
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made pursuant to the United Kingdom's obligation under Article 7 of Regulation (EC) No. 2560/2001 of the European Parliament and of the Council (referred to in the Regulations as the "Community Regulation"), laying down rules on cross-border payments in euro, to ensure that compliance with the Community Regulation is guaranteed by effective, proportionate and deterrent sanctions.

Regulation 3 makes provision for civil proceedings to be brought in cases where an institution breaches Article 3 of the Community Regulation. Regulation 4 creates criminal offences, in respect of breaches of the provisions of Articles 4 and 5 of the Community Regulation, and sets out the maximum penalties which can be imposed on persons convicted of those offences.

Regulation 5 provides for directors and managers of companies, partners of partnerships and other similar persons to be liable to conviction if these offences are committed by the company, partnership or other body with their consent or connivance or as a result of their neglect.