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STATUTORY INSTRUMENTS

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**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 2009<sup>(1)</sup>;
    - (iii) the registration of a payment service provider as a small payment institution under the Payment Services Regulations 2009;
    - (iv) the authorisation of a payment service provider as an authorised electronic money institution under the Electronic Money Regulations 2011<sup>(2)</sup>; 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—

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(1) S.I. 2009/209.

(2) S.I. 2011/99.

- (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 2009;
  - (iii) on the registration of a payment service provider as a small payment institution under the Payment Services Regulations 2009;
  - (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(3);
  - (b) “regulated activity” has the meaning given by section 22 of FSMA(4).
- (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.

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(3) Part 4A was substituted by section 11 of the Financial Services Act 2012 (c.21).

(4) 2000 (c.8). Section 22 was amended by section 7 of the Financial Services Act 2012 (c.21).