate, such limitations or other restrictions as it considers appropriate—
 - (i) in relation to the carrying on of a regulated activity by an authorised person;

- (ii) on the authorisation of a payment service provider as a payment institution under the Payment Services Regulations [^{F2}2017];
 - (iii) on the registration of a payment service provider as a small payment institution under the Payment Services Regulations [^{F2}2017];
 - (iv) on the authorisation of a payment service provider as an electronic money institution under the Electronic Money Regulations 2011; or
 - (v) on the registration of a payment service provider as a small electronic money institution under the Electronic Money Regulations 2011.
- (3) In paragraph (2)—
- (a) “permission” means any permission that the authorised person has, whether given (or treated as given) under Part 4A of FSMA ^{M2};
 - (b) “regulated activity” has the meaning given by section 22 of FSMA ^{M3}).
- (4) The period for which a suspension, limitation or other restriction is to have effect may not exceed 12 months.
- (5) A suspension may relate only to the carrying on of an activity in circumstances specified by the FCA when the suspension is imposed.
- (6) A restriction may, in particular, be imposed so as to require the person concerned to take, or refrain from taking, specified action.
- (7) The FCA may—
- (a) withdraw a suspension, limitation or other restriction; or
 - (b) vary a suspension, limitation or other restriction so as to reduce the period for which it has effect or otherwise to limit its effect.
- (8) For the purposes of this regulation, “appropriate” means effective, proportionate and dissuasive.

Textual Amendments

- F1** Word in reg. 77(2)(a)(ii)(iii) substituted (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), reg. 1(6), [Sch. 8 para. 26\(e\)](#) (with reg. 3)
- F2** Word in reg. 77(2)(b)(ii)(iii) substituted (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), reg. 1(6), [Sch. 8 para. 26\(e\)](#) (with reg. 3)
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Marginal Citations

- M1** [S.I. 2011/99](#).
- M2** Part 4A was substituted by section 11 of the [Financial Services Act 2012 \(c.21\)](#).
- M3** [2000 \(c.8\)](#). Section 22 was amended by section 7 of the [Financial Services Act 2012 \(c.21\)](#).

Changes to legislation:

There are currently no known outstanding effects for the The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Section 77.