Draft Regulations laid before Parliament under paragraph 1(1) of Schedule 7 to the European Union (Withdrawal) Act 2018, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2018 No. 0000

EXITING THE EUROPEAN UNION
FINANCIAL SERVICES

The Interchange Fee (Amendment) (EU Exit) Regulations 2018

Made - - - - ***

Coming into force in accordance with regulation 1

The Treasury make these Regulations in exercise of the powers conferred by section 8(1) of the European Union (Withdrawal) Act 2018(**1**).

In accordance with paragraph 1(1) of Schedule 7 to the European Union (Withdrawal) Act 2018 a draft of this instrument has been laid before Parliament and approved by a resolution of each House of Parliament.

PART 1

Introduction

Citation and commencement

1.—(1) These Regulations may be cited as the Interchange Fee (Amendment) (EU Exit) Regulations 2018.

(2) These Regulations come into force on exit day.

(**1**) 2018 c. 16.

PART 2

Amendments of the Payment Card Interchange Fee Regulations 2015

Amendments of the Payment Card Interchange Fee Regulations 2015

2.—(1) The Payment Card Interchange Fee Regulations 2015(**2**) are amended as follows.

(2) In regulation 3 (designation as a competent authority and functions)—

(a) omit paragraph (1);

(b) in paragraph (2)(a) and (b), omit "in the United Kingdom";

(c) for the heading substitute "Functions".

(3) Omit regulation 16 (designation as competent authority).

(4) Omit regulation 21 (co-operation with competent authorities in other Member States).

(5) Omit regulation 22 (exemption from maximum interchange fees for certain three party payment card schemes).

(6) In regulation 23 (weighted average interchange fees for domestic debit card transactions), for "domestic", in each place where it occurs, including the heading, substitute "UK".

(7) In regulation 24 (review), omit paragraph (2).

PART 3

Amendments of Regulation (EU) 2015/751

Introductory

3. Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions is amended as follows.

Scope of Regulation

4.—(1) Article 1 (scope) is amended as follows.

(2) In paragraph 1—

(a) for "within the Union" substitute "in the United Kingdom";

(b) for "therein" substitute "in the United Kingdom".

(3) In paragraph 2(c), for "a single Member State" substitute "the United Kingdom".

(4) In paragraph 5, omit the words from "However, until" to the end.

Terms defined for purposes of Regulation

5.—(1) Article 2 (definitions) is amended as follows.

(2) After point (4) insert—

"(4A) 'UK debit card transaction' means a debit card transaction where—

(a) the issuer and the acquirer are both located in the United Kingdom, and

(b) the point of sale is in the United Kingdom;".

(**2**) S.I. 2015/1911; amended by S.I. 2018/1115.

(3) After point (5) insert—

"(5A) 'UK credit card transaction' means a credit card transaction where—

(a) the issuer and the acquirer are both located in the United Kingdom, and

(b) the point of sale is in the United Kingdom;".

(4) Omit points (8) and (9).

(5) In point (22), for the words from "point 2" to "Council" substitute "regulation 2(1) of the Electronic Money Regulations 2011(**3**)".

(6) In point (24), for the words from "means" to "Directive 2009/110/EC" substitute "has the meaning given by regulation 2(1) of the Payment Services Regulations 2017(**4**)".

(7) In point (29)(a), for "point 7 of Article 2 of Directive 2011/83/EU," substitute "regulation 5 of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013(**5**)".

(8) In point (35), for "point 2 of Article 2 of Directive 2009/110/EC" substitute "regulation 2(1) of the Electronic Money Regulations 2011".

(9) At the end insert—

"(36) 'the Payment Systems Regulator' means the body established under section 40(1) of the Financial Services (Banking Reform) Act 2013(**6**)."

Interchange fees for consumer debit card transactions

6.—(1) Article 3 (interchange fees for consumer debit card transactions) is amended as follows.

(2) In paragraph 1—

(a) after "any" insert "UK";

(b) at the end insert ", but this is subject to paragraphs 2 and 3.".

(3) In paragraph 2—

(a) for "For domestic card transactions Member States may" substitute "The Treasury may by regulations";

(b) in point (b)—

(i) for the words from "EUR 0,05" to "exchange rates." substitute "the equivalent in sterling of EUR 0.05.";

(ii) for "domestic" substitute "UK".

(4) In paragraph 3—

(a) for the words from "in relation to" to "may allow" substitute "the Treasury may by regulations allow";

(b) for "all domestic", in both places where it occurs, substitute "all UK";

(c) for "Member States may define" substitute "This power includes power to define".

(5) After paragraph 3 insert—

"**3A.** Regulations under paragraph 3 may amend regulation 23 of the Payment Card Interchange Fee Regulations 2015 (which contains provision for the purposes of paragraph 3 having effect as retained EU law)."

(6) In paragraph 5—

(**3**) S.I. 2011/99.
(**4**) S.I. 2017/752; regulation 2(1) was amended by S.I. 2017/1173.
(**5**) S.I. 2013/3134.
(**6**) 2013 c. 33.