Notification of the Use of the Limited Network Exclusion

under Regulation 45 of the European Union (Payments Services) Regulations 2018

June 2022

**IMPORTANT INFORMATION TO BE READ BEFORE COMPLETING THIS NOTIFICATION FORM**

**Terms used in this Notification Form:**

**Central Bank** – The Central Bank of Ireland

**CRO** – Irish Companies Registration Office

**EBA** – European Banking Authority

**Limited Network Exclusion** refers to the provisions of Regulation 4(k) of the European Union (Payment Services) Regulations 2018

**PSR** – The European Union (Payment Services) Regulations 2018

**Service Provider** refers to the business or entity notifying the Central Bank that it is providing services of a type falling within the scope of the limited network exclusion

**Background**

Regulation 4(k) of the PSR provides for a “limited network exclusion” that applies to providers of ‘*services based on specific payment instruments that can be used only in a limited way, that meet one of the following conditions:*

1. *instruments allowing the holder to acquire goods or services only in the premises of the issuer or within a limited network of service providers under direct commercial agreement with a professional issuer;*
2. *instruments which can be used only to acquire a very limited range of goods or services;*
3. *instruments valid only in a single Member State provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer’.*

Regulation 45 of the PSR provides that *“(1) Where a service provider—*

*(a) provides services of a type referred to in either or both of subparagraphs (i) and (ii) of paragraph (k) of Regulation 4, and*

*(b) the total value of payment transactions executed in providing those services over the preceding 12 months exceeds €1,000,000[[1]](#footnote-1), the service provider shall send a notification to the* [Central] *Bank.*

*(2) A notification under paragraph (1) shall—*

*(a) contain a description of the services provided by the service provider,*

*(b) specify which of the conditions referred to in subparagraphs (i) and (ii) of paragraph (k) of Regulation 4 is considered by the service provider to be satisfied,*

*(c) be sent within such period of time, as the* [Central] *Bank may direct, after the end of the period of 12 months[[2]](#footnote-2) referred to in paragraph (1), and*

*(d) be in such form or verified in such manner as the* [Central] *Bank may direct.*

*(3) The period of 12 months referred to in paragraph (1) does not include any period in respect of which a notification has already been made under paragraph (1).”*

Further to what is set out in the PSR, on 24 February 2022, the EBA published its [Guidelines on the limited network exclusion under PSD2](https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2022/EBA-GL-2022-02%20GL%20on%20limited%20network%20exclusions/1027516/Final%20report%20on%20draft%20Guidelines%20on%20the%20limited%20network%20exclusion%20under%20PSD2.pdf) (the Guidelines). The EBA outline that the Guidelines “aim at clarifying specific aspects of its application, including on how a network of service providers or a range of goods and services should be assessed in order to qualify as ‘limited’, the use of payment instruments within limited networks, the provision of excluded services by regulated financial institutions and the submission of notification to competent authorities (CAs)”.

The Central Bank has informed the EBA that it intends to comply with the Guidelines and, as such, service providers are expected to submit their notifications to the Central Bank taking the requirements of the Guidelines into account. An important point to note is that service providers that benefit from the Limited Network Exclusion provided for under Regulation 4(1)(k)(i) and (ii) of the Payment Services Regulations 2018 will have to notify the Central Bank if the total value of payment transactions are either over €1,000,000 in any 12 month period or for any given period shorter than 12 months when the total value of payment transactions executed exceeds the amount of €1,000,000 for that period.

This Notification Form sets out the information that should be submitted to the Central Bank by a Service Provider that is providing services of the type falling within the scope of Regulation 4(k)(i) and (ii) of the PSR. It is being made available to facilitate Service Providers seeking to fulfil their initial notification obligations as set out in Regulation 45 of the PSR and the Guidelines.

**Note: The onus is on firms to satisfy themselves that:**

1. **they fall within the scope of the limited network exclusion; and**
2. **they comply with the on-going notification obligations under the PSR.**

**Firms are advised to seek legal advice if they are unsure as to whether their activities fall within the scope of the limited network exclusion or if they are unsure as to how they should comply with their on-going obligations under the PSR.**

***Assessing the €1 million Threshold***

A Service Provider that provides services falling within the scope of the limited network exclusion, as set out in Regulation 4(k) (i) and (ii) of the PSR, must carry out an on-going assessment to determine whether the total value of payment transactions executed through such services exceeds €1 million over the preceding 12 months or for any given period shorter than 12 months when the total value of payment transactions executed exceeds the amount of €1,000,000 for that period.

In calculating the total value of the payment transactions, a Service Provider should:

* include all of those services that are provided and are considered by the Service Provider to fall within the scope of the limited network exclusion. The €1 million threshold applies to the total value of transactions across all products i.e. specific payment instruments, that are considered by the Service Provider to fall within the scope of the limited network exclusion, rather than the value of transactions executed through each product taken individually; and
* exclude services that are regulated as either electronic money or payment services (under the European Communities (Electronic Money) Regulations 2011 or the PSR.

**When are Notifications Required?**

The Service Provider must submit its Notification no later than one month from the date on which the conditions for notification set out in Regulation 45(1) of the PSR and the Guidelines were met.

**Other Information**

Provisions in this Notification Form should not be deleted or amended in any manner. The Service Provider should ensure that the information provided in this Notification Form is accurate and complete and that all relevant information is disclosed. If it does not, the Service Provider may be committing a criminal offence.

The Central Bank may disclose information in the performance of its statutory functions or otherwise as may be specifically authorised by law.

All responses to the information requested in this Notification Form must be typed, except where a signature is required.

If the Central Bank determines that the notified services fall within the scope of the limited network exclusion, the information provided in this Notification Form will form the basis of the entry of the notifying Service Provider on the Central Bank Register maintained in line with Regulation 25 of the PSR. It will also form the basis of a notification to the EBA in line with Regulation 45(5) of the PSR and the Guidelines and the entry of the notifying Service Provider on the EBA Register maintained in line with Regulation 26 of the PSR.

Limited Network Exclusion Forms can be sent electronically to applications@centralbank.ie.

**If the conditions for notification are no longer met, firms should advise the Central Bank of this by emailing to applications@centralbank.ie.**

**The Central Bank may process personal data provided by you in order to fulfil its statutory functions or to facilitate its business operations. Any personal data will be processed in accordance with the requirements of data protection legislation. Any queries concerning the processing of personal data by the Central Bank may be directed to** **dataprotection@centralbank.ie****. A copy of the Central Bank’s Data Protection Notice is available at** [**www.centralbank.ie/fns/privacy-statement**](http://www.centralbank.ie/fns/privacy-statement)**.**

1. **Service Provider Details**
	1. **Full Legal Name of Service Provider:**

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* 1. **Registered Office or Head Office Address:**

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| Choose an item. |

* 1. **Does the Service Provider use any other trading names?**

**If yes, please provide details:**

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* 1. **Place of Incorporation or Formation:**

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| Choose an item. |

* 1. **Does the Service Provider have a CRO registration number?**

**If yes, please provide details. (If registered outside of Ireland, please provide equivalent reference)**

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| Choose an item. |

* 1. **Is the Service Provider authorised and regulated by the Central Bank or another regulatory authority to provide payment / electronic money services or other financial services?**

**If yes, please provide details.**

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| Choose an item. |

* 1. **Has the Service Provider previously submitted a notification of the use of the limited network exclusion to a competent authority in another Member State?**

**If yes, please provide details.**

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| Date Submitted: |  |
| Member State: |  |
| Competent Authority: |  |

1. **Transaction Value**
	1. **Please provide the total value of payment transactions executed through the services that fall within the scope of the relevant limited network exclusion in the previous 12 month period. This should include the start date, the end date and the transactional value.**

**Period Covered:**

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| **Start Date** |
| Click here to enter a date. |

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| **End Date** |
| Click here to enter a date. |

**Transaction Value (€)**

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1. **Description of Services Offered and the Exclusion under which the Services Are Carried Out**
	1. **How many products, offered by the Service Provider, are considered to fall within the scope of the limited network exclusion?**

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* 1. **Please provide details for each of the products/services that are considered to fall within the scope of the limited network exclusion.**

**Service 1**

**Name of the payment product/services as it is known (or appears) to the customer.**

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| Choose an item. |

**Which best describes the payment instrument issued?**

**If other, please provide details:**

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**Please briefly describe the service based on the specific payment instrument (e.g. prepaid gift card to buy cinema tickets). This will be entered in the Central Bank register and EBA register maintained in line with Regulation 25 and 26 respectively of the PSR.**

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**Please list which of the following exclusions best applies to the Service Provider’s service (Regulation 4(k)(i) or (ii) of the PSR).**

**Services based on specific payment instruments that can be used only in a limited way and:**

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| Choose an item. |

**Please explain how the service falls within the scope of the limited network exclusion specified in the PSR and the Guidelines, including details of the following, where relevant:**

* **the payment instrument;**
* **where and how the payment instrument can be used;**
* **where the customers or users are based;**
* **the Service Provider’s role in the flow of funds (if any) e.g. at what point the Service Provider comes into possession of the funds, where funds are received from and where funds are transferred to;**
* **how transactions are acquired;**
* **the merchant(s) that accept payment for goods and services via the payment instrument and the contractual relationship between the Service Provider and the merchant(s);**
* **the type of goods and/or services that can be purchased using the payment instrument;**
* **any limitations on the use of the payment instrument (and how this limitation is imposed e.g. through the technical functionality of the payment instrument or through the terms and conditions attaching to the payment instrument); and**
* **any other features of the payment instrument that are relevant to the limited network exclusion.**

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**Service 2 (if applicable)**

**Name of the payment product/services as it is known (or appears) to the customer.**

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| Choose an item. |

**Which best describes the payment instrument issued?**

**If other, please provide details:**

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**Please briefly describe the service based on the specific payment instrument (e.g. prepaid gift card to buy cinema tickets). This will be entered in the Central Bank register and EBA registers maintained in line with Regulations 25 and 26 respectively of the PSR .**

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**Please list which of the following exclusions that best applies to the Service Provider’s service (Regulations 4(k)(i) or (ii) of the PSR).**

**Services based on specific payment instruments that can be used only in a limited way and:**

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| --- |
| Choose an item. |

**Please explain how the service falls within the scope of the limited network exclusion specified in the PSR and the Guidelines, including details of the following where relevant:**

* **the payment instrument;**
* **where and how the payment instrument can be used;**
* **where the customers or users are based;**
* **the Service Provider’s role in the flow of funds (if any) e.g. at what point the Service Provider comes into possession of the funds, where funds are received from and where funds are transferred to;**
* **how transactions are acquired;**
* **the merchant(s) that accept payment for goods and services via the payment instrument and the contractual relationship between the Service Provider and the merchant(s);**
* **the type of goods and/or services that can be purchased using the payment instrument;**
* **any limitations on the use of the payment instrument (and how this limitation is imposed e.g. through the technical functionality of the payment instrument or through the terms and conditions attaching to the payment instrument); and**
* **any other features of the payment instrument that are relevant to the limited network exclusion.**

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**If more than two services are provided, please copy the information above and add more sections below as required.**

1. **Declaration**

**[Insert full legal name of Service Provider]** hereby notifies the Central Bank that it is operating under the limited network exclusion as set out in Regulation 4(k)(i) and (ii) of the PSR and the Guidelines on the basis of the information supplied with this Notification Form and any additional related information supplied to the Central Bank.

We/I acknowledge that the Central Bank may disclose information in the performance of its statutory functions or otherwise as may be specifically authorised by law.

We/I warrant that we/I have truthfully and fully answered the relevant questions in this Notification Form and disclosed any other information that might reasonably be considered relevant for the purpose of the notification.

We/I warrant that we/I will promptly notify the Central Bank of any changes in the information we/I have provided for the purposes of this notification and we/I are aware of our on-going obligations to notify the Central Bank on an annual basis in order to continue to operate under the limited network exclusion or to notify the Central Bank if this is no longer the case. We/I also confirm that **[insert full legal name of Service Provider]** has in place and will maintain appropriate systems, controls and governance arrangements to ensure it meets its on-going obligations and to confirm its on-going qualification for the limited network exclusion.

We/I warrant that we/I are authorised to make this notification for the use of the limited network exclusion.

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| **For and on behalf of:** | **[insert full legal name of Service Provider]** |
| **Name (Printed):****Title (director or equivalent) :****Signature (original signature required):****Date:** |  |
| **Name (Printed):****Title (director or equivalent):****Signature (original signature required):****Date:** |  |



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1. Or, as set out in the Guidelines, for any given period shorter than 12 months when the total value of payment transactions executed exceeds the amount of €1,000,000 for that period. [↑](#footnote-ref-1)
2. Or, as set out in the Guidelines, for any given period shorter than 12 months when the total value of payment transactions executed exceeds the amount of €1,000,000 for that period. [↑](#footnote-ref-2)