Financial Conduct Authority

Policy Statement PS13/6

FCA regulated fees and levies 2013/14

Including feedback on CP13/1 and 'made rules'

June 2013

Contents

Abbreviations used in this paper		3
1.	Overview	5
2	FCA periodic fees for authorised firms	10
3	FCA periodic fees for other bodies	20
4	FCA financial penalty scheme	23
5	Financial Ombudsman Service general levy	26
6	Money Advice Service levies	28
Annexes		
1	List of non-confidential respondents	33
2	FCA financial penalty scheme	35
Appendix		
1	Made rules – final fees and levy rates	37

In this Policy Statement we report on the main issues arising from Consultation Paper 13/1 (*FCA Regulated fees and levies: Rates proposals 2013/14*) and publish the final rules.

Please send any comments or enquiries to:

Peter Cardinali
Finance and Operations Division
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Telephone: 020 7066 5596
Email: fca-cp13-01@fca.org.uk

You can download this Policy Statement from our website: www.fca.org.uk. Or contact our order line for paper copies: 0845 608 2372.

June 2013

Abbreviations used in this paper

AFR	Annual Funding Requirement
CP	Consultation Paper
CMC	Claim Management Companies
EEA	European Economic Area
FCA	Financial Conduct Authority
FSA	Financial Services Authority
FEES	Fees Manual
FPS	Financial Penalty Scheme
FSMA	Financial Services and Markets Act 2000
LCO	Legal cutover
Ombudsman service	Financial Ombudsman Service
PRA	Prudential Regulation Authority
PPI	Payment Protection Insurance
PS	Policy Statement

1. Overview

Introduction

1.1 We are publishing the 2013/14 periodic regulatory fees and levies rules for the:

- Financial Conduct Authority (FCA);
- Financial Ombudsman Service (ombudsman service) general levy; and
- Money Advice Service.[1]

1.2 We also publish our feedback on the responses received to the consultation on the draft fees and levies rules in CP13/1 *FCA Regulated fees and levies: Rates proposals 2013/14,* published 9 April 2013. The consultation period for CP13/1 closed on 9 June 2013.

Who does this affect?

1.3 All authorised firms and other bodies that pay fees and levies to us, the ombudsman service and the Money Advice service, as set out in Table 1.1.

Table 1.1: Fee-payers affected by each chapter

Issue	Fee-payers affected	Chapters
FCA		
Periodic fee rates	Authorised firms – the 'A' fee-blocks in Table 2.2 in chapter 2	2
	All fee-payers except authorised firms – fee-blocks B to G in Table 2.2 in chapter 2	3
FCA Financial Penalty Scheme	Fee-payers listed in Table 4.1 in Chapter 4	4
Ombudsman service		
General levy rates	Firms subject to the ombudsman service	5
Money Advice Service		
Money advice levies	Firms subject to money advice levies: authorised firms, payment institutions and electronic money issuers	6
Debt advice levies	Firms in fee-blocks A.1 (Deposit acceptors) and A.2 (Home finance providers and administrators)	6

1 The Money Advice Service is referred in the legislation and our FEES manual rules as the Consumer Financial Education Body (CFEB)

Is this of interest to consumers?

1.4 Fees and levies rates rules are not directly relevant to retail consumers or consumer groups, although, indirectly, some fees are met by financial services consumers.

Context

1.5 The fees and levies rates rules will enable us to raise the £432.1m 2013/14 annual funding requirement (AFR) for meeting the strategic priorities set out in our *Business Plan*[2], and mitigate the risks to our statutory objectives, as set out in our *Risk Outlook*.[3] They will also enable us to raise the £23m ombudsman service general levy and the £77.4m Money Advice Service levies to enable these organisations to carry out their statutory functions.

Summary of feedback and our response

1.6 Overall, we received 36 responses to CP13/1 from 15 trade bodies and 21 individual firms. The non-confidential respondents are listed in Annex 1.

Responses on the overall increase in FCA fees

1.7 The main issues raised regarding the overall 15% increase in the combined FCA/PRA 2013/14 AFR compared to the Financial Services Authority (FSA) in 2012/13 were:

- the increase is significant/disproportionate on the back of similar levels of increases in recent years; and
- the continuing increase in regulatory costs is against the backdrop of very difficult economic conditions where firms had to prioritise expenditure and cut costs.

Our response

We recognise that the increase in fees for 2013/14 (arising from the overall average increase in the combined FCA and PRA AFR) comes in addition to similar levels of increases in recent years under the FSA. We also recognise that this is happening during a period of very difficult trading conditions for firms, which themselves are making tough decisions to cut costs.

However, we believe that the £432.1m AFR we will collect through fees levied on the industry is necessary to deliver our strategic priorities as detailed in our *Business Plan*. The key areas that our AFR will be used for this year are:

- A renewed focus on good outcomes for consumers. This will include helping to ensure that firms' strategies are aligned with producing appropriate outcomes for consumers – for example, through the work on product governance and incentive structures in firms.

2 http://www.fca.org.uk/your-fca/documents/business-plan/bp-2013-14 published 25 March 2013
3 http://www.fca.org.uk/your-fca/documents/fca-risk-outlook published 25 March 2013

- A continued focus on tackling market abuse, by taking strong enforcement action to deter future misconduct. Focusing on wholesale conduct will be critical for the FCA, as will the new approach to the supervision of trading platforms.

- Ensuring a competitive financial services industry. A significant change for the FCA, this will involve building a new Competition Department to embed competition analysis across the organisation, which will take action as appropriate.

- Continuing to address ongoing misconduct, such as LIBOR, Payment Protection Insurance and interest rate swaps.

- Carrying forward major policy initiatives such as the Mortgage Market Review, the changes to retail investment advice, and extensive engagement with Europe on important Directives.

Currently 42% of the FCA's authorised firms only pay the minimum fee and for the fourth year running the gross minimum fee for firms remains unchanged at £1,000. Medium-sized firms will see an increase reflecting the type and size of business they conduct. This increase will be borne mainly by larger firms, reflecting the resources applied to the intensive supervision of high impact firms.

In Chapter 2 we provide further feedback on the responses regarding the overall increase and concerns raised about lack of transparency and accountability. We also provide feedback to responses on the:

- above-average increases in the A.1 Deposit acceptors and A.3 General insurers fee-blocks (both +20%);

- above-average increase for A.12 Investment intermediaries that hold client money/assets (+17.5%);

- increase for financial advisers/proportion of AFR allocated to them (+13%);

- minimum fee remaining unchanged;

- 5% fees discount for European Economic Area (EEA) passported-in branches; and

- significant increase in fees arising from the switch to income as a measure of size (from head count) in fee-blocks A12 (Advisory arrangers, dealers of brokers – holding or controlling client money or assets, or both), A13 (Advisory arrangers, dealers of brokers – not holding or controlling client money or assets, or both), and A14 (Corporate finance advisers).

In Chapter 3 we provide feedback on the responses received regarding the significant increases in the fees for Multilateral Trading Facilities and Service companies in the 'B' fee-block. We also provide feedback on a response to the higher fees revised for 2012/13 on some issuers in the 'E' fee-block.

Respondents were overall supportive of the proposed Financial Penalty Scheme. In Chapter 4 we explain an amendment to the scheme in response to one respondent who asked for clarification on how the scheme would take account of financial penalties received for prudential failings in solo-regulated firms.

Responses on the ombudsman service general levy

1.8 Most respondents welcomed the proposed apportionment of the general levy. Some respondents suggested that there should not be an increase in the amount collected through the general levy. Some respondents argued that alternative sources of funding should be explored, such as increasing the charge on firms that mis-sold Payment Protection Insurance (PPI) or charging Credit Management Companies (CMCs) for complaints referred to the ombudsman service.

Our response

Our view is that adjusting the amount collected by the general levy was necessary to bring it back into closer proportion with the broader budget after it had been frozen for the last four years and we did not consider that it would be appropriate to hold it at the same rate for a further year. We do not consider it is feasible to introduce alternative forms of charging at this stage to lessen the impact of the general levy.

Responses on Money Advice Service levies

1.9 Most respondents expressed support or had no issues with the money and debt advice framework and proposed levy rates. Some respondents questioned the role of wholesale markets contributing to the funding and others suggested that consumer credit groups and other industries should contribute to the cost. Some respondents noted the cost of the Money Advice Service with a couple commenting on the amount spent on advertising. Some respondents felt the Money Advice Service should be funded by the Government.

Our response

The Money Advice Service is in discussions with the trade associations to agree some basic principles to shape a potential funding formula for money advice for 2014/15 and beyond. The Money Advice Service is also reviewing the debt advice allocation method to take account of the introduction of consumer credit. We will consult on this in October 2013.

Compatibility statement

1.10 The rules we have now made do not differ in substance from those proposed in CP13/1, except regarding certain periodic fee rates, as explained in Chapters 2 to 6, and EEA branches fees discounts, explained in Chapter 2. However, these changes do not alter the compatibility statements we published with CP13/1.

Next steps

What do you need to do next?

1.11 We highlighted in CP13/1 that fee-payers should be aware that the draft fee rates and levies in Appendix 1 of CP13/1 were calculated using estimated fee-payer populations and tariff data (measures of size), which may change when the final fee rates are calculated in June 2013.

1.12 In the case of the 'A' fee-blocks covered in Chapter 2, this was also the first year that firms have provided income tariff data for fee-blocks A.12, A.13 and A.14. We further highlighted that validating this data was taking longer than for other fee-blocks and therefore the draft fee rates for these fee-blocks could undergo significant change from the final rates we have now calculated.

1.13 Table 2.3 in Chapter 2 shows the movements in the fee rates between the draft version in CP13/1 and the final fees rates in Appendix 1 of this policy statement.

1.14 Our **online fees calculator** is available from 1 July 2013 for firms to calculate their individual fees based on the final rates in Appendix 1 of this policy statement. This includes FCA fees, the Ombudsman service general levies and Money Advice Service levies.

1.15 In the case of the 'B' to 'G' fee-blocks covered in Chapter 3, we have highlighted where final fee rates have changed since the draft rates in CP13/1.

What will we do?

1.16 We will invoice fee-payers from July 2013 onwards for their 2013/14 periodic fees.

2.
FCA periodic fees for authorised firms

2.1 In this chapter we:

- confirm our 2013/14 annual funding requirement (AFR) and allocation across fee-blocks;
- give feedback on the responses to Chapters 3 and 4 of CP13/1, in which we consulted on draft fees rates rules for authorised firms – the 'A' fee-blocks; and
- highlight the changes between the draft fees rates in CP13/1 and the final rates contained in Appendix 1 and some clarifications to the rules.

2013/14 annual funding requirement (AFR) and allocation across fee-blocks

2.2 Following completion of audited 2012/13 FSA accounts, our total 2013/14 AFR of £432.1m remains unchanged from CP13/1 – see Table 2.1.

Table 2.1 Combined AFR across FCA and PRA

	2013/14 £m	2012/13 £M[FSA]	Movement
FCA AFR	432.1		
PRA AFR*	214.2		
Total FCA and PRA*	646.3	559.8	15%
*PRA figures only included to enable a comparison with FSA 2012/13.			

2.3 In Chapter 3 of CP13/1, we explained how the combined FCA and PRA AFR had been calculated and the main reasons for the overall 15% (£86.5m) increase. Where allocations of the combined FCA/PRA AFR resulted in increases for dual-regulated fee-blocks above the overall 15% increase, we gave an explanation. Above-average increases occurred in the following dual-regulated 'A' fee-blocks:

- A.1 Deposit acceptors +20%;
- A.3 General insurers and A.4 Life insurers + 20%; and
- A.10 Firms dealing as principal +24%.

2.4 We also explained the reasons for above-average increases in the following solo-regulated fee-blocks:

- A.12 Investment intermediaries that hold client money/assets + 17.5%; and

- B. Recognised Investment Exchanges (RIEs), Multilateral Trading Facilities (MTFs) and Service Companies +39.5%.[4]

2.5 Table 2.2 confirms that the allocation of the £432.1m remains unchanged from CP13/1.

Table 2.2: FCA AFR allocations to dual-regulated (DR) and solo-regulated fee-blocks

Fee-block		2013/14 £m	AFR proportion%
A.0 FCA minimum fee	Solo	18.0	4.2%
AP.0 FCA prudential fee (i)	Solo	11.0	2.5%
A.1 Deposit acceptors	DR	60.0	13.9%
A.2 Home finance providers and administrators	Solo	15.5	3.6%
A.3 Insurers – general	DR	22.1	5.1%
A.4 Insurers – life	DR	37.3	8.6%
A.5 Managing Agents at Lloyd's	DR	0.2	0.0%
A.6 The Society of Lloyd's	DR	0.3	0.1%
A.7 Fund managers	Solo	38.8	9.0%
A.9 Operators, Trustees and Depositaries of collective investment schemes etc	Solo	10.8	2.5%
A.10 Firms dealing as principal	Solo & DR (ii)	48.9	11.3%
A.12 Advisory arrangers, dealers or brokers (holding or controlling client money or assets, or both)	Solo	44.5	10.3%
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)	Solo	39.2	9.1%
A.14 Corporate finance advisors	Solo	12.2	2.8%
A.18 Home finance providers, advisers and arrangers	Solo	15.2	3.5%
A.19 General insurance mediation	Solo	25.1	5.8%
B. Recognised Investment Exchanges, operators of Multilateral Trading Facilities, Recognised Auction Platforms and Service Companies	Solo	6.7	1.5%
C. Collective Investment Schemes	Solo	2.2	0.5%
D. Designated Professional Bodies	Solo	0.2	0.0%
E. Issuers and Sponsors of securities	Solo	19.1	4.4%
F. Unauthorised mutuals	Solo	1.6	0.4%
G. Firms registered under the Money Laundering Regulations 2007. Firms covered by Regulated Covered Bonds Regulations 2008; Payment Services Regulations 2009; and Electronic Money Regulations 2011.	Solo	3.4	0.8%
Total		**432.1**	**100.0%**

Notes:

(i) AP.0 FCA prudential fee-block is only recovered from FCA solo-regulated firms in proportion to the total periodic fees they pay through FCA solo-regulated fee-blocks.

(ii) Includes certain investment firms that have been designated by the PRA to be regulated by the PRA for prudential purposes. These designated firms do not pay fees in the AP.0 FCA prudential fee fee-block. The remaining firms in A.10 are solo-regulated by the FCA and therefore pay prudential fees to the FCA in AP.0.

4 *After removing the impact of the transfer of supervising clearing and settlement infrastructures to the Bank of England.*

2.6 The remainder of this chapter covers the 'A' fee-blocks in Table 2.2 and Chapter 3 covers the other 'B' to 'G' fee-blocks.

Periodic fees for authorised firms – summary of proposals

2.7 In Chapter 4 of CP13/1 we proposed:

- a minimum fee of £1,000, the same as 2012/13, and that the lower concession minimum fees for smaller credit unions and friendly societies should also remain unchanged. These minimum fees are split equally between FCA and PRA for dual-regulated firms;
- that the proportion of firms that only pay the minimum fee should remain at around 42%, the same as under the FSA in 2012/13;
- to continue to apply a premium of 25% and 65% to the fee rates for medium-high and high-impact firms respectively in the top two bands of the A.1 fee-block (Deposit acceptors); and
- an overall revised 5% fees discount for European Economic Area (EAA) passported-in branches.

2.8 The draft fee rates rules were contained in Appendix 1 of CP13/1 and our online fees calculator was available to help firms calculate the proposed fees for 2013/14.

2.9 We asked:

> ***Q1: Do you have any comments on the proposed FCA 2013/14 minimum and variable periodic fees for authorised firms?***

Responses to consultation

2.10 Overall, we received 36 responses to CP13/1 from 15 trade bodies and 21 individual firms. The non-confidential respondents are listed in Annex 1.

Responses on the overall 15% increase

2.11 Ten trade bodies and 14 individual firms raised strong concerns about the overall increase of 15% in the combined FCA/PRA 2013/14 costs compared to the FSA costs in 2012/13. The main issues raised were:

- the increase is significant/disproportionate on the back of similar levels of increases in recent years; and
- the continuing increase in regulatory costs is against the backdrop of very difficult economic conditions where firms had to prioritise expenditure and cut costs.

2.12 Some respondents also raised the following issues:

- lack of transparency regarding the reasons for the increase. One trade body, for example, focused on the combined £34.4m additional expenditure in front-line supervision staff to deliver the "new supervisory approach", pointing out that increases in staffing in recent years had also been justified by reference to enhanced/or new intensive supervision approaches, some of which have been previously stated as fully implemented. Similarly the FCA is continuing to make substantial information technology (IT) investments in 2013/14, further to other significant investments in IT made by the FSA over several prior years; and

- lack of accountability of whether investments, such as in IT, are delivering the savings envisaged.

Our response

We recognise that the increase in fees for 2013/14 (arising from the overall average increase in the combined FCA/PRA AFR) comes in addition to similar levels of increases in recent years under the FSA. We also recognise that this is happening during a period of very difficult trading conditions for firms that themselves are making tough decisions to cut costs.

However, we believe that the £432.1m AFR we will collect through fees levied on the industry is necessary to deliver our strategic priorities as detailed in our *Business Plan*. In Chapter 1 of this policy statement we summarise the key areas that our AFR will be used for this year.

Here we give feedback on respondents' issues regarding transparency and accountability, restating from CP13/1 the key explanations given for the overall 15% increase as it relates to the FCA.

- The increase in front-line staff reflects the need to embed our judgement-based, forward-looking and risk-focused supervision approach. The development of this approach, although started the year ahead of legal cutover, is not fully embedded. We also have to deliver our new market integrity, consumer protection and competition objectives.

- The FSA's IT costs (including associated staff costs) in 2012/13 were £77.2m. The FSA outlined in its 2012/13 *Business Plan* significant investment in information systems and capability over a number of years to ensure that core technology platforms remained supported and able to underpin key regulatory systems. We have committed to continuing this investment and expect to incur £85.7m in IT and associated costs in 2013/14. In addition, we have inherited the FSA's depreciation costs for these systems. The 2013/14 depreciation costs for the FCA are £44.0m.

- We expect, over time, to make some savings in our support services as we realign and rebalance our current infrastructure and capacity to the demands of this new organisation and the dual-regulatory model. Immediate savings were not achievable due to the need to support the business while strategic organisational change is implemented, particularly regarding the changes in consumer credit regulation from 1 April 2014. The forthcoming consumer credit scope increase also means we have not been able to reduce our accommodation costs further.

- We will continue to improve the transparency in the link between our *Business Plan* and the level of our fees. In addition, as part of the 2013/14 fees review, we are looking at ways we can improve transparency in the link between our *Business Plan* and the allocation of our AFR to individual fee-blocks.

- We are accountable to Treasury and are required to report to them on, amongst other things, the extent that we have met the principles of good regulation. This includes our consideration of the need to use our resources in the most efficient and economic way. The report to Treasury will be laid before Parliament, published as our *Annual Report* and discussed at our Annual Public Meeting (our first report will be published at a meeting following our first financial year ending 31 March 2014).

- We are committed to improving the value for money of the services we provide our stakeholders and in our *Business Plan* we published our value for money framework. We will also be subject to value-for-money audits by the National Audit Office, which are our auditors.

Responses on the above-average increase in A.1 Deposit acceptors fee-block (+20%)

2.13 A trade body representing mutual building societies raised concerns about the above-average increase in this fee-block. The main issue they highlighted was that building societies share this fee-block with banks. However, they believe that building societies undertake lower risk business (due in part to legislative restrictions on their activities) and, based on the ombudsman service published data, they believe building societies have a better record than banks for complaints and complaints handling. This, coupled with the weighting of recovery of our AFR allocated to this fee-block to the largest firms, makes the continued inclusion of building societies in the A.1 fee-block unfair.

Our response

The fee-block structure is based on grouping firms together where they undertake common permitted regulatory activities; recovery of the AFR allocated to fee-blocks is based on an objective measure of size (tariff base) that is consistently applied to all firms in the fee-block. No account is taken in any fee-block of the differing risk profile of sub-groups of firms or individual firms. In the case of the A.1 fee-block, the common activity is accepting deposits that building societies, banks and credit unions undertake. The tariff base is modified eligible liabilities (essentially UK deposits).

To this extent building societies are treated the same as sub-groups within other fee-blocks. For example, the A.12/13 fee-blocks (advisory, arrangers, dealers or brokers) include, for example, stockbrokers, wholesale markets brokers, non-discretionary investment managers and financial advisers, which all undertake business with different risk profiles.

As part of our 2013/14 fees review, we are revisiting the existing make-up of the fee-blocks.

Responses to above-average increase for A.3 General insurance fee-block (+20%)

2.14 Two trade bodies representing insurers and four individual insurance firms raised concerns over the above average increase in this fee-block. One trade body also raised concerns regarding whether more costs, such as policy development, could be allocated on a direct rather than an indirect basis to improve accuracy in allocating our AFR to fee-blocks.

Our response

We refer to our feedback above on the overall increase as the allocation of the AFR to the A.3 fee-block will reflect a proportion of this increase. We restate from CP13/1 that the above-average increase also reflects the additional resources focused on supervising price comparison websites, which have been responsible for major structural changes in the way the industry manufactures, prices and distributes retail insurance products (particularly motor and increasingly home insurance products). Further, the increase reflects the planned market study into general insurance add-ons – our *Business Plan* referred to the preliminary research undertaken by the FSA, which suggests that consumers might not be sold a product that meets their needs, at a price that is competitive, when purchasing certain types of insurance, such as gadget insurance, home emergency cover, personal accident/accident cash plans, or guaranteed asset protection. This is related to the risk of problems with access to suitable products that address consumers' needs.

As part of our 2013/14 fees review, we are considering how our allocation process can allocate more costs on a direct rather than an indirect basis.

Response on above-average increase for A.12 Investment intermediaries that hold client money/assets (+17.5%)

2.15 A trade body representing private client investment managers and stockbrokers raised concerns about the above-average increase in this fee-block and our explanation that the increase reflects increased supervision of firms holding client money and assets, including more intrusive visits to firms and thematic projects. They highlighted that their members holding client money and client assets are agency brokers acting on behalf of retail clients and they operate far less complex models than firms operating within the wholesale market, which provide a far wider and more complex range of services. The CP did not recognise this or that different types of firms will take up different amounts of supervisory resources.

Our response

Our feedback under paragraph 2.13 on the response to the increase in the A.1 fee-block also applies here. Within a particular fee-block representing a grouping of firms that undertake common permitted regulatory activities, no account is taken of the differing risk profiles of sub-groups of firms or individual firms. As part of our 2013/14 fees review, we are revisiting the existing make-up of the fee-blocks.

Response on increase for financial advisers/proportion of AFR allocated to them (+13%)

2.16 A trade body representing financial advisers and individual firms questioned the 13% increase in the A.13 fee-block (which includes most financial advisers), given the fall in advisers arising from the implementation of the Retail Distribution Review (RDR). They also believe that allocating 9% of our AFR to this fee-block is too high a proportion compared with life insurers (A.4) at 9%, mortgage advisers (A.18) at 4% and general insurance advisers (A.19) at 6%.

Our response

The £4.8m increase in this fee-block includes a proportion of the overall 15% AFR increase. It also includes £2.9m relating to the accumulated three-year RDR project costs, which are treated as scope change costs (held over each year during the life of the project and recovered at the end). Over half of the increase in A.13 relates to this one-off cost, giving an underlying increase of 5%.

The A.13 fee-block is not exclusively recovered from financial advisers of retail investment products. This fee-block can include, for example, non-discretionary investment managers and wholesale markets brokers. However, the other fee-blocks highlighted, particularly the other 'advisory' fee-blocks A.18 and A.19, are more narrowly based. The proportion of our AFR allocated to A.13 is not fully comparable to these other fee-blocks.

Responses to the minimum fee remaining unchanged

2.17 One trade body welcomed keeping the concessionary minimum fees unchanged while another trade body argued that there should be no 'cross-subsidy' and minimum fees should reflect the costs of regulating smaller firms.

Our response

As stated in CP13/1, we will review the basis for levying the minimum fee as part of our 2013/14 fees review.

Responses to the 5% discount for EEA passported-in branches

2.18 One trade body representing insurers raised concerns that the revised overall 5% discount still represented a significant change from the level under the FSA. Also, that regulatory fees levied in the UK are already substantially greater than those levied in other EEA countries and this change will only serve to affect the UK's competitiveness in attracting inward investment and business to the detriment of the industry. An individual insurer supported reducing the discounts because they considered a too heavily discounted arrangement is anti-competitive to UK firms.

Our response

As set out in CP13/1, we only recover our conduct regulation costs from UK branches of EEA insurers because they are undertaking dual-regulated activities and pay discounted prudential fees to the PRA. Therefore FCA discounts for UK branches of EEA insurers are not directly comparable with the discounts under the FSA.

The across-the-board 5% discount proposed in CP13/1 was aimed at reflecting that, as host regulator, our supervisory responsibilities for UK branches of incoming EEA firms, in relation to systems and controls and approved persons, are less than for UK-based firms carrying on the same regulated activities. Since CP13/1 was published we have considered further this level of discount and concluded that a 10% discount for our fees is a more appropriate reflection of home/host responsibilities and performance of our supervisory functions.

The only exception is the A.19 General insurance intermediaries fee-block discount, which we have raised to 50% to take into account the more limited nature of our regulatory responsibilities for this type of incoming EEA firm.

Significant increase in fees arising from switch to income measure (from head count)in fee-blocks A12 (Advisory arrangers, dealers of brokers – holding or controlling client money or assets, or both), A13 (Advisory arrangers, dealers of brokers – not holding or controlling client money or assets, or both), and A14 (Corporate finance advisers)

2.19 Trade bodies representing wholesale markets broker/dealers, Lloyd's managing agents, venture capital/private equity firms together with individual firms, raised concerns about the significant increase in their fees arising from the move to income as a measure of size (from head count) for the first time in 2013/14. They also raised concerns that the indicative fee rates published in CP12/28 (October 2012) were substantially different to those in CP13/1.

Our response

The introduction of income as a measure of size to replace a headcount of approved persons (APs)is being implemented in 2013/14 but was consulted on previously by the FSA. FSA CP11/21 (October 2011) proposed introducing the new measure because:

- an equality impact assessment the FSA carried out in 2011 concluded that the staff count might be interpreted as a barrier to good practice in equalities by discouraging the recruitment and career development of people wishing to work part-time or job-share. This would conflict with the FSA's (and our) duties under the Equality Act 2010; and

- the old measure was based on an obsolete categorisation of APs, and had become time-consuming and difficult to administer for both the FSA and firms.

When the FSA published indicative fee-rates under the income measure in FSA CP12/28 (October 2012), to help firms with their business planning, the impact assessment indicated that fees for most firms would remain the same or decrease, but that there would be significant increases in fees for those with larger than average incomes per AP. CP12/28 highlighted that the indicative rates were based on income data from firms that was incomplete.

FCA fees review 2013/14

2.20 In our feedback to responses we refer to the review we are undertaking of how we raise our fees. In Chapter 7 of CP13/1 we set out our approach to undertaking the review that includes a commitment to engage early with stakeholders at the outset and throughout the review. We have already met with ten trade bodies and will meet with the stakeholders that responded to the CP13/1 consultation on our fee rates who have asked to participate in the review.

2.21 We intend to issue a discussion paper and/or consultation paper in October/November this year, depending on the nature of the proposals to be developed further.

Clarifications to fees rules

2.22 Appendix 1 includes clarifications to rules on:

- the rule setting out the application of the FCA minimum fee to PRA-authorised persons; and
- the rule setting out the calculation of the FCA prudential fee;

2.23 Appendix 1 also extends the payment date for certain periodic fees to 1 August, in accordance with the rules for 2013/14 coming into force on 1 July, which is later than previous years.

Changes between draft fee rates and final rates

2.24 We highlighted in CP13/1 that fee-payers should be aware that the draft fee rates and levies in Appendix 1 of CP13/1 were calculated using estimated fee-payer populations and tariff data (measures of size), which may change when the final fee rates are calculated in June 2013.

2.25 This was the first year that firms have provided income tariff data for fee-blocks A.12, A.13 and A.14. We also highlighted that validating this data was taking longer than for other fee-blocks and therefore the draft fee rates for these fee-blocks could undergo significant change from the final rates calculated in June 2013.

2.26 Table 2.3 shows the estimated firm populations and tariff data contained in CP13/1 and the actual figures used to calculate the final fees rates. It also shows the resulting movement between the draft fee rates in CP13/1 and the final fee rate in Appendix 1 of this policy statement.

2.27 Our **online fees** calculator is available from 1 July 2013 for firms to calculate their individual fees based on the final rates in Appendix 1.

Table 2.3 Changes in data used to calculate draft and final fee rates and movement between draft fee rates in CP13/1 and final fee rates.

Fee-block	Tariff base	Number of firms in fee-blocks		Tariff data		Mov't in fee rates from CP13/1
		2013/14 Actual	2013/14 Estimated	2013/14 Actual	2013/14 Estimated	
A.1	Modified eligible liabilities	912	920	2,818.1bn	2,896.6bn	2.7%
A.2	Number of mortgages or other home finance transactions	310	314	£7.5m	£7.1m	-5.0%
A.3	Gross premium income	389	391	£62.3bn	£58.2bn	-5.8%
	Gross technical liabilities			£131.8bn	£128.0bn	-1.9%
A.4	Adjusted gross premium income	215	219	£59.3bn	£57.2bn	-3.4%
	Mathematical reserves			£876.7bn	£876.4bn	-0.1%
A.5	Active capacity	60	60	£24.8bn	£24.0bn	8.3% (i)
A.7	Funds under management	2,533	2,529	£4,736.3bn	£4,497.6bn	-1.4%
A.9	Gross income	772	773	£8.5bn	£8.5bn	-0.3%
A.10	Traders	431	434	10,139	9,716	-3.5%
A.12	Annual income	1,899	1,906	£19.1bn	£21.2bn	13.3%
A.13	Annual income	6,768	7,000	£6.1bn	£6.7bn	8.7%
A.14	Annual income	761	778	£4.4bn	£4.0bn	-7.2%
A.18	Annual income	5,238	5,379	£0.9bn	£1.0bn	-0.3%
A.19	Annual income	12,522	12,734	£14.8bn	£15.1bn	1.1%

(i) The draft fee rate in CP13/1 was incorrectly stated as £7.67 and it should have been stated as £8.62. The final correct fee rate is £8.31. Therefore although the actual tariff data has increased from that estimated in CP13/1, which reduces the final fee rate, the movement here is showing the change from the incorrect draft rate and the final rate.

3. FCA periodic fees for other bodies

3.1 In this chapter we give feedback on the responses to Chapter 5 of CP13/1, in which we consulted on draft fees rates rules for other bodies that fall within the 'B' to 'G' fee-blocks:

- 'B', Market Infrastructure Providers – Recognised Investment Exchanges, Recognised Overseas Investment Exchanges, Multilateral Trading Facilities (MTFs) and Service companies;
- 'C', Collective Investment Schemes;
- 'D', Designated Professional Bodies;
- 'E', Issuers and sponsors of securities (UK Listing Authority – UKLA);
- 'F', Unauthorised mutual; and
- 'G', Firms registered under the Money Laundering Regulations 2007, firms covered by the Regulated Covered Bonds Regulations 2008, the Payment Services Regulations 2009 and the Electronic Money Regulations 2011.

3.2 As confirmed in Table 2.2 in Chapter 2, the allocation of our AFR to these fee-blocks has not changed from CP13/1.

3.3 We also highlight the changes between the draft fees rates in CP13/1 and the final rates contained in Appendix 1 and some clarifications to the rules.

Responses to the consultation

3.4 We asked:

> ***Q2: Do you have any comments on the proposed FCA 2013/14 minimum fees and periodic fees for fee-payers other than authorised firms?***

3.5 We received three responses about the 'B' fee-block: two from MTFs and one from a Service company. All raised concerns regarding the substantial increases in the fees for carrying out these activities.

3.6 We received one comment about the higher fees levied from 2012/13 on some overseas issuers in the 'E' fee-block which have global depositary receipts (GDRs) in issue on the London Stock Exchange. These firms had previously been charged a fixed rate. In October 2011 (FSA CP11/21), the FSA proposed to bring them into line with other share issuers by introducing a variable fee based on market capitalisation. The respondent pointed out that this methodology, which measures market capitalisation on the value of the shares issued in each firm's home market, resulted in fees which were higher in their secondary market of London than in their primary home market.

Our response

MTFs

As stated in CP13/1,from 1 April 2013 we will implement a new framework for supervising MTFs reflecting that, since the implementation of the Markets in Financial Instruments Directive (MiFID), a significant proportion of secondary trading in equity and non-equity instruments is now located on MTFs, many of which directly compete with the Recognised Investment Exchanges. In an attempt to apply consistent (albeit proportionate) standards to competing platforms, this will include some individual MTFs seeing substantial increases in their fees as our supervisory approach develops to achieve this objective.

The periodic fees for MTFs are set on an individual basis and are based on the amount of regulatory resources required. The drivers for the amount of resources required include the materiality of the business undertaken.

Service companies

As stated in CP13/1, seven service companies have previously been incorrectly assigned to the A.1Deposit acceptors fee-block and as a result have only paid the standard 'A' fee-block £1,000 minimum fee. We have corrected this error for 2013/14, which means these services companies will pay a flat fee of £45,000 consistent with other service companies. Although these seven service companies will see a substantial increase in their fees in 2013/14, they have also been paying substantially less than other service companies in past years.

GDRs

Calculating the market capitalisation of issuers issuing GDRs in London is less straightforward than in the case of issuers whose shares are issued in London. This is because the GDRs in issue in London do not necessarily reflect the underlying value of the company. We recognise that higher fees are always unwelcome but we believe that market capitalisation on the home market is the most objective and consistent measure of underlying value.

Changes between draft fee rates and final rates

3.7 We highlighted in CP13/1 that fee-payers should be aware that the draft fee rates and levies in Appendix 1 of CP13/1 were calculated using estimated fee-payer populations and tariff data (measures of size), which may change when the final fee rates are calculated in June 2013.

3.8 We list below, where applicable, the percentage movements in the fee rates between the draft version in CP13/1 and the final rates in Appendix 1 of this policy statement:

- 'C', Collective investment schemes – a decrease of 4.2%;
- 'D', Designated Professional Bodies – movements ranging from a decrease of 0.6% to an increase of 1.6%;

- 'E', Issuers and sponsors of securities (UK Listing Authority – UKLA). In the case of issuers, an increase of 1.7% (other than the minimum fee); there is no change in the fee for sponsors. However, in CP13/1, although we included in Chapter 5 the proposal to increase the annual periodic fee for sponsors from £20,000 to £25,000, we omitted to include this in the draft rules in Appendix 1 of CP13/1. We have now corrected this omission in Appendix 1 of this policy statement;

- 'G', Firms covered by the Payment Services Regulations 2009. For certain deposit acceptors, a decrease of 10.8%. For large payment institutions and other institutions, a decrease of 10.3%; and

- 'G', Firms covered by the Regulated Covered Bonds Regulations 2008 – a decrease of 18.3% for the minimum fee for the first registered programme, and a decrease of 1.5% in the variable fees.

Clarifications to fees rules

3.9 Appendix 1 includes clarifications to rules on:

- the periodic fees for MTF operators so that these rules are expressly stated to apply to firms that were MTF operators as at 1 April 2013; and

- the payment date for the periodic fees of designated professional bodies, UK recognised bodies and recognised overseas investment exchanges.

4.
FCA financial penalty scheme

4.1 In this chapter we provide feedback on the responses received to Chapter 6 of CP13/1, in which we consulted on the FCA financial penalty scheme (FPS).

Summary of proposed FPS

4.2 Financial penalties received by us must be paid to the Treasury net of certain enforcement costs (the 'retained penalties') incurred in the financial year in which the penalties were received. The draft FPS proposed that retained penalties in any year would be applied as a rebate to fee-payers' fees allocated in line with enforcement budget allocations to fee-blocks in the following year. This will target the benefit from retained penalties to the fee-blocks that are paying for enforcement costs.

4.3 We asked:

> *Q3:* ***Do you have any comments on the proposed FCA financial penalty scheme?***

Responses to consultation

4.4 We received 13 responses; ten from trade bodies and three from individual firms. All except one firm supported the proposed FPS. One trade body, representing dual-regulated firms, asked for more clarity on how enforcement costs relating to prudential breaches of solo-regulated firms would be met.

Our response

We are proceeding with the FPS as consulted on except we have amended the scheme to include the AP.0 FCA prudential fee-block. This makes it clearer that enforcement costs that relate to prudential failings of solo-regulated firms can be allocated to AP.0 and allows for any resulting retained penalties to be applied to this fee-block. Dual-regulated firms do not pay prudential fees under AP.0 and therefore will not contribute to any solo-regulated prudential-related enforcement costs.

The amended scheme is set out in Annex 2.

Final 2012/13 retained penalties and 2013/14 rebates

4.5 Following the finalisation of FSA accounts for 2012/13, retained penalties available for rebates against 2013/14 fees has reduced to £38.2m from the £40.6m stated in CP13/1. The revised retained penalties allocations and rebate discounts are set out in Table 4.1.

Table 4.1: Schedule of application of 2012/13 retained penalties in 2013/14

	Actual 2013/14		Proposed 2013/14	
Fee-block	2012/13 Retained penalties to be applied to benefit of fee-payers £m	Rebate applied to FCA 2013/14 fees	2012/13 Retained penalties to be applied to benefit of fee-payers £m	Rebate applied to FCA 2013/14 fees
AP.0 FCA prudential	0.0	0.0%	-	-
A.1 Deposit acceptors	4.8	7.9%	5.1	8.4%
A.2 Home finance providers and administrators	0.5	3.3%	0.5	3.5%
A.3 Insurers – general	1.0	4.5%	1.1	4.8%
A.4 Insurers – life	1.8	4.8%	1.9	5.1%
A.5 Managing Agents at Lloyd's	0.0	0.0%	0.0	0.0%
A.6 The Society of Lloyd's	0.0	0.0%	0.0	0.0%
A.7 Fund managers	7.7	19.7%	8.2	21.0%
A.9 Operators, Trustees and Depositaries of collective investment schemes etc	1.2	11.3%	1.3	12.0%
A.10 Firms dealing as principal	4.2	8.6%	4.5	9.1%
A.12 Advisory arrangers, dealers or brokers (holding or controlling client money or assets, or both)	7.2	16.1%	7.6	17.1%
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)	3.8	9.5%	4.0	10.2%
A.14 Corporate finance advisors	1.3	10.4%	1.4	11.1%
A.18 Home finance providers, advisers and arrangers	1.9	12.8%	2.1	13.6%
A.19 General insurance mediation	1.8	7.0%	1.9	7.5%
B. Recognised Investment Exchanges and operators of Multilateral Trading Facilities (only)	0.0	0.0%	0.0	0.0%

E. Issuers and Sponsors of securities	1.0	5.4%	1.1	5.7%
G. Firms registered under the Money Laundering Regulations 2007. Firms subject to: - Regulated Covered Bonds Regulations 2008; - Payment Services Regulations 2009; and - Electronic Money Regulations 2011.	0.0	0.0%	0.0	0.0%
Total	**38.2**		**40.6**	

Rebates rounded down to 1 decimal point

5. Financial Ombudsman Service general levy

5.1 In this chapter we provide feedback on the responses received to Chapter 8 of CP13/1, in which we consulted on the tariff rates for the 2013/14 Financial Ombudsman Service's (ombudsman service) general levy for 2013/14.

5.2 The ombudsman service separately consulted on its case fees, and its total budget, which were approved by our Board in March 2013. The total budget for 2013/14 is £283.6m. Details of the consultation by the ombudsman service, and final budget and plan, are available on its website: http://www.financial-ombudsman.org.uk/news/updates/plan_and_budget_13-14.html

General levy/case fee split 2013/14

5.3 The ombudsman service is funded by a combination of annual fees (including the compulsory jurisdiction (CJ) general levy, which we collect) and case fees (collected by the ombudsman service). All authorised firms pay a general levy, even if they have not had any cases referred to the ombudsman service, unless they have notified us that they are exempt.

5.4 The amount raised from firms in the CJ will be £23m, an increase of approximately 30% from 2012/13. This adjustment was necessary to bring the general levy back into closer proportion with the broader budget after the levy was frozen for the last four years because of inflationary and cost pressures. The general levy represents 8% of the ombudsman service's total budget for 2013/14, compared with 9% in 2012/13. This means that the firms generating complaints will pay a greater proportion of the ombudsman service's costs than the firms that generate few or no complaints.

5.5 The ombudsman service has introduced changes to its case fee arrangements. Specifically, it has:

- developed a new group invoicing arrangement for the largest groups under the ombudsman service's jurisdiction;
- increased the number of free cases from three to 25 free cases annually per firm/business; and
- marginally increased the standard case fee to £550 for the 2013/14 financial year. The ombudsman service also charges a supplementary payment protection insurance (PPI) case fee of £350, in addition to the standard £550 case fee, for complaints involving PPI mis-selling.

FCA consultation

5.6 In CP13/1, we consulted on the allocation of the general levy across the industry blocks that make up the ombudsman service's CJ. We set this based on the resources the ombudsman service has budgeted to deal with the number of cases it expects to receive from firms in each block. We asked:

> *Q4:* ***Do you have any comments on the proposed method of calculating the tariff rates for firms in each fee-block towards the CJ levy and our proposals for how the overall CJ levy should be apportioned?***

5.7 Ten respondents, including a mixture of trade bodies and firms, replied to our question.

Responses to consultation

5.8 Most respondents welcomed the proposed apportionment of the general levy. Some respondents suggested that there should not be an increase in the amount collected through the general levy. Some respondents argued that alternative sources of funding should be explored, such as increasing the charge on firms that mis-sold PPI or charging CMCs for complaints referred to the ombudsman service.

Our response

Total costs of the CJ levy

As noted, our view was that adjusting the amount collected by the general levy was necessary to bring it back into closer proportion with the broader budget after it had been frozen. The general levy had been frozen for the last four years and we believed that it would not be appropriate to hold it at the same rate for a further year. We note that the total increase of the general levy across all firms is £5.3m.

Alternative sources of charging

We believe that it is not feasible to introduce alternative forms of charging at this stage to lessen the impact of the general levy. For example, under FSMA, the general levy can only be charged to authorised firms. Any change to this position would require legislative change. We also note that there is already a PPI supplementary case fee charged on every PPI case considered by the ombudsman service to reflect costs related to PPI.

Changes between draft levy rates and final rates

5.9 We highlighted in CP13/1 that fee-payers should be aware that the draft ombudsman service levy rates in Appendix 1 of CP13/1 were calculated using estimated fee-payer populations and tariff data (measures of size), which may change when the final levy rates are calculated in June 2013. The ombudsman service levy rates in Appendix 1 of this policy statement have changed since the draft rates in CP13/1. Our online fees calculator is available from 1 July 2013 for firms to calculate their individual ombudsman service levy rates based on the final rates in Appendix 1 of this policy statement.

6. Money Advice Service levies

6.1 In this chapter we provide feedback on the responses received to Chapter 10 of CP13/1, in which we consulted on the 2013/14 levy rates for the Money Advice Service.[5] Two separate levies were proposed for the Money Advice Service:

- £43.8m for the delivery of money advice; and
- £34.5m to coordinate and provide debt advice.

6.2 We also consulted on a revised allocation method for money advice costs. The Money Advice Service is working with the industry to develop a longer term allocation method for 2014/15 and beyond.

Allocation and recovery for money advice

6.3 The total budget for money advice for 2013/14 is £43.8m. The breakdown of expenditure has not changed since it was set out in CP13/1 in Table 10.1.

6.4 Since CP13/1 was published, the Money Advice Service Board signed off a surplus of £0.85m for 2012/13 to be returned to the industry. This will be done by reducing the Money Advice Service 2013/14 funding requirement by that amount. Consequently, we will raise £42.95m from the industry through the levy. Table 6.1 at the end of this chapter sets out how this will be allocated.

6.5 Funding for money advice will come from levies raised from FSMA-authorised firms, payment institutions and electronic money issuers. The allocation for the money advice budget is a three-stage approach as set out in CP13/1 and summarised below. All firms pay a fixed minimum £10 fee.

6.6 The question we asked was:

> ***Q5: Do you have any comments on the proposed 2013/14 Money Advice Service levy rates for money advice?***

6.7 We received 15 responses; seven from individual firms and eight from trade associations. Here we summarise the responses received and our feedback.

5 The Money Advice Service is referred to in the legislation and our Fees manual as the Consumer Financial Education Body (CFEB).

Responses to consultation

6.8 We consulted on the basis that the money advice funding 2013/14 would come from levies raised from FSMA-authorised firms, payment institutions and electronic money issuers. This would have a three-stage approach:

- 75% allocation and recovery framework that mirrors the fee-block structure used to allocate our AFR in 2010/11;
- 25% on consumer usage, using the data the Money Advice Service gathers on how consumers use its website, telephone advice line, printed literature, and its face-to-face advice service; and
- the £2.5m year-on-year reduction in the money advice budget to be applied across the seven fee-blocks (A5, A6, A12, A13, A14, A18 and A19) where it is less clear whether or on what basis they should contribute to the costs of the money advice. The Money Advice Service is working with industry to develop a longer term allocation method for 2014/15 and beyond.

6.9 Of the 15 responses, 11 specifically commented on the money advice framework and proposed levy rates, ten expressed support or had no issues with the revised allocation proposal, and one expressed concern about its contribution to the Money Advice Service. Some said they were disappointed that the earlier proposal, set out in the FSA's CP13/2, had not been adopted in full. Two also expressed support for the £2.5m reduction in budget.

6.10 Four respondents noted the cost of the Service. A couple of respondents commented on the amount spent on advertising, as well as suggesting that it should be funded by Government. One felt that it was London-centric. Three respondents questioned the role of wholesale markets contributing to the funding and asked that these comments be taken into account when developing the longer term model. It was also suggested that consumer credit groups and other industries should contribute to the costs. One respondent said the Service should undergo regular audits by the National Audit Office. One respondent commented on the Money Advice Service's performance data between April to December 2012, which it felt was disappointing.

Our response

Having considered the responses received, we have decided to continue to apportion the money advice levy as set out in CP13/1. This means the allocation for funding for the money advice levy will be based on the three-stage approach set out above. As explained in Chapter 10, we consulted with proposed fee rates in CP13/1 based on estimated fee-payers' populations and tariff data. The final 2013/14 fee rates are based on actual tariff data reported by firms that we have received since then.

At £43.8m, the budget for money advice in 2013/14 is £2.5m less than last year's costs. The Service has entered the next stage of its marketing activities, focusing on those who need the help of the Service the most, and spend has consequently reduced to £12.5m. Over the course of 2013/14, the Money Advice Service aims to provide an efficient service that will encourage people to review their money regularly, helping up to 400,000 people to make a budget plan and enabling 480,000 specific money management outcomes that lead to better debt management, increased savings, better preparation for retirement, and protecting assets and dependents.

The Money Advice Service will conduct a range of studies to measure what action customers take as a result of their interaction with the Service, and the progress the Service is making against its target of 480,000 outcomes.

The Money Advice Service is in discussions with the trade associations to agree some basic principles to shape a potential funding formula for 2014/15 and beyond, on which we will be consulting in October.

The National Audit Office is currently undertaking a value-for-money study of the Money Advice Service and a report on this is expected later in 2013.

Allocation and recovery for debt advice

6.11 The total budget for debt advice in 2013/14 is £34.5m, the same as 2012/13. The breakdown of the budget remains the same as set out in Table 10.3 in CP13/1.

6.12 There were no changes proposed to the way the Money Advice Service allocates debt advice costs in 2013/14 with funding allocated to firms that will benefit from providing such advice. We proposed that 15% is allocated to fee-block A1 (deposit acceptors) and 85% to fee-block A2 (home finance providers and administrators).

6.13 The debt advice allocation method will be reviewed during 2013/14 to take account of the introduction of consumer credit.

6.14 The question we asked was:

> ***Q6:*** ***Do you have any comments on the proposed 2013/14 Money Advice Service levy rates for debt advice?***

6.15 We received four responses, two from individual firms and two from trade associations.

Responses to consultation

6.16 One respondent specifically commented on the proposed levy rates and supported the freeze in the debt advice budget for the coming year and the retention of the allocation framework of the 85/15 split. Views of other respondents included the following: the money earmarked for the Money Advice Service should be paid to Citizens Advice and other debt charity organisations where people can receive face-to-face advice; the Money Advice Service should be more helpful in advising the public on how to run their finances more efficiently; and, banks and lenders should not be expected to fund this service. It was also suggested that the consumer credit industry, HMRC, the Department for Work and Pensions and other industries should contribute to the costs of the debt advice co-ordination once consumer credit is brought into the FCA in 2014.

Our response

Having considered the responses received, we have decided to apportion the debt advice levy as set out in CP13/1.

Over £30m of the £34.5m debt advice budget will be allocated to funding face-to-face debt advice, (including £23m to fund Citizens Advice projects in England and Wales), making it quicker and easier to access. The Money Advice Service expects to fund during 2013/14 the delivery, through partners, of over 150,000 sessions in England and Wales with additional sessions in Scotland and Northern Ireland.

The Money Advice Service is currently reviewing the debt advice allocation method to take account of the introduction of consumer credit and we will consult on this in October 2013.

During the course of 2013 to 2014, the Money Advice Service is continuing to work towards a more co-ordinated model of free debt advice delivery across the UK, which will include common standards and evaluation frameworks, improved data management and a common customer journey.

Table 6.1 The revised AFR Allocation Table comparing 2013/14 to final AFR

Fee-Block	2013/14 Consultation AFR (£m)	2013/14 Final AFR (£m)	Movement
Money advice levy:			
A.0 Minimum fee	0.2	0.2	-1.9%
A.1 Deposit acceptors	14.5	14.2	-1.9%
A.2 Home finance providers and administrators	4.3	4.3	-1.9%
A.3 Insurers – general	2.8	2.7	-1.9%
A.4 Insurers – life	5.4	5.2	-1.9%
A.5 Managing Agents at Lloyd's	0.1	0.1	-1.9%
A.6 The Society of Lloyd's	0.1	0.1	-1.9%
A.7 Fund managers	3.7	3.6	-1.9%
A.9 Operators, Trustees and Depositaries of collective investment schemes etc	0.9	0.9	-1.9%
A.10 Firms dealing as principal	3.6	3.5	-1.9%
A.12 Advisory arrangers, dealers or brokers (holding or controlling client money or assets, or both)	1.8	1.8	-1.9%
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)	2.7	2.7	-1.9%
A.14 Corporate finance advisors	0.5	0.5	-1.9%
A.18 Home finance providers, advisers and arrangers	1.0	1.0	-1.9%
A.19 General insurance mediation	2.1	2.1	-1.9%
G. Firms covered by Payment Services Regulations 2009 and Electronic Money Regulations 2011	0.1	0.1	-1.9%
Debt advice levy			
A.1 Deposit acceptors	5.2	5.2	0.0%
A.2 Home finance providers and administrators	29.3	29.3	0.0%
MAS Total	**78.2**	**77.4**	**-1.1%**

Changes between draft levy rates and final rates

6.17 We highlighted in CP13/1 that fee-payers should be aware that the draft Money Advice Service levy rates in Appendix 1 of CP13/1 were calculated using estimated fee-payer populations and tariff data (measures of size), which may change when the final levy rates are calculated in June 2013. The Money Advice Service levy rates in Appendix 1 of this policy statement have changed since the draft rates in CP13/1. Our online fees calculator is available from 1 July 2013 for firms to calculate their individual Money Advice Service levy rates based on the final rates in Appendix 1 of this policy statement.

Annex 1
List of non-confidential respondents

Adler Financial Planning Ltd

Alpha Insurance Analysts Limited

Association of British Credit Unions Limited

Association of British Insurers

Association of Mortgage Intermediaries

Association of Private Client Investment Managers and Stockbrokers

Association of Professional Financial Advisers

Bank Pekao S.A.

Brains Inc Ltd

British Private Equity and Venture Capital Association

Building Societies Association

Chartered Financial Analyst Society of the United Kingdom

Council of Mortgage Lenders

DPI Financial Services Ltd

Ellaby Pollard Ltd.

Granite Financial Management

Hampden Agencies Ltd

International Underwriting Association of London

Irish League of Credit Unions

Lloyd's Market Association

Society of Lloyd's

London Energy Brokers' Association

LOTCE Limited

NFU Mutual

Norwest Consultants

Redburn Partners LLP

St. James's Place Group

Standard Life

Tanner Financial Advice

Templegate Financial Planning

Tullett Prebon Group Limited

Wholesale Markets Brokers' Association

Annex 2
FCA financial penalty scheme

1. Paragraph 21 of Schedule 1ZA of FSMA (as amended by the 2012 Act) sets out how we should treat financial penalties we impose on regulated persons (firms). The key requirements are:

   - Financial penalties received by us must be paid to the Treasury net of certain enforcement costs incurred in the financial year in which the penalties were received. These enforcement costs, which are defined in the legislation and subject to a power of direction by the Treasury, represent the 'retained penalties'.

   - In relation to retained penalties, we must prepare and operate a scheme (the Financial Penalty Scheme (FPS)) for ensuring that retained penalties are applied for the benefit of firms.

   - Firms that have become liable to pay any penalty to us in any financial year do not receive any benefit from any penalty imposed on any firm under the scheme in the following year.

2. Under our FPS we apply retained penalties, received in any financial year, as a rebate to the periodic fees paid in the following financial year by firms in the fee-blocks set out in Table A.

3. The total retained penalties from any financial year will be allocated across these fee-blocks in proportion to the allocation of the enforcement budgeted costs for the following financial year. This will target the benefit from retained penalties to the fee-blocks that are paying for enforcement costs.

4. Enforcement costs are not allocated to the A.0 minimum fee fee-block. Retained penalties will not therefore be allocated to this fee-block.

5. The firms on which any penalty was imposed in a financial year will not receive any rebate to their periodic fees paid, in relation to any retained penalties, in the following financial year.

6. Each year we publish a schedule setting out the:

   - total retained penalties in the previous financial year;

   - amount of retained penalties allocated to each fee-block; and

   - percentage rebate that will be applied in the following financial year to the periodic fees paid by the firms in those fee-blocks.

7. A draft of this schedule is published in our annual fees rates CP in March; the final schedule is published in the subsequent policy and feedback statement to that consultation in June.

Table A: Financial Penalty Scheme – relevant fee-blocks

Fee-block
AP.0 FCA prudential
A.1 Deposit acceptors
A.2 Home finance providers and administrators
A.3 Insurers – general
A.4 Insurers – life
A.5 Managing Agents at Lloyd’s
A.6 The Society of Lloyd’s
A.7 Fund managers
A.9 Operators, Trustees and Depositaries of collective investment schemes etc
A.10 Firms dealing as principal
A.12 Advisory arrangers, dealers or brokers (holding or controlling client money or assets, or both)
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)
A.14 Corporate finance advisors
A.18 Home finance providers, advisers and arrangers
A.19 General insurance mediation
B. Recognised Investment Exchanges and operators of Multilateral Trading Facilities (only)
E. Issuers and Sponsors of securities
G. Firms registered under the Money Laundering Regulations 2007. Firms subject to: - Regulated Covered Bonds Regulations 2008; - Payment Services Regulations 2009; and - Electronic Money Regulations 2011.

Appendix 1

Made rules – final fees and levy rates

PERIODIC FEES (2013/2014) AND OTHER FEES INSTRUMENT 2013

Powers exercised by the Financial Conduct Authority

A. The Financial Conduct Authority makes this instrument in the exercise of:

(1) the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):

(a) section 73A (Part 6 rules);
(b) section 137A (The FCA's general rules);
(c) section 137T (General supplementary powers);
(d) section 139A (Power of the FCA to give guidance);
(e) section 234 (Industry funding);
(f) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority) of the Act; and
(g) paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body);

(2) the following provisions of the Payment Services Regulations 2009 (SI 2009/209):

(a) regulation 82 (Reporting requirements);
(b) regulation 92 (Costs of supervision); and
(c) regulation 93 (Guidance);

(3) the following provisions of the Electronic Money Regulations 2011 (SI 2011/99):

(a) regulation 49 (Reporting requirements);
(b) regulation 59 (Costs of supervision); and
(c) regulation 60 (Guidance); and

(4) the following powers and related provisions in the Regulated Covered Bond Regulations 2008 (SI 2008/346):

(a) regulations 18, 20, 24 and 25 (notification requirements);
(b) regulation 42 (Guidance); and
(c) regulation 46 and paragraph 5 of Schedule 1 (fees).

B. The rule making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on 1 July 2013.

Amendments to the Handbook

D. The Fees manual (FEES) is amended in accordance with the Annex to this instrument.

Notes

E. In the Annex to this instrument, the “note” (indicated by “**Note:**”) is included for the convenience of readers but does not form part of the legislative text.

Citation

F. This instrument may be cited as the Periodic Fees (2013/2014) and Other Fees Instrument 2013.

By order of the Board of the Financial Conduct Authority
27 June 2013

Annex

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

3 Application, Notification and Vetting Fees

…

Method of payment

3.2.3 R …

(3) The sum payable under *FEES* 3.2.1R by a *firm* applying for a variation of its *Part 4A permission* (*FEES* 3.2.7R(p) and, if applicable, *FEES* 3.2.7AR(c)) must be paid by any of the methods described in (1) or by Maestro<u>, Visa Debit</u> or credit card (Visa/Mastercard only). Any payment by a permitted credit card must include an additional 2% of the sum paid.

…

3 Annex 5R Document vetting and approval fees in relation to listing and prospectus rules

…

Part 2

…

…	…	…
~~Category 8~~	~~Final Terms~~	~~25~~

…

…

4 Periodic fees

4.1 Introduction

…

Background

…

4.1.3 G …

~~**[Note:** References to the fee period 1 April 2012 to 31 March 2013 have been updated to 1 April 2013 to 31 March 2014 in respect of the *FCA* and 1April 2013 to 28 February 2014 in respect of the *PRA* to put into effect the rule changes contained in the Legal Cutover (Fees) Instrument 2013 only. The tariff rates set out in the *FEES* 4 Annexes have not yet been updated for the 2013/2014 fee year. The rates for the 2013/2014 fee year will be made by the *FCA* and *PRA* boards in June, following a consultation on a separate fees rates instrument expected to be published in April 2013.]~~

…

4.2 Obligation to pay periodic fees

…

Method of payment

4.2.4 R (1) A periodic fee must be paid using either direct debit, credit transfer (BACS/CHAPS), cheque, Maestro<u>, Visa Debit</u> or by credit card (Visa/Mastercard only). Any payment by permitted credit card must include an additional 2% of the sum paid.

(2) [deleted]

…

4.2.11 R Table of periodic fees payable to the *FCA*

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
…	…	…	…
Persons who hold a certificate issued by the *FCA* under article 54 of the *Regulated Activities Order* (Advice given in newspapers etc.)	£1,000	(1) Unless (2) applies, on or before ~~30 April~~ <u>1 August or, if later, within 30 *days* of the date of the invoice</u> (2) If an event in column 4 occurs during the course of a *fee year*, 30	…
Any *manager* of an ~~*authorised*~~	In relation to each unit trust		…

~~unit trust~~ *AUT*	the amount specified in *FEES* 4 Annex 4R	*days* after the occurrence of that event	
Any *ACD* of an *ICVC*; and	In relation to each *ICVC* the amount specified in *FEES* 4 Annex 4R		
Persons who, under the constitution or founding arrangements of a *recognised scheme*, is responsible for the management of the property held for or within the *scheme*	In relation to each *recognised scheme* the amount specified in *FEES* 4 Annex 4R		…
Designated professional body	…	~~1 July or if payment is by instalments, by the due dates set out in *FEES* 4 Annex 5R~~ On or before the relevant dates specified in *FEES* 4.3.6R	…
UK recognised body	…	~~(1) Unless (2) applies, by the due dates set out in *FEES* 4 Annex 6R, part 1 and (in the case of an *RAP*) part 1A~~ (1) On or before the relevant dates specified in *FEES* 4.3.6R (2) If the event in column 4 occurs during the course	…

		of a *fee year*, 30 *days* after the occurrence of that event.	
ROIE	…	~~(1), unless (2) applies, 1 July.~~ <u>(1) On or before the relevant dates specified in *FEES* 4.3.6R</u> (2) If the event in column 4 occurs during the course of a *fee year*, 30 *days* after the occurrence of that event.	…
…			
Sponsors	~~£20,000~~ <u>£25,000</u> per year for the period from 1 April to 31 March the following year (see Note)	…	…

…

4 Annex 1AR FCA Activity groups, tariff bases and valuation dates

…

Part 2 This table sets out the activity groups (fee blocks) in relation to (i) the minimum fee payable to the *FCA* and (ii) the prudential fee payable to the *FCA*.	
…	
AP.0 *FCA* prudential fee	(1) it is ~~in at least one of the fee blocks under Part 1~~ <u>an *FCA authorised person*</u>; and (2) <u>the periodic fee it pays to the *FCA* is not limited to the A.0 *FCA* minimum fee.</u> ~~it is not:~~ ~~(a) a *PRA-authorised person*; and/ or~~ ~~(b) a *firm* whose only periodic fee payable to the *FCA* is the A.0~~

	~~*FCA* minimum fee.~~

Part 3 This table indicates the tariff base for each fee-block set out in Part 1. <u>The tariff base in this Part is the means by which the *FCA* measures the amount of business conducted by a *firm* for the purposes of calculating the annual periodic fees payable to the *FCA* by that *firm*.</u>
…

…

Part 4 This table indicates the tariff base for each fee block set out in Part 2. <u>The tariff base in this Part is the means by which the *FCA* measures the amount of business conducted by a *firm* for the purposes of calculating the annual periodic fees payable to the *FCA* by that *firm*.</u>	
…	
AP.0	The total periodic fees payable as a result of <u>fee blocks A.2 and A.7 to A.19 in</u> Part 1 of *FEES* 4 Annex 2AR excluding any periodic fee for *operating a dormant fund account*.

…

4 Annex 2AR **FCA Fee rates and EEA/Treaty firm modifications for the period from 1 April 2013 to 31 March 2014**

Part 1 This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of *FEES* 4 Annex 1AR.		
(1)	For each activity group specified in the table below, the fee is the total of the sums payable for each of the tariff bands applicable to the *firm's* business, calculated by multiplying the value of the *firm's* tariff base by the rate applicable to each tranche of the tariff base, as indicated.	
(2)	A *firm* may apply the relevant tariff bases and rates to *non-UK* business, as well as to its *UK* business, if:	
	(a)	it has reasonable grounds for believing that the costs of identifying the *firm's UK* business separately from its non-*UK* business in the way described in Part 3 of *FEES* 4 Annex 1AR are disproportionate to the difference in fees payable; and
	(b)	it notifies the *FCA* in writing at the same time as it provides the

		information concerned under *FEES* 4.4 (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.
(3)	For a *firm* which has not complied with *FEES* 4.2.2G (Information on which fees are calculated) for this period:	
	(a)	the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10;
	(b)	an additional fee of £250 is payable, unless the *firm* is a *PRA-authorised person* in which case an additional fee of £125 is payable instead; and
	(c)	The minimum total fee (including the administrative fee in (b)) is £430, unless the firm is a *PRA-authorised person* in which case the total minimum total fee (including the administrative fee in (b)) is £215.
Activity group	Fee payable	
A.1	Band width (£million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
		General Periodic fee
	>10 - 140	~~[tbc]~~ 14.13
	>140 - 630	~~[tbc]~~ 14.13
	>630 - 1,580	~~[tbc]~~ 14.13
	>1,580 - 13,400	~~[tbc]~~ 17.66
	>13,400	~~[tbc]~~ 23.31
	…	
A.2	Band width (No. of mortgages and/or home finance transactions)	Fee (£/mortgage)
	>50 ~~- 130~~	~~[tbc]~~ 2.07
	~~>130 - 320~~	~~[tbc]~~
	~~>320 - 4,570~~	~~[tbc]~~
	~~>4,570 - 37,500~~	~~[tbc]~~

	~~>37,500~~	~~[tbc]~~
A.3	Gross premium income (GPI)	Periodic fee
	~~Minimum fee ()~~	~~Not applicable~~
	Band Width (£million of GPI)	Fee (£/m or part m of GPI)
	>0.5 ~~- 10.5~~	~~[tbc]~~ 322.00
	~~>10.5 - 30~~	~~[tbc]~~
	~~>30 - 245~~	~~[tbc]~~
	~~>245 - 1,900~~	~~[tbc]~~
	~~>1,900~~	~~[tbc]~~
	PLUS	
	Gross technical liabilities (GTL)	General Periodic fee
	Band Width (£million of GTL)	Fee (£/£m or part £m of GTL)
	>1 ~~- 12.5~~	~~[tbc]~~ 16.97
	~~>12.5 - 70~~	~~[tbc]~~
	~~>70 - 384~~	~~[tbc]~~
	~~>384 - 3,750~~	~~[tbc]~~
	~~>3,750~~	~~[tbc]~~
	…	
A.4	Adjusted annual gross premium income (AGPI)	General Periodic fee
	Band Width (£million of AGPI)	Fee (£/£m or part £m of AGPI)
	>1 ~~- 5~~	~~[tbc]~~ 473.00
	~~>5 - 40~~	~~[tbc]~~
	~~>40 - 260~~	~~[tbc]~~
	~~>260 - 4,000~~	~~[tbc]~~
	~~>4,000~~	~~[tbc]~~

	PLUS	
	Mathematical reserves (MR)	General Periodic fee
	Band Width (£million of MR)	Fee (£/£m or part £m of MR)
	>1 ~~-20~~	~~[tbc]~~ 10.64
	~~>20 - 270~~	~~[tbc]~~
	~~>270 - 7,000~~	~~[tbc]~~
	~~>7,000 - 45,000~~	~~[tbc]~~
	~~>45,000~~	~~[tbc]~~
A.5	Band Width (£million of Active Capacity (AC))	Fee (£/£m or part £m of AC)
	>50 ~~-150~~	~~[tbc]~~ 8.31
	~~>150 - 250~~	~~[tbc]~~
	~~>250 – 500~~	~~[tbc]~~
	~~>500 - 1,000~~	~~[tbc]~~
	~~>1,000~~	~~[tbc]~~
A.6	Flat fee (£)	~~[tbc]~~ 297,642
A.7	For class 1(C), (2) and (3) *firms*:	
	Band Width (£million of Funds under Management (FuM))	Fee (£/£m or part £m of FuM)
	>10 ~~-150~~	~~[tbc]~~ 8.54
	~~>150 - 2,800~~	~~[tbc]~~
	~~>2,800 - 17,500~~	~~[tbc]~~
	~~>17,500 - 100,000~~	~~[tbc]~~
	~~>100,000~~	~~[tbc]~~
	…	
~~A.8~~	~~This activity group does not apply for this period.~~	
A.9	Band Width (£million of Gross	Fee (£/£m or part £m of GI)

	Income (GI))	
	>1 ~~- 4.5~~	~~[tbc]~~ 1,309.00
	~~>4.5 - 17~~	~~[tbc]~~
	~~>17 - 145~~	~~[tbc]~~
	~~> 145 - 750~~	~~[tbc]~~
	~~>750~~	~~[tbc]~~
A.10	Band Width (No. of traders)	Fee (£/person)
	~~2 – 3~~ >1	~~[tbc]~~ 5,018.00
	~~4 - 5~~	~~[tbc]~~
	~~6 - 30~~	~~[tbc]~~
	~~31 – 180~~	~~[tbc]~~
	~~>180~~	~~[tbc]~~
	....	
A.12	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	~~[tbc]~~ 2.39
A.13	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	~~[tbc]~~ 6.89
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	~~[tbc]~~ 2.85
A.18	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100 ~~- 180~~	~~[tbc]~~ 17.40
	~~>180 - 1,000~~	~~[tbc]~~
	~~>1,000 - 12,500~~	~~[tbc]~~
	~~>12,400 – 50,000~~	~~[tbc]~~

	~~>50,000~~	~~[tbc]~~
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100 ~~- 325~~	~~[tbc]~~ 1.76
	~~>325 - 10,000~~	~~[tbc]~~
	~~>10,000 - 50,750~~	~~[tbc]~~
	~~>50,750 - 250,000~~	~~[tbc]~~
	~~>250,000~~	~~[tbc]~~
B. Market operators	~~[tbc]~~	£45,000
B. Service companies	Bloomberg LP	~~[tbc]~~ £58,000
	LIFFE Services Ltd	~~[tbc]~~ £45,000
	OMGEO Ltd	~~[tbc]~~ £45,000
	Reuters Ltd	~~[tbc]~~ £58,000
	Swapswire Ltd	~~[tbc]~~ £45,000
	Plus Derivative Exchange Ltd	£45,000
	DTCC Derivatives Repository Limited	£45,000
	Avelo Portal Limited	£45,000
	Calestone Ltd	£45,000
	Xtracter Ltd	£45,000
	Pirum Systems Limited	£45,000
	Fidessa	£45,000
…	…	…

Part 2

This table shows the tariff rates applicable to each of the fee blocks set out in Part 2 of *FEES* 4 Annex 1AR.

A.0	(1)	~~[tbc]~~ £1,000 unless:	
		(a)	It is a *credit union* that meets the conditions in (2), in which case the minimum fee payable is as set out in (2);
		(b)	it is a *non-directive friendly society* that falls into the A.3 activity group but not the A.4 activity group and meets the conditions set out in (3)(a), in which case the minimum fee payable is ~~[tbc]~~ £430; or~~.~~
		(c)	it is a *non-directive friendly society* that falls into the A.4 activity group but not the A.3 activity group and meets the conditions in (3)(b), in which case the minimum fee payable is ~~[tbc]~~ £430 or
		(d)	it is a *non-directive friendly society* that falls into the A.3 and A.4 activity groups and meets the conditions in (3)(a) and (3)(b), in which case the minimum fee payable is ~~[tbc]~~ £430~~;~~.
		~~(e)~~	~~it is also a *PRA-authorised person*, in which case the minimum fee is 50% of any fee which would otherwise apply under (1)(a) to (1)(d) or (2).~~
	(2)	The conditions referred to in (1)(a) are that the *credit union* has a tariff base (Modified Eligible Liabilities) of:	
		(a)	0 to 0.5million, in which case a minimum fee of ~~[tbc]~~ £160 is payable; or
		(b)	greater than 0.5millon but less than 20 million, in which case a minimum fee of ~~[tbc]~~ £540 is payable.
	(3)	The conditions referred to in (1) are that:	
		(a)	the *non-directive friendly society* falls into the A.3 activity group and has, for that activity, 0.5 million or less in gross *premium* income and holds gross technical liabilities of 1.0 million or less;
		(b)	the *non-directive friendly society* falls into the A.4 activity group and has, for that activity, written 1.0 million or less in adjusted gross *premium* income and holds mathematical reserves of 1.0 million or less.

		The figures for gross *premium* income, gross technical liabilities, adjusted gross *premium* income and mathematical reserves are the same as used for Part 1 of this Annex.
	(4)	For *PRA-authorised persons*, the minimum fee is 50% of any fee stated in (1) or (2) above.
AP.0	Periodic fees payable under fee blocks A.2 and A.7 to A.19 in Part 1 multiplied by rate ~~[tbc]~~ £0.078	

Part 3 This table shows the modifications to fee tariffs that apply in respect of the *FCA* to *incoming EEA firms* and *incoming Treaty firms* which have established branches in the UK.	
Activity Group	Percentage deducted from the tariff payable under Part 1 applicable to the firm
A.1	~~[tbc]~~ 10%
A.3	~~[tbc]~~ 10%
A.4	~~[tbc]~~ 10%
A.7	~~[tbc]~~ 10%
A.9	~~[tbc]~~ 10%
A.10	In relation to each trader that carries on *auction regulation bidding* but not *MiFID business bidding* or *dealing in investments as principal*, 100%. In relation to all other traders, ~~0%~~ 10%
A.12	~~[tbc]~~ 10%
A.13	~~[tbc]~~ 10%
A.19	~~[tbc]~~ 50%
B. *MTF* operators	Not applicable
AP.0	100%
…	…
Note 2	The *FCA* minimum fee described in Part 2 of *FEES* 4 Annex 2AR

	applies in full and the modifications in this Part do not apply to it.
…	

…

4 Annex 4R **Periodic fees in relation to collective investment schemes payable for the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014**

Part 1 – Periodic fees payable				
Scheme type	Basic fee (£)	Total funds/sub-funds aggregate	Fund factor	Fee (£)
ICVC, AUT, Section 264 of the *Act*, Section 270 of the *Act*	~~580~~ 680	1 – 2	1	~~580~~ 680
		3 – 6	2.5	~~1,450~~ 1,700
		7 – 15	5	~~2,900~~ 3,400
		16 – 50	11	~~6,380~~ 7,480
		> 50	22	~~12,760~~ 14,960
Section 272 of the *Act*	~~2,360~~ 2,770	1 – 2	1	~~2,360~~ 2,770
		3 – 6	2.5	~~5,900~~ 6,925
		7 – 15	5	~~11,800~~ 13,850
		16 – 50	11	~~25,960~~ 30,470
		> 50	22	~~51,920~~ 60,940

…

4 Annex 5R **Periodic fees for designated professional bodies payable in relation to the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014**

Name of Designated Professional Body	Amount payable	~~Due date~~
The Law Society of England & Wales	~~£36,595~~	~~30 April 2012~~
	~~£28,235~~ £81,930	~~1 September 2012~~
The Law Society of Scotland	~~£13,080~~ £14,450	~~1 July 2012~~

The Law Society of Northern Ireland	~~£12,500~~ £13,510	~~1 July 2012~~
The Institute of Actuaries	~~£10,090~~ £10,130	~~1 July 2012~~
The Institute of Chartered Accountants in England and Wales	~~£22,340~~ £26,180	~~1 July 2012~~
The Institute of Chartered Accountants of Scotland	~~£11,030~~ £11,380	~~1 July 2012~~
The Institute of Chartered Accountants in Ireland	~~£10,560~~ £10,730	~~1 July 2012~~
The Association of Chartered Certified Accountants	~~£15,960~~ £18,030	~~1 July 2012~~
The Council for Licensed Conveyancers	~~£11,080~~ £11,470	~~1 July 2012~~
Royal Institution of Chartered Surveyors	~~£13,360~~ £14,410	~~1 July 2012~~

...

4 Annex 6R **Periodic fees for recognised investment exchanges, ~~recognised clearing houses~~ and recognised auction platforms payable in relation to the period 1 April 2013 to 31 March 2014**

In this Annex		
- the term *recognised body* includes a body which was a recognised investment exchange recognised under the Financial Services Act 1986 and which is a *recognised body* as a result of Regulation 9 of the *Recognition Requirements Regulations*;		
- the term recognition order includes a recognition order by the ~~*FCA*~~ *FSA* under section 37 of the Financial Services Act 1986 or a recognition order made by the Treasury under section 40 of the Financial Services Act 1986 in relation to overseas investment exchanges.		
Part 1 – Periodic fees for UK recognised investment exchanges		
Name of UK recognised body	Amount payable	~~Due date~~
ICE Futures Europe Ltd	~~£250,000~~ ~~£365,500~~ £690,000	~~30 April 2012~~ ~~1 September 2012~~
LIFFE Administration and Management	~~£375,500~~ ~~£510,500~~ £995,000	~~30 April 2012~~ ~~1 September 2012~~

~~The~~ London Metal Exchange ~~Limited~~	~~£225,000~~ ~~£319,500~~ £610,000	~~30 April 2012~~ ~~1 September 2012~~
London Stock Exchange plc	~~£307,000~~ ~~£427,000~~ £825,000	~~30 April 2012~~ ~~1 September 2012~~
~~PLUS Markets Plc~~	~~£95,000~~ ~~£127,500~~	~~30 April 2012~~ ~~1 September 2012~~
ICAP Securities & Exchange Limited (RIE)	£300,000	
BATS Trading Limited	£300,000	
Any other UK *recognised investment exchange* recognised as such by a *recognition order* made in the ~~period~~ *fee year*	~~£150,00~~ £300,000	~~30 days after the date on which the recognition order is made~~

Part 1A – Periodic fees for recognised auction platforms		
Name of recognised auction platform	Amount payable	~~Due date~~
An *RAP* recognised as such by a *recognition order* made in the ~~period~~ *fee year*	£50,000	~~30 *days* after the date on which the *recognition order* is made~~

Part 2 – Periodic fees for overseas recognised ~~bodies~~ investment exchanges		
The Chicago Mercantile Exchange (CME) (ROIE)	~~£50,000~~ £56,000	~~1 July 2012~~
Chicago Board of Trade	~~£50,000~~ £56,000	~~1 July 2012~~
EUREX (Zurich)	~~£50,000~~ £56,000	~~1 July 2012~~
National Association of Securities and Deals Automated Quotations (NASDAQ)	~~£50,000~~ £56,000	~~1 July 2012~~

New York Mercantile Exchange Inc.	~~£50,000~~ £56,000	~~1 July 2012~~
The Swiss Stock Exchange	~~£50,000~~ £56,000	~~1 July 2012~~
Sydney Futures Exchange Limited	~~£50,000~~ £56,000	~~1 July 2012~~
ICE Futures US Inc	~~£50,000~~ £56,000	~~1 July 2012~~
NYSE Liffe US	~~£50,000~~ £56,000	~~1 July 2012~~
~~Green Exchange (ROIE)~~	~~£50,000~~	~~1 July 2012~~
Any other *overseas investment exchange* recognised as such by a *recognition order* made in the ~~period~~ *fee year*	~~£40,000~~ £56,000	~~30 days after the date on which the recognition order is made~~

…

4 Annex 7R **Periodic fees in relation to the Listing Rules for the period 1 April 2013 to 31 March 2014**

Fee type	Fee amount
Annual fees for the period 1 April ~~2012~~ 2013 to March ~~2013~~ 2014	
Annual Issuer Fees – all *listed issuers* of *shares*, depositary receipts and *securitised derivatives*. The fee represents the total annual fee for a *listed issuer* – no additional annual fee is due under the *disclosure rules* and *transparency rules*.	… (2) For all other *issuers*, fees to be determined according to market capitalisation, as at the last *business day* of the November prior to the ~~*FCA* financial year~~ *fee year* in which the fee is payable, are as set out in Table 1A for *issuers* of global depositary receipts and Table 2 for other *issuers*. … …
…	

Table 1

The annual fee for issuers of *securitised derivatives* is £~~4,200~~ 4,750

Table 1A

Tiered annual fees for issuers of global depositary receipts

Fee payable	
Minimum fee (£)	3,800
£ million of Market Capitalisation as at the last *business day* of the November prior to the *fee year* in which the fee is payable	Fee (£/£m of part £m of Market Capitalisation as at the last *business day* of the November prior to the *fee year* in which the fee is payable)
0 – 100	0
> 100 – 250	22.879515
> 250 – 1,000	9.15119
> 1,000 – 5,000	5.632939
> 5,000 – 25,000	0.137405
> 25,000	0.044392

Table 2

Tiered annual fees for all other issuers

Fee payable	
Minimum Fee (£)	~~£4,200~~ 4,750
£ million of Market Capitalisation as at the last *business day* of the November prior to the ~~*FCA* financial year~~ *fee year* in which the fee is payable	Fee (£/£m of part £m of Market Capitalisation as at the last *business day* of the November prior to the ~~*FCA* financial year~~ *fee year* in which the fee is payable)
0 – 100	0
> 100 – 250	~~26.778459~~ 28.599394
> 250 – 1,000	~~10.710673~~ 11.438999
> 1,000 – 5,000	~~6.592859~~ 7.041173
> 5,000 – 25,000	~~0.160820~~ 0.171756
> 25,000	~~0.051957~~ 0.055490

4 Annex 8R **Periodic fees in relation to the disclosure rules and transparency rules for the period 1 April 2013 to 31 March 2014**

Annual fees for the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014

…

Table 1

Annual fees for non-listed issuers of securitised derivatives, depositary receipts and global depositary receipts

Issuer	Fee amount
Issuers of *securitised derivatives*	~~£3,360~~ £3,800
Issuers of depositary receipts and global depositary receipts	~~£2,688~~ £3,040

Table 2

Fee payable	
Minimum Fee (£)	~~3,360~~ 3,800
…	
0 – 100	0
> 100 – 250	~~21.422767~~ 22.879515
> 250 – 1,000	~~8.568538~~ 9.151199
> 1,000 – 5,000	~~5.274287~~ 5.632939
> 5,000 – 25,000	~~0.128656~~ 0.137405
> 25,000	~~0.041565~~ 0.044392

…

Delete the following Annex 9R in its entirety. The deleted text is not shown

4 Annex 9R **Periodic fees in respect of securities derivatives for the period from 1 April 2013 to 31 March 2014 [deleted]**

4 Annex **Periodic fees for MTF operators payable in relation to the period 1 April**

10R **2013 to 31 March 2014**

Name of *MTF* operator <ins>(see Note below)</ins>	Fee payable (£)	Due date ~~1 July 2012~~ <ins>1 August 2013 or, if later, 30 days from the date of the invoice</ins>
Barclays Bank Plc	~~5,000~~ <ins>15,000</ins>	
Baltic Exchange Derivatives Trading Ltd	~~23,500~~ <ins>20,000</ins>	
BATS Trading Ltd	~~109,000~~ <ins>150,000</ins>	
BGC Brokers L.P	~~5,000~~ <ins>50,000</ins>	
~~Cantor Index Limited~~	~~10,000~~	
~~Chi-X Europe Limited~~	~~175,000~~	
EuroMTS Limited	~~35,500~~ <ins>50,000</ins>	
GFI Brokers Limited	~~5,000~~ <ins>15,000</ins>	
GFI Securities Limited	~~5,000~~ <ins>50,000</ins>	
ICAP Electronic Broking Limited	~~7,800~~ <ins>50,000</ins>	
ICAP Energy Limited	~~5,000~~ <ins>15,000</ins>	
ICAP Europe Limited	~~5,000~~ <ins>15,000</ins>	
ICAP Shipping Tanker Derivatives Limited	~~5,000~~ <ins>15,000</ins>	
ICAP Securities Limited	~~5,000~~ <ins>50,000</ins>	
ICAP WCLK Limited	~~5,000~~ <ins>15,000</ins>	
J.P.Morgan Cazenove Limited	~~N/A~~ <ins>15,000</ins>	
Liquidnet Europe Limited	~~83,000~~ <ins>35,000</ins>	
~~MF Global UK Limited~~	~~5,000~~	
My Treasury Limited	~~5,000~~ <ins>15,000</ins>	
iSWAP Euro Ltd	~~5,000~~ <ins>15,000</ins>	

Nomura International Plc	~~5,000~~ 15,000	
Credit Agricole Cherveux International	~~5,000~~ 15,000	
SmartPool Trading Limited	~~26,500~~ 20,000	
TFS-ICAP Limited	~~5,000~~ 15,000	
Tradeweb Europe Limited	~~16,000~~ 50,000	
Tradition (UK) Limited	~~5,000~~ 15,000	
Tradition Financial Services Limited	~~5,000~~ 15,000	
Tullett Prebon (Europe) Limited	~~5,000~~ 15,000	
Tullett Prebon (Securities) Limited	~~5,000~~ 50,000	
Turquoise Global Holdings Ltd	~~165,500~~ 85,000	
Goldman Sachs International	~~5,000~~ 15,000	
UBS Ltd	~~5,000~~ 15,000	
…	In the case of an *EEA firm* that: (a) has not carried on the activity of *operating a multilateral trading facility* in the *UK* at any time in the calendar year ending 31 December ~~2011~~; 2012 and (b) notifies the *FCA* of that fact by the end of March ~~2012~~ 2013; the fee is zero. ….. In any other case £~~4,400~~ 15,000	… In any other case, 1 ~~July 2012~~ August 2013
Note: subject to *FEES* 4.3.13R, this table applies to all *MTF* operators with *permission* to operate an *MTF* as at 1 April of the applicable *fee year*; irrespective of whether, and if so when, their *permission* to operate an *MTF* was subsequently		

cancelled during that *fee year*.

…

4 Annex 11R **Periodic fees in respect of payment services carried on by fee-paying payment service providers under the Payment Services Regulations and electronic money issuance by fee-paying electronic money issuers under the Electronic Money Regulations and issuance of regulated covered bonds by issuers in relation to the period 1 April 2013 to 31 March 2014**

…

Part 5 – Tariff rates		
Activity group	Fee payable in relation to ~~2012/13~~ 2013/14	
G.2	Minimum fee (£)	400
	£ million or part £m of Modified Eligible Liabilities (MELS)	Fee (£/£m or part £m of MELS)
	> 0.1	~~0.29055~~ 0.27200
	~~> 0.25~~	~~0.29055~~
	~~> 1.0~~	~~0.29055~~
	~~> 10.0~~	~~0.29055~~
	~~> 50.0~~	~~0.29055~~
	~~> 500.0~~	~~0.29055~~
G.3	Minimum fee (£)	400
	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	> 100	~~0.19415~~ 0.18300
	~~> 250~~	~~0.19415~~
	~~> 1000~~	~~0.19415~~
	~~> 10,000~~	~~0.19415~~
	~~> 50,000~~	~~0.19415~~
	~~> 500,000~~	~~0.19415~~
G.4	Flat fee (£)	400

G.5	As in G.3.	
G.10	Minimum fee (£)	1,500
	£million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	~~180.00~~ 200.00
G.11	Flat fee (£)	1,000
G.15	Minimum fee for the first registered *programme* (£)	~~83,590~~ 68,271
	…	…
	>0.00	~~10.28~~ 10.13
	…	

…

5 Financial Ombudsman Service Funding

…

5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2013/14

Introduction: annual budget

1. The *annual budget* for ~~2012/13~~ 2013/14 approved by the ~~*FCA*~~ *FSA* is ~~£191.1m~~ £283.6m.

2. The total amount expected to be raised through the *general levy* in ~~2012/13~~ 2013/14 will be ~~£17.7m~~ £23m (net of ~~£1.5m~~ £2.3m to be raised from consumer credit firms).

Compulsory jurisdiction – general levy

Industry block	Tariff base	General levy payable by firm
1-Deposit acceptors, *home finance providers*, *home finance administrators* (excluding *firms* in block 14) and *dormant account*	…	~~0.0331~~ £0.04309 per relevant account, subject to a minimum levy of £100

fund operators		
2-Insurers - general (excluding *firms* in blocks 13 & 15)	…	~~0.10~~ £0.1306 per £1,000 of relevant annual gross premium income, subject to a minimum levy of £100
3-The *Society* (of Lloyd's)	…	~~20,000~~ £25,989 to be allocated by the *Society*
4-Insurers - life (excluding *firms* in block 15)	…	~~0.0146~~ £0.01663 per £1,000 of relevant adjusted annual gross premium income, subject to a minimum levy of ~~100~~ £130
5-Fund managers (including those holding *client money*/assets and not holding *client money*/assets)	…	Levy of ~~200~~ £270
6-*Operators*, *trustees* and *depositaries* of *collective investment schemes* and *operators* of *personal pension schemes* or *stakeholder pension schemes*	…	Levy of ~~50~~ £65
7-Dealers as principal	…	Levy of ~~50~~ £75
8-Advisors, *arrangers*, dealers or brokers holding and controlling *client money* and/or assets	…	~~[tbc]~~ £0.15282 per £1,000 of annual income subject to a minimum fee of £45
9-Advisors, *arrangers*, dealers or brokers not holding and controlling *client money* and/or assets	…	~~[tbc]~~ £0.1170 per £1,000 of annual income subject to a minimum fee of £45
10-Corporate finance advisers	…	Levy of ~~50~~ £55
11-*fee-paying payment*	…	~~0.0153~~ £0.0046 per £1,000

service providers (but excluding *firms* in any other Industry block except Industry block 18)		of relevant income subject to a minimum levy of £75
	…	Levy of ~~50~~ £35
12-	N/A for ~~2012/13~~ 2013/14	
13-Cash plan health providers	…	Levy of ~~50~~ £65
14-*Credit unions*	…	Levy of ~~50~~ £55
15-*Friendly societies* whose tax-exempt business represents 95% or more of their total relevant business	…	Levy of ~~50~~ £65
16-*Home finance providers*, *advisers* and *arrangers* (excluding *firms* in blocks 13, 14 & 15)	…	Levy of ~~60~~ £85
17-General insurance mediation (excluding *firms* in blocks 13, 14 & 15)	...	~~0.362~~ £0.4871 per £1,000 of *annual income* (as defined in *MIPRU* 4.3) relating to *firm's relevant business* subject to a minimum levy of ~~85~~ £100
18-*fee-paying electronic money issuers*	For all *fee-paying electronic money issuers* except for *small electronic money institutions*, average outstanding *electronic money*, as described in *FEES* 4 Annex 11R Part 3.	~~0.0466~~ £0.0020 per £1,000 of average outstanding electronic money subject to a minimum levy of £75
	For *small electronic money institutions*, a flat fee	Levy of £50

…

…

7 Annex 1R CFEB levies for the period from 1 April 2013 to 31 March 2014

Part 1

This table shows the *CFEB levies* applicable to each activity group (fee-block)

Activity Group	*CFEB levy* payable			
A.1	**Column 1** **Money advice levy**		**Column 2** **Debt advice levy** **(Notes 3 – 6)**	
	Band Width (£ million of Modified Eligible Liabilities (MELs))	Fixed sum (£/£m or part £m of MELs)	Bandwidth (million of unsecured debt)	Fixed sum (£/£m or part £m of unsecured debt)
	> 10 ~~– 140~~	~~4.91~~ 5.08	> 0	~~48.00~~ 55.37
	~~> 140 – 630~~	~~5.30~~		
	~~>630 – 1,580~~	~~5.30~~		
	~~>1,580 – 13,400~~	~~5.30~~		
	~~>13,400~~	~~5.30~~		
	…			
A.2	**Column 1** **General levy**		**Column 2** **Debt advice levy** **(Notes 5 – 6)**	
	Band Width (no. of mortgages and/or *home finance transactions*)	Fixed sum (£/mortgage)	Bandwidth (million of secured debt)	Fixed sum (£/£m or part £m of secured debt)
	>50 ~~– 130~~	~~0.142~~ 0.57	> 0	~~24.37~~ 24.30
	~~>130 – 320~~	~~0.142~~		
	~~>320 – 4,570~~	~~0.142~~		

	~~>4, 570 – 37,500~~	~~0.142~~		
	~~>37,500~~	~~0.142~~		
A.3	**Gross premium income (GPI)**			
	Band Width (£ million of GPI)		Fixed sum (£/£m or part £m of GPI)	
	>0.5 ~~– 10.5~~		~~57.52~~ 39.42	
	~~>10.5 - 30~~		~~57.52~~	
	~~>30 - 245~~		~~57.52~~	
	~~>245 - 1, 900~~		~~57.52~~	
	~~>1,900~~		~~57.52~~	
	PLUS			
	Gross technical liabilities (GTL)			
	Band Width (£ million of GTL)		Fixed sum (£/£m of part £m of GTL)	
	>1 ~~– 12.5~~		~~3.07~~ 2.08	
	~~>12.5 - 70~~		~~3.07~~	
	~~>70 - 384~~		~~3.07~~	
	~~>384 - 3,750~~		~~3.07~~	
	~~>3,750~~		~~3.07~~	
A.4	**Adjusted annual gross premium income (AGPI)**			
	Band Width (£ million of AGPI)		Fixed sum (£/£m or part £m of AGPI)	
	>1 ~~- 5~~		~~74.61~~ 66.59	
	~~>5 - 40~~		~~74.61~~	
	~~>40 - 260~~		~~74.61~~	
	~~>260 - 4,000~~		~~74.61~~	

	~~>4,000~~	~~74.61~~
	PLUS	
	Mathematical reserves (MR)	
	Band Width (£ million of MR)	Fixed sum (£/£m or part £m of MR)
	>1 ~~– 20~~	~~1.64~~ 1.50
	~~>20 - 270~~	~~1.64~~
	~~>270 - 7,000~~	~~1.64~~
	~~>7,000 - 45,000~~	~~1.64~~
	~~>45,000~~	~~1.64~~
A.5	Band Width (£ million of Active Capacity (AC))	Fixed sum (£/£m or part £m of AC)
	>50 ~~– 150~~	~~5.69~~ 3.89
	~~>150 - 250~~	~~5.69~~
	~~>250 - 500~~	~~5.69~~
	~~>500 - 1,000~~	~~5.69~~
	~~>1,000~~	~~5.69~~
A.6	Flat levy	~~169,333.29~~ £85,716.00
A.7	For class 1(C), (2) and (3) *firms*:	
	Band Width (£ million of Funds under Management (FuM))	Fixed sum (£/£m of part £m of FuM)
	>10 ~~– 150~~	~~0.84~~ 0.81
	~~>150 - 2,800~~	~~0.84~~
	~~>2,800 - 17,500~~	~~0.84~~
	~~>17,500 - 100,000~~	~~0.84~~
	~~>100,000~~	~~0.84~~
	…	
A.9	Band Width (£ million of Gross	Fixed sum (£/£m of part £m of

	Income (GI))	GI)
	>1 ~~– 4.5~~	~~84.56~~ 104.36
	~~>4.5 - 17~~	~~84.56~~
	~~>17 - 145~~	~~84.56~~
	~~>145 - 750~~	~~84.56~~
	~~>750~~	~~84.56~~
A.10	Band Width (no. of traders)	Fixed sum (£/trader)
	~~2 – 3~~ > 1	~~349.48~~ 356.87
	~~4 - 5~~	~~349.48~~
	~~6 - 30~~	~~349.48~~
	~~31 - 180~~	~~349.48~~
	~~>180~~	~~349.48~~
A.12	Band Width ~~(no. of persons)~~ (£ thousands of annual income (AI))	~~Fixed sum (/person)~~ Fee (£/£ thousand or part £ thousand of AI)
	~~2 – 5~~ >100	~~45.59~~ 0.1
	~~6 - 35~~	~~45.59~~
	~~36 - 175~~	~~45.59~~
	~~176 - 1,600~~	~~45.59~~
	~~>1,600~~	~~45.59~~
	…	
A.13	For class (2) firms	
	Band Width ~~(no. of persons)~~ (£ thousands of annual income (AI))	~~Fixed sum (/person)~~ Fee (£/£ thousand or part £ thousand of AI)
	~~2 – 3~~ >100	~~147.11~~ 0.48
	~~4 - 30~~	~~147.11~~

	~~31 - 300~~	~~147.11~~
	~~301 - 2,000~~	~~147.11~~
	~~>2,000~~	~~147.11~~
	…	
A.14	Band Width ~~(no. of persons)~~ (£ thousands of annual income (AI))	~~Fixed sum (/person)~~ Fee (£/£ thousand or part £ thousand of AI)
	~~2 – 4~~ >100	~~128.22~~ 0.13
	~~5 - 25~~	~~128.22~~
	~~26 – 80~~	~~128.22~~
	~~81 – 199~~	~~128.22~~
	~~>199~~	~~128.22~~
A.18	Band Width (£ thousands of Annual Income (AI))	Fixed sum (£/£ thousand or part £ thousand of AI)
	>100 ~~– 180~~	~~1.67~~ 1.18
	~~>180 - 1,000~~	~~1.67~~
	~~>1,000 - 12,500~~	~~1.67~~
	~~>12,500 - 50,000~~	~~1.67~~
	~~>50,000~~	~~1.67~~
A.19	Band Width (£ thousands of Annual Income (AI))	Fixed sum (£/£ thousand or part £ thousand of AI)
	>100 ~~– 325~~	~~0.249~~ 0.146
	~~>325 - 10,000~~	~~0.249~~
	~~>10,000 - 50,750~~	~~0.249~~
	~~>50,750 - 250,000~~	~~0.249~~
	~~>250,000~~	~~0.249~~
G.3	Minimum fee (£)	10
	£ thousands or part £ thousand	Fee (£/£thousand or part £

	of Relevant Income	thousand of Relevant Income)
	>100	~~0.04433~~ 0.027
	~~>250~~	~~0.04433~~
	~~>1,000~~	~~0.04433~~
	~~>10,000~~	~~0.04433~~
	~~>50,000~~	~~0.04433~~
	~~>500,000~~	~~0.04433~~
G.4	~~A flat fee of 10~~ Flat fee (£)	10
G.10	Minimum fee (£)	10
	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	> 5.0	~~13.10~~ 8.38
G.11	~~A flat fee of 10~~ Flat fee (£)	10
…		

Appendix 1 Unauthorised Mutuals Registration Fees Rules

…

App 1 Annex 1R Periodic fees payable for the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014

Part 1
Periodic fee payable by Registered Societies (on 30 June ~~2012~~ 2013)
This fee is not payable by a *credit union*.

Transaction	**Total assets (£'000s)**	**Amount payable (£)**
Periodic fee	0 - 50	55
	> 50 to 100	110
	> 100 to 250	180
	> 250 to 1,000	235
	> 1,000	425

Part 2

Methods of payment of periodic fees

A periodic fee must be paid using either direct debit, Maestro, Visa Debit, credit transfer (BACS/CHAPS), cheque, switch or by credit card (Visa/Mastercard only). Any payment by permitted credit card must include an additional 2% of the sum paid.

Financial Conduct Authority

PUB REF: 003268

25 The North Colonnade Canary Wharf
London E14 5HS
Telephone: +44 (0)20 7066 1000
Website: www.fca.org.uk