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STATUTORY INSTRUMENTS

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**2017 No. 752**

**The Payment Services Regulations 2017**

**PART 3**

**Authorised Payment Institutions**

**Capital requirements**

**22.**—(1) An authorised payment institution must maintain at all times own funds equal to or in excess of the greater of—

- (a) the amount of initial capital specified in Part 1 of Schedule 3 (capital requirements), or
  - (b) in the case of an authorised payment institution which does not fall within paragraph (2), the amount of own funds calculated in accordance with Part 2 of Schedule 3.
- (2) An authorised payment institution falls within this paragraph if—
- (a) it does not offer payment services specified in paragraph 1(a) to (f) of Schedule 1 (payment services other than payment initiation services or account information services); or
  - (b) (i) it is included in the consolidated supervision of a parent credit institution pursuant to the capital requirements directive; and  
(ii) all of the conditions specified in Article 7(1) of the capital requirements regulation are met in respect of it.
- (3) The own funds maintained must meet the following requirements—
- (a) the amount of Tier 2 capital must be equal to or less than one third of the amount of Tier 1 capital;
  - (b) at least 75% of the amount of Tier 1 capital must be in the form of Common Equity Tier 1 capital.
- (4) An authorised payment institution must not include in its own funds calculation any item—
- (a) used in an equivalent calculation by an authorised payment institution, credit institution, investment firm, asset management company or insurance undertaking in the same group; or
  - (b) in the case of an authorised payment institution which carries out activities other than providing payment services, is used in carrying out those activities.