

## Our revised 'day one' Directions

### Updated General Directions 1 to 5 and Specific Direction 1

We've published revised versions of our 2015 'day one' Directions, to ensure that they remain relevant and proportionate, reflecting market realities, changes to legislation and potential future developments. The changes will make sure we can regulate effectively now and in the future.

## Background and key changes

We published the original Directions in 2015. They cover communication with the PSR, and payment systems' access and governance arrangements. We've adapted them after consulting our stakeholders, and have also been able to draw on our own experience of applying and monitoring the directions.

### New legislation

The Directions originally applied to parties we regulate under the Financial Services (Banking Reform) Act 2013 (FSBRA). We now also regulate parties under:

- the Payment Services Regulations 2017 (the PSRs 2017)
- the Payment Card Interchange Fee Regulations 2015 (the PCIFRS)

### Merged Direction

We've consolidated General Directions 4 and 6 (focusing on service users' interests) into a single new General Direction 4.

### Broader application and new requirements

**General Direction 3 (Access under the PSRs 2017)** applies to more parties, and has amended reporting requirements.

**General Direction 4 (Service-user interests (of interbank systems))** has new engagement requirements for the operators of Bacs, Faster Payments, Cheque and Credit, and LINK.

**Specific Direction 1 (Sponsor banks' access information)** now covers all sponsor banks.

The table on the next page summarises all the changes to the Directions.

# Summary of revised Directions and changes made

Direction	What it does now	What's changed
<b>General Direction 1</b>	Requires participants and regulated persons to have an open and cooperative relationship with the PSR and to notify us of anything we would reasonably expect notice of.	<p>Previously applied only to participants under FSBRA.</p> <p>Now also applies to regulated persons under the PCIFRs and the PSRs 2017.</p>
<b>General Direction 2</b>	Requires the operators of Bacs, Faster Payments, and Cheque and Credit to have proportionate, objective and non-discriminatory access requirements; publish these requirements; notify us of changes; and provide us with an annual report containing access information.	<p>The access test used now aligns with requirements set out in the PSRs 2017.</p> <p>No longer applies to CHAPS.</p>
<b>General Direction 3</b>	Requires payment systems regulated under Regulation 103 of the PSRs 2017 to notify us of changes to their access requirements, and to provide us with an annual report containing access information.	<p>Previously covered Visa, Mastercard and LINK; now also applies to JCB, UnionPay, Diners Club and American Express.</p> <p>No longer requires publication of access requirements.</p>
<b>General Direction 4</b>	Requires the operators of Bacs, Faster Payments, Cheque and Credit, and LINK to make transparent decisions, consider service-users' interests in their decision-making processes, and publish forward-looking annual reports on stakeholder engagement activities.	<p>Consolidates previous General Directions 4 and 6 focusing on service users' interests.</p> <p>Changed focus of the reporting obligation to be public-facing and forward-looking.</p> <p>No longer applies to CHAPS.</p>
<b>General Direction 5</b>	Requires the operators of Bacs, Faster Payments, Cheque and Credit, and LINK to take all reasonable steps to avoid conflicts of interest between operators of payment systems and providers of central infrastructure to those same payment systems.	<p>Clarification that the Direction applies where an infrastructure provider is bidding to supply a regulated payment system, as well as where it is supplying that system.</p> <p>No longer applies to CHAPS.</p>
<b>Specific Direction 1</b>	Requires sponsor banks to publish information on their sponsor bank services and indirect access offerings, and to provide indicative timetables for those seeking indirect access to payment systems.	<p>Previously applied to certain named banks. Now applies to all sponsor banks.</p> <p>Now includes indicative timetable requirement.</p> <p>Will expire after three years unless extended.</p>