

FCA regulated fees and levies: rates proposals for 2022/23

Consultation Paper

CP22/7**

April 2022

How to respond

We are asking for comments on this consultation paper (CP) by **12 May 2022**.

You can send them to us using the form on our website at: www.fca.org.uk/cp22-7-response-form

Or in writing to:

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1 Summary

Why we are consulting

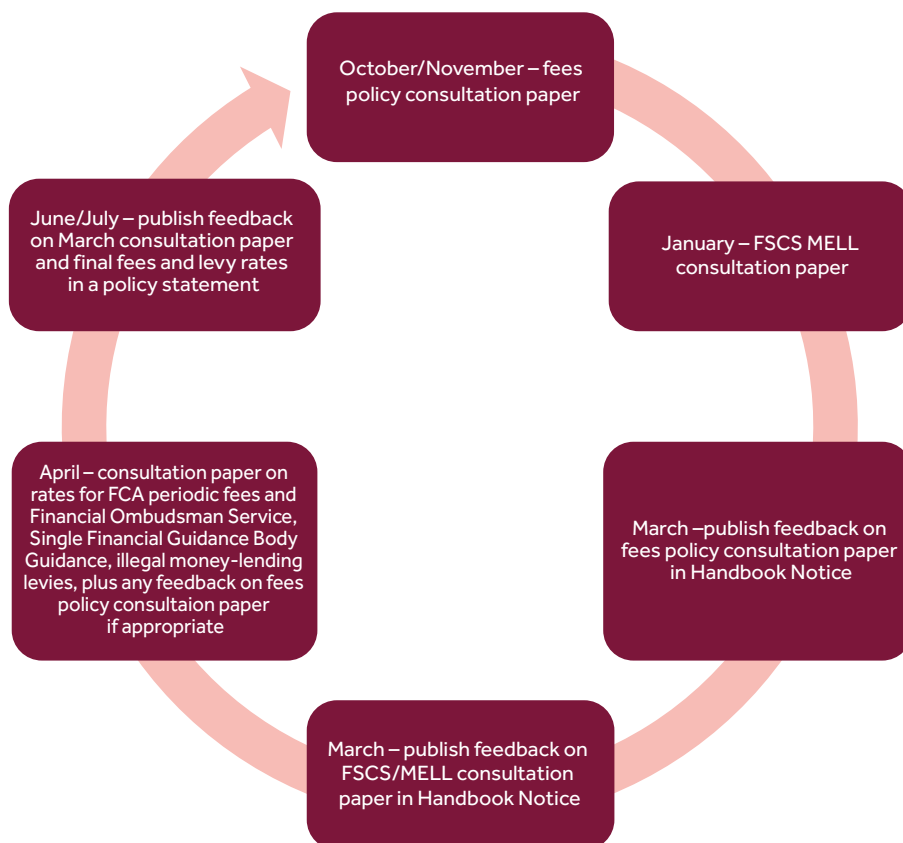
- 1.1** This Consultation Paper (CP) enables us to raise regulatory fees and levies in 2022/23 to fund the:
- Financial Conduct Authority (FCA)
 - Financial Ombudsman Service
 - Money and Pensions Service (referred to in our FEES manual as the Single Financial Guidance Body SFGB)
 - devolved authorities
 - illegal money lending expenses of the Treasury

Who this applies to

- 1.2** This document applies to all FCA fee-payers and to any businesses considering applying for FCA authorisation or registration. Table 1.1 at the end of this chapter will help identify which chapters relate to them.
- 1.3** This CP contains no material directly relevant to retail financial services consumers or consumer groups, although our fees are indirectly met by consumers of financial services.

The wider context

- 1.4** Our annual fees consultation follows this cycle:
- October to November – we consult on any changes to our policy on how we raise fees and levies. We give our feedback on the consultation responses in the following March Handbook Notice.
 - January – we consult on the Financial Services Compensation Scheme (FSCS) management expenses levy limit (MELL), a joint consultation with the Prudential Regulation Authority (PRA). We give our feedback on the consultation responses in the March Handbook Notice.
 - March to April – we consult on FCA periodic fees rates for the next financial year (1 April to 31 March) and any proposed changes to application fees or other fees. We also consult on the Financial Ombudsman Service general levy, the Single Financial Guidance Body levies and illegal money-lending levies for the next financial year.
 - June to July – we publish feedback on responses received to the March/April CP with final fees and levy rates in a policy statement.



What we want to change

FCA fees 2022/23

- 1.5** We are publishing our [2022/23 Business Plan](#) alongside this CP. It sets out our priorities for the coming year and how we plan to achieve our objectives.
- 1.6** Chapter 2 presents our annual funding requirement (AFR) and its allocation across fee-blocks.
- 1.7** Chapter 3 gives details of the FCA periodic fees for authorised firms, including the new structure of minimum fees for the 'A' fee-blocks and consumer credit firms.
- 1.8** Chapter 4 presents the FCA periodic fees for other bodies.
- 1.9** Chapter 5 describes the new structure of application fees that we introduced in January 2022 and consults on integrating into it charges relating to credit rating agencies (CRAs), trade repositories (TRs), securitisation repositories (SRs) and third country firms seeking certification as a CRA or recognition as a TR.
- 1.10** Chapter 6 explains how we handle the revenue from the financial penalties we have imposed on firms.

Financial Ombudsman Service general levy

- 1.11** In chapter 7 we consult on allocating the Financial Ombudsman Service (the Ombudsman Service) general levy between industry blocks. The general levy applies to firms covered by the Compulsory Jurisdiction (CJ), and is raised and collected by the FCA. It is payable by all firms authorised or registered by us, including those that have not had any cases referred to the Ombudsman Service.

Money and Pensions Service levies

- 1.12** In Chapter 8, we consult on our proposed levies for the Money and Pension Service (MaPS) in 2022/23. MaPS was called the Single Financial Guidance Body (SFGB) until it was re-named in legislation in April 2019.

Devolved authorities debt advice levy

- 1.13** In Chapter 9, we consult on the allocation of costs to fund debt advice delivered by the Devolved Authorities in Scotland, Wales and Northern Ireland in 2022/23.

Illegal money-lending (IML) levy

- 1.14** In chapter 10, We set out the IML levy rates to recover from consumer credit firms the IML expenses notified to us by the Treasury.

Next steps

- 1.15** Please consider our proposals and send us your comments on the questions in this CP by 12 May 2022.
- 1.16** Use the online response form <insert link> or write to us at the address on page 2.
- 1.17** We will consider your comments and publish our feedback, and our rules, in a policy statement in July 2022.

Equality and diversity considerations

- 1.18** We have considered the equality and diversity issues from our proposals.
- 1.19** Overall, we do not consider that the proposals negatively affect any of the groups with protected characteristics under the Equality Act 2010. But we will continue to consider the equality and diversity implications of the proposals during the consultation period and will revisit them when publishing the final rules.

1.20 In the meantime, we welcome any comments on this.

Table 1.1: Fee-payers likely to be affected by each chapter of this CP

Issue	Fee-payers likely to be affected	Chapter
Periodic fee rates	Authorised firms in the 'A,' 'CC' (consumer credit) and 'CMC' (claims management) fee-blocks	2 and 3
	All other fee-payers – fee-blocks 'B' to 'J'	2 and 4
Application fees – new structure	Any firm considering applying to the FCA for authorisation or registration, or to vary its permission	5
Integration of certain applications into new structure	Firms considering application to the FCA as credit rating agencies (CRAs), trade repositories (TRs), securitisation repositories (SRs), third country firms seeking certification as a CRA or recognition as a TR	
Applying financial penalties	Fee-payers listed in Table 6.1	6
Financial Ombudsman Service: general levy rates	Firms subject to the Financial Ombudsman service general levy	7
Money and Pensions Service levies:		
Money guidance levy	Authorised firms, payment institutions, electronic money issuers, all consumer credit firms (fee-blocks CC.1 and CC.2)	8
Debt advice levy	Firms in fee-blocks A.2 (home finance providers and administrators) and CC.3 (consumer credit lending)	
Pensions guidance levy	Firms in fee-blocks A.4 (insurers – life), A.7 (portfolio managers), A.9 (managers and depositaries of investment funds and operators of collective investment or pension schemes)	
Devolved authorities debt advice levy	Firms in fee-blocks A.2 (home finance providers and administrators) and CC.3 (consumer credit lending)	9
Illegal money lending levy	All consumer credit firms (fee-blocks CC.1 and CC.2)	10

2 FCA annual funding requirement and allocation to fee-blocks

- 2.1** Our business plan sets out how we intend to promote our vision and achieve our objectives during 2022/23, and the annual funding requirement (AFR) we will recover through fees to support this work. In this chapter we explain how we propose to allocate the AFR across fee-blocks.
- 2.2** Our AFR enables us to undertake the functions to deliver our statutory objectives. Our strategic objective is to ensure that the relevant markets function well. Our operational objectives are to:
- protect consumers – we secure an appropriate degree of protection for consumers
 - protect financial markets – we protect and enhance the integrity of the UK financial system
 - promote competition – we promote effective competition in the interests of consumers
- 2.3** Our AFR is recovered through periodic fees, paid annually by all fee-payers. We distribute cost recovery between fee-payers by allocating them to fee-blocks. These group together firms with broadly similar permissions. Many firms fall into more than one fee-block and the charges for each are listed on their invoices. The fee-rate is calculated by dividing the AFR for each fee-block by the total tariff data (ie fees metric) reported by the firms in that fee-block. The most common tariff base is revenue.

AFR

- 2.4** Table 2.1, which is also published in our business plan, shows that the AFR for 2022/23 is £640.1m, an increase of £26.4m (4.3%) over 2021/22. The main items are:
- *Ongoing regulatory activities (ORA) (£611.3m)*: the baseline cost of running the FCA. The uplift for 2022/23 is 6.2%, based on the inflation rate at the end of February.
 - *National Insurance (NI) rate increase (£3.1m)*: our baseline costs have increased as a result of the 1.25% increase to employers NI rate applicable from 1 April 2022.
 - *ORA new responsibilities (£3.0m)*: work which raises the baseline figure – typically where a scope change project is complete and additional permanent resources are required for ongoing BAU supervision. This year, the only new responsibility is cryptoasset supervision. The new responsibilities from last year have been included within the ORA baseline and uplifted in line with inflation. Using last year's figures (ie without inflation), they were credit rating agencies (£1.2m), trade/securitisation repositories (£0.5m), claims management companies (£1.7m).
 - *Rebased ORA budget (£617.4m)*: The increased NI rate and the new ORA responsibility result in a rebased ORA budget of £617.4m, an increase of 7.3%. This will form the baseline for 2023/24.

- *Scope change (£10.4m)*: the cost of projects, above the ORA baseline, that bring new responsibilities into the FCA's regulatory scope as a result of legislation. This year we are recovering the costs of 2 projects – cryptoasset supervision (£8m) and financial promotions (£2.4m). The scope change costs came to £8.3m in 2021/22, covering: Senior managers and certification regime (£4.4m), EU benchmarks (£1.9m), credit rating agencies (£1.1m), trade and securitisation repositories (£0.9m).
- *Other initiatives (£12.3m)*: these are above the ORA baseline for a limited period and do not normally result in permanent new resources. This year, they cover £2.3m for the consumer harm campaign and the last tranche of £10m for the Transformation Programme. Last year's European Union (EU) Withdrawal (£10m) and Business Interruption Insurance (£7.5m) costs are not continuing.

2.5 Although we are no longer incurring costs arising directly out of the process of withdrawing from the EU, we are starting to prepare for the proposed transfer to us of responsibility for firm facing regulatory requirements in retained EU law. This work to implement the outcome of the future regulatory framework (FRF) review will be a substantial project, comparable in scale to the EU withdrawal work, but we expect it to continue for longer. We intend to discuss preliminary indications of the costs and the implications for cost recovery in our autumn fees policy consultation.

2.6 The amount collected will be reduced by the penalty revenues retained from 2021/22, currently estimated at £49.1m. This figure will be updated when we finalise the fee-rates in June. Before paying the financial penalties we receive to the Exchequer, we can retain some of the enforcement costs incurred in generating them. We use these to reduce our fees the following year (other than for the fees levied on the penalty payers themselves). We set out how we will apply the financial penalty rebate across fee payers in Chapter 6.

Table 2.1: Comparison of proposed AFR for 2022/23 with 2021/22 AFR

	Proposed 2022/23 £m	Actual 2021/22 £m	Movement	
			£m	%
ORA baseline budget (1)	611.3	575.6	35.7	6.2%
<i>NI Rate Increase</i>	3.1	-	3.1	-
ORA new responsibilities budget (2)	3.0	-	3.0	-
Rebased ORA budget	617.4	575.6	41.8	7.3%
Scope change (3)	10.4	8.3	2.1	25.3%
– <i>Cryptoasset businesses</i>	8.0	-	8.0	
– <i>Financial promotions</i>	2.4	-	2.4	
Other initiatives:	12.3	29.8	(17.5)	(58.7%)
– <i>EU withdrawal</i>	0.0	10.0	(10.0)	(100.0%)
– <i>Business Interruption Insurance</i>	0.0	7.5	(7.5)	(100.0%)
– <i>Transformation programme</i>	10.0	10.0	0.0	0.0%
– <i>Consumer harm campaign</i>	2.3	2.3	0.0	0.0%
Total AFR	640.1	613.7	26.4	4.3%
<i>Financial penalty rebate (4)</i>	49.1	50.5	(1.4)	(2.8)%
<i>Fees payable</i>	591.0	563.2	27.8	4.9%

(1) ORA baseline budget for 2021/22 included appointed representatives fee from principal firms (£7.2m), revised consumer credit minimum fees (£5.0m), revised flat fee under Money Laundering Regulations (£0.5m).

(2) ORA new responsibilities 2021/22: credit rating agencies (£1.2m), trade/securitisation repositories (£0.5m), claims management companies (£1.7m); ORA new responsibilities in 2021/22 were £3.4m and have been included in the ORA baseline budget.

(3) Scope change 2021/22: Senior managers and certification regime (£4.4m), EU benchmarks (£1.9m), credit rating agencies (£1.1m), trade/securitisation repositories (£0.9m).

(4) Financial penalty rebate to be updated in June

Allocations by exception

2.7 To avoid volatility in fees, we allocate the AFR across fee-blocks according to the previous year's distribution, except where there are clear and material reasons for making exceptional increases or decreases for individual fee-blocks ('allocation by exception'). This does not affect minimum or flat fees. Table 2.2 sets out the proposed allocations to fee-blocks, showing the increase or decrease compared to 2021/22.

2.8 All firms authorised by or registered with the FCA are affected by the transformation programme, the consumer harm campaign and the financial promotions project, and so we are allocating their costs proportionately across all fee-blocks. In the case of the transformation programme, this is the final £10m tranche of the £30m investment that we have spread over 3 years from 2020/21. We are investing £2.3m per year over 5 years from 2020/21 to recover the costs of our consumer harm campaign. The financial promotions project is an investment of £2.4m.

Recovery of costs of cryptoasset scope change project

2.9 When we are given new responsibilities through legislation which extend our regulatory scope, we recover the costs of implementing the new regime as 'scope change' projects outside ORA. The bulk of the costs are generated by developing appropriate IT systems and recruiting additional staff to deliver the project and operate the regulatory gateway. Once the scope change project is completed, the costs of any additional staff and resources required to undertake the new responsibilities are brought into ORA and the budget rebased accordingly.

2.10 This year, we are completing a scope change project to bring certain cryptoasset businesses into supervision under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs). Our remit is limited to registering and supervising them under the anti-money laundering and counter terrorist financing regime. We are not responsible for regulating how they conduct their business with consumers. Our experience of processing applications since January 2020 has revealed that businesses in this sector are often extremely complex and present high risks. We have invested considerable time and resources into scrutinising them and we have rejected about 80% of applicants. We are still processing the last applications but expect the population of fee-payers to be about 50. This will not be enough to make a material contribution towards recovery of the scope change project costs.

2.11 We anticipated this challenge last year and included in our November CP a chapter setting out our thinking on recovering project costs when exceptional circumstances of this sort arise and inviting comments. We suggested that we might use our approach to authorisation application fees as a model. Instead of recovering the full costs of processing authorisations through the fees paid by applicants, we pass the balance to the wider body of fee-payers for recovery through periodic fees. We consider it reasonable to share the costs because all businesses benefit from the confidence that is generated by effective control of the gateway, regardless of the sector of the market they operate in. Similarly, the wider body of fee-payers benefits from the market confidence and lower regulatory costs that arise from effective control of the gateway for scope change and so we believe it is reasonable, depending on the prevailing circumstances, to split cost recovery between the new entrants and existing fee-payers.

2.12 Our question for discussion was:

Q9: *Do you have any comments on our approach to recovering our costs when new firms fall into the scope of FCA regulation through legislation?*

Feedback received

2.13 We received 5 responses. While several acknowledged the importance of effective controls at the gateway, none favoured sharing cost recovery more widely, 1 saying they would consider their position carefully for any future consultations. The main comments were:

- It is not clear that all businesses benefit, regardless of the sector. For example, it is difficult to see what value a mortgage broker would see in contributing towards IT systems to operate a gateway for cryptoasset businesses or funeral plan firms.

- The FCA may be overestimating the benefits of the confidence that is generated by effective control of the gateway, and it would be interesting to quantify the purported benefit to already authorised firms.
- In the past, the FCA has conceded that mistakes have been made in the authorisations process and this might call into question the effectiveness of the gateway in practice.
- It would be yet another burden for existing fee-payers.
- The revenue from application fees should increase as the number of applicants rises.
- An insufficient pool of fee-payers indicates that the societal benefits of permitting the activity to be regulated are insufficient.
- Regulatory compliance is part of the cost of doing business so should not be subsidised by firms – and therefore ultimately consumers – dealing with unrelated products and services.
- Firms will not wish to subsidise entry to the market of competitors who may win customers from them.
- If the government and parliament believe it is in the public interest for an activity to be regulated, it would be more appropriate for the FCA's upfront costs to be covered by a government loan and repaid over time.

Our response

We believe that spreading recovery of the scope change project costs is the most equitable solution to the consequences of operating an exceptionally hard gateway in this particular instance. We greatly appreciate the time and effort the respondents to our chapter put into articulating their concerns. Our comments are:

- It is in the interest of all firms that our gateway operates consistently and effectively across every sector of the financial services industry.
 - Serious regulatory failures can have a direct financial impact on firms which were not directly involved, through higher redress levies. This was demonstrated in the case of payment protection insurance (PPI) and we are determined to avoid a comparable failure in the future.
 - Experience of PPI and the 2008 financial crisis indicated that, where there is a notable regulatory failure, consumers may not concern themselves with the minutiae of which particular sectors were or were not involved, and so it may damage public confidence in the market as a whole.
 - It is preferable to prevent unsuitable firms from entering the market in the first place rather than weeding them out after they have caused consumer harm. As is the case with many scope change activities, cryptoasset businesses were already trading when our powers came into force. They could not continue trading without applying to us and had to stop trading if we rejected them. As well as controlling access to the newly regulated market, this accordingly presented an opportunity to clean up an existing market and remove from it firms that may already present risks to consumers.
- With these concerns in mind, and taking account of our wider experience of processing applications, including any mistakes that we have made in the past, we have operated a stringent gateway for cryptoasset businesses, with a rejection rate of about 80%. Those

businesses which have successfully been registered have had to cross an extremely high threshold. The lessons learned will be applied to our approach to authorisations across the market.

- We recognise that spreading the cost across the wider body of fee-payers represents an additional charge, equivalent to about 1.8%, on the fee-blocks concerned. Attempting to target cost recovery of £8m on approximately 50 cryptoasset fee-payers would require us to increase the charge for annual supervision by up to 400%. We consider this would be an unreasonable penalty on businesses which have met our standards, especially when it is a restricted supervisory regime under the MLRs and does not involve conduct regulation.
- Cryptoasset applicants have already contributed nearly £1m towards the scope change costs through application fees, but we do not anticipate a large number of applicants going forward.
- We do not agree that a small body of fee-payers indicates that there is little societal benefit to supervision of the activity. Some markets are smaller than others. Our concern is to protect consumers, however few they may be, and in the end our costs will be passed on to them.
- We agree that regulatory compliance is part of the normal cost of doing business and we are going to charge cryptoasset businesses the full cost of our annual supervision, so there is no question of asking other firms to subsidise their compliance. What we are proposing is to share the costs of creating the regulatory regime and keeping unsuitable firms out of the market.
- We wish to avoid accruing borrowing costs over a long period, and these would apply whether we had recourse to a private lender or the taxpayer.
- Since we do not recover the full cost of processing applications, fee-payers are already contributing towards the costs of new firms entering the market, some of whom may be potential competitors, and also for keeping out unsuitable applicants.

2.14 We expect the final population of cryptoasset fee-payers in fee-block G.3 to be about 50. We have set an unusually high minimum fee of £2,000 but we will need to charge a variable fee-rate of £4.03 per £1,000 of supervised income to recover their annual supervisory costs of £3.01m. The cryptoasset scope change costs are £8m after deducting £1m that applicants contributed through application fees. To recover the full project cost from some 50 cryptoasset businesses on top of their supervisory costs would require a fee-rate of £15.01. Spreading the costs over a longer period, would not represent a prudent approach to managing the FCA's cash flow.

2.15 Consequently, on this occasion we propose to spread recovery of the cryptoasset scope change costs across the wider population of fee-payers. Since we supervise cryptoasset businesses under the MLRs, not FSMA, we have confined recovery to those fee-blocks where the majority of fee-payers are subject to the MLRs, identified by Note (v) in Table 2.2. We are spreading the costs proportionately across all the relevant fee-blocks. We considered imposing a higher weighting on fee-block G.3 (the cryptoasset fee-block) but concluded that this would result in a disproportionately high fee-rate for a restricted supervisory regime under the MLRs which does not involve conduct regulation under FSMA.

2.16 We anticipate that we may face a similar challenge when we start recovery next year of the scope change costs for the regulation of pre-paid funeral plans (FPs). This is a full

conduct regulatory regime under FSMA, so we will use our fees policy consultation in the autumn to set out proposals for dealing with scope change cost recovery both for FPs and any future FSMA projects that result in small populations of fee-payers.

Covid-19 Concession: removal of extended payment terms

- 2.17** Following the outbreak of the Covid-19 pandemic in 2020/21, we extended the period for small and medium firms to pay their fees from 30 to 90 days, and we continued this concession for 2021/22. This benefited about 90% of fee-payers whose total fees and levies were up to £10,000. The market proved more resilient than anticipated and the recovery is strong, so we propose to return to the standard invoice payment term of 30 days from this year.

Minimum and flat rate fees

- 2.18** For the past 2 years, we have frozen minimum and flat rate periodic fees to help firms over the pandemic, except that last year we increased consumer credit minimum fees and flat rate fees under the MLRs. We propose in 2022/23 to increase all minimum and flat rate fees in line with the 6.2% increase in the baseline ORA. This includes credit unions and friendly societies, which have concessionary minimum fees in recognition of their social mission, but excludes other firms in the 'A' and consumer credit fee-blocks as discussed in chapter 3. Flat-rate fees represent the whole charge for fee-payers in certain fee-blocks.

Fee rates

- 2.19** In Chapter 3 we consult on the 2022/23 periodic fees for authorised firms to recover the AFR allocated to the A fee-blocks, the CC1 and CC2 consumer credit fee-blocks and the claims management companies fee-block.

2.20 In Chapter 4 we consult on the 2022/23 periodic fees for other bodies, to recover the AFR allocated to the B to J fee-blocks.

Table 2.2: 2022/23 AFR allocation across fee-blocks

AFR allocations to fee-blocks	Proposed 2022/23 £m	Actual 2021/22 £m	Movement over 2021/22 £m	Movement over 2021/22 %
A.0 FCA minimum fee (ii)	32.2	21.0	11.2	53.2%
AP.0 FCA prudential fee (iii)	21.2	17.9	3.3	18.2%
A.1 Deposit acceptors (i) (v)	81.1	79.0	2.1	2.7%
A.2 Home finance providers and administrators (v)	19.8	18.8	1.0	5.3%
A.3 Insurers – general	28.3	28.4	-0.1	-0.3%
A.3 Insurers – general (business interruption)	0.0	7.4	-7.4	-100.0%
A.4 Insurers – life (v)	48.6	47.7	0.8	1.8%
A.5 Managing agents at Lloyd's	0.2	0.2	0.0	-0.4%
A.5 Managing agents at Lloyd's (business interruption)	0.0	0.1	-0.1	-100.0%
A.6 The Society of Lloyd's	0.4	0.4	0.0	-0.5%
A.7 Portfolio managers (v)	49.5	49.0	0.5	1.1%
A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes (v)	13.2	12.5	0.7	5.2%
A.10 Firms dealing as principal (iv)	56.3	56.8	-0.5	-0.9%
A.13 Advisors, arrangers, dealers, brokers (v)	86.5	82.3	4.3	5.2%
A.14 Corporate finance advisers (v)	15.8	15.0	0.8	5.2%
A.18 Home finance providers, advisers and arrangers (v)	19.4	18.4	1.0	5.4%
A.19 General insurance mediation	31.4	30.4	1.0	3.2%
A.21 Firms holding client money or assets or both	16.0	15.5	0.5	3.3%
A.22 Principal firms – appointed representatives	7.8	7.2	0.6	7.9%
CC1. Consumer credit–limited permission (v)	9.5	8.8	0.8	8.8%
CC2. Consumer credit–full permission (v)	49.3	45.3	4.0	8.8%
Claims Management Companies	1.9	1.8	0.1	5.2%
B. Recognised investment exchanges, recognised overseas investment exchanges, multilateral trading facilities, organised trading facilities, recognised auction platforms, service companies, regulated benchmark administrators, third-country legal representative, benchmark endorsers	8.7	10.2	-1.5	-15.0%
C. Collective investment schemes	2.9	2.7	0.2	6.9%
D. Designated professional bodies and professional body supervisors	1.9	1.8	0.1	5.0%

AFR allocations to fee-blocks	Proposed 2022/23 £m	Actual 2021/22 £m	Movement over 2021/22 £m	Movement over 2021/22 %
E. Issuers and sponsors of securities	24.7	23.6	1.1	4.8%
G. Money laundering regulations; regulated covered bonds regulations; payment services regulations; electronic money regulations; firms undertaking consumer buy-to-let business; data reporting services providers; third-party verification agents; cryptoasset businesses (v)	11.7	8.1	3.6	44.1%
J.1 Credit rating agencies	1.3	2.3	-1.0	-44.7%
J.2 Trade repositories and J.3 securitisation repositories (v)	0.5	1.0	-0.5	-46.4%
Total AFR	640.1	613.7	26.4	4.3%

Notes:

- (i) Fee-block activities that are dual-regulated by the FCA for conduct purposes and the PRA for prudential purposes.
- (ii) The minimum fee in A.0 was set by the Board in March 2022 so does not form part of the consultation
- (iii) 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.
- (iv) 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 AP.0, but the remaining solo-regulated firms in A.10 do.
- (v) Fee-blocks with firms subject to Money-Laundering Regulations contributing towards cryptoasset scope change costs.

3 FCA periodic fees for authorised firms

(Draft rules in Appendix 1: FEES 4 Annex 2AR and FEES 4A Annex 1R)

- 3.1 This chapter sets out our 2022/23 periodic fees proposals for authorised firms in the A fee-blocks, the CC1 and CC2 Consumer Credit fee-blocks and the claims management companies (CMC) fee-block.
- 3.2 We discuss proposals for periodic fees payable by other bodies in Chapter 4.

Minimum fees

- 3.3 Almost all FCA fee-blocks have a structure of minimum fees and variable fees. All firms in a fee-block pay a minimum fee and then the larger ones whose fees metric takes them above a particular threshold pay variable fees on top of that. This structure ensures that all firms contribute towards cost recovery, however small they are.
- 3.4 Any firm that is authorised to carry out any of the regulated activities covered by the 'A' fee-blocks is subject to the minimum fee in fee-block A.0, except for A.6, which has one fee payer, the Society of Lloyd's.
- 3.5 In November 2021, we consulted on uprating the fee in A.0, to reflect more accurately the minimum cost of being regulated, and on integrating the CC1 and CC2 Consumer Credit fee-blocks into it. We provided our feedback and finalised the rules in March 2022. Table 3.1 sets out the structure we have set for minimum fees in fee-blocks A.0, CC.1 and CC2 up to 2024/25, with the 2022/23 rates in bold.
- 3.6 We have exempted firms which pay fees both in A.0 and CC.2 from the CC.2 minimum fee. They would otherwise have been liable to a combined fee of £3,250, far more than we intended and more than any other firms. The distinction will become redundant in 2024/25.

Table 3.1 New structure of minimum fees for fee-blocks A.0, CC.1 and CC.2

Credit-related income	2020/21	2021/22	2022/23	2023/24	2024/25
Fee-block A.0					
Not applicable	£1,151	£1,151	£1,750	£2,200	£2,200
Fee-block CC.1 (limited consumer credit permission)					
Up to £10,000	£106	£250	£500	£750	£1,100
£10,000 – £50,000	£266	£500	£800	£1,100	
£50,000 – £100,000	£424				
Over £100,000	£530	£750	£1,100		
Fee-block CC.2 (full consumer credit authorisation)					
Up to £50,000	£318	£750	£1,500	£2,000	£2,200*
£50,000 – £100,000	£530	£1,000	£1,750	£2,200	
Over £100,000	£1,061	£1,151			

* Note: Fee-block CC.2 fully integrated into fee-block A.0 from 2024/25; consumer credit firms which are also in fee-block A.0 exempt from CC.2 minimum fees in 2022/23 and 2023/24.

3.7 Firms which are dual-regulated with the Prudential Regulation Authority (PRA) pay lower fees in fee-block A.0 to take account of the fact that they are paying both financial regulators. When the FCA and PRA were formed in April 2013, the previous Financial Services Authority (FSA) fees were split between the 2 new organisations. Most dual-regulated firms pay half the standard A.0 fee, so £875 in 2022/23.

3.8 Credit unions and friendly societies receive a number of concessions on FCA fees to support their social missions. Accordingly, their fees have not been integrated into the new model so will simply be increased by the ORA uplift. We are extending this concession to the larger credit unions and friendly societies who previously paid on the same basis as other firms.

Table 3.2: Proposed minimum fees for dual-regulated firms

		2021/22	2022/23	Increase
Firms without concessions		£574	£875	301
Firms with concessions				
Credit union	Up to £0.5m of MELs*	£92	£97	£5
	Up to £2m of MELs*	310	£327	£17
	Over £2m of MELs*	£574	£606	£32
Non-directive friendly society	Small**	£247	£261	£14
	Large**	£574	£606	£32

Notes

* MELs – Modified eligible liabilities (ie deposits)

** Small friendly society – up to £0.5m of gross written premium in fee-block A.3 or up to £1m in A.4, and best estimate liabilities up to £1m.

Fee-block AP.0: prudential fee-block

3.9 Firms in the A fee-block which pay variable fees on top of the A.0 minimum fee pay an additional charge in fee-block AP.0 to cover prudential regulation. This seeks to ensure that firms prudentially regulated by the PRA do not inadvertently pay for FCA prudential regulation. The fee is calculated from the sum of all their fees in the respective A fee-blocks. Consumer credit firms were excluded from AP.0 when we took over their regulation in 2014 to target recovery of the project costs. In November 2021, we consulted on integrating consumer credit firms into AP.0 and confirmed the proposal in March 2022. We are consulting on a fee-rate of £0.0978 for AP.0 in 2022/23.

Proposed variable periodic fees for the A fee-blocks

3.10 We recover the AFR allocated to the A fee-blocks on a 'straight line' basis. That is, in direct proportion to the size of permitted business that firms undertake in these fee blocks (unless subject to our moderation framework discussed below). So, firms should pay fees that change in line with the year-on-year allocations of our AFR, as set out in Table 2.2 in Chapter 2.

3.11 However, in some cases, movements in the allocations of our AFR in this Table at a fee-block level will be different from the movements in the draft fee rates in Appendix 1. This is due to annual changes in the number of fee payers and the level of tariff data in each fee block.

3.12 Table 3.3 sets out the number of fee payers and the total tariff data we have used to calculate the draft 2022/23 fee rates in Appendix 1. It then compares them to the data used to calculate 2021/22 fee rates, showing the level of year-on-year movements. To show the effect of this on the fees that firms will pay, compared to the movements in the allocations of our AFR, we also include the year-on-year movements in fee rates. Although the AFR for the CMC (claims management) fee-block has only increased by 4.5%, the rates have increased by 50%. This is due to a 10% fall in the number of firms and a 27% reduction in reported tariff data. The highest client money data in fee-block A.21 has risen by 24% and the rate has fallen by 17%.

Table 3.3: Data used to estimate 2022/23 periodic fee-rates for consultation

Fee block	Tariff base	Number of firms in fee-blocks			Tariff data			Change in rates
		2022/23 Estimated	2021/22 Actual (i)	Change	2022/23 Estimated	2021/22 Actual (i)	Change	
A.1	Modified eligible liabilities	750	766	-2.1%	£3,706.3bn	£3,589.1bn	3.3%	-0.7%
A.2	Number of mortgages or other home finance transactions	449	466	-3.6%	£6.8m	£6.7m	2.2%	2.2%
A.3	Gross written premium	314	312	0.6%	£68.2bn	£70.0bn	-2.6%	2.4%
	Best estimate liabilities				£140.5bn	£141.5bn	-0.7%	0.3%
A.4	Gross written premium	152	154	-1.3%	£127.8bn	£127.8bn	0.0%	1.8%
	Best estimate liabilities				£1,481.7bn	£1,481.7bn	0.0%	1.8%
A.5	Active capacity	57	56	1.8%	£39.7bn	£37.1bn	7.0%	-8.0%
A.7	Funds under management	2,851	2,871	-0.7%	£11,314.1bn	£10,774.1bn	5.0%	-3.7%
A.9	Gross income	1,362	1,400	-2.7%	£13.7bn	£12.9bn	6.4%	-1.0%
A.10	Traders	447	447	0.0%	£8,215	£8,513	-3.5%	2.3%
A.13	Annual income	11,901	12,301	-3.3%	£34.7bn	£33.8bn	2.7%	2.0%
A.14	Annual income	824	781	5.5%	£10.5bn	£9.8bn	7.1%	-2.3%
A.18	Annual income	5,664	5,736	-1.3%	£1.9bn	£1.6bn	13.9%	-7.6%
A.19	Annual income	12,812	13,057	-1.9%	£18.8bn	£18.3bn	2.7%	0.4%
A.21	Client money	1,075	1,061	1.3%	£189.7bn	£190.7bn	-0.5%	2.9%
	Assets held				£19,463.7bn	£15,743.5bn	23.6%	-16.4%
A.22	Appointed Representatives	3,453	3,324	3.9%	37,191	41,917	-11.3%	14.8%
CC1.	Annual income	21,952	22,453	-2.2%	£2.1bn	£2.3bn	-6.1%	11.2%
CC2.	Annual income	13,144	13,431	-2.1%	£25.4bn	£26.5bn	-4.0%	11.2%
CMC	Annual income	607	676	-10.2%	£308.1m	£422.2m	-27.0%	51.6%

Notes:

(i) 'Actual' refers to the data as set out in Table 2.3 of PS21/07, published in July 2021.

3.13 The data and fees for 2022/23 in Table 3.2 may change between now and June when we will calculate the final fee rates. This is because we calculated the draft fee rates based on the estimated population of fee payers as at 1 April 2022. In addition, we will not complete collecting and validating the tariff data until May/June.

Moderation framework

3.14 In exceptional cases, we apply our moderation framework. This framework allows our straight-line recovery policy to accommodate a targeted recovery of costs within a fee-block, as long as it can be justified. This moderation can be either side of the straight-line recovery. It is achieved by applying a premium or discount to the tariff data that measures the amount of permitted business that firms undertake within a moderated fee-block.

A.1 fee-block (deposit acceptors)

3.15 The A.1 fee-block is an existing exception from straight-line recovery. Within this fee-block, firms who fall within the medium-high and high bands of our moderation framework pay a premium fee rate. This reflects that we target our overall supervision at the high-impact, systemically important firms in this sector.

3.16 We apply a premium of 25% and 65% respectively to the fee rates for firms in the medium-high and high impact bands of the A.1 fee-block.

A.21 fee-block (firms holding client money or assets or both)

3.17 We use bandings within the A.21 fee block-based on the risk classifications we apply to firms in the Client Assets Sourcebook (CASS). This enables us to match where we apply our resources to the fees we charge firms.

3.18 We set out the bandings and level of moderation that we have applied to the tariff data for both client money and assets held in Table 3.3. The result of our moderation is that the AFR for 2022/23 of £16m (see Table 2.3 in Chapter 2) is distributed as follows:

- CASS large firms 78.10%
- CASS medium firms 21.88%
- CASS small firms 0.02%

Table 3.4: CASS bandings and level of modification

Client money	CB01 CASS small firms	CB02 CASS medium firms	CB03 CASS large firms
Band width	0–1,000,000	>1,000,000– 1,000,000,000	>1,000,000,000
Moderation	0%	-25%	-50%
Assets held	CB01 CASS small firms	CB02 CASS medium firms	CB03 CASS large firms
Band width	0–10,000,000	>10,000,000– 100,000,000,000	>100,000,000,000
Moderation	0%	-25%	-50%

European Economic Area (EEA) based firms

3.19 The UK left the European Union (EU) on 31 January 2020 and the transition period ended on 31 December 2020. The following arrangements are in place for EEA firms that passported into the UK before the end of the transition period on a branch or a cross-border services basis:

- Temporary Permissions Regime
- Supervised run-off
- Contractual run-off

Temporary permissions regime

3.20 The Temporary Permissions Regime (TPR) allows EEA firms who, before the end of the transition period, notified us that they wished to enter the TPR to continue to operate in the UK until their applications for UK authorisation have been determined. Firms are allocated 'landing slots' during which they may submit their applications. The last landing slots fall into 2022/23, after which the TPR will end.

3.21 In chapter 7 of [CP18/29](#) (October 2018) we consulted on the basis that TPR firms will pay fees under the TPR. We provided feedback on responses to this consultation and published near final rules through Chapter 7 of [PS19/05](#) (February 2019). The final made fees rules covering TPR firms were published in instrument [FCA 2019/36](#) (March 2019). For periodic fees purposes:

- TPR firms have been allocated to the fee-blocks based on the equivalent UK regulated activities that applied to the passport they held at the point of entry to the regime.
- EEA branch firms in the TPR will remain in the fee-blocks that apply for fees calculation purposes at the point of entry to the regime.
- To reflect the changes in our supervisory responsibilities that began from the end of the transition period, EEA branch firms no longer receive a discount on their variable periodic fees. The only exception is that we continue to apply a 100% discount under the AP.0 FCA prudential fee-block. Service firms will pay the minimum periodic fee, when previously they paid no periodic fees.
- Periodic fees payable by firms in the TPR relate to the whole fee-year (1 April to 31 March) and are not refundable.

3.22 The 2022/23 periodic fee-rates for TPR firms are included in Appendix 1 of this CP under FEES 4A Annex 1R.

Supervised run-off and Contractual run-off

3.23 Supervised run-off (SRO) and Contractual run-off (CRO) will relate to firms with pre-existing contracts with UK customers at the end of the transition period:

3.24 SRO firms include EEA branches and service firms with top-up permissions who did not notify us to enter TPR and TPR firms that do not apply for full authorisation or are unsuccessful in doing so.

3.25 CRO firms are EEA services firms who did not notify us to enter the TPR.

- 3.26** In Chapter 3 of [CP19/02](#) (January 2019) we consulted on the basis that SRO firms and CRO firms will pay fees from the end of the transition period. We provided feedback on responses to this consultation and published near final rules in Chapter 7 of [PS19/05](#) (February 2019). We published the final made fees rules covering SRO and CRO firms in instrument [FCA 2019/36](#) (March 2019).
- 3.27** From the end of the transition period SRO firms will pay periodic fees on the same basis as TPR firms. CRO firms will not pay any periodic fees. CRO firms will pay a Special Project Fee (SPF – FEES 4A Annex 3) in circumstances where we are required to undertake work exercising powers given to us under the Financial Services Contracts Regime (FSCR) Regulations. A SPF would only be charged where the costs of carrying out our functions exceed the £5,000 threshold for any individual firm.
- 3.28** Firms can be moved from SRO to CRO and vice versa. Where a firm is moved from SRO to CRO, the periodic fee payable by the firm while in the SRO relates to the whole of any fee-year (1 April to 31 March) and is not refundable. Where firms are moved from CRO to SRO, the SRO periodic fee payable will be prorated for the number of remaining months of that fee-year. There would be no refund of any CRO SPF due while the firm was in CRO.
- 3.29** The 2022/23 periodic fee-rates for SRO are the same as for TPR firms and are also included in Appendix 1 of this CP under FEES 4A Annex 1R.

Online fees calculator

- 3.30** We provide a [Fees Calculator](#) on our website to enable firms to calculate their periodic fees for the forthcoming year. This is based on the draft FCA periodic fees and the Financial Ombudsman Service, Money and Pensions Service, Devolved Authorities and illegal money lending levy consultative rates in Appendix 1 of this CP.
- 3.31** The fees calculator will also cover applicable PRA fees and FSCS indicative levies. The Fees Calculator for 2022/23 fees and levies will be available for firms to use from 7 April 2022.
- 3.32** We will consider your comments on our proposals and, subject to FCA Board approval in June 2022, plan to publish a Policy Statement in July, which will include our feedback on your comments and the final rules.
- 3.33** Certain fee payers have been invoiced from February 2022 for 'on-account' payments. Other firms will be invoiced from July 2022, on the basis of the new fees and levies.

Covid-19 – extended payment terms

- 3.34** We do not propose to maintain the extended payment terms that we have applied over the past 2 years, to help medium and smaller firms deal with the impact of Covid-19. We extended the period for payment of their fees by 2 months to 90 days. We categorised medium and smaller firms as those whose total fees and levies were less than £10,000. This included all the fees and levies they paid to the FCA, PRA, the Financial Services Compensation Scheme, the Financial Ombudsman Service, Money

and Pensions Service, Devolved Authorities, the Payment Systems Regulator, the Financial Reporting Council and under the illegal money lending levy. It covered nearly 90% of firms. Larger firms paid their fees under the usual payment terms.

3.35 The recovery of financial markets from the pandemic is strong and deferring payment increases our costs, which are passed on to the larger fee-payers, and so we propose to revert to our standard condition of payment within 30 days.

Q1: Do you have any comments on the proposed FCA variable periodic fee rates for 2022/23 for authorised firms?

Fee payers should know that we calculate the draft fee rates and levies in Appendix 1 using estimated fee payer populations and tariff data. This means that final periodic fee rates and levies for 2022/23 – which will be made by our Board in June 2022 – could vary from those in this CP.

4 FCA periodic fees for other bodies

4.1 This chapter sets out the proposed periodic fees for fee payers in fee-blocks:

- B – market infrastructure providers
- C – collective investment schemes
- D – designated professional bodies and professional body supervisors
- E – issuers and sponsors of securities
- G – firms subject to: money laundering regulations including cryptoasset businesses, regulated covered bonds regulations, payment services regulations, electronic money regulations, firms undertaking consumer buy-to-let business, data reporting services providers, third-party verification agents
- J – credit rating agencies, trade repositories and securitisation repositories

4.2 In Chapter 2, we discuss the proportion of the annual funding requirement (AFR) that we have allocated to fee-blocks B to J. In this chapter, we only comment where year-on-year percentage movements for subsets of fee payers within these fee-blocks are substantially different from the year-on-year movements in the overall fee-blocks set out in Table 2.3 of Chapter 2.

4.3 As discussed in Chapter 2, we propose to increase minimum and flat rate fees by the 6.2% increase in our 2022/23 baseline ORA budget. Flat periodic fees represent the whole fee paid by fee-payers in the applicable fee-blocks.

4.4 As explained in paragraphs 3.34 – 3.35, we no longer propose to offer extended payment terms.

Fee payers should know that we calculate the draft fee rates and levies in Appendix 1 using estimated fee payer populations and tariff data. This means that final periodic fee rates and levies for 2021/22 – which will be made by our Board in June 2021 – could vary from those in this CP.

Fee-block B: Market infrastructure providers

(FEES 4 Annex 2AR Part 1, FEES 4 Annex 10R, FEES 4 Annex 15R – draft rules in Appendix 1)

4.5 The overall AFR for the B fee-blocks has reduced by 15.0% since we are no longer recovering the costs of the EEA Benchmarks scope change project, but the rates for UK investment exchanges, regulated benchmark administrators and services companies have seen a greater decrease as a result of increases in the minimum fees and tariff data. We are proposing to increase minimum fees in line with the increase in ORA as explained in paragraph 4.3.

4.6 Table 4.1 compares our proposed periodic fees for 2022/23 with the actual 2021/22 fee rates.

Table 4.1: Proposed periodic fees for market infrastructure providers

Fee-payer	Tariff base	Fee		
		2022/23 Proposed	2021/22 Actual	Variance
Recognised investment exchange (RIE) (1)	Annual income up to £10,000,000	£116,081	£109,304	6.2%
	Per £1,000 or part-£1,000 of annual income over £10,000,000	£2.69	£3.44	-21.8%
Recognised overseas investment exchange (ROIE) (1)	Flat rate fee	£66,294	£62,424	6.2%
Recognised auction platform (1)	Flat rate fee	£61,878	£58,266	6.2%
Multilateral trading facility (MTF) and organised trading facility (OTF) (2)	Annual income up to and including £100,000	£1,222	£1,151	6.2%
	Per £1,000 or part-£1,000 of annual income over £100,000	£2.28	£2.32	-1.7%
Service company (1)	Annual income up to and including £100,000	£1,202	£1,132	6.2%
	Per £1,000 or part-£1,000 of annual income over £100,000	£0.80	£1.19	-32.8%
Regulated benchmark administrator (1)	Annual income up to and including £100,000	£1,222	£1,151	6.2%
	Per £1,000 or part-£1,000 of annual income over £100,000	£1.49	£2.00	-25.5%
Third country legal representative (benchmark) (3)	Flat rate fee	£14,412	£13,571	6.2%
Benchmark endorser (3)	Flat rate fee	£8,452	£7,959	6.2%

Notes – references in the fees manual: (1) FEES 4 Annex 2AR Part 1; (2) FEES 4 Annex 10R; (3) FEES 4 Annex 15R

Fee-block C: Collective investment schemes

(FEES 4 Annex 4R, FEES 4A Annex 2R – draft rules in Appendix 1)

4.7 We set out the proposed 2022/23 fees for collective investment schemes (CIS) in Tables 4.2 and 4.3. The overall decrease in the variable fee-rates in Table 4.2 reflects an increase in the number of schemes.

4.8 We propose to increase the minimum fee in line with the increase in ORA as explained in paragraph 4.3.

Table 4.2: Proposed CIS periodic fees

Scheme type	Basic fee (£)	Total aggregate number of funds/sub-funds	Proposed 2022/23 fee	Actual 2021/22 fee	Variance
ICVC, AUT, ACS, UK LTIFs	307.50	1-2	£307.50	£350.00	-12.1%
		3-6	£768.75	£875.00	-12.1%
		7-15	£1,537.50	£1,750.00	-12.1%
		16-50	£3,382.50	£3,850.00	-12.1%
		>50	£6,765.00	£7,700.00	-12.1%
Non-UK AIFs recognised under section 272 of FSMA	1,252.00	1-2	£1,252.00	£1,425.00	-12.1%
		3-6	£3,130.00	£3,562.00	-12.1%
		7-15	£6,260.00	£7,125.00	-12.1%
		16-50	£13,772.00	£15,675.00	-12.1%
		>50	£27,544.00	£31,350.00	-12.1%
Small registered UK AIF Managers (AIFMs)	N/A	N/A	£718.00	£676.00	6.2%

Table 4.3: Proposed periodic fees for AIFs marketed in the UK

Kind of notification	Proposed 2022/23 fee per AIF	Actual 2021/22 fee per AIF	Variance
Notification under regulation 57 of the AIFMD UK regulation (flat fee)	£365	£344	6.1%
Notification under regulation 58 of the AIFMD UK regulation (flat fee)	£255	£240	6.3%
Notification under regulation 59 of the AIFMD UK regulation (flat fee)	£365	£344	6.1%

(FEES 4A Annex 2R – rules in Appendix 1)

4.9 As explained in paragraphs 3.20–3.22, following the UK’s departure from the European Union and the ending of the transition period on 31 December 2020, firms from the European Economic Area (EEA) which are still in the Temporary Permissions Regime (TPR) pay fees on the same basis as UK firms. The periodic fees for collective investment schemes in the TPR are set out in FEES 4A Annex 2.

4.10 We accordingly propose that the rates in Table 4.2 should, as in previous years, be applied to the appropriate charges in FEES 4A Annex 2R – ie EA UCITS schemes recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018. In addition, the Annex sets the charge for EEA AIFs, EuVECAs, EuSEFs, or EEA LTIFs which may be marketed in the UK under Part 9A of The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018. The charge we are proposing for 2022/23 is £365 (£344 in 2021/22).

Fee-block D: Designated professional bodies and professional body supervisors

Designated professional bodies (FEES 4 Annex 5R – draft rules in Appendix 1)

- 4.11** We calculate periodic fees for designated professional bodies (DPBs) based on the number of exempt professional firms (EPFs) registered with each body. Each DPB currently pays £10,000 (minimum fee) for its first exempt professional firm. We then recover the remaining amount of our annual funding requirement allocated to the D.1 fee-block in proportion to the number of exempt professional firms reported by each DPB (variable fee).
- 4.12** We set out the proposed 2022/23 minimum fee and variable fee for DPBs in Table 4.4. The AFR is £275,826, an increase of £13,034 (5.0%) from 2021/22 (£262,792). We propose to increase the minimum fee in line with the increase in ORA as explained in paragraph 4.3.
- 4.13** The reduction in the variable fee-rate reflects an increase in the number of EPFs.

Table 4.4: Proposed DPB periodic fees

DPB	Proposed 2022/23 fee	Actual 2021/22 fee	Variance
Minimum fee, payable by all DPBs	£10,620	£10,000	6.2%
Variable fee, payable by DPBs where the number of exempt professional firms (EPFs) regulated or supervised by a DPB is greater than 1	£23.76*	£22.80*	4.2%
* multiplied by the total number EPFs in excess of 1			

Professional body supervisors (FEES Appendix 2 Annex 2 – draft rules in Appendix 1)

- 4.14** We set out the proposed 2022/23 levy for professional body supervisors in Table 4.5. The AFR is £1,606,260, an increase of £75,903 (5.0%) from 2021/22 (£1,530,357). We propose to increase the minimum levy in line with the increase in ORA as explained in paragraph 4.3.

Table 4.5: Proposed professional body supervisor levy

	Proposed 2022/23 fee	Actual 2021/22 fee	Variance
Minimum fee	£5,310	£5,000	6.2%
Variable fee, payable by professional body supervisors, where the number of supervised individuals is 6,000 or more	£39.69*	£32.83*	20.9%
* multiplied by the total number of supervised individuals in excess of the threshold of 6,000			

Fee-block E: Issuers and sponsors of securities

(FEES 4 Annex 14 R – draft rules in Appendix 1)

4.15 The proposed 2022/23 fees for issuers and sponsors of securities are set out in Tables 4.6 and 4.7. Base fees have increased by 6.2% and we propose to increase the minimum fee in line with the increase in ORA as explained in paragraph 4.3. The overall decrease in the variable fee-rate reflects an increase in market capitalisation.

Table 4.6: Base fees for issuers and sponsors of securities 2022/23

Activity group or invoice code	Proposed 2022/23 fee	Actual 2021/22 fee	Variance
E.2 Premium listed issuer	£6,037	£5,685	6.2%
E.3 Standard listed issuer	£22,871	£21,536	6.2%
E.6 Non-listed issuer (i)	£0	£0	£0
E.7 Primary information provider	£19,087	£17,973	6.2%
ES.01 Sponsor	£31,794	£29,938	6.2%

Notes: 6.2% increase in base fee has been rounded to the nearest £.
(i) Not needed at present but retained pending implementation of MiFID II

Table 4.7: Variable fee additional to base fees

Activity Group E.2	Proposed 2022/23	Actual 2021/22	Variance
£ million of market capitalisation	Fee rate	Fee rate	
0–100	0	£0	n/a
>100–250	£32.228295	£37.335163	-11.0%
>250–1,000	£12.820456	£14.405007	-11.0%
>1,000–5,000	£7.891516	£8.866872	-11.0%
>5,000–25,000	£0.192497	£0.216289	-11.0%
>25,000	£0.062192	£0.069878	-11.0%

Fee-block G

Firms subject to the Money Laundering Regulations (FEES Appendix 3.1.2 – draft rules in Appendix 1)

4.16 We propose to increase the flat fee for businesses that are registered with the FCA under the Money Laundering Regulations from £1,000 to £1,062. This is in line with the increase in ORA as explained in paragraph 4.3.

Firms subject to the Payment Services Regulations (FEES 4 Annex 11R, FEES 4A Annex 1R – draft rules in Appendix 1)

4.17 We set out the proposed 2022/23 payment services fees (firms in G.2, G.3, G.4 and G.5 fee-blocks) in Table 4.8. We are proposing to increase minimum fees and the flat fee for small payment institutions in line with the increase in ORA as explained in paragraph 4.3.

The changes in the variable fee-rates reflect changes in the tariff data.

Table 4.8: Proposed fees for payment institutions (PIs)

Fee-block and fee-payer	Tariff base	Fee		
		2022/23 Proposed	2021/22 Actual	Variance
G.2: Certain deposit acceptors (includes banks and building societies)	Up to £0.1m of modified eligible liabilities (MELs)	£558	£525	6.3%
	Per £m or part-£m of MELs over £0.1m	£0.340	£0.499	-31.9%
G.3, G.5: large and other PIs	Relevant income up to £100,000 (minimum fee)	£558	£525	6.3%
	Per £1,000 or part-£1,000 of relevant income over £100,000	£0.382	£0.335	14.0%
G.4: Small PI	Flat fee	£579	£545	6.2%

4.18 As explained in paragraphs 3.20–3.22, following the UK's departure from the European Union and the ending of the transition period on 31 December 2020, firms from the European Economic Area (EEA) which are still in the Temporary Permissions Regime (TPR) pay fees on the same basis as UK firms. Consequently, we propose to apply the periodic fees in Table 4.8 to TPR payment services firms. The draft rules are in Appendix 1 (FEES 4A Annex 1R).

Fee-block G: Firms subject to the Electronic Money Regulations (FEES 4 Annex 11R and FEES 4A Annex 1R – draft rules in Appendix 1)

4.19 We set out the proposed 2022/23 fees for electronic money institutions (EMIs) in Table 4.9. As indicated in paragraph 4.3, we are proposing to increase minimum fees and the flat fee for small EMIs in line with the increase in ORA as explained in paragraph 4.3.

The changes in the variable fee-rates reflect changes in the tariff data.

Table 4.9: proposed periodic fees for electronic money institutions (EMIs)

Fee-block and fee-payer	Tariff base	Fee		
		2022/23 Proposed	2021/22 Actual	Variance
G.10: Large EMI	Up to £5m of average outstanding electronic money (AOEM) (minimum fee)	£1,833	£1,726	6.2%
	Per £m or part-£m of AOEM over £5m	£11.30	£35.00	-67.7%
G.11: Small EMI	Flat fee	£1,272	£1,198	6.2%

- 4.20** As explained in paragraphs 3.20–3.22, following the UK's departure from the European Union and the ending of the transition period on 31 December 2020, firms from the European Economic Area (EEA) which are still in the Temporary Permissions Regime (TPR) pay fees on the same basis as UK firms. Consequently, we propose to apply the periodic fees in Table 4.9 to TPR EMIs. The draft rules are in Appendix 1 (FEES 4A Annex 1R).

Firms subject to the Regulated Covered Bonds Regulations (Fee-block G.15)

(FEES 4 Annex 11R – draft rules in Appendix 1)

- 4.21** We recover the AFR allocated to the fee-block for firms that are subject to the Regulated Covered Bonds Regulations 2008 through 2 levels of flat minimum fees based on the number of registered programmes.
- 4.22** There is also a variable fee based on the number of issues made (market activity). The proportion recovered through the minimum fees is 90%, and 10% through the variable fee.
- 4.23** We set out the proposed 2022/23 fees in Table 4.15. The variance is due to movements in the number of registered programmes and issues made during 2021/22 compared to the previous year.

Table 4.10: Proposed periodic fees for regulated covered bonds

	2022/23 Proposed	2021/22 Actual	Variance
Minimum fee for the first registered programme	£114,506	£95,189	20.3%
Minimum fee for all subsequent registered programmes	75% of first registered programme	75% of first registered programme	Unchanged
Variable periodic fee (£m or part £m of RCBs issued in the 12 months ending on valuation date)	£18.19	£17.52	3.8%

Firms undertaking Consumer buy-to-let (CBTL) business (Fee-block G.20 and 21)

(FEES 4 Annex 11R – draft rules in Appendix 1)

- 4.24** We propose to increase the flat fee paid by firms undertaking CBTL business in line with the increase in ORA, as explained in paragraph 4.3. The rates are set out in Table 4.11.

Table 4.11: Consumer buy-to-let fees

	2022/23 Proposed	2021/22 Actual	Variance
G.20: CBTL lenders	£469	£442	6.1%
G.21: CBTL arrangers and advisers	£234	£220	6.4%

Data reporting services providers (Fee-block G.25) (FEES 4 Annex 11R – draft rules in Appendix 1)

4.25 We propose to increase the flat fee paid by data reporting services providers in line with the increase in ORA, as explained in paragraph 4.3. The rates are set out in Table 4.12.

Table 4.12: Data reporting services providers

	2022/23 Proposed	2021/22 Actual	Variance
G.25: Flat fee for first data reporting service plus 50% flat fee for each additional data reporting service for which the data reporting services provider has authorisation.	£29,020	£27,326	6.2%

Third-party verification agents (Fee-block G.26) (FEES 4 Annex 11R – draft rules in Appendix 1)

4.26 We propose to increase the flat fee paid by third party verification agents from £265 to £281. This is in line with the increase in ORA, as explained in paragraph 4.3.

Fee-block J: Credit rating agencies CRAs), trade repositories (TRs) and securitisation repositories (SRs) (FEES 4 Annex 16R – draft rules in Appendix 1)

4.27 Table 4.13 sets out the proposed fees for CRAs, TRs and SRs.

Table 4.13: CRAs, TRs and SRs periodic fees

J.1 Credit rating agencies	
Registered credit rating agencies and third country certified credit rating agencies with applicable turnover of £8,399m(i) or less.	Exempt
Registered credit rating agencies with turnover above £8,399m(i)	£1.97 per £1k or part-£1k (applies to all turnover)
Certified credit rating agencies with turnover above £8,399m (i)	£5,039(ii)
J.2 Trade repositories	
Registered trade repositories	£11.75 per £1k or part-£1k, subject to a minimum payment of £25,197 (iii)
Recognised trade repositories	£4,199 (iv)
J.3 Securitisation repositories	
Registered securitisation repositories	£11.75 per £1k or part-£1k subject to a minimum payment of £25,197 (iii)

Notes: The following rates are aligned to charges set in euros for CRAs, TRs and SRs in the EU by the European Securities and Markets Authority (ESMA):

- (i) Turnover thresholds updated in line with Euro/Sterling exchange rate as at 31 December 2021 (€10m – previous level €8,994m)
- (ii) Flat fee updated in line with Euro/Sterling exchange rate as at 31 December 2020 (€6m -previous level €5,396)
- (iii) Minimum payments updated in line with Euro/Sterling exchange rate as at 31 December 2021 (€30m – previous level €26,982)
- (iv) Flat fee updated in line with Euro/Sterling exchange rate as at 31 December 2021 (€5m – previous level €4,497)

Q2: Do you have any comments on the proposed FCA 2022/23 minimum fees and periodic fee rates for fee payers other than authorised firms?

5 FCA application fees

- 5.1** On 24 January 2022, we replaced our miscellaneous range of over 80 application fees with 10 standard pricing categories. As we explained when we originally consulted in [November 2020](#), our aim was partly to simplify the structure and also to uprate many of the charges in line with inflation, since most had not changed since the creation of our predecessor body, the Financial Service Authority (FSA) in 2001. This meant that an increasing balance of our processing costs was being recovered from existing fee-payers, rather than applicants.
- 5.2** The simplified structure enables us to revalorise the charges without a complex system change project. We explained that, to avoid erosion through inflation in the future, we would uprate the charges each year, in line with the increase in ORA, as part of the annual consultation on fee-rates. The charges will come into effect in July each year, as part of a routine scheduled system release – the date will be confirmed when we make the instrument. We presented our feedback on the consultation in [CP21/8](#) (chapter 7) and [PS22/1](#).
- 5.3** We will be consulting on the first uprating of application fees next year, in April 2023, to come into effect from July 2023.
- 5.4** Meanwhile, we are consulting on updating the handbook to include some charges which have not yet been allocated to a pricing category. The draft rules are in Appendix 1 (FEES 3 Annex 13R). The current charges were introduced in January 2021, so are not affected by inflation:
- Credit rating agencies (CRAs), trade repositories (TRs), securitisation repositories (SRs): The £5,000 application fee falls into Category 5 without adjustment.
 - Third country firm seeking certification as a CRA or recognition as a TR: When we set the charge at £1,500 ([PS 19/10](#), paragraph 2.18), we explained that it was equivalent to a 'straightforward' fee. The former 'straightforward' fee of £1,500 has been allocated to Category 4 (£2,500) in the new structure so we believe it would be appropriate for these charges also to go into Category 4. Our experience is that these applications can be complicated so the alternative of reducing the fee to a Category 3 charge of £1,000 would be unrealistically low.

Q3: Do you have any comments on our proposals for integrating into the new pricing structure the application fees for credit rating agencies (CRAs), trade repositories (TRs), securitisation repositories and third country firms seeking certification as a CRA or recognition as a TR?

6 Applying financial penalties

6.1 This chapter is relevant to all fee payers within the fee-blocks set out in Table 6.1

Financial Penalty Scheme

6.2 We must pay the financial penalties we get from firms to the Treasury, net of certain enforcement costs we have incurred in the financial year in which the penalties were received (retained penalties). Our Financial Penalty Scheme (FPS) sets out the basis for ensuring we apply the retained penalties for the benefit of firms (except the firms on which the financial penalties were imposed). We set out our current FPS in Annex 3.

Financial penalty rebates for 2022/23

6.3 We currently estimate the retained penalties for 2022/23 to be £49.1m (£50.5m in 2021/22). In Table 6.1 we set out the amount of the estimated retained penalties allocated to each fee-block, along with the estimated percentage rebates for the 2022/23 periodic fees paid by the firms in those fee-blocks. We will finalise the figure before setting the fee-rates in June and publish the final rebates in the June 2022 policy statement.

Table 6.1: Draft schedule of application of 2021/22 retained penalties in 2022/23

Fee-block	Estimated 2021/22 retained penalties to be applied to benefit of fee-payers (£m)	Estimated rebate applied to 2022/23 fees
AP.0 FCA prudential	0.0	0.0%
A.1 Deposit acceptors	7.7	9.8%
A.2 Home finance providers and administrators	0.8	4.1%
A.3 Insurers – general	1.6	5.6%
A.4 Insurers – life	2.8	5.9%
A.5 Managing agents at Lloyd’s	0.0	0.0%
A.6 The Society of Lloyd’s	0.0	0.0%
A.7 Portfolio managers	11.4	23.7%
A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	1.8	14.2%
A.10 Firms dealing as principal	6.2	11.4%
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)	4.2	4.9%
A.14 Corporate finance advisors	1.9	12.5%

Fee-block	Estimated 2021/22 retained penalties to be applied to benefit of fee-payers (£m)	Estimated rebate applied to 2022/23 fees
A.18 Home finance providers, advisers and arrangers	3.2	16.8%
A.19 General insurance mediation	2.8	9.3%
A.21 Firms holding client money or assets or both	3.2	20.6%
A.22 Principal firms – appointed representatives	0.0	0.0%
B. Recognised investment exchanges, operators of multilateral trading facilities and recognised auction platforms (only)	0.0	0.0%
CC1 Consumer credit – limited permission	0.0	0.0%
CC2 Consumer credit – full permission	0.0	0.0%
E. Issuers and sponsors of securities	1.5	6.1%
G.1 Persons registered under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	0.0	0.0%
G.2, G.3, G.4, G.5 Firms under the Payment Services Regulations 2017	0.0	0.0%
G.10, G.11 Firms under the Electronic Money Regulations 2011	0.0	0.0%
G.20, G.21 Firms under the Mortgage Credit Directive Order 2015	0.0	0.0%
G.25 Firms under the Data Reporting Regulations 2017	0.0	0.0%
Total	49.1	

7 Financial Ombudsman Service general levy

(FEES 5 Annex 1R – draft rules in Appendix 1)

7.1 In this chapter, we consult on the 2022/23 general levy rates for firms in the Compulsory Jurisdiction (CJ) of the Financial Ombudsman Service. The proposed general levy rates for firms in each industry block are set out in the draft instrument amending FEES Chapter 5 at Appendix 1.

General Levy and Budgeting

7.2 The Financial Ombudsman Service must budget separately for the CJ and the voluntary jurisdiction (VJ). Each of these jurisdictions is funded by a combination of annual fees (levies) and case fees as set out in section 234 and Schedule 17 paragraphs 9, 15 and 18 of the Financial Services and Markets Act 2000 (FSMA).

7.3 Under FSMA, the Financial Ombudsman Service must, before the start of each financial year, adopt an annual budget which has been approved by the FCA. Before seeking the FCA's approval, the Ombudsman Service consults on its budget. The Financial Ombudsman Service's consultation and final plan and budget documents are published on the Financial Ombudsman Service's website. These documents explain the basis for the Financial Ombudsman Service's funding requirements in 2022/23.

7.4 In 2021/22 the approved budget, covering the cost of running the Financial Ombudsman Service for the year, was £260.2m. The final budget for 2022/23 of £291.7m was approved by the FCA Board in March 2022. This followed several months of pre and post-consultation discussion on the budget between the Financial Ombudsman Service and the Board's Oversight Committee. Following this, the Oversight Committee recommended that the FCA Board should approve the budget.

7.5 The general levy only applies to firms covered by the CJ (see FEES 5.1), and the FCA raises and collects it under section 234 of FSMA. It is payable by all firms authorised or registered by us, including those that have not had any cases referred to the Financial Ombudsman Service, unless they have claimed an exemption (DISP 1.1.12R) because they do not deal with eligible complainants (see DISP 2.7.3R). The Financial Ombudsman Service collects a separate levy from businesses that have signed up to its VJ. This year, the Financial Ombudsman Service has asked us to recover £106m through the general levy. This is an increase of £10m (approximately 10%) compared to last year (£96m).

7.6 Case fees for both the CJ and the VJ are payable when the Financial Ombudsman Service closes a case and subsequently invoices and collects these fees. This year the Ombudsman Service has kept its case fee at £750, which was increased from £650 in 2021/22. Some case fees are collected via the group account case fee arrangement. This is an arrangement where the largest business groups (eg Barclays, HSBC, Lloyds etc) pay quarterly in advance based on the formula in our rules, taking into account historic volume trends and the service's budgeted activity. For 2022/23, the Financial Ombudsman Service has also reduced its free case allowance from 25 to 3 cases (50 to 15 cases for group account firms).

- 7.7** The split between case fee and levy income for 2022/23 will remain at approximately 55:45. The Financial Ombudsman Service is planning to publish a consultation in Q1 2022/23 which will consider different long term funding approaches. The FCA will consider future changes to the Financial Ombudsman Service's funding, including changes in the split between case fee and levy income, as part of the budget approval process outlined above.
- 7.8** We intend to make rules setting the general levy fee rates in June 2022, following this consultation.

CJ levy for 2022/23 – Apportionment among fee blocks

- 7.9** We have apportioned the CJ general levy in line with the Financial Ombudsman Service's forecasts for the proportion of resources that it expects to devote to cases from firms in each industry block over the next financial year. We have allocated the total amount that needs to be collected from the industry across the respective industry blocks to produce the final tariff rate (see Tables 7.1 and 7.2 below) which we use to determine the amount to be collected from firms within each industry block.

Table 7.1

Industry Block	Industry Block Description	Proposed levy as % of budget
I001	Deposit acceptors, home finance lenders and administrators	36.93%
I002	Insurers: general	14.23%
I003	The Society of Lloyds	0.10%
I004	Insurers: life	5.23%
I005	Fund managers	0.23%
I006	Operators, Trustees and Depositories of collective investment schemes	0.03%
I007	Dealers as principal	0.02%
I008	Advisory arrangers, dealers or brokers (holding client money)	2.34%
I009	Advisory only firms and advisory, arrangers, dealers, or brokers (not holding client money)	2.34%
I010	Corporate finance advisors	0.02%
IA11	Authorised payment service providers	0.05%
IS11	Small payment institutions and small e-money issuers	0.02%
I013	Cash plan health providers	0.00%
I014	Credit unions	0.02%
I015	Friendly societies whose tax-exempt business represents 95% or more of their total relevant business	0.00%
I016	Home finance lenders, advisers and arrangers	0.44%
I017	General insurance mediation	9.45%
IA18	Authorised electronic money institutions	0.01%
IS18	Small electronic money institutions	0.00%
I019	Consumer credit: limited	0.74%

Industry Block	Industry Block Description	Proposed levy as % of budget
IA19	Consumer credit: limited (not for profit)	0.00%
I020	Consumer Credit: full	27.51%
IR21	Consumer buy-to-let	0.00%
I022	Designated credit reference agencies	0.00%
I023	Designated finance platforms	0.00%
I024	Claims management companies	0.29%
		100.00%

7.10 Table 7.2 sets out the proposed allocation of the CJ levy for 2022/23, with 2021/22 rates for comparison, within each industry block. There is a minimum levy in each industry block and the levy then increases in proportion to the amount of 'relevant business' (ie business done with consumers) that the firm does.

7.11 Individual firms can calculate the impact of the proposed fees and levies using our online calculator.

7.12 The general tariff rates will be finalised in June 2022 for the 2022/23 fee period.

European Economic Area (EEA) based firms

7.13 The UK left the European Union (EU) on 31 January 2020 and the transition period ended on 31 December 2020. As discussed in Chapter 3 the Temporary Permissions Regime (TPR) is in place. EEA firms (UK based and services) in the TPR are included in the CJ of the Financial Ombudsman Service with respect to complaints about services provided into the UK after this time, and our complaint handling rules apply.

7.14 EEA service firms in the TPR must pay the minimum fee-block levies set out in the rules or flat fees where these apply. They must also pay case fees which they were not previously required to pay. This means that consumers will continue to be able to refer their complaint to an alternative dispute resolution scheme.

7.15 EEA firms that joined the TPR but are also VJ participants should note that they remain subject to the VJ for complaints about acts or omissions that are otherwise covered by the VJ and are liable to pay the Ombudsman Service's annual VJ levy, unless they take steps to withdraw from the VJ under DISP 4.2.7R.

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?

Table 7.2: Allocation of CJ levy across fee-blocks for 2022/23

Industry Block	Description	Tariff Base	Consultation 2022/23 tariff rate (£)	Final 2021/22 tariff rate (£)	Consultation 2022/23 minimum levy per firm (£)	Final 2021/22 minimum levy per firm (£)	Consultation 2022/23 gross total	Final 2021/22 gross total	Consultation 2022/23 contribution by block	Final 2021/22 contribution by block
I001	Deposit acceptors, home finance lenders and administrators	Per relevant account	0.15100	0.12010	100	100	£39,146,075	£31,373,170	36.9%	32.7%
I002	Insurers: general	Per £1,000 of gross written premium income	0.434	0.414	100	100	£15,082,518	£14,304,125	14.2%	14.9%
I003	The Society of Lloyds	Flat Levy	N.A.	N.A.	104,739	94,255	£104,739	£94,255	0.1%	0.1%
I004	Insurers: life	Per £1,000 of gross written premium income	0.05090	0.03340	130	130	£5,542,286	£4,235,400	5.2%	4.4%
I005	Fund managers	Flat Levy	N.A.	N.A.	210	210	£242,550	£242,550	0.2%	0.3%
I006	Operators, Trustees and Depositories of collective investment schemes	Flat Levy	N.A.	N.A.	60	60	£32,460	£32,460	0.0%	0.0%
I007	Dealers as principal	Flat Levy	N.A.	N.A.	75	75	£19,500	£19,500	0.0%	0.0%
I008	Advisory arrangers, dealers or brokers (holding client money)	Per £1,000 of annual income	0.630	0.466	45	45	£2,483,429	£1,839,300	2.3%	1.9%
I009	Advisory only firms and advisory, arrangers, dealers, or brokers (not holding client money)	Per £1,000 of annual income	0.443	0.330	45	45	£2,483,429	£1,839,300	2.3%	1.9%
I010	Corporate finance advisors	Flat Levy	N.A.	N.A.	55	55	£17,710	£17,710	0.0%	0.0%
IA11	Authorised payment service providers	Per £1,000 of relevant Income	0.00440	0.00390	75	75	£53,026	£47,718	0.1%	0.0%
IS11	Small payment institutions and small e-money issuers	Flat Levy	N.A.	N.A.	35	35	£18,060	£18,060	0.0%	0.0%
I013	Cash plan health providers	Flat Levy	N.A.	N.A.	65	65	£650	£650	0.0%	0.0%
I014	Credit unions	Flat Levy	N.A.	N.A.	55	55	£24,035	£24,035	0.0%	0.0%
I015	Friendly societies whose tax exempt business represents 95% or more of their total relevant business	Flat Levy	N.A.	N.A.	65	65	£2,600	£2,600	0.0%	0.0%

Industry Block	Description	Tariff Base	Consultation 2022/23 tariff rate (£)	Final 2021/22 tariff rate (£)	Consultation 2022/23 minimum levy per firm (£)	Final 2021/22 minimum levy per firm (£)	Consultation 2022/23 gross total	Final 2021/22 gross total	Consultation 2022/23 contribution by block	Final 2021/22 contribution by block
I016	Home finance lenders, advisers and arrangers	Flat Levy	N.A.	N.A.	85	85	£470,815	£470,815	0.4%	0.5%
I017	General insurance mediation	Per £1,000 of relevant business annual income	0.870	0.796	100	100	£10,014,235	£9,011,820	9.4%	9.4%
IA18	Authorised electronic money institutions	Per £1,000 of average outstanding electronic money	0.0001	0.0001	40	40	£9,884	£8,895	0.0%	0.0%
IS18	Small electronic money institutions	Flat Levy	N.A.	N.A.	50	50	£1,609	£1,448	0.0%	0.0%
I019	Consumer credit: limited	Flat Levy	N.A.	N.A.	35	35	£782,390	£782,390	0.7%	0.8%
IA19	Consumer credit: limited (not for profit)	Flat Levy	N.A.	N.A.	N.A.	N.A.	N.A.	£0	0.0%	0.0%
I020	Consumer Credit - Full	Per £1,000 of consumer Credit Income	1.126 (on income over £250,000 plus minimum fee)	0.500 (on income over £250,000 plus minimum fee)	35	35	£29,165,143	£31,033,800	27.5%	32.3%
IR21	Consumer buy-to-let	Flat Levy	N.A.	N.A.	35	35	N.A.	£0	0.0%	0.0%
I022	Designated credit reference agencies	Flat Levy	N.A.	N.A.	75	75	N.A.	£0	0.0%	0.0%
I023	Designated finance platforms	Flat Levy	N.A.	N.A.	75	75	N.A.	£0	0.0%	0.0%
I024	Claims management companies	Per £1,00 of relevant business Annual Income	0.940	1.450	50	50	£302,857	£600,000	0.3%	0.6%
	Total - all blocks						£106,000,000	£96,000,000	100.0%	100.0%

8 Money and Pensions Service levies

(FEES 7A Annex 1R, 2R, 3R and FEES 7C Annex 1R, 2R, 3R – draft rules in Appendix 1)

- 8.1** In this chapter, we consult on the rates at which we propose to charge our levies for the Money and Pensions Service (MaPS) in 2022/23.
- 8.2** MaPS is an arm's length body of the Department for Work and Pensions (DWP). The FCA has no oversight role in respect of its budget, but we are responsible for collecting funding for MaPS to carry out its functions. Each year we must collect the amount notified to us by the DWP.
- 8.3** The DWP has notified us that the total amount we must collect for MaPS in 2022/23 is £159.4m. The total requirement includes the following amounts for the 3 MaPS levies:
- £20.5m for money guidance in the UK
 - £91.4m for debt advice in England
 - £47.5m for pensions guidance in the UK
- 8.4** These figures will be adjusted when any underspends against the levies paid in 2021/22 have been confirmed. The above costs include apportionment of MaPS' central costs and costs relating to its functions and progressing activities for the UK Strategy for Financial Wellbeing. The levy amount will be used to continue the support needed in responding to emerging consumer need, new legislative activities and the ongoing development of the MaPS Service.
- 8.5** For 2022/23 we propose to allocate MaPS costs to fee-blocks on the same basis we used in 2021/22. For money guidance, we have updated the allocation to reflect MaPS usage rates and strategic priorities, using the same formula we previously used for the Money Advice Service (MAS).

Funding for money guidance

- 8.6** MaPS provides money guidance across the UK. Currently MaPS provides money guidance through the new MoneyHelper brand, delivered through a website, printed material and a call centre, and by working in close collaboration with the financial services sector.
- 8.7** The DWP has notified us that the total budget amount we must collect for money guidance in 2022/23 is £20.5m. The DWP has informed us that this provides for a strong focus on normal business activities, transformation through a new customer delivery model and coordinating the UK Strategy for Financial Wellbeing.
- 8.8** The budget figure of £20.5m is an estimate and might be revised when we finalise rates in June 2022.

Allocation of costs for money guidance

8.9 We propose to allocate money guidance costs using the same method used in previous years. For the A.0 minimum fee fee-block we will allocate an amount based on the estimated number of firms that are authorised at the start of the fee-year. We will update that amount to reflect the actual number of authorised firms when we publish our policy statement in July 2022. We propose to maintain the minimum fee at £10 for 2022/23. The remaining fee-block costs will be allocated based on the following equally-weighted components:

- How consumers use the 3 money guidance channels (web, telephone and web chat, and printed literature) weighted by the cost of each channel
- Strategic aims and outcomes mapped to fee-blocks
- A levy based on our own allocation (the same weighting we use to calculate FCA fees)

8.10 Table 8.1 sets out how the allocation method applies across fee-blocks and the movement for each fee-block since last year.

Table 8.1: Proposed money guidance allocation method for 2022/23 by fee-block

Fee-block	2021/22 allocation £m	Proposed 2022/23 allocation £m	Movement
A.0 minimum fee	0.2	0.2	-3.6%
A.1 Deposit acceptors	4.2	3.5	-16.2%
A.2 Home finance providers and administrators	4.2	3.0	-27.2%
A.3 Insurers - general and UK ISPVs	2.2	1.7	-20.2%
A.4 Insurers - life	2.9	2.8	-1.1%
A.5 Managing agents at Lloyd's	0.0	0.0	n.a
A.6 The Society of Lloyd's	0.0	0.0	n.a
A.7 Portfolio managers	1.2	1.0	-18.3%
A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	1.1	1.3	24.5%
A.10 Firms dealing as principal	1.3	1.1	-19.7%
A.13 Advisors, arrangers, dealers or brokers	1.8	1.7	-6.0%
A.14 Corporate finance advisers	0.2	0.2	-18.6%
A.18 Home finance providers, advisers and arrangers	0.3	0.2	-18.5%
A.19 General insurance distribution	0.6	0.4	-26.2%
A.21 Firms holding client money or assets, or both	0.3	0.2	-20.1%
B. Service companies	0.0	0.0	n.a
B. MTF and OTF operators	0.0	0.0	n.a
B. Regulated benchmark administrators	0.0	0.0	n.a
B. Recognised investment exchanges	0.0	0.0	n.a

Fee-block	2021/22 allocation £m	Proposed 2022/23 allocation £m	Movement
B. Recognised auction platforms	0.0	0.0	n.a
B. Recognised overseas investment exchanges	0.0	0.0	n.a
CC1. Credit-related regulated activities with limited permission	1.3	1.2	-4.4%
CC2. Credit-related regulated activities	1.3	1.7	35.2%
CMC. Credit reference agencies	0.0	0.0	n.a
G. Firms covered by payment services regulations 2009 (PSR's) and Electronic Money Regulations 2011 (EMR's)	0.1	0.1	15.4%
Total	23.0	20.5	-10.9%

8.11 Draft levy rates for firms based on this allocation are provided in Appendix 1.

8.12 The draft rates are calculated using estimated fee-payer populations and tariff data. This means the final levy rates for 2022/23 – which will be made by our board in June 2022 – might vary from those in this consultation paper.

Q5: Do you have any comments on the 2022/23 rates for the MaPS money guidance levy?

Funding for debt advice in England

8.13 MaPS provide free-to-consumer debt advice in England through frontline commissioned partners. The DWP has notified us that the total amount required in 2022/23 for MaPS debt advice in England is £91.4m. The majority of this funding will go towards frontline provision of debt advice, but funding will also go towards continuing support for the Breathing Space mental health access mechanism, a scaled-back version of MaPS' pilot of adviser capacity and efficiency as well as research, consumer insights, debt advice quality improvements, and a proportionate contribution to MaPS overall running costs.

8.14 This is an estimate and might be revised when we finalise rates in June 2022. Debt advice for Scotland, Wales and Northern Ireland is provided by the Devolved Authorities. See Chapter 9 for the Devolved Authorities' debt advice levy.

Allocation of debt advice costs for MaPS

8.15 We propose to allocate costs under the MaPS debt advice in the same proportion they were allocated in last year for the MAS debt advice levy. Table 8.2 shows the current allocation between the 2 fee-blocks that contribute to the MaPS debt advice levy.

Table 8.2: Proposed allocation of 2022/23 debt advice funding to fee-blocks

MaPS debt advice levy	2022/23 allocation £m
A.2 Home finance providers and administrators	45.7
CC.3 Consumer credit lending	45.7
Total	91.4

8.16 Draft levy rates for firms based on this allocation are provided in Appendix 1.

8.17 The draft rates are calculated using estimated fee-payer populations and tariff data. This means the final levy rates for 2022/23 – which will be made by our board in June 2022 – might vary from those in this consultation paper.

Q6: Do you have any comments on the proposed 2022/23 rates for the MaPS debt advice levy?

Funding for pensions freedom guidance

8.18 MaPS currently provides impartial pensions guidance under the existing brand Pension Wise.

8.19 The DWP has notified us that the total budget amount we must collect for pensions guidance in 2022/23 is £47.5m. Of that amount, £14.1m is designated for the pensions dashboard. These figures will be adjusted for any underspend from the levies paid in 2022/23. This is an estimate and might be revised when we finalise rates in June 2022.

Allocation of pensions guidance costs for MaPS

8.20 We are proposing to allocate costs across the 5 pensions freedoms levy fee-blocks in the same proportions we used for Pension Wise in 2021/22. Table 8.3 illustrates these allocations.

Table 8.3: Proposed allocation of 2022/23 pensions guidance costs to fee-blocks

Pensions guidance levy fee-blocks		Proposed 2022/23		Actual 2021/22	
		£m	%	£m	%
A.1	Deposit acceptors	11.4	24%	4.8	24%
A.4	Insurers – life	11.4	24%	4.8	24%
A.7	Portfolio managers	11.4	24%	4.8	24%
A.9	Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	7.6	16%	3.2	16%
A.13	Advisory arrangers, dealers and brokers	5.7	12%	2.4	12%
		47.5	100%	20.1	100%

8.21 Draft levy rates for firms based on this allocation are provided in Appendix 1.

8.22 The draft rates are calculated using estimated fee-payer populations and tariff data. This means the final levy rates for 2022/23 – which will be made by our board in June 2022 – might vary from those in this consultation paper.

Q7: Do you have any comments on the proposed 2022/23 rates for MaPS pensions guidance levy?

9 Devolved Authorities levy

(FEES 7B Annex 1R and 7D Annex 1R – draft rules in Appendix 1)

- 9.1** In this chapter, we consult on the allocation of costs to fund debt advice provided through the Devolved Authorities in Scotland, Wales and Northern Ireland in 2022/23.
- 9.2** The Devolved Authorities are responsible for providing free-to-consumer debt advice in Scotland, Wales and Northern Ireland. Debt advice in England is provided by MaPS. See Chapter 8 for the MaPS debt advice levy.

Funding for debt advice in the Devolved Authorities

- 9.3** The Treasury has notified us that, for 2022/23, the total funding we must collect for the provision of debt advice in the Devolved Authorities is £11.7012m.
- 9.4** The Treasury has calculated the 2022/23 budget requirements for the Devolved Authorities using a funding formula based on population sizes and levels of debt advice need in Scotland, Wales and Northern Ireland. The allocations are adjusted by any underspends the Devolved Authorities report from 2 years before. Table 9.1 shows the amounts to be collected for each Devolved Authority.

Table 9.1: Debt advice funding requirement by Devolved Authority for 2022/23

Devolved Authority	Funding requirement 2022/23 £m
Scottish Government	6.5272
Welsh Government	3.5024
Department for Communities	1.6716
Total	11.7012

- 9.5** The budget figure of £11.7012m is an estimate and might be revised when we finalise rates in June 2022.

Allocation of debt advice costs for the Devolved Authorities

- 9.6** We propose to allocate costs under the Devolved Authorities' debt advice levy in the same proportion as last year. Table 9.2 shows the allocation between the 2 fee-blocks that contribute to the Devolved Authorities' debt advice levy.

Table 9.2: Proposed allocation of 2022/23 debt advice funding to fee-blocks

Devolved Authorities' debt advice levy fee-block	Proposed 2022/23 £m
A.2 Home finance providers and administrators	5.8506
CC.3 Consumer credit lending	5.8506
Total	11.7012

9.7 Draft levy rates for firms based on this allocation are provided in Appendix 1.

Q8: Do you have any comments on the proposed 2022/23 rates for the Devolved Authorities' debt advice levy?

Fee payers should know that we calculate the draft fee rates and levies in Appendix 1 using estimated fee payer populations and tariff data. This means that final periodic fee rates and levies for 2022/23 – which will be made by our Board in June 2022 – could vary from those in this CP.

10 Illegal money lending levy

(FEES 13 Annex 1R and FEES 13A Annex 1R – draft rules in Appendix 1)

- 10.1** In this chapter, we set out the proposed 2022/23 illegal money lending (IML) levy rates.
- 10.2** The IML levy is raised to recover the Treasury’s expenses in providing funding for the teams tackling illegal money lending. Section 333T of FSMA, introduced by the Bank of England and Financial Services Act 2016, gives us the responsibility to calculate the levy rates, collect the levy from firms and pay the revenues collected to the Treasury, after deducting our administration costs.
- 10.3** The Treasury has notified us that their 2022/23 illegal money lending expenses will be £6.8m (£6.5m in 2021/22), including FCA collection costs of £0.1m (as in 2021/22). This is an estimate and may be revised when the IML levy rates are finalised in June 2022. We set out the IML levy rates to recover this amount from consumer credit firms in Table 10.1.

Table 10.1: 2022/23 IML levy rates

Type of firm	Fee
CC1. Limited permission	£5.00 flat rate
CC2. Full permission	Up to £250,000 consumer credit income: £10 minimum levy
	Over £250,000 consumer credit income: £10 + £0.259 per £1,000

European Economic Area (EEA) based firms

- 10.4** The UK left the European Union (EU) on 31 January 2020 and the transition period ended on 31 December 2020. As discussed in Chapter 3 the Temporary Permissions Regime (TPR) is in place. Under the TPR EEA branch firms no longer receive a discount on their FCA variable periodic fees and service firms will pay the minimum periodic fee, when previously they paid no periodic fees. EEA fees discounts were not applied to the IML levy. EEA service firms will pay the IML minimum fee of £10.

Q9: Do you have any comments on the proposed 2022/23 illegal money lending (IML) levy rates?

Annex 1

Questions in this paper

- Q1:** Do you have any comments on the proposed FCA variable periodic fee rates for 2022/23 for authorised firms?
- Q2:** Do you have any comments on the proposed FCA 2022/23 minimum fees and periodic fee rates for fee payers other than authorised firms?
- Q3:** Do you have any comments on our proposals for integrating into the new pricing structure the application fees for credit rating agencies (CRAs), trade repositories (TRs), securitisation repositories and third country firms seeking certification as a CRA or recognition as a TR?
- 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?
- Q5:** Do you have any comments on the 2022/23 rates for the MaPS money guidance levy?
- Q6:** Do you have any comments on the proposed 2022/23 rates for the MaPS debt advice levy?
- Q7:** Do you have any comments on the proposed 2022/23 rates for MaPS pensions guidance levy?
- Q8:** Do you have any comments on the proposed 2022/23 rates for the Devolved Authorities' debt advice levy?
- Q9:** Do you have any comments on the proposed 2022/23 illegal money lending (IML) levy rates?

Annex 2

Compatibility statement

Compliance with legal requirements

1. This annex explains our reasons for concluding that our proposals in this consultation are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA). Under section 138I of FSMA, the FCA is exempt from the requirement to carry out and publish a cost benefit analysis for such proposals.
2. When consulting on new rules, section 138I(2)(d) of FSMA requires us to include an explanation of why we believe making the proposed rules is (a) compatible with our general duty, under s.1B(1) of FSMA, so far as reasonably possible, to act in a way which is compatible with our strategic objective and advances one or more of our operational objectives, and (b) our general duty under s.1B(5)(a) of FSMA to have regard to the regulatory principles in s.3B of FSMA. We are also required by s.138K(2) of FSMA to state our opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
3. This annex also sets out our view of how the proposed rules are compatible with our duty to discharge our general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (s.1B(4)). This duty applies in so far as promoting competition is compatible with advancing our consumer protection and or integrity objectives.
4. This annex also explains how we have considered the Treasury's recommendations under s.1JA of FSMA of aspects of Her Majesty's Government's economic policy which we should consider in connection with our general duties.
5. This annex includes our assessment of the equality and diversity implications of these proposals.

The FCA's objectives and regulatory principles: Compatibility statement

6. Our proposals in this consultation are not intended in themselves to advance our operational objectives, but the fees we collect will fund our capacity to achieve them. Therefore, these proposals will indirectly advance our operational objectives of:
 - delivering consumer protection – securing an appropriate degree of protection for consumers
 - enhancing market integrity – protecting and enhancing the integrity of the UK financial system
 - building competitive markets – promoting effective competition in the interests of consumers

7. We also think that these proposals are compatible with our strategic objective of ensuring that the relevant markets function well, albeit indirectly. This is because they will enable us to fund the activities to help us meet that objective. For the purposes of our strategic objective, 'relevant markets' are defined by s.1F of FSMA. In the rest of this annex, reference to objectives means both our strategic objective and operational objectives.
8. In the case of the Financial Ombudsman Service, the proposals in this consultation to raise the general levy to fund its activities will indirectly meet its statutory function of providing a scheme for the quick and informal resolution of disputes between financial services firms and their customers. The proper functioning of the Financial Ombudsman Service also helps us to meet our consumer protection objective.
9. The proposals for the MaPS and Devolved Authorities will enable us to meet our obligations under the Financial Guidance and Claims Act 2018. They will allow the MaPS and Devolved Authorities to carry out their functions which also helps us to meet our consumer protection objective.
10. In preparing the proposals set out in this consultation, we have had regard to the regulatory principles set out in s.3B of FSMA. Most of the relevant regulatory principles are considered below:

The need to use our resources in the most efficient and economic way

11. Our fee-raising proposals are set to recover our costs in carrying out our responsibilities under FSMA and associated legislation. We aim to carry out this work in the most efficient and economical way possible, concentrating on the areas of activity that pose the greatest risk to our objectives.
12. The Financial Ombudsman Service is operationally independent, but accountable to us, which means that our resources are not directly involved in carrying out their activities. We are responsible in approving FOS's budget, including its expenditure on resources and the split between levy and case fee. The MaPS and the Devolved Authorities are operationally independent, and not accountable to us. Our resources are not directly involved in carrying out their activities.

The principle that a burden or restriction should be proportionate to the benefits

FCA

13. The underlying rules for how we raise fees from fee-payers have been consulted on previously.
14. Our fees are necessary for us to meet our objectives. As outlined above we take steps to use our resources in the most efficient and economic way, while delivering consumer protection, enhancing market integrity and building competitive markets, through our regulatory activities.
15. In allocating our costs across the various fee-blocks we take account of the risks that the regulatory activities covered by each fee-block pose to our objectives. This also reflects the resources we apply to these activities.
16. Our policy for allocating the AFR across fee-blocks is to maintain an even distribution of increases/decreases other than where for individual fee-blocks there have been

material and explainable exceptions (allocation by exception). The only allocation by exception this year relates to recovery of the £8m cryptoasset scope change costs. These costs have been distributed across the AFRs of those fee-blocks where the majority of firms are subject to the Money Laundering Regulations (MLRs). The other additions to ORA affect all fee-payers so have been distributed proportionately across all fee-blocks.

17. To avoid putting an unreasonable burden on cryptoasset businesses, we are proposing to spread recovery of the scope change project costs between all fee-blocks subject to the Money Laundering Regulations instead of targeting it on cryptoasset businesses alone.

The Financial Ombudsman Service

18. Fees collected to fund the Financial Ombudsman Service enable it to carry out its statutory functions, broadly to provide access to an independent, quick and informal scheme for dispute resolution. The proper functioning of the Financial Ombudsman Service helps us to meet our consumer protection objective. The Financial Ombudsman Service's general levy is calculated using 'industry blocks', which are similar (but not identical) to our 'fee-blocks'. Each industry block has a minimum levy and, in most cases, the levy then increases in proportion to the amount of 'relevant business' (i.e. business done with private individuals) each firm does. The proportion is called 'tariff rate'. The proportions in which the CJ levy are distributed across the fee-blocks are based on the Financial Ombudsman Service's forecasts for the proportion of resources it expects to devote to cases from firms in each sector.

The Money and Pensions Service (MaPS)

19. We are proposing to allocate the MaPS funding requirement to fee-blocks in the same proportions used in 2018/19 for the Money Advice Service and Pension Wise levies. We therefore believe that the proposed basis for recovering the 2022/23 MAPS funding requirement is proportionate.

The Devolved Authorities' debt advice levy

20. The Devolved Authorities are responsible for free-to-consumer debt advice in Scotland, Wales and Northern Ireland. We are proposing to allocate the Devolved Authorities' funding requirement to fee-blocks in the same proportions used in 2018/19 for the Money Advice Service debt advice levy which covered the UK as a whole. We therefore believe that the proposed basis for recovering the 2022/23 Devolved Authorities' funding requirement is proportionate.

Illegal money lending levy

21. The illegal money lending levy mirrors our existing fees structure, avoiding the need to impose new data reporting requirements on firms

The desirability of recognising differences in the nature of, and objectives of, businesses carried on by different persons including mutual societies and other kinds of business organisation

22. The allocation of our AFR in Chapter 2 recognises the differences in the nature of the businesses carried on by the different persons we regulate:
 - fee-blocks are defined by reference to related types of permitted business fee-payers can undertake

- the proportion of our funding requirement allocated to each fee-block represents the resources we will apply to mitigate risks to our objectives
- subject to minimum thresholds of size and minimum fees, fee-payers pay fees in each fee-block in line with the scale of the business they undertake in each fee-block

23. The allocation of the funding requirements of the MaPS, the Devolved Authorities and the Illegal Money lending levy are based on the same principles set out in paragraph 22.

The principle that we should exercise our functions as transparently as possible

24. Our consultation processes are intended to ensure that we are transparent about the thinking behind our proposals and clearly explain what we expect to achieve. We believe that this CP meets these objectives.

25. For transparency, the FCA, the Financial Ombudsman Service, the MaPS and the Devolved Authorities set out each year an explanation of any changes in fees or levy rates and the key drivers of those changes. We also provide an online facility to help firms calculate their likely periodic fees or levies for the forthcoming year ([fees calculator](#)).

Expected effect on mutual societies

26. We do not expect the proposals in this paper to have a significantly different impact on mutual societies compared with other authorised firms.

Compatibility with the duty to promote effective competition in the interests of consumers

27. These proposals enable us to fund the activities we need to undertake in 2018/19. These activities include meeting our duty to promote effective competition in the interests of consumers. Fees are not intended in themselves to influence firms' behaviour.

28. Additionally, the levels of fees set for different types of firms support our objective of promoting effective competition. For example, the allocation of our AFR to fee-blocks on which the fee rates are based takes account of the aggregate riskiness of the sector they represent. The recovery of allocations within the fee-blocks is based on the size of business undertaken by the individual firms.

29. The MaPS, Devolved Authorities debt advice and Illegal Money Lending levies are raised from fee-blocks that carry on business relevant to their work. We consider that our proposals on allocation of costs under these levies are reasonable.

Equality and diversity

- 30.** We are required under the Equality Act 2010 to 'have due regard' to the need to eliminate discrimination and to promote equality of opportunity in carrying out our policies, services and functions. As part of this, we conduct an equality impact assessment to ensure that the equality and diversity implications of any new policy proposals are considered.
- 31.** As explained in paragraphs 1.18 and 1.19 of this CP, we do not think that the proposals negatively impact any of the groups with protected characteristics under the Equality Act 2010. But we will continue to consider the equality and diversity implications of the proposals during the consultation period, and will revisit them when publishing the final rules.

The Treasury's recommendations about economic policy

- 32.** Each year, the Treasury makes recommendations to us under section 1JA of FSMA about aspects of economic policy which we should consider when undertaking our functions. Our fees proposals indirectly take account of the Treasury's recommendations by providing the resources that enable us to meet our objectives in taking responsibility for the claims management market.

Annex 3

Financial Penalty Scheme

1. Paragraph 21 of Schedule 1ZA of the Financial Services and Markets Act 2000 (FSMA) (as amended by the 2012 Act and the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013) sets out how we should treat the financial penalties we impose on regulated persons (firms).
2. The key requirements are set out below.
 - The financial penalties we receive 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'.
 - For 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.
3. 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.
4. The total retained penalties from any financial year will be applied 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. The allocation of enforcement costs to fee-blocks will be as it was in previous years other than where there has been a material and explainable exception (allocation by exception). Where such an allocation by exception has occurred the retained penalties in the following year will be applied to the revised baseline fee-blocks.
5. If financial penalties do not cover enforcement costs in any year the application of retained penalties to the baseline fee-blocks will not cover the enforcement costs allocated to them.
6. Enforcement costs are not allocated to the A.0 minimum fee fee-block. Therefore, retained penalties are not allocated to this fee-block.
7. The firms on which any penalty was imposed in a financial year will not receive any rebate to their periodic fees paid, for any retained penalties, in the following financial year.
8. 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

9. 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 Portfolio managers
A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes
A.10 Firms dealing as principal
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
A.21 Firms holding client money or assets or both
A.22 Principal firms – appointed representatives
B. Recognised investment exchanges, operators of multilateral trading facilities and recognised auction platforms (only)
CC1 Consumer credit – limited permission
CC2 Consumer credit – full permission
E. Issuers and sponsors of securities
G.1 persons registered under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
G.2, G.3, G.4, G.5 firms under the Payment Services Regulations 2017
G.10, G.11 firms under the Electronic Money Regulations 2011
G.20, G.21 firms under the Mortgage Credit Directive Order 2015
G.25 firms under the Data Reporting Regulations 2017

Annex 4

Abbreviations used in this paper

Abbreviation	Description
AFR	Annual funding requirement
CASS	Client assets sourcebook
CC	Consumer credit
CIS	Collective investment scheme
CJ	Compulsory jurisdiction
CMC	Claims management company
CRA	Credit rating agency
CRO	Contractual run-off
DWP	Department for Work and Pensions
EEA	European Economic Area
EU	European Union
FCA	Financial Conduct Authority
FP	Pre-paid funeral plan
FPS	Financial penalty scheme
FSA	Financial Services Authority
FSCS	Financial Services Compensation Scheme
FSMA	Financial Services and Markets Act 2000
IML	Illegal money-lending
MaPS	Money and Pensions Service
MAS	Money Advice Service
MLRs	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
MTF	Multilateral trading facility

Abbreviation	Description
ORA	Ongoing regulatory activities
OTF	Organised trading facility
PRA	Prudential Regulation Authority
RIE	Recognised Investment Exchange
ROIE	Recognised Overseas Investment Exchanges
SFGB	Single Financial Guidance Body
SPF	Special project fee
SR	Securitisation repository
SRO	Supervised run-off
TPAS	The Pensions Advisory Service
TPR	Temporary permissions regime
TR	Trade repository
VJ	Voluntary jurisdiction

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Appendix 1

Draft Handbook text

PERIODIC FEES (2022/2023) AND OTHER FEES INSTRUMENT 2022

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under the following:
- (1) 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 137SA (Rules to recover expenses relating to the single financial guidance body);
 - (d) section 137SB (Rules to recover debt advice expenses incurred by the devolved authorities);
 - (e) section 137T (General supplementary powers);
 - (f) section 139A (Power of the FCA to give guidance);
 - (g) section 234 (Industry funding);
 - (h) section 333T (Funding of action against illegal money lending); and
 - (i) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority);
 - (2) regulation 118 (Costs of supervision) of the Payment Services Regulations 2017 (SI 2017/752);
 - (3) regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99);
 - (4) paragraph 12K (Power to charge fees) of Part 1A of Schedule 3 and paragraph 35 (Power to charge fees) of Part 3 of Schedule 3 to the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1201);
 - (5) regulation 46 of and paragraph 5 of Schedule 1 (Fees) to the Regulated Covered Bond Regulations 2008 (SI 2008/346);
 - (6) article 25 (Application of provisions of the Act to the FCA in respect of its supervision of consumer buy-to-let mortgage firms) of the Mortgage Credit Directive Order 2015 (SI 2015/910);
 - (7) regulation 40 (FCA: penalties, fees and exemption from liability in damages) of the Data Reporting Services Regulations 2017 (SI 2017/699);
 - (8) regulation 26 (FCA: penalties, fees and exemption from liability in damages) of the Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (SI 2018/135);
 - (9) paragraph 11 (Penalties and fees) of Schedule 1 and paragraph 4(7) of

Schedule 2 to the Securitisation Regulations 2018 (SI 2018/1288);

- (10) regulation 102 (Costs of supervision) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692);
 - (11) regulation 27 (Costs of supervision) of the Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017 (SI 2017/1301);
 - (12) regulations 206 (Meaning of "qualifying functions" in this Part) and 208 (Fees: Financial Conduct Authority) of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (SI 2019/632); and
 - (13) regulation 63 (power to charge fees) of the EEA Passport Rights (Amendment, etc. and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1149).
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.
- C. As required by section 137SA(5) of the Act, the Secretary of State has consented to rules made under that section and, as required by section 137SB(5) of the Act, the Treasury has consented to rules made under that section.

Commencement

- D. This instrument comes into force on *[date]*.

Amendments to the Handbook

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

Notes

- F. In the Annex to this instrument, the "notes" (indicated by "*Editor's Note*:", "Note:" or "Note") are included for the convenience of readers but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Periodic Fees (2022/2023) and Other Fees Instrument 2022.

By order of the Board
[Date]

Annex

Amendments to the Fees manual (FEES)

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

3 Application, Notification and Vetting Fees

...

3.2 Obligation to pay fees

...

3.2.7 R Table of application, notification, vetting and other fees payable to the FCA

Part 1A: Application, notification and vetting fees		
(1) Fee payer	(2) Fee payable (£) by reference to the pricing category in <i>FEES 3 Annex 1AR</i> .	Due date
...		
<p>(da) <i>Persons</i> making an application or notification in relation to applications set out in <i>FEES 3 Annex 2R</i>:</p> <p>(i) <i>authorisation order</i> for or recognition under section 272 of the <i>Act</i> of a <i>collective investment scheme</i>;</p> <p>(ii) application for the authorisation of an <i>AIF</i> as an <i>LTIF</i>;</p> <p>(iii) the <i>management company</i> of a <i>scheme</i> making a <i>notification</i> under section 264 of the <i>Act</i>;</p> <p>(iv) a <i>non-UK AIFM</i> (with a <i>branch</i> in the <i>UK</i>) notifying the <i>FCA</i></p>	Category applicable to the application or notification set out in <i>FEES 3 Annex 2R</i>	On or before the date the application or notification is made

<p>of its intention to market an <i>AIF</i> in the <i>UK</i> under regulation 59 of the <i>AIFMD UK regulation</i>;</p> <p>(v) an <i>AIFM</i> notifying the <i>FCA</i> of its intention to market an <i>AIF</i> in the <i>UK</i> under regulation 58 or 59 of the <i>AIFMD UK regulation</i>; <u>and</u></p> <p>(vi) an applicant for registration on the register of <i>small registered UK AIFM</i>.</p>		
...		

...

3 Annex 2R Application and notification fees payable in relation to collective investment schemes, LTIFs, money market funds and AIFs marketed in the UK

Legislative provision	Nature and purpose of fee	Payable by	Applicable pricing category in FEES 3 Annex 1AR	Umbrella factor (note 1)
Part 1 [deleted]				
...				
Part 2 Application fees payable for firms to be subject to <i>COLL</i>				
...				
Part 2A Application fees payable for firms applying for a UK AIF to be authorised under the <i>ELTIF</i> regulation <u>Article 5 of the <i>LTIF</i> Regulation</u>				
Article 5 of the <i>ELTIF</i> <u><i>LTIF</i> regulation</u>	On application for an <i>AIF</i> to be authorised under the <i>ELTIF</i> <u><i>LTIF</i> regulation</u>	An applicant	5	2

Part 2B Application fees payable for UK or non-EEA firms applying for authorisation under article 5 of the Money Market Funds Regulation				
...				
Part 3 (notifications) [deleted]				
Section 264 of the Act	On giving notice under section 264 of the Act	The operator	3	2
Part 4 (Alternative Investment Funds: fees payable for making a notification to the FCA to market an AIF)				
...				

...

3 Annex 13R Fees payable for registration as a credit rating agency, trade repository or securitisation repository

Application type	Amount payable (£) <u>Applicable pricing category in FEES 3 Annex 1AR</u>
<i>Credit rating agency</i>	5,000 <u>5</u>
<i>Trade repository</i>	5,000 <u>5</u>
Third country <i>firm</i> seeking certification as a <i>credit rating agency</i>	1,500 <u>4</u>
Third country <i>firm</i> seeking recognition of a <i>trade repository</i>	1,500 <u>4</u>
<i>Securitisation repository</i>	5,000 <u>5</u>

...

4 Periodic fees

...

4 Annex 2AR FCA Fee rates for the period from 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023

Part 1
...

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	14.5772 <u>14.480</u>
	>140 - 630	14.5772 <u>14.480</u>
	>630 - 1,580	14.5772 <u>14.480</u>
	>1,580 - 13,400	18.222 <u>18.100</u>
	>13,400	24.052 <u>23.892</u>
	The tariff rates in A.1 are not relevant for the <i>permissions</i> relating to <i>operating a dormant account fund</i> . Instead, a flat fee of £6,367 is payable in respect of these <i>permissions</i> .	
A.2	Band width (No. of mortgages and/or home finance transactions)	Fee (£/mortgage)
	>50	2.816 <u>2.878</u>
A.3	Gross written premium for fees purposes (GWP)	Periodic fee
	Band Width (£million of GWP)	Fee (£/m or part £m of GWP)
	>0.5	365.89 plus, where neither the <i>firm</i>, nor a member of its <i>group</i>, was a defendant in <i>Financial Conduct Authority v Arch Insurance (UK) Ltd and others [2020] EWCA Comm 2448, 110.63</i> <u>374.50</u>
	PLUS	

	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£million of BEL)	Fee (£/£m or part £m of BEL)
	>1	18.9 plus, where neither the firm, nor a member of its group, was a defendant in Financial Conduct Authority v Arch Insurance (UK) Ltd and others [2020] EWCA Comm 2448, 6.15 <u>18.96</u>
	For UK ISPVs the tariff rates are not relevant and a flat fee of £515 <u>£547.00</u> is payable in respect of each FCA financial year (the 12 months ending 31 March).	
A.4	Gross written premium for fees purposes (GWP)	General Periodic fee
	Band Width (£million of GWP)	Fee (£/£m or part £m of GWP)
	>1	224.27 <u>228.25</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£million of BEL)	Fee (£/£m or part £m of BEL)
	>1	12.89 <u>13.12</u>
A.5	Band Width (£million of Active Capacity (AC))	Fee (£/£m or part £m of AC)
	>50	6.90 plus, where neither the firm, nor a member of its group, was a defendant in Financial Conduct Authority v Arch Insurance (UK) Ltd and others [2020] EWCA Comm 2448, 2.15 <u>6.35</u>
A.6	Flat fee (£)	373,766.69 <u>371,776.87</u>

A.7	For class 1(C), (2), (3) and (4) <i>firms</i> :	
	Band Width (£million of Funds under Management (FuM))	Fee (£/£m or part £m of FuM)
	>10	4.55 <u>4.38</u>
	For class 1(B) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 15%. For class 1(A) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 50%.	
A.9	Band Width (£million of Gross Income (GI))	Fee (£/£m or part £m of GI)
	>1	973.26 <u>963.39</u>
A.10	Band Width (No. of traders)	Fee (£/person)
	>1	6,697.26 <u>6,852.60</u>
	For <i>firms</i> carrying on <i>auction regulation bidding</i> , the fee in A.10 is calculated as above less 20% for each trader that carries on <i>auction regulation bidding</i> but not <i>MiFID business bidding</i> or <i>dealing in investments as principal</i> .	
A.13	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	2.443 <u>2.493</u>
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	1.548 <u>1.513</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	11.337 <u>10.478</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	1.662 <u>1.669</u>

A.21	<i>Client money</i>	
	Band Width (£ <i>client money</i>) (CM) held	Fee (£/£ millions or part £ million of CM)
	less than £1 million	102.80 <u>105.74</u>
	an amount equal to or greater than £1 million but less than or equal to £1 billion	77.10 <u>79.31</u>
	more than £1 billion	51.40 <u>52.87</u>
	PLUS	
	<i>Safe custody assets</i>	
	Band Width (£ <i>safe custody assets</i>) (CA) held	Fee (£/£ millions or part £ million of CA)
	less than £10 million	0.4460 <u>0.3730</u>
	an amount equal to or greater than £10 million and less than or equal to £100 billion	0.3345 <u>0.2798</u>
	more than £100 billion	0.2230 <u>0.1865</u>
A.22	Band Width (No. of <i>appointed representatives</i>)	Fee (£/ <i>appointed representative</i>)
	>0	250 <u>287.00</u> for <i>appointed representatives</i> other than <i>introducer appointed representatives</i>
	>0	75 <u>86.00</u> for <i>introducer appointed representatives</i>
B. Service Companies	Band Width	Fee (£)
	Annual income up to and including £100,000	1,132 <u>1,202.00</u>

	PLUS:	
	Band width	Fee (£/£thousand or part £ thousand of income)
	Annual income over £100,000	1.19 <u>0.80</u>
B. Regulated benchmark administrators	Band width	Fee (£)
	Annual income up to and including £100,000	1,151 <u>1,222.00</u>
	PLUS:	
	Band width	Fee (£/£ thousand or part £ thousand of income)
	Annual income over 100,000	2.00 <u>2.28</u>
B. Recognised investment exchanges	Band width	Fee (£)
	Annual income up to and including £10,000,000	109,304 <u>116,081.00</u>
	PLUS:	
	Band width	Fee (£/£ thousand or part £ thousand of income)
	Annual income over £10,000,000	3.44 <u>2.69</u>
B. Recognised auction platforms	58,266 <u>61,878.00</u>	
B. Recognised overseas investment exchanges	62,424 <u>66,294.00</u>	
B. MTF and OTF operators	Band width	Fee (£)

	Annual income up to and including £100,000	1,151 <u>1,222.00</u>
	PLUS:	
	Band width	Fee (£/£ thousand or part £ thousand of income)
	Annual income over £100,000	2.32 <u>2.28</u>
CC1. Credit-related regulated activities with limited permission	Band Width (£ thousands of annual income (AI))	Fee (£)
	...	
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	0.50 <u>0.556</u>
CC2. Credit-related regulated activities	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	...	
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	1.40 <u>1.5568</u>
	...	
CMC.	Band width (£ thousands of annual turnover)	Fee (£)
	0-50	500 <u>531.00</u>
	50-100	1,000 <u>1,062.00</u>
	>100	3.35 <u>5.08</u> per £ thousand or part per £ thousand

Part 2
...

Part 2(a) tariff rates (minimum fees) payable to the FCA by FCA- authorised persons			
A.0	(1)	£1,750 unless it is a <i>community finance organisation</i> with a tariff base of:	
		(a)	up to and including 3 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £176 <u>£187</u> is payable; or
		(b)	more than 3 but no more than 10 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £597 <u>£634</u> is payable; or
		(c)	more than 10 but no more than 50 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £1,106 <u>£1,175</u> is payable.
		...	
AP.0	Periodic fees payable under fee blocks A.2, A.7 to A.19 and A.21 in Part 1 multiplied by rate £0.1055 <u>£0.0978</u>		

Part 2(b) tariff rates (minimum fees) payable to the FCA by PRA- authorised persons				<u>Fee</u>
A.0	(1)	£574 unless ÷	<u>Any PRA- authorised person except as set out in (2) and (3)</u>	<u>£875</u>
		(a)	It is a <i>credit union</i> that meets the conditions in (2), in which case the minimum fee payable is as set out in (2);	
		(b)	it is a <i>non-directive friendly society</i> that falls into the A.3 activity group but not the A.4 activity group and has, for that activity, 0.5 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less, in which case the minimum fee payable is £247; or	

		(e)	it is a <i>non-directive friendly society</i> that falls into the A.4 activity group but not the A.3 activity group and has, for that activity, written 1.0 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less, in which case the minimum fee payable is £247; or				
		(d)	it is a <i>non-directive friendly society</i> 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 £247.				
	(2)	The conditions referred to in (1)(a) are that the <i>credit Credit union</i> has a <u>with</u> a tariff base (Modified Eligible Liabilities) of:					
		(a)	0 to 0.5million in which case a minimum fee of £92 is payable; or £0 to £0.5million;			<u>£97</u>	
		(b)	greater than 0.5million but less than 2.0million, in which case a minimum fee of £310 is payable. £0.5million to £2.0million;			<u>£327</u>	
		(c)	above £2 million.			<u>£606</u>	
	(3)	The conditions referred to in (1)(d) are that: <i>Non-directive friendly society</i> that meets the criteria of one of the following categories (a) to (c):					
		(a)	the <i>non-directive friendly society</i> falls into the A.3 activity group and has, for that activity, 0.5 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less;				
		(b)	the <i>non-directive friendly society</i> falls into the A.4 activity group and has, for that activity, written 1.0 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less.				
			<u>Activity group the firm falls into</u>	<u>Gross written premium</u>	<u>Best estimate liabilities for fees purposes</u>		

				m for fees purpose s for that activity	for that activity	
		(a)	<u>A.3 but not A.4</u>	<u>£0.5 million or less</u>	<u>Up to £1 million or less</u>	<u>£261</u>
		(b)	<u>A.4 but not A.3</u>	<u>£1 million or less</u>	<u>£1 million or less</u>	<u>£261</u>
		(c)	<u>Both A.3 and A.4</u>			
			<u>A.3</u>	<u>£0.5 million or less</u>	<u>£1 million or less</u>	
			<u>A.4</u>	<u>£1 million or less</u>	<u>£1 million or less</u>	<u>£261</u>
The figures for gross written premium for fees purposes and best estimate liabilities for fees purposes are the same as used for Part 1 of this Annex.						

...

4 Annex 4R Periodic fees in relation to collective investment schemes, AIFs marketed in the UK, small registered UK AIFMs and money market funds payable for the period 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023

Part 1 – Periodic fees payable

Scheme type	Basic fee (£)	Total funds/sub-funds aggregate	Fund factor	Fee (£)
<i>ICVC,</i>	350.00 <u>307.50</u>	1-2	1	350.00 <u>307.50</u>
<i>AUT,</i>		3-6	2.5	875.00 <u>768.75</u>
<i>ACS,</i>		7-15	5	1,750.00 <u>1,537.50</u>

<i>LTIFs,</i>				3,850.00 <u>3,382.50</u>
Money market funds with effect from 21 July 2018		16-50	11	7,700.00 <u>6,765.00</u>
		>50	22	
<i>non-UK AIFs recognised under section 272 of the Act</i>	1,425.00	1-2	1	1,425.00 <u>1,252.00</u>
	<u>1,252.00</u>			3,562.50 <u>3,130.00</u>
		3-6	2.5	7,125.00 <u>6,260.00</u>
		7-15	5	15,675.00
		16-50	11	<u>13,772.00</u>
		>50	22	<u>31,350.00</u> <u>27,544.00</u>

...

Part 2 – Periodic fees for *AIFs* marketed in the *UK*, following a notification to the *FCA* under regulation 57, 58 or 59 of the *AIFMD UK regulation*

Kind of notification	Fee per <i>AIF</i> (£)
Notification under regulation 57 of the <i>AIFMD UK regulation</i>	344 <u>365</u>
Notification under regulation 58 of the <i>AIFMD UK regulation</i>	240 <u>255</u>
Notification under regulation 59 of the <i>AIFMD UK regulation</i>	344 <u>365</u>
Part 3 – Periodic fees paid by <i>small registered UK AIFMs</i>	
The annual fee for <i>small registered UK AIFMs</i> is £676 <u>£718</u>	

4 Annex 5R

Periodic fees for designated professional bodies: tariff base, valuation date and tariff rates

Part 1

...

Part 2

This table sets out the tariff rates applicable to *designated professional bodies*

Fee payable in relation to 2021/22 <u>2022/2023</u>	Amount payable
Minimum fee, payable by all <i>designated professional bodies</i>	£10,000 <u>£10,620</u>
Variable fee, payable by <i>designated professional bodies</i> where the number of <i>exempt professional firms</i> regulated or supervised by a <i>designated professional body</i> is greater than 1	£22.80 <u>£23.76</u> multiplied by the total number of <i>exempt professional firms</i> in excess of 1

Note

The *Financial Services Register* includes details of *exempt professional firms* carrying out *insurance distribution activity*.

...

4
Annex
11R

Periodic fees in respect of payment services, electronic money issuance, regulated covered bonds, CBTL business, data reporting services and third party verifiers in relation to the period 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023

This Annex sets out the 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 and *CBTL business* carried on by *CBTL firms* under the *MCD Order* and *data reporting services providers* under the *DRS Regulations*.

...

Part 5 – Tariff rates		
Activity group	Fee payable in relation to 2021/22 <u>2022/23</u>	
G.2	Minimum fee (£)	525 <u>558</u>
	£ million or part £m of Modified Eligible Liabilities (MELS)	Fee (£/£m or part £m of MELS)
	> 0.1	0.499 <u>0.340</u>
G.3	Minimum fee (£)	525 <u>558</u>
	£ thousands or part thousand of Relevant Income	Fee (£/£thousand or part £thousand of Relevant Income)
	> 100	0.335 <u>0.382</u>

G.4	Flat fee (£)	545 <u>579</u>
G.5	As in G.3	
G.10	Minimum fee (£)	1,726 <u>1,833</u>
	£million or part m of average outstanding electronic money (AOEM)	Fee (£/£m, or part £m of AOEM)
	>5.0	35.00 <u>11.30</u>
G.11	Flat fee (£)	1,198 <u>1,272</u>
G.15	Minimum fee for the first registered <i>programme</i> (£)	95,189 <u>114,506</u>
	Minimum fee for all subsequent registered <i>programmes</i>	75% of minimum fee for first registered <i>programme</i>
	£million or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date.	Fee (£/£m or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date)
	>0.00	17.52 <u>18.19</u>
	...	
G.20	Flat fee (£)	442 <u>469</u>
G.21	Flat fee (£)	220 <u>234</u>
G.25	Flat fee (£) for first <i>data reporting service</i> plus 50% flat fee for each additional <i>data reporting service</i> for which the <i>data reporting services provider</i> has authorisation.	27,326 <u>29,020</u>
G.26 TPV	<u>Flat fee (£)</u>	265 <u>281</u>
	...	

...

4 UKLA periodic fees for the period from 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023
 Annex
 14R

Part 1 Base fee			
Activity group or invoice code (Note 1)		Description	Base fee payable (£)
E.1	Discontinued		
E.2	Premium listed issuer	<i>A listed issuer of equity shares and certificates representing shares with a premium listing (see Note 2)</i>	5,686 <u>6,037</u>
E.3	Standard listed issuer	<i>A listed issuer of shares and certificates representing certain securities with a standard listing and not with a premium listing (see Note 2)</i>	21,536 <u>22,871</u>
E.4	Discontinued		
E.5	Discontinued		
E.6	Non-listed issuer (in DTR)	<i>A non-listed issuer (in DTR)</i>	0
E.7	Primary information provider	<i>A primary information provider</i>	17,973 <u>19,087</u>
ES.01	Sponsor	<i>A sponsor (see Note 3)</i>	29,938 <u>31,794</u>
...			
Part 2 Variable fee additional to base fee			
Activity Group		Market capitalisation as at the last <i>business day</i> of the September prior to the <i>fee-year</i> in which the fee is payable in £million	Fee payable in £per £million or £part million
E.2	Premium listed issuer (as	0 – 100	0
		> 100 – 250	37.335163 <u>33.228295</u>

described in Part 1)	> 250 – 1,000	14.405007 <u>12.820456</u>
	> 1,000 – 5,000	8.866872 <u>7.891516</u>
	> 5,000 – 25,000	0.216289 <u>0.192497</u>
	> 25,000	0.069878 <u>0.062192</u>

4 Annex 15R Fees relating to the recognition of benchmark administrators and the endorsement of benchmarks for the period 1 April 2020 2022 to 31 March 2021 2023

Activity group	Fee payable
<i>A third country legal representative</i>	£13,571 <u>£14,412</u>
<i>A benchmark endorser</i>	£7,959 <u>£8,452</u>

4 Annex 16R Periodic fees for credit rating agencies, trade repositories and securitisation repositories

This Annex sets out the periodic fees in respect of *credit rating agencies*, *trade repositories*, and *securitisation repositories*.

...		
Part 4 – Tariff rates		
Fee block	Activity group	Fee payable in relation to the fee year 2021/2022 <u>2022/2023</u>
J.1	Registered <i>credit rating agencies</i> and third country certified credit rating agencies with applicable turnover of £8,994m <u>£8,399m</u> or less	Exempt
	Registered <i>credit rating agencies</i> with turnover above £8,994m <u>£8,399m</u>	£3.95 <u>£1.97</u> per £1k or part-£1k (applies to all turnover)
	Certified <i>credit rating agencies</i> with turnover above £8,994m <u>£8,399m</u>	£5,396 <u>£5,039</u>

J.2	Registered <i>trade repositories</i>	£ 19.88 <u>£11.75</u> per £1k or part-£1k, subject to a minimum payment of £26,982 <u>£25,197</u>
	Recognised <i>trade repositories</i>	£ 4,497 <u>£4,199</u>
J.3	Registered <i>securitisation repositories</i>	£ 19.88 <u>£11.75</u> per £1k or part-£1k subject to a minimum payment of £26,982 <u>£25,197</u>

4A Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) – periodic fees

...

4A Annex 1R TP persons periodic fees for the period from 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023

Part 1

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	14.5772 <u>14.480</u>
	>140 – 630	14.5772 <u>14.480</u>
	>630 – 1,580	14.5772 <u>14.480</u>
	>1,580 – 13,400	18.222 <u>18.100</u>
	>13,400	24.052 <u>23.892</u>
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)
	>50	2.816 <u>2.878</u>
A.3	Gross written premium for fees purposes (GWP)	Periodic fee

	Band Width (£ million of GPI GWP)	Fee (£/£m or part £m of GWP)
	>0.5	365.89 plus, where neither the firm, nor a member of its group, was a defendant in Financial Conduct Authority v Arch Insurance (UK) Ltd and others [2020] EWCA Comm 2448, 110.63 <u>374.50</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
	>1	18.90 plus, where neither the firm, nor a member of its group, was a defendant in Financial Conduct Authority v Arch Insurance (UK) Ltd and others [2020] EWCA Comm 2448, 6.15 <u>18.96</u>
A.4	Gross written premium for fees purposes (GWP)	General Periodic fee
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	224.27 <u>228.25</u>
	PLUS	
	Best estimate liabilities for fees purposes	General Periodic fee
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	12.89 <u>13.12</u>
A.7	For class 1(C), (2), (3) and (4) firms:	
	Band Width (£ million of Funds under Management (FuM))	Fee (£/£m of part £m of FuM)
	>10	4.55 <u>4.38</u>
	Class 1 (C) firms are defined in FEES 4 Annex 1A	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m of part £m of GI)

	>1	973.26 <u>963.39</u>
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	6,697.26 <u>6,852.60</u>
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	2.443 <u>2.493</u>
	For a <i>professional firm</i> in A.13 the fee is calculated as above less 10%.	
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	> 100	1.548 <u>1.513</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	1.662 <u>1.669</u>
CC.2	Band Width (£ thousands of annual income (AI))	Fee (£)
	0 – 50	750
	>50 – 100	1,000
	>100	1,151
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	1.40 <u>1.5568</u>

Part 2

The table below shows the tariff rates (minimum fees) applicable to each of the fee blocks set out in Part 1 of *FEES* 4A Annex 1R other than fee-block CC2.

Activity group	Fee payable
A.0	£1,151 <u>£1,750</u> unless it is a <i>TP firm</i> that also pays minimum fees set out in the PRA Rulebook, in which case it is £574 <u>£875</u> .

Part 3*TA PI firm or TA RAISP firm*

Activity group	Fee payable	
G.2	Minimum fee (£)	525 <u>558</u>
	£ million or part £ million of Modified Eligible Liabilities (MELs)	Fee (£/£m or part £m of MELs)
	>0.1	0.499 <u>0.340</u>
G.3	Minimum fee (£)	525 <u>558</u>
	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	0.335 <u>0.382</u>

Part 4*TA EMI firms*

Activity group	Fee payable	
G.10	Minimum fee (£)	1,726 <u>1,833</u>
	£ million or part £ million of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	35.00 <u>11.30</u>

4A **TPR funds periodic fees for the period from 1 April ~~2021~~ 2022 to 31 March**
Annex **~~2022~~ 2023**
2R

Part 1

Scheme type	Basic fee (£)	Total funds/sub-funds aggregate	Fee (£)
<i>EEA UCITS</i> scheme recognised under Part 6	350.00 <u>307.50</u>	1-2	350.00 <u>307.50</u>

of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018	3-6	875.00 <u>768.75</u>
	7-15	1,750.00 <u>1,537.50</u>
	16-50	3,850.00 <u>3,382.50</u>
	>50	7,700.00 <u>6,765.00</u>
<p>Note: Schemes are charged according to the number of funds or sub-funds which a TP firm is operating and marketing in the UK as at 31 March immediately before the start of the period to which the fee applies. For example, for 2019/20 fees a reference to 31 March means 31 March 2019.</p>		

Part 2

Scheme type	Fee (£)
<i>EEA AIF, EuVECA, EuSEF, or EEA ELTIF LTIF</i> which may be marketed in the UK under Part 9A of The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018	344 <u>365</u>

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5 Financial Ombudsman Service Funding

5.1 Application and Purpose

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5.1.1C R This chapter applies to a *TP firm*. This *rule* demonstrates the contrary intention under *GEN 2.2.26R*.

...

5 Annual General Levy Payable in Relation to the Compulsory Jurisdiction for ~~2021/22~~ 2022/2023

Annex 1R

Introduction: annual budget

1. The *annual budget* for ~~2021/22~~ 2022/23 approved by the *FCA* is £260.2m.
2. The total amount expected to be raised through the *general levy* in ~~2021/22~~ 2022/23 will be ~~£96.0m~~ £106m.

Compulsory jurisdiction - general levy

Industry block	Tariff base	General levy payable by firm
1-Deposit acceptors, <i>home finance providers</i> , <i>home finance administrators</i> (excluding <i>firms</i> in block 14) and <i>dormant account fund operators</i>	Number of accounts relevant to the activities in <i>DISP</i> 2.6.1R as at 31 December In the case of <i>dormant account fund operators</i> , the tariff base is the number of eligible activated accounts (8).	£0.12010 <u>£0.1510</u> per relevant account, subject to a minimum levy of £100
2-Insurers - general (excluding <i>firms</i> in blocks 13 & 15)	Gross written premium for fees purposes (GWP) as defined in <i>FEES</i> 4 Annex 1AR; or Relevant gross written premium (RGWP) notified to the <i>FCA</i> under <i>FEES</i> 5.4.1R(1A).	£0.414 <u>£0.434</u> per £1,000 of GWP or RGWP, subject to a minimum levy of £100
3-The <i>Society</i> (of Lloyd's)	Not applicable	£94,255 <u>£104,739</u> to be allocated by the <i>Society</i>
4. Insurers - life (excluding <i>firms</i> in block 15)	Gross written premium for fees purposes (GWP) as defined in <i>FEES</i> 4 Annex 1AR; or Relevant gross written premium (RGWP) notified to the <i>FCA</i> under <i>FEES</i> 5.4.1R(1A).	£0.0334 <u>£0.0509</u> per £1,000 of GWP or RGWP, subject to a minimum levy of £130
5. Portfolio managers (including those holding <i>client money</i> /assets and not	Flat fee	Levy of £210

holding <i>client money/assets</i>)		
6. Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	Flat fee	Levy of £60
7. Dealers as principal	Flat fee	Levy of £75
8-Advisors, <i>arrangers</i> , dealers or brokers holding and controlling <i>client money</i> and/or assets	Annual income as defined in <i>FEES</i> 4 Annex 11A relating to <i>firm's relevant business</i> .	£0.466 <u>£0.630</u> per £1,000 of annual income subject to a minimum fee of £45
9-Advisors, <i>arrangers</i> , dealers or brokers not holding and controlling <i>client money</i> and/or assets	Annual income as defined in <i>FEES</i> 4 Annex 11A relating to <i>firm's relevant business</i> .	£0.330 <u>£0.443</u> per £1,000 of annual income subject to a minimum fee of £45
10-Corporate finance advisers	Flat fee	Levy of £55
11- <i>fee-paying payment service providers</i> (but excluding <i>firms</i> in any other Industry block except Industry block 18)	For <i>authorised payment institutions, registered account information service providers, electronic money issuers</i> (except for <i>small electronic money institutions</i>), the Post Office Limited, the Bank of England, government departments and local authorities, and <i>TA EMI firms, TA PI firms</i> and <i>TA RAISP firms</i> , relevant income as described in <i>FEES</i> 4 Annex 11 Part 3.	£0.0039 <u>£0.0044</u> per £1,000 of relevant income subject to a minimum levy of £75
	For <i>small payment institutions</i> and <i>small electronic money institutions</i> a flat fee.	Levy of £35

13-Cash plan health providers	Flat fee	Levy of £65
14- <i>Credit unions</i>	Flat fee	Levy of £55
15- <i>Friendly societies</i> whose tax-exempt business represents 95% or more of their total relevant business	Flat fee	Levy of £65
16- <i>Home finance providers, advisers and arrangers</i> (excluding <i>firms</i> in blocks 13, 14 & 15)	Flat fee	Levy of £85
17 - General insurance distribution (excluding <i>firms</i> in blocks 13, 14 & 15)	<i>Annual income</i> (as defined in <i>MIPRU</i> 4.3) relating to <i>firm's</i> relevant business.	£0.796 £0.870 per £1,000 of <i>annual income</i> (as defined in <i>MIPRU</i> 4.3) relating to <i>firm's</i> relevant business subject to a minimum levy of £100
18 - <i>fee-paying electronic money issuers</i>	For all <i>fee-paying electronic money issuers</i> except for <i>small electronic money institutions</i> , and <i>TA EMI firms</i> , average outstanding <i>electronic money</i> , as described in <i>FEES</i> 4 Annex 11 Part 3.	£0.0001 per £1,000 of average outstanding electronic money subject to a minimum levy of £40
	For <i>small electronic money institutions</i> , a flat fee	Levy of £50
19 - <i>Credit-related regulated activities</i> with <i>limited permission</i>	For <i>not-for-profit debt advice bodies</i> , a flat fee	Levy of £0
	For all other <i>firms</i> with <i>limited permission</i> , a flat fee	Levy of £35
20 - <i>Credit-related regulated activities</i>	<i>Annual income</i> as defined in <i>FEES</i> 4 Annex 11BR	Levy of £35

		Plus £1.177 <u>£1.126</u> per £1,000 of annual income on income above £250,000
21 - <i>CBTL firms</i> that do not have <i>permission</i> to carry out any <i>regulated activities</i>	Flat fee	Levy of £35
22 - <i>designated credit reference agencies</i> (but excluding <i>firms</i> in any other <i>industry block</i>)	Flat fee	Levy of £75
23 – <i>designated finance platforms</i> (but excluding <i>firms</i> in any other <i>industry block</i>)	Flat fee	Levy of £75
24 <i>claims management companies</i>	Annual income	Levy of £50 plus £1.45 <u>£0.94</u> per £1,000 of annual income

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7A SFGB levies

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7A SFGB money advice levy for the period from 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023
Annex 1R

Part 1

This table shows the *SFGB money advice levy* applicable to each activity group (fee-block).

Activity group	SFGB money advice levy payable	
A.1	Band Width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
	>10	1.114 <u>0.949</u>
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)

	>50	0.601 <u>0.455</u>
A.3	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>0.5	26.73 <u>22.33</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
	>1	1.47 <u>1.24</u>
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	12.85 <u>13.25</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	0.74 <u>0.764</u>
A.5	Band Width (£ million of Active Capacity (AC))	Fee (£/£m or part £m of AC)
	>50	0.00
A.6	Flat levy	0.00
A.7	For class 1(c), (2), (3) and (4) <i>firms</i> :	
	Band Width (£ million of Funds under Management (FuM))	Fee (£/£m of part £m of FuM)

	>10	0.105 <u>0.086</u>
	For class 1(B) <i>firms</i> : the fee calculated as for class 1(C) firms above, less 15%.	
	For class 1(A) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 50%.	
	Class 1(A), (B) and (C) firms are defined in FEES 4 Annex 1AR.	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m of part £m of GI)
	>1	80.64 <u>100.61</u>
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	149.02 <u>126.20</u>
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0515 <u>0.0499</u>
	For a <i>professional firm</i> in A.13 the fee is calculated as above less 10%.	
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.024 <u>0.020</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee ((£/£ thousand or part £ thousand of AI)
	>100	0.177 <u>0.147</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0289 <u>0.0221</u>
A.21	Band Width (£ <i>client money</i>) (CM) held	Fee (£/£ millions or part £m of CM)
	less than £1 million	1.602 <u>1.266</u>

	an amount equal to or greater than £1 million but less than or equal to £1 billion	1.202 <u>0.950</u>
	more than £1 billion	0.801 <u>0.633</u>
	PLUS	
	<i>Safe custody assets</i>	
	Band Width (£ <i>safe custody assets</i>) (CA) held	Fee (£/£ millions or part £m of CA)
	less than £10 million	0.0069 <u>0.0045</u>
	an amount equal to or greater than £10 million and less than or equal to £100 billion	0.0052 <u>0.0034</u>
	more than £100 billion	0.0035 <u>0.0023</u>
G.3	Minimum fee (£)	10
	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	0.0230 <u>0.0264</u>
G.4	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	2.62 <u>2.84</u>
G.11	Flat fee (£)	10
CC.1	Minimum fee (£)	10
	£ thousand of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0691 <u>0.0982</u>
CC.2	Minimum fee (£)	10

	£ thousands of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0691 <u>0.0982</u>
Notes		
(1) The definitions of fee-blocks G5 and G10 under Part 2 and Part 2A of <i>FEES 4 Annex 11R</i> are modified, for the purposes of <i>FEES 7A</i> so that they exclude the Bank of England, government departments, local authorities, municipal banks and the National Savings Bank.		
(2) The definitions of those fee-blocks are further amended to exclude <i>EEA firms</i> and those which hold a <i>Part 4A permission</i> .		

Part 2	
(1)	This part sets out the minimum <i>SFGB money advice levy</i> applicable to the <i>firms</i> specified in (3) below.
(2)	The minimum <i>SFGB money advice levy</i> payable by any <i>firm</i> referred to in (3) is £10.
(3)	A <i>firm</i> is referred to in this paragraph if it falls within the following activity groups: A.1; A.2; A.3 (excluding <i>UK ISPVs</i>); A.4; A.5; A.7; A.9; A.10; A.12; A.13; A.14; A.18; A.19; G.3 and G.10.

**7A SFGB debt advice levy for the period from 1 April ~~2021~~ 2022 to 31
Annex ~~March 2022~~ March 2023
2R**

...

Part 4

This table shows the tariff rates applicable to each of the fee-blocks set out in Part 1.

Activity group	SFGB debt advice levy payable	
A.2 Home finance providers and administrators	Band width (£million of secured debt) >0	Fee (£/£m or part £m of secured debt) 28.88 <u>30.95</u>
CC.3 Consumer credit lending	Band width (£million of value of lending) >0 (Note 1)	Fee (£/£m or part £m of value of lending) 163.44 <u>190.45</u>

Notes
(1) <i>Credit unions and community finance organisations</i> do not pay any <i>SFGB debt advice levy</i> on the first £2,000,000 of value of lending.
(2) The additional fee in column 4 must be paid in addition to the fee in column 3.

7A
Annex
3R

SFGB pensions guidance levy for the period 1 April ~~2021~~ 2022 to 31 March 2022 2023

Activity group	SFGB pensions guidance levy payable	
A.1	Band width (£ million of modified eligible liabilities (MELs)) >10	Fee (£/£m or part £m of MELS) 1.337 <u>3.079</u>
A.4	Band width (£ million of gross written premium for fees purposes (GWP)) >1	Fee (£/£m or part £m of GWP) 37.80 <u>89.28</u>
A.7	For class 1(B), 1 (C), (2) and (3) firms: Band width (£ million of funds under management (FuM)) >10	Fee (£/£m or part £m of FuM) 0.4363 <u>0.986</u>
A.9	Band width (£ million of gross income (GI)) >1	Fee (£/£m or part £m of GI) 310.37 <u>569.17</u>

A.13	Band width (£ thousands of annual income (AI)) >100	Fee (£/£ thousand or part of £ thousand of AI) 0.0779 <u>0.1636</u>
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7B The DA levy

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7B DA levy for the period from 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023**Annex
1R**

...

Part 4

This table shows the tariff rates applicable to each of the fee-blocks set out in Part 1.

Activity group	DA levy payable	
A.2 Home finance providers and administrators	Band width (£million of secured debt) >0	Fee (£/£m or part £m of secured debt) 4.748 <u>3.962</u>
CC.3 Consumer credit lending	Band width (£million of value of lending) >0 (Note 1)	Fee (£/£m or part £m of value of lending) 26.88 <u>24.39</u>
Notes <u>Note:</u> <i>Credit unions and community finance organisations do not pay any DA levy on the first £2,000,000 of value of lending.</i>		

7C Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) – Single Financial Guidance Body Levy

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7C **TPR SFGB money advice levy for the period from 1 April ~~2021~~ 2022 to 31**
 Annex **March ~~2022~~ 2023**
 1R

This table shows the *TPR SFGB money advice levy* applicable to each activity group (fee-block).

Activity group	TPR SFGB money advice levy payable	
Part 1 <i>TP firms</i>		
A.1	Band Width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
	>10	1.114 <u>0.949</u>
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)
	>50	0.601 <u>0.949</u>
A.3	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>0.5	26.73 <u>22.33</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
>1	1.47 <u>1.24</u>	
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	12.85 <u>13.25</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	

	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	0.74 <u>0.764</u>
A.7	For class 1(C), (2), (3) and (4) firms:	
	Band Width (£ million of Funds under Management (FuM))	Fee (£/£m of part £m of FuM)
	>10	0.105 <u>0.086</u>
	Class 1(A), (B) and (C) firms are defined in FEES 4 Annex 1AR.	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m of part £m of GI)
	>1	80.64 <u>100.61</u>
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	149.02 <u>126.20</u>
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0515 <u>0.0499</u>
	For a <i>professional firm</i> in A.13 the fee is calculated as above less 10%.	
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0240 <u>0.020</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee ((£/£ thousand or part £ thousand of AI)
	>100	0.177 <u>0.147</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0289 <u>0.0221</u>
CC.2	Minimum fee (£)	10
	£ thousands of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)

	>250	0.0691 <u>0.0982</u>
Part 2 <i>TA PI firms</i> and <i>TA RAISP firms</i>		
G.3	Minimum fee (£)	10
	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	0.0230 <u>0.0264</u>
Part 3 <i>TA EMI firms</i>		
G.10	Minimum fee (£)	10
	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	2.62 <u>2.84</u>
Part 4		
<p>(1) This Part sets out the minimum <i>TPR SFGB money advice levy</i> applicable to the <i>TPR firms</i> specified in (3) below.</p> <p>(2) The minimum <i>TPR SFGB money advice levy</i> payable by any <i>firm</i> referred to in (3) is £10.</p> <p>(3) A <i>TP firm</i> is referred to in this paragraph if it falls within the following activity groups: A.1; A.2; A.3; A.4; A.7; A.9; A.10; A.13; A.14; A.18; and A.19.</p>		

7C
Annex
2R

TPR SFGB debt advice levy for the period from 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023

This table shows the *TPR SFGB debt advice levy* applicable to each activity group (fee-block).

...

Part 4

This table shows the tariff rates applicable to each of the fee-blocks set out in Part 1.

Activity group	TPR SFGB debt advice levy payable	
A.2 Home finance providers and administrators	Band width (£million of secured debt)	Fee (£/£m or part £m of secured debt)

	>0	28.88 <u>30.95</u>
CC.3 Consumer credit lending	Band width (£million of value of lending)	Fee (£/£m or part £m of value of lending)
	>0 (Note 1)	163.44 <u>190.45</u>
Note		
(1) <i>Credit unions and community finance organisations</i> do not pay any <i>TPR SFGB debt advice levy</i> on the first £2,000,000 of value of lending.		

7C **TPR SFGB pensions guidance levy for the period 1 April ~~2021~~ 2022 to 31**
Annex **March ~~2022~~ 2023**
3R

This table shows the *TPR SFGB pensions guidance levy* applicable to each activity group (fee-block).

Activity group	TPR SFGB pensions guidance levy payable	
<i>TP firms</i>		
A.1	Band width (£ million of modified eligible liabilities (MELs))	Fee (£/£m or part £m of MELS)
	>10	1.337 <u>3.079</u>
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	37.80 <u>89.28</u>
A.7	For class 1(B), 1 (C), (2) and (3) firms:	
	Band width (£ million of funds under management (FuM))	Fee (£/£m or part £m of FuM)

	>10	0.4363 <u>0.986</u>
A.9	Band width (£ million of gross income (GI))	Fee (£/£m or part £m of GI)
	>1	310.37 <u>569.17</u>
A.13	Band width (£ thousands of annual income (AI))	Fee (£/£ thousand or part of £ thousand of AI)
	>100	0.0779 <u>0.1636</u>

7D Temporary Permissions Regime (TPR) – Devolved Authorities levy

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7D Annex 1R TPR DA levy for the period from 1 April ~~2021~~ 2022 to 31 March ~~2022~~ 2023

...

Part 1

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Part 4

This table shows the tariff rates applicable to each of the fee-blocks set out in Part 1.

Activity group	TPR DA levy payable	
A.2 Home finance providers and administrators	Band width (£ million of secured debt)	Fee (£/£m or part £m of secured debt)
	>0	4.748 <u>3.962</u>
CC.3 Consumer credit lending	Band width (£ million of value of lending)	Fee (£/£m or part £m of value of lending)
	>0 (Note 1)	26.88 <u>24.39</u>

Note

(1) *Credit unions and community finance organisations* do not pay any *TPR DA levy* on the first £2,000,000 of value of lending.

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13 Illegal money lending levy

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13 Annex 1R Illegal money lending (IML) levy for ~~2021/22~~ 2022/23

Limited permission (fee-block CC1):	£5 flat rate	
Full authorisation (fee-block CC2):	Up to £250,000 consumer credit income:	£10
	Over £250,000 consumer credit income:	£10 + 0.240 <u>0.259</u> per £1,000

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13A Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) - Illegal money lending levy

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13A Annex 1R TPR illegal money lending (IML) levy for ~~2021/22~~ 2022/23

Activity group	Description	Fee (£)
Activity group CC2. Credit-related regulated activities:	Up to £250,000 consumer credit income:	10
	Over £250,000 consumer	10 + £0.240 <u>£0.259</u> per £1,000

	credit income:	
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App 2 Office for Professional Body Anti-money laundering Supervision fees

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**App 2 Periodic fees imposed under Regulation 27 of the OPBAS Regulations: tariff
Annex 2 base, review date, tariff rates**

...

Part 3

This table sets out the tariff rates applicable to **professional body supervisors**.

Fee payable in relation to 2021/22 <u>2022/23</u>	Amount payable (£)
Minimum fee, payable by all professional body supervisors subject to the OPBAS Regulations .	£5000 <u>£5,310</u>
Variable fee, payable by professional body supervisors where the number of supervised individuals is 6,000 or more.	£32.83 <u>£39.69</u> multiplied by the total number of supervised individuals in excess of the threshold of 6,000. [See Note]
[Note: reference to “the number of supervised individuals” is to those supervised individuals calculated in accordance with Part 1.]	

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App 3 Fees payable by persons registered under the Money Laundering Regulations that are not cryptoasset businesses

App 3.1 Fees for persons registered under the Money Laundering Regulations that are not cryptoasset businesses

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App 3.1.2	(1)	Registration fee:		
		£100		
	(2)	Periodic fee:		
		Activity group	Fee-payer falls in the activity group if:	Fee payable in <u>2021/22</u> <u>2022/23</u>
		G.1	it is registered with the <i>FCA</i> under the <i>Money Laundering Regulations</i> or any predecessor legislation and it is not an <i>authorised person</i> or a <i>cryptoasset business</i> or otherwise registered with the <i>FCA</i> .	£1,000 <u>£1,062</u>

[**Note:** Regulation 102 of the *Money Laundering Regulations*]

App 4 Fees payable by cryptoasset businesses registered under the Money Laundering Regulations

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App 4 Periodic fees payable by cryptoasset businesses registered under the Money Annex 2 Laundering Regulations

[**Note:** Regulation 102 of the *Money Laundering Regulations*]

(1) This table sets out the tariff base relating to the fee-block for *cryptoasset businesses* registered with the *FCA* under the *Money Laundering Regulations*. The tariff base in this Part is the means by which the *FCA* calculates the annual periodic fee payable to it by a *cryptoasset business* registered with the *FCA* under the *Money Laundering Regulations*.

Fee-block	Fee-payer	Tariff base	Valuation date
G.23	<i>Cryptoasset business</i> registered with the <i>FCA</i> under the <i>Money Laundering Regulations</i>	Annual income, as defined in <i>FEES</i> Appendix 4 Annex 3	The business's financial year ended in the calendar year ending 31 December before the start of the period to which the fee applies

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(2) This table sets out the tariff rates applicable to *cryptoasset businesses* registered with the FCA under the *Money Laundering Regulations*.

Tariff rates in relation to 2021/22 <u>2022/23</u>	
Fee payable	Amount payable
Minimum fee, payable by all <i>cryptoasset businesses</i>	£[] <u>£2,000</u>
Variable fee, payable in addition to the minimum fee, on income above £100,000	£[] <u>£4.03</u> per £1,000 or part-£1,000

