



Limited Network Exclusion (LNE)

See how the exclusion applies to providers of limited network payment instruments, such as some shopping centre gift cards.

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When you might be offering a regulated payment service

In general, the [Payment Services Regulations 2017](#) (PSRs 2017) require that anyone who provides payment services as a regular occupation or business activity needs to be authorised or registered by us.

However, certain activities are [excluded](#) and certain bodies are exempt or otherwise entitled to provide payment services:

- exclusions are listed in schedule 1, part 2 of the PSRs 2017 – we explain one of these below (the limited network exclusion)
- exempt bodies are listed in regulation 3
- regulation 138 lists all bodies that are entitled to provide payment services, some of which do not need our authorisation or registration e.g. credit institutions, the Bank of England and the Post Office Ltd)

A list of 'payment services' can be found in schedule 1, part 1 of the PSRs 2017. Examples of regulated payment services include the transfer of money between two parties (money remittance) and services enabling cash to be placed on, or withdrawn from, a payment account and operating a payment account for customers.

Chapter 15 of our perimeter guidance manual ([PERG 15](#)) provides detail on when a business might require our authorisation or registration (see [question 9](#), the heading '[Exemptions and exclusions](#)', and [PERG 15.5](#)). Our [web pages](#) and [Approach Document](#) provide more information to help firms understand whether they need to be authorised or registered by us.

What you should do if you think you might be offering a regulated payment service

You should apply to us for authorisation or registration, as required.

If you are in doubt, you should seek independent legal or compliance advice on whether or not your services are likely to constitute regulated payment services under the PSRs 2017.

Limited Network Exclusion (LNE)

Under the Payment Services Regulations 2017 (PSRs 2017) and Electronic Money Regulations 2011 (EMRs), a person providing services or issuing monetary value falling within the limited network exclusion (LNE) (a 'service provider') must notify us if the total value of the payment transactions executed through such services or made with the monetary value issued in any period of 12 months exceeds €1 million.

This exclusion applies to providers of limited network payment instruments, such as some shopping centre gift cards.

For more information on what constitutes an excluded activity, please see [PERG 3A](#) and [PERG 15.5](#).

Information required in the notification

If a service provider is operating, under the limited network exclusion it must provide specific information, including:

- a description of each service provided in the UK that is considered to fall within the limited network exclusion
- the exclusion by virtue of which the services are not payment services

Information provided in the notification will be displayed on the [Financial Services Register](#).

When and how to notify

Service providers operating under the LNE must notify as [directed](#). A service provider must read the direction in order to understand its notification obligations.

A notification must be submitted no later than 28 days from the date on which the conditions for notification are met. The first date on which the conditions can be met is 13 January 2019 (12 months following the coming into force of the requirement). This means the earliest deadline for businesses operating under the LNE to submit an initial notification is 10 February 2019.

Notifications must be made every 12 months while the conditions are fulfilled. If, at the end of the 12 month period following the last notification, the service provider determines that the conditions for notification are no longer met, ([see direction](#)) the service provider must notify us using the same notification form.

Please note that fees are payable for notifications. More information about the fees can be found on connect and the Fees Handbook ([FEES 3 Annex 8R](#)).

The LNE notification form should be submitted through [Connect](#). Services providers will need to register to access Connect.

Page updates

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Links

- [1] http://www.legislation.gov.uk/uksi/2017/752/pdfs/uksi_20170752_en.pdf
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