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STATUTORY INSTRUMENTS

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**2013 No. 429**

**FINANCIAL SERVICES AND MARKETS**

**The Payment to Treasury of Penalties Regulations 2013**

*Made* - - - - 27th February 2013  
*Laid before Parliament* 28th February 2013  
*Coming into force* - - 1st April 2013

The Treasury are a government department designated for the purpose of section 2(2) of the European Communities Act 1972(1) in relation to financial services(2), measures relating to payment services and payment systems(3), and measures relating to money laundering and terrorist financing(4):

The Treasury, in exercise of the powers conferred by section 2(2) of the European Communities Act 1972, make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Payment to Treasury of Penalties Regulations 2013 and come into force on 1st April 2013.

**Payment to Treasury of penalties received by the regulators**

2.—(1) In regulation 35 of the Money Laundering Regulations 2007(5) (costs of supervision), for paragraph (4) substitute—

“(4) The Authority must pay to the Treasury any amounts received by the Financial Services Authority during the financial year beginning with 1st April 2012 year by way of penalties imposed under regulation 42 after deducting any amounts the Financial Services Authority has, prior to 1st April 2013, applied towards expenses incurred by it in carrying out its functions under these Regulations or for any incidental purpose.

(4A) The Authority must in respect of the financial year beginning with 1st April 2013 and each subsequent financial year pay to the Treasury any amounts received by it during the year by way of penalties imposed under regulation 42.

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(1) 1972 c. 68. Amended by section 27 of the Legislative and Regulatory Reform Act 2006 (c.51) and the Schedule to the European Union (Amendment) Act 2008 (c.7).  
(2) SI 2012/1759.  
(3) SI 1998/2793 and SI 2008/1792.  
(4) SI 2007/2133.  
(5) SI 2007/2157, to which there are amendments not relevant to these Regulations.

(4B) The Treasury may give directions to the Authority as to how the Authority is to comply with its duties under paragraphs (4) and (4A).

(4C) The directions may in particular—

- (a) specify the time when any payment is required to be made to the Treasury, and
- (b) require the Authority to provide the Treasury at specified times with information relating to penalties that the Authority has imposed under regulation 42.

(4D) The Treasury must pay into the Consolidated Fund any sums received by them under this regulation.”.

(2) In regulation 5 of the Transfer of Funds (Information on the Payer) Regulations 2007<sup>(6)</sup> (costs of supervision), for paragraph (4) substitute—

“(4) The Authority must in respect of each of its financial years pay to the Treasury any amounts received by it during the year by way of penalties imposed under regulation 11.

(5) The Treasury may give directions to the Authority as to how the Authority is to comply with its duty under paragraph (4).

(6) The directions may in particular—

- (a) specify the time when any payment is required to be made to the Treasury, and
- (b) require the Authority to provide the Treasury at specified times with information relating to penalties that the Authority has imposed under regulation 11.

(7) The Treasury must pay into the Consolidated Fund any sums received by them under this regulation.”.

(3) After regulation 36 of the Regulated Covered Bonds Regulations 2008<sup>(7)</sup>, insert—

“**36A.**—(1) The Authority must in respect of each of its financial years pay to the Treasury any amounts received by it during the year by way of penalties imposed under regulation 34.

(2) The Treasury may give directions to the Authority as to how the Authority is to comply with its duty under paragraph (1).

(3) The directions may in particular—

- (a) specify the time when any payment is required to be made to the Treasury, or
- (b) require the Authority to provide the Treasury at specified times with information relating to penalties that the Authority has imposed under regulation 34.

(4) The Treasury must pay into the Consolidated Fund any sums received by them under this regulation.”.

(4) In regulation 92 of the Payment Services Regulations 2009<sup>(8)</sup> (costs of supervision), for paragraph (2) substitute—

“(2) The Authority must in respect of each of its financial years pay to the Treasury any amounts received by it during the year by way of penalties imposed under regulation 85.

(3) The Treasury may give directions to the Authority as to how the Authority is to comply with its duty under paragraph (2).

(4) The directions may in particular—

- (a) specify the time when any payment is required to be made to the Treasury, and

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<sup>(6)</sup> [SI 2007/3298](#); amended by [SI 2009/56](#); there are other amending instruments but none is relevant.

<sup>(7)</sup> [SI 2008/346](#) to which there are amendments not relevant to these Regulations.

<sup>(8)</sup> [SI 2009/209](#) to which there are amendments not relevant to these Regulations.

- (b) require the Authority to provide the Treasury at specified times with information relating to penalties that the Authority has imposed under regulation 85.
- (5) The Treasury must pay into the Consolidated Fund any sums received by them under this regulation.”
- (5) In regulation 59 of the Electronic Money Regulations 2011<sup>(9)</sup> (costs of supervision), for paragraph (2) substitute—
  - “(2) The Authority must in respect of each of its financial years pay to the Treasury any amounts received by it during the year by way of penalties imposed under regulation 51.
  - (3) The Treasury may give directions to the Authority as to how the Authority is to comply with its duty under paragraph (2).
  - (4) The directions may in particular—
    - (a) specify the time when any payment is required to be made to the Treasury, and
    - (b) require the Authority to provide the Treasury at specified times with information relating to penalties that the Authority has imposed under regulation 51.
  - (5) The Treasury must pay into the Consolidated Fund any sums received by them under this regulation.”
- (6) After regulation 5B of the Recognised Auction Platforms Regulations 2011<sup>(10)</sup> insert—
  - “**5C.**—(1) The Authority must in respect of each of its financial years pay to the Treasury any amounts received by it during the year by way of penalties imposed under regulation 5A.
  - (2) The Treasury may give directions to the Authority as to how the Authority is to comply with its duty under paragraph (1).
  - (3) The directions may in particular—
    - (a) specify the time when any payment is required to be made to the Treasury, and
    - (b) require the Authority to provide the Treasury at specified times with information relating to penalties that the Authority has imposed under regulation 5A.
  - (4) The Treasury must pay into the Consolidated Fund any sums received by them under this regulation.”
- (7) In regulation 14 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012<sup>(11)</sup> (costs of supervision), for paragraph (3) substitute—
  - “(3) The Authority must in respect of each of its financial years pay to the Treasury any amounts received by it during the year by way of penalties imposed under regulation 6.
  - (4) The Treasury may give directions to the Authority as to how the Authority is to comply with its duty under paragraph (3).
  - (5) The directions may in particular—
    - (a) specify the time when any payment is required to be made to the Treasury, and
    - (b) require the Authority to provide the Treasury at specified times with information relating to penalties that the Authority has imposed under regulation 6.
  - (6) The Treasury must pay into the Consolidated Fund any sums received by them under this regulation.”

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<sup>(9)</sup> SI 2011/99 to which there are amendments not relevant to these Regulations.

<sup>(10)</sup> SI 2011/2699; regulations 5A and 5B were inserted by SI 2012/1906.

<sup>(11)</sup> SI 2012/3122.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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27th February 2013

*Stephen Crabb*  
*Robert Goodwill*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the following regulations to provide that the amounts received by the regulator by way of penalties imposed under the regulations is to be paid by the regulator to the Treasury—

The Money Laundering Regulations 2007;

The Transfer of Funds (Information on the Payer) Regulations 2007;

The Regulated Covered Bonds Regulations 2008;

The Payment Services Regulations 2009;

The Electronic Money Regulations 2011;

The Recognised Auction Platforms Regulations 2011;

The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012.

These provisions reflect the provisions made by the Financial Services Act 2012 (c. 21) (see in particular section 109) in relation to the payment to the Treasury of penalties received by the regulators under the Financial Services and Markets Act 2000 (c.8).

The Treasury are to pay the sums received into the Consolidated Fund.

The amendments made to the Money Laundering Regulations 2007 relate to amounts received by the Financial Services Authority in the financial year beginning 1st April 2012. In the case of all other amendments, the amendments relate only to amounts received after 1st April 2013. This reflects the fact that no amount by way of penalties has been received or is expected to be received under the other regulations in the financial year beginning 1st April 2012.

A full impact assessment of the effect that these Regulations will have on the costs of business and the voluntary sector is available from, Her Majesty's Treasury, 1 Horse Guards Road, London SW1A 2HQ or on [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk) and is published alongside the Regulations on [www.legislation.gov.uk](http://www.legislation.gov.uk).