# FCA regulated fees and levies 2019/20: Including feedback on CP19/16 and 'made rules'

**Policy Statement**

PS19/19

July 2019

# This relates to

In this Policy Statement we report on the main issues arising from Consultation Paper 19/16 FCA regulated fees and levies: Rates proposals 2019/20 and publish the final rules which is available on our website at www.fca.org.uk/publications

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# 1 Overview

## Introduction

1.1 We are publishing the 2019/20 periodic regulatory fees and levies for the:

- Financial Conduct Authority (FCA)
- Financial Ombudsman Service general levy
- Money and Pensions Service (formerly the Single Financial Guidance Body)
- Devolved Authorities
- Illegal money lending levy

1.2 We are also publishing our feedback on the responses received to the consultation on the draft fees and levies rules in CP19/16 'FCA Regulated fees and levies: Rates proposals 2019/20', published on 17 April 2019. The consultation period for CP19/16 closed on 29 May 2019.

## Who this affects

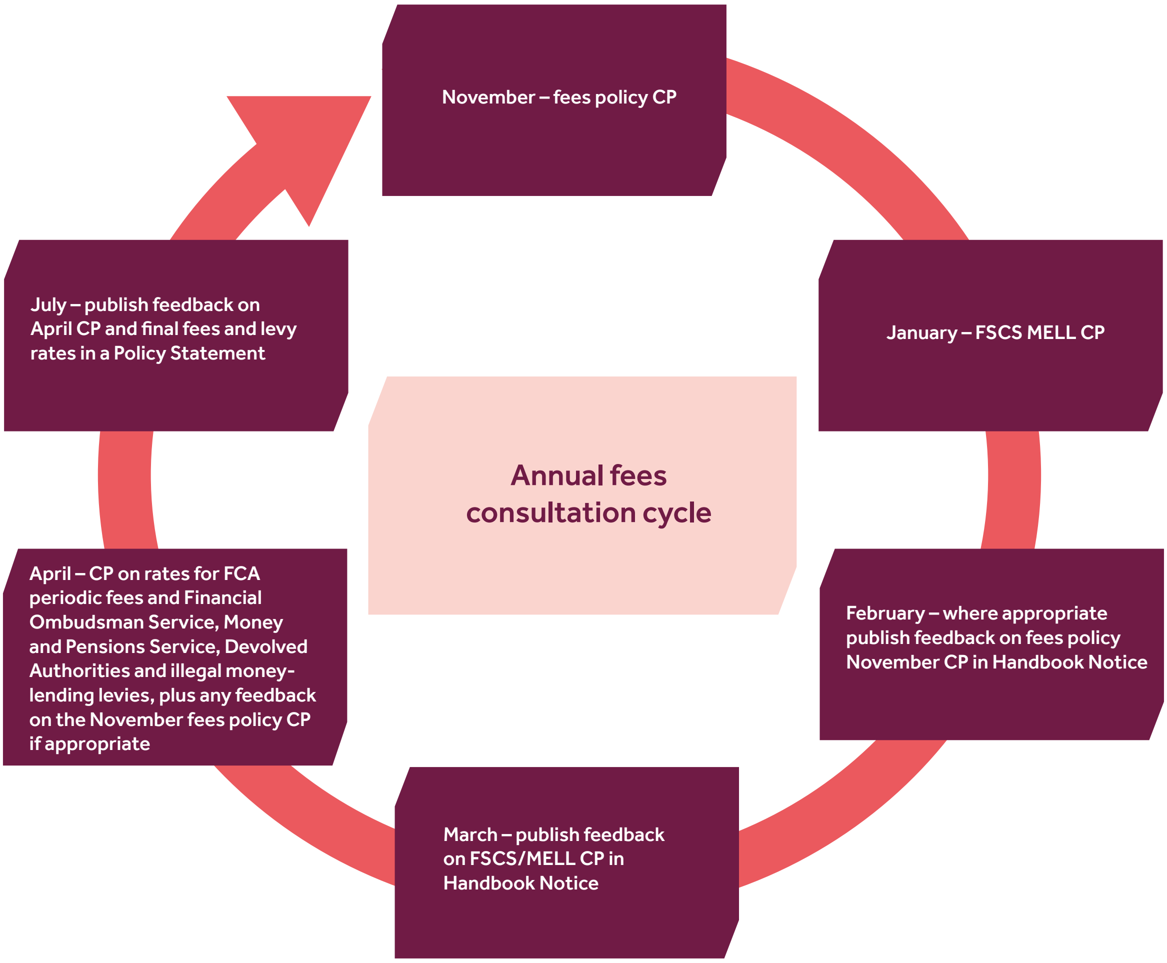
1.3 All fee-payers will be affected by this Policy Statement (PS). Table 1.1 at the end of this chapter will help fee payers identify which chapters relate to them.

## Relevance to consumers

1.4 This PS is not directly relevant to retail financial services consumers or consumer groups, although fees are indirectly met by financial services consumers.

## Context

**1.5** Generally, our annual fees consultation follows this cycle:




- November - we consult on any changes to the policy on how fees and levies are raised. We give feedback on the responses received to this consultation in the following February Handbook Notice or the April Consultation Paper (CP).
- January - we consult on the Financial Services Compensation Scheme (FSCS) management expenses levy limit (MELL). This is a joint consultation with the Prudential Regulation Authority (PRA). We give feedback on responses received in the March Handbook Notice.
- April - we consult on FCA periodic fees rates for the 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, Money and Pensions Service, Devolved Authorities and illegal money-lending levies for the financial year.
- July - we publish feedback on the responses to the April CP together with final fees and levy rates in a policy statement.

## Summary of feedback and our response

**1.6** We received 10 responses to CP19/16. The non-confidential respondents are listed in Annex 1.

**1.7** A full breakdown of the 'A' to 'G' and 'CC' (consumer credit) fee-blocks referred to in this section is in Table 2.2 of Chapter 2.

### Responses to FCA periodic fees

**1.8** We received 10 responses, of which 6 commented on the FCA proposed fees.

**1.9** In Chapter 2 of this PS, we give feedback on the responses to Chapters 2 and 3 of CP19/16, covering fee rates for authorised firms - the 'A' and 'CC' (consumer credit) fee-blocks.

Some respondents generally commented on controlling our costs. One trade body recognised our efforts to keep our base budget flat in real terms with another taking the view that this demonstrates a lack of appetite for us to cut costs.

**Our response**

We are committed to delivering a base budget that is flat in real terms. Looking back over the past four years we have met that commitment. The annual movement in our base budget being either in line with inflation or below it.

Our annual funding requirement reflects our base budget and the additional costs arising from the government giving us new areas of responsibility (scope change). These scope change costs are allocated to the fee-blocks most affected.

We continue to be committed to operating economically, efficiently and effectively to deliver value for money. For doing so we are accountable to the Treasury and Parliament through our Annual Report and Accounts.

**1.10** Chapter 2 gives further detail on the responses and our feedback and also on other more specific areas:

- allocation of our AFR to the mortgage fee-blocks
- A.1 deposit acceptors fee-block - tariff base

**1.11** In Chapter 3, we give feedback on the responses to the proposed fee rates for the 'B' to 'G' fee-blocks. We only received one response, which commented on the proposed fee rates for recognised investment exchanges part of the market infrastructures B fee-block.

## Responses to FCA further fees policy proposal

**1.12** In CP19/16 we proposed a clarification of the definition of income we use as the tariff base measure in calculating the fees for regulated benchmark administrators. As set out in chapter 5 of this PS we received one response which supported the clarification.

## Responses on Financial Ombudsman Service general levy

**1.13** In Chapter 6 of this PS, we provide feedback on the responses to CP19/16. In Chapter 7 of that CP we consulted on the 2019/20 fee rates for firms in the compulsory jurisdiction (CJ) of the Financial Ombudsman Service ('the ombudsman service') and set out the proposed fee rates for firms in each industry block.

**1.14** Responses included comments on the increase for consumer credit firms in fee block I020 and the increase in the general levy needed by the ombudsman service for scaling up.

**1.15** Chapter 6 gives further detail on the responses and our feedback.

## Responses on Money and Pensions Service levies

**1.16** In Chapter 7 we give feedback on the responses to the proposed levy rates for the Money and Pensions Service (formerly the Single Financial Guidance Body). Of the 10 responses we received to CP19/16, 2 commented on the money guidance levy, 6 commented on the debt advice levy, and 1 commented on the pensions guidance levy. Chapter 7 gives further detail on the responses and our feedback.

## Responses to Devolved Authorities levy

**1.17** In Chapter 8 we give feedback on the responses to the proposed rates for the Devolved Authorities' debt advice levy. Of the 10 responses, we received to CP19/16, 3 commented on the Devolved Authorities' debt advice levy. Chapter 8 gives further detail on the responses and our feedback.

## Responses to Illegal Money Lending levy

**1.18** In Chapter 9, we give feedback on the response to the proposed illegal money lending (IML) levy rates. A trade body questioned why this levy is only recovered from consumer credit firms. We repeat our feedback to the consultation carried out when the IML levy was first introduced in 2017/18. Consumer credit firms directly benefit from effective policing of the perimeter. This is not the case for firms operating in other financial services markets.

## Compatibility statement

**1.19** The rules we have now made are not substantially different from those proposed in Appendix 1 and 2 of CP19/16, except for some periodic fee rates, as explained in Chapters 2, 3 and 9. These changes do not alter the compatibility statements we published with CP19/16.

**1.20** Annex 2 of CP19/16 included a statement that we did not expect the proposals that we consulted on to have a significantly different impact on mutual societies when compared to other authorised persons. In our opinion, the changes to the proposals set out in this PS do not alter this assessment.

## Equality and diversity considerations

**1.21** Overall, we do not think that the proposals in this PS adversely impact any of the groups with protected characteristics under the Equality Act 2010 ie age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment.

## Next steps

### What you need to do next

**1.22** We highlighted in CP19/16 that fee-payers should be aware of how the draft fee rates and levies in Appendix 1 and 2 of CP19/16 were calculated. We used estimated fee-payer populations and tariff data (measures of size), which we highlighted may change when the final fee rates are calculated in June 2019.

**1.23** Table 2.3 in Chapter 2 shows the estimated firm populations and tariff data contained in CP19/16 and the actual figures used to calculate the final fees rates. It also shows the annual movements in the draft fee rates contained in CP19/16 and the annual movements in the final fee rates in Appendix 1 and 2 of this PS.

**1.24** In the case of the 'B' to 'G' fee-blocks covered in Chapter 3, we have highlighted where final fee rates have changed since the draft rates in CP19/16.

**1.25** Firms can use our online fees calculator to calculate their individual fees based on the final rates in this PS. This includes FCA periodic fees and the Financial Ombudsman Service, Money and Pensions Advice Service, Devolved Authorities and illegal money lending levy final rates in Appendix 1and 2(where applicable) of this PS.

**1.26** The fees calculator will also cover PRA (where applicable) fees and FSCS levies.

### What we will do

**1.27** We will invoice fee-payers from July 2019 onwards for their 2019/20 periodic fees and levies.

*Table 1.1: Fee- payers affected by the final 2019/20 fees and levies rates rules in this PS and the feedback provided to the responses to CP19/16*

| Issue | Fee payers affected | Chapter |
|---|---|---|
| **FCA** | | |
| Periodic fee rates | Authorised firms:<br>• the 'A' and 'CC' (consumer credit) fee blocks; and<br>• Claims Management Companies | 2 |
| | All fee payers except authorised firms – fee-blocks B to G | 3 |
| Applying financial penalties and revising the Financial Penalty Scheme | Fee payers listed in Table 4.1 in Chapter 4 | 4 |
| **Further FCA fees policy proposal** | | |
| Definition of income for Regulated Benchmark Administrators (RBAs) | RBAs that pay fees in the B fee-block | 5 |
| **Financial Ombudsman Service** | | |
| General levy rates | Firms subject to the Financial Ombudsman Service general levy | 6 |
| **Money and Pensions Service** | | |
| Money guidance levy | • Firms subject to money guidance levies – authorised firms, payment institutions and electronic money issuers<br>• Consumer credit firms in the CC1(limited permission) and CC2 (full permission) fee-blocks | 7 |
| Debt advice levy | • Firms subject to debt advice levies – firms in fee-blocks A.2 (home finance providers and administrators) and CC3 (consumer credit lending) | 7 |
| Pensions guidance levy | Firms in the following fee blocks:<br>• A.4 insurers – life<br>• A.7 portfolio managers<br>• A.9 managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes<br>• A.13 advisors, arrangers, dealers or brokers | 7 |
| **Devolved Authorities' debt advice levy** | | |
| | Firms subject to debt advice levies – firms in fee-blocks A.2 (home finance providers and administrators) and CC3 (consumer credit lending) | 8 |
| **Illegal money lending levy** | | |
| Recovering the Treasury's expenses for tackling illegal money lending | All firms with credit-related permissions | 9 |
| **Final 2019/20 fee rate rules** | | |
| Periodic Fees (2019/20) and Other fees Instrument 2019 (made rules) | Fee payers that pay FCA fees and Financial Ombudsman Service general levy, Money and Pensions Service levies, Devolved Authorities' debt advice levy and Illegal money lending levy. | Appendix 1 |
| Periodic Fees (2019/20) and Other fees (EU Exit) Instrument 2019 (made rules) | Fee-payers that would pay the same Appendix 1 fees and levies but under the Temporary Permissions Regime and the Financial Services Contracts Regime if on the 31 October 2019, the UK leaves the European Union without an agreement or transition period. | Appendix 2 |

# 2 FCA periodic fees for authorised firms

(FEES 4 Annex 2AR final rules in Appendix 1 and FEES 4A Annex 1R - final rules in Appendix 2)

**2.1** In this chapter:

- We confirm our 2019/20 annual funding requirement (AFR) and allocation across all fee-blocks.
- We give feedback on the responses to Chapters 2 and 3 of Consultation Paper (CP)19/16, in which we consulted on draft fee rates for authorised firms – the 'A' and 'CC' (consumer credit) fee-blocks.
- We highlight the changes between the draft fees rates in CP19/16 and the final rates contained in Appendix 1 and 2. These changes arise from movements between the estimated fee-payer populations and tariff data (measure of size as a proxy for risk) used to calculate the draft fee rates in CP19/16 and those used to calculate the final fee rates in Appendix 1 and 2 of this Policy Statement (PS).

## Annual funding requirement

**2.2** Our total 2019/20 Annual Funding Requirement (AFR) remains unchanged from CP19/16 at £558.5m an increase of 2.7%. Our AFR includes our ongoing regulatory activities (ORA) budget, the costs we need to recover for changes to our regulatory responsibilities (scope change) and costs related to European Union (EU) withdrawal.

**2.3** We are committed to delivering an ORA budget that is flat in real terms, subject to any changes in our wider ongoing regulatory responsibilities. The 2% increase in our ORA to £537.7m has met this commitment for 2019/20. Table 2.1 confirms the breakdown of our 2019/20 AFR and final financial penalty rebate.

***Table 2.1: 2019/20 AFR breakdown***

| | 2019/20 £m | 2018/19 £m | Movement £m | Movement % |
|---|---|---|---|---|
| Ongoing regulatory activities (ORA) budget | 537.7 | 527.2 | 10.5 | 2.0% |
| Scope change recovery | 15.8 | 16.7 | -0.9 | -5.4% |
| EU withdrawal costs | 5.0 | 5.0 | 0.0 | 0.0% |
| ORA reserves utilised | | (5.0) | | |
| **AFR recovery** | **558.5** | **543.9** | **14.6** | **2.7%** |
| Financial penalty rebate (i) | (47.5) | (47.0) | -0.5 | 1.1% |
| Fees payable | **511.0** | **496.9** | **14.1** | **2.8%** |

Note: (i) The £47.5m rebate in 2019/20 represents the final amount of the 2018/19 financial penalties we can retain to cover 2018/19 enforcement costs (CP19/16 included an estimate of £48.6m). The £47.5m is applied as a rebate against 2019/20 periodic fees in accordance with our financial penalty scheme as set out in Chapter 4.

## AFR allocation across fee-blocks

**2.4** Our policy for allocating the AFR across fee-blocks is to maintain an even distribution of increases or decreases other than where for individual fee-blocks there have been material and explainable exceptions (allocation by exception).

**2.5** The exceptions to an even distribution of the 2.7% increase in our 2019/20 AFR we proposed in CP19/16 covered:

- £15.8m - scope change recovery
- £5.0m - EU withdrawal costs
- £0.6m - Securitisation Regulation set-up costs (part of the £537.7m base ORA in table 2.1)

**2.6** We gave detail on each of these allocation exceptions and other material allocation changes (D, F and H fee-blocks) in Chapter 2 of CP19/16.

**2.7** Table 2.2 confirms that the allocation across fee-blocks of the 2.7% increase in our AFR is the same as CP19/16.

***Table 2.2: 2019/20 AFR allocation across fee-blocks***

| AFR allocations to fee-blocks | (i) | Actual 2019/20 £m | Actual 2018/19 £m | Movement over 2018/19 |
|---|---|---|---|---|
| A.0 FCA minimum fee | Solo | 21.4 | 21.0 | 1.9% |
| AP.0 FCA prudential fee (ii) | Solo | 17.2 | 16.7 | 3.1% |
| A.1 Deposit acceptors | DR | 74.6 | 71.5 | 4.3% |
| A.2 Home finance providers and administrators | Solo | 17.9 | 17.2 | 4.1% |
| A.3 Insurers – general | DR | 26.6 | 25.7 | 3.3% |
| A.4 Insurers – life | DR | 44.6 | 43.2 | 3.4% |
| A.5 Managing agents at Lloyd's | DR | 0.2 | 0.2 | 2.6% |
| A.6 The Society of Lloyd's | DR | 0.4 | 0.3 | 2.8% |
| A.7 Portfolio managers | Solo | 46.3 | 46.6 | -0.7% |
| A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes | Solo | 12.0 | 11.6 | 3.1% |
| A.10 Firms dealing as principal (iii) | Solo & DR | 53.7 | 54.0 | -0.6% |
| A.13 Advisory arrangers, dealers or brokers | Solo | 79.4 | 80.3 | -1.1% |
| A.14 Corporate finance advisors | Solo | 14.5 | 14.7 | -1.5% |
| A.18 Home finance providers, advisers and arrangers | Solo | 17.6 | 16.9 | 4.0% |
| A.19 General insurance mediation | Solo | 29.0 | 28.1 | 3.4% |
| A.21 Firms holding client money or assets or both | Solo | 14.7 | 14.2 | 3.7% |
| CC1. Consumer credit – limited permission<br>CC2. Consumer credit – full permission | Solo | 39.8 | 38.7 | 3.0% |
| Claims Management Companies | Solo | 7.1 | 0.0 | n.a. |

| | | | | |
|---|---|---|---|---|
| B. Recognised investment exchanges, recognised overseas investment exchanges, operators of multilateral trading facilities, organised trading facilities, recognised auction platforms, service companies, regulated benchmark administrators, third country legal representatives, benchmark endorsers | Solo | 7.9 | 7.9 | -0.5% |
| C. Collective investment schemes | Solo | 2.5 | 2.4 | 3.4% |
| D. Designated professional bodies (DPBs) and professional body supervisors (OPBAS) | Solo | 1.9 | 2.5 | -22.7% |
| E. Issuers and sponsors of securities | Solo | 22.1 | 21.4 | 3.4% |
| F. Unauthorised mutuals | Solo | 0.0 | 1.7 | -100.0% |
| G. firms subject to: money laundering regulations; regulated covered bonds regulations; payment services regulations; electronic money regulations; firms undertaking consumer buy-to-let business; data reporting services providers; and third-party verification agents | Solo | 7.1 | 6.9 | 2.9% |
| H. FCA pensions guidance costs | n/a | 0.00 | 0.05 | -100.0% |
| **Total AFR** | | **558.5** | **543.9** | **2.7%** |

Notes:

(i) Solo = FCA solo-regulated fee-block activities. DR = fee-block activities that are dual-regulated by the FCA for conduct purposes and the PRA for prudential purposes.

(ii) 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.

(iii) 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.

n/a = Not applicable.

## Periodic fees for authorised firms – summary of proposals

2.8 In Chapter 3 of CP19/16, we proposed to:

- Increase the 2019/20 minimum and flat fees by 2% in line with our policy to link these fees to movements in our ORA.
- Continue keeping the variable fee rates for the consumer credit firms in the CC1 and CC2 fee-blocks unchanged in 2019/20. We expect that continuing to keep these fee rates unchanged will eliminate the consumer credit scope-change deficit by 2020/21. This is 6 years earlier than the 10 years originally planned (2026/27).
- Continue to apply a premium of 25% and 65% to the fee rates for medium-high and high impact firms respectively in the top 2 bands of the A.1 fee-block (Deposit acceptors).
- Continue to use bandings within the A.21 fee-block (firms holding client money or assets or both) based on the risk classifications we apply to firms in the Client Assets sourcebook (CASS).
- Continue to apply fees discounts for European Economic Area (EEA) passported-in branches. For all relevant fee-blocks the discount is 10%, except for A.19 (general insurance mediation) where the discount is 50%.

2.9 As part of our preparations should the UK exit the European Union (EU) without an agreement or transition period ('no-deal Brexit') on the 31 October 2019, we proposed that EEA firms that enter the Temporary Permissions Regime (TPR) or Supervised run-off (SRO) would continue:

- to receive fees discounts in the case of firms that previously passported into the UK as branches
- not to pay any periodic fees in the case of firms that previously passported into the UK on a services basis

**2.10** We also proposed that we would continue to apply fees discounts for Gibraltar-based firms who in the event of a no-deal Brexit will be able to continue to passport into the UK on the same basis as they had before the 31 October 2019. We stated that we would consult on the rules that would give effect to this in our June 2019 Quarterly Consultation Paper (QCP). QCP No 24 was published 7 June 2019 and the consultation period closes on 7 August 2019. Subject to the responses we receive we are scheduled to publish the final rules and feedback statement in our September 2019 Handbook Notice.

**2.11** The draft fee rates were in Appendix 1 and 2 of CP19/16 and our online fees calculator was available to help firms calculate the proposed fees for 2019/20.

**2.12** We asked:

> **Q1:** ***Do you have any comments on the proposed FCA 2019/20 minimum fees and variable periodic fee rates for authorised firms?***

## Responses to proposals

**2.13** We received 10 responses, of which 5 commented on the proposals. Those who commented included: 4 trade bodies representing building societies, mortgage firms, debt collection/purchase firms, and wholesale market venues, platforms and arranging intermediaries; and 1 financial adviser firm. The comments covered:

- controlling our costs
- allocation of our AFR to the mortgage fee-blocks
- A.1 deposit acceptors fee-block – tariff base

### Controlling our costs

**2.14** One trade body commented that they had no objection to the scale of the increase in FCA periodic fees and recognised the efforts we have made to keep our fees relatively flat in real terms. They also expressed their expectation that consumer credit firms would see a reduction in their fees once the accelerated recovery of the regime's set-up costs is completed. The financial adviser firm also commented that their fee share was proportionate to the revenue generated by advisers.

**2.15** Another trade body commented that our commitment to maintain a flat ORA in real terms, subject to any changes in our wider ongoing responsibilities indicates that fees will never fall. They saw this as evidence of a lack of appetite to cut our costs. In their view, the costs of 'wider ongoing responsibilities' are generally met by other organisations from existing resources.

### Our response

Following rigorous business planning, we set our budget to fund our work programme. That work programme allows us to meet the priorities set out in our Business Plan. It also allows us to achieve our overall objective of ensuring that markets work well, and our 3 supporting objectives of protecting the consumer, promoting competition and enhancing the integrity of markets.

Over the past 4 years the movement in our base ORA has either been in line with inflation or below it as set out in the table below. In 2016/17 our ORA budget decreased.

| ORA movement | | Consumer Price Index annual inflation (source Office of National Statistics) | |
|---|---|---|---|
| 2016/17 | -1.6% | December 2015 | +0.2% |
| 2017/18 | +1.0% | December 2016 | +1.6% |
| 2018/19 | +3.0% | December 2017 | +3.0% |
| 2019/20 | +2.0% | December 2018 | +2.1% |

The increase in our AFR above the ORA increase reflects the recovery of the additional costs from changes in our regulatory scope (scope change projects). For example, the government giving us new areas of responsibility – consumer credit in the recent past, OPBAS last year and regulation of Claims Management Companies from this year. Scope change projects also include the set-up cost for implementing EU Directives.

We continue to be committed to operating economically, efficiently and effectively to deliver value for money. We are accountable to the Treasury and are required to report to them on, among other things, the extent that we have met the principles of good regulation. These include considering the need to use our resources in the most efficient and economical way. That report to Treasury is laid before Parliament, published as our Annual Report and Accounts, and discussed at our Annual Public Meeting.

## Allocation of our AFR to the mortgage fee-blocks

**2.16** A trade body representing mortgage firms was concerned about the annual escalation in mortgage related fees for a mature market which they consider does not require significant supervisory work and is working well for the vast majority of consumers. They highlighted that the 4.1% increase in costs was the highest across the fee-blocks and felt that it had not been adequately explained. Further, they did not understand why the £35.5m combined costs of the A.2 fee-block (mortgage providers) and A.18 (mortgage intermediaries) absorbs a disproportionate amount of the total fees payable, in particular the continuing increase in A.18.

### Our response

The mortgage fee-blocks 2019/20 year on year movements reflect that in 2018/19 we rebated part of the scope change costs for the Mortgage Credit Directive (MCD) allocated to those fee-blocks in 2017/18 (as explained in CP18/10 last year). Those fee-blocks benefited from that rebate in 2018/19 but as it is not repeated in 2019/20 the impact is to increase the year on year movement for 2019/20.

We spread the recovery of the MCD scoped change costs over several years and its impact of increasing fees for mortgage providers and intermediaries was for that period only. Before the start of that period (2015/16) the combined AFR allocation to A.2 and A.18 was £34.3m compared to £35.5m in 2019/20 a 3.5% increase compared to a 15.9% increase in our overall AFR. The proportion of our total AFR these fee-blocks represented in 2015/16 was 7.1% compared to 6.4% in 2019/20. This does not indicate an escalation in the ongoing allocation of our AFR to the mortgage fee-blocks nor do we believe it is a disproportionate allocation of our overall AFR.

### A.1 deposit acceptors fee-block – tariff base

**2.17** The A.1 fee-block covers banks, building societies and credit unions. The AFR allocated to A.1 is recovered from these firms based on their size as measured by the tariff base of modified eligible liabilities (MELs) – effectively the size of their UK deposits. Exceptionally for this fee-block we apply a premium of respectively 25% and 65% to the fee rates for firms in the medium-high and high impact bands of this fee-block. This reflects that we target our overall supervision at the high-impact, systemically important firms in this sector.

**2.18** A trade body representing building societies urged the FCA to decouple building societies from banks and consider a more proportionate tariff base for them, one that reflects their lower risks and domestic focus. They argue that while the very largest building societies size and customer base mean they are systemically important, at least nationally, they operate a lower risk model compared to banks. In part, this is due to restrictions imposed by the Building Societies Act 1986 but in the main this lower risk model is a result of building societies – in common with all mutuals – desire to service their members with straightforward, well designed, low cost products.

#### Our response

By using MELs as the tariff base the fees for firms in the A.1 fee-block are closely linked to the size of firm's UK deposit books. This is an important indicator of the riskiness of these entities to our objectives. In addition, our use of premium fee rates ensures larger and more complex firms pay fees appropriate to the risks they pose.

The fee-block structure is based on grouping firms together where they undertake common permitted regulatory activities. Recovery of the AFR allocated to fee-blocks is based on an objective measure of size (tariff base) that is consistently applied to all firms in the fee-block. No account is taken in any fee-block of the differing risk profile of sub-groups of firms or individual firms.

In the case of the A.1 fee-block, the common activity is accepting deposits that building societies, banks and credit unions undertake. To this extent building societies are treated the same as sub-groups within other fee-blocks.

For example, the A.13 fee-block (advisory, arrangers, dealers or brokers) include, banks, insurance companies, securities brokers acting for retail clients, wholesale market brokers and financial advisers, which all undertake business with different risk profiles.

## Changes between draft fee rates and final rates

**2.19** We highlighted in CP19/16 that fee-payers should be aware that the draft fee rates and levies in Appendix 1 and 2 of CP19/16 were calculated using estimated fee-payer populations and tariff data (measures of size). We also highlighted that these may change when the final fee rates are calculated in June 2019.

**2.20** Table 2.3 shows the estimated firm populations and tariff data contained in CP19/16 and the actual figures used to calculate the final fees rates. It also shows the annual movements in the draft fee rates in CP19/16 and the annual movements in the final fee rates in Appendix 1 and 2 of this PS.

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

**2.21** We use bandings within the A.21 fee-block based on the risk classifications we apply to firms in the CASS sourcebook. This allows us to align where we apply our resources to the fees we charge firms.

**2.22** The bandings and level of moderation we are applying to the tariff data for both client money and client assets have not changed since CP19/16 (set out in Table 3.5 of Chapter 3). However, the changes in tariff data since CP19/16 have affected the outcome of this moderation. The final distribution of the £14.7m 2019/20 AFR for A.21 is as follows (figures in brackets are those estimated in CP19/16):

- CASS large firms 75.33% (75.35%)
- CASS medium firms 24.65% (24.62%)
- CASS small firms 0.02% (0.03%)

**2.23** Firms can use our online fees calculator to calculate their individual fees based on the final rates in Appendix 1 of this PS.

***Table 2.3: Changes in data used to calculate draft and final fee rates and year on year movement in actual fee rates between 2018/19 and 2019/20***

| Fee-block | Tariff base | Number of firms in fee-blocks | | | Tariff data | | | Year on year movement in fee rates from 2018/19 | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2019/20 Actual | 2018/19 Actual (i) | Change | 2019/20 Actual | 2018/19 Actual (i) | Change | CP19/16 | Actual |
| A.1 | Modified eligible liabilities | 799 | 825 | -3.2% | £3,356.1bn | £3,254.8bn | 3.1% | 0.4% | 1.4% |
| A.2 | Number of mortgages or other home finance transactions | 476 | 486 | -2.1% | 6.9m | 7.0m | -0.6% | 4.4% | 4.9% |
| A.3 | Gross written premium | 323 | 320 | 0.9% | £72.7bn | 6.9m | 4.0% | -0.6% | 0.7% |
| | Best estimate liabilities | | | | £143.3bn | £142.8bn | 0.3% | 2.3% | 5.6% |
| A.4 | Gross written premium | 160 | 169 | -5.3% | £137.9bn | £123.6bn | 11.6% | -13.4% | -25.9% |
| | Best estimate liabilities | | | | £1,280.4bn | £1,309.7bn | -2.2% | 66.5% | 69.1% |
| A.5 | Active capacity | 57 | 58 | -1.7% | £31.4bn | £32.4bn | -3.3% | 3.5% | 6.3% |
| A.7 | Funds under management | 2,919 | 2,886 | 1.1% | £8,871.5bn | £8,607.7bn | 3.1% | -4.0% | -4.5% |
| A.9 | Gross income | 1,433 | 1,416 | 1.2% | £15.4bn | £14.8bn | 4.3% | 0.4% | -1.8% |
| A.10 | Traders | 446 | 433 | 3.0% | 9,146 | 10,277 | -11.0% | 12.5% | 11.7% |
| A.13 | Annual income | 12,752 | 12,934 | -1.4% | £31.9bn | £32.1bn | -0.8% | -0.6% | -1.5% |
| A.14 | Annual income | 810 | 796 | 1.8% | £9.0bn | £9.1bn | -0.6% | 0.2% | -0.7% |
| A.18 | Annual income | 5,541 | 5,462 | 1.4% | £1.8bn | £1.7bn | 7.8% | -2.9% | -2.5% |
| A.19 | Annual income | 12,979 | 12,922 | 0.4% | £17.7bn | £18.0bn | -2.0% | 1.2% | 3.6% |
| A.21 | Client money<br>Assets held | 1,099 | 1,155 | -4.8% | £153.7bn<br>£14,778.7bn | £151.9bn<br>£14,767.3bn | 1.2%<br>0.1% | 4.7%<br>3.3% | 4.9%<br>3.3% |

Notes:
(i) 'Actual' refers to the data as set out in Table 2.3 of PS18/13, published in July 2018.

(ii) The year on year movement in tariff data and fee-rates under the A.4 fee-block (insurers life) includes the impact of the changes in the weightings between gross written premium (GWP) and best estimate liabilities (BEL). From 2019/20 the weightings have changed from 75% GWP:25% BEL to 60% GWP:40% BEL. We consulted on the change in these weightings in Chapter 4 of CP18/34 (November 2018). We gave feedback on responses to this consultation and published final rules through Handbook Notice 63 (March 2019).

# 3 FCA periodic fees for other bodies

(FEES 4 Annex 2AR, Annex 4R, Annex 5R, Annex 10R, Annex 11R, Annex 14R, Annex 15R - final rules in Appendix 1 and FEES 4A Annex 1R, Annex 2R – final rules in Appendix 2)

**3.1** In this chapter, we give feedback on the responses to Chapter 4 of CP19/16. This was our consultation on the draft fees rates rules for other bodies that fall within the 'B' to 'G' fee-blocks:

- B, Market infrastructure providers
- C, Collective investment schemes
- D, Designated professional bodies and professional body supervisors
- E, UK Listing Authority (UKLA)
- G, firms subject to: money laundering regulations; regulated covered bonds regulations; payment services regulations; electronic money regulations; firms undertaking consumer buy-to-let business; data reporting services providers; and third-party verification agents

**3.2** We also highlight the changes between the draft fees rates in CP19/16 and the final rates contained in Appendix 1 and 2 of this PS.

## Periodic fees for other bodies – summary of proposals

**3.3** In Chapter 2 of CP19/16, we set out the proposed allocation of our annual funding requirement (AFR) to the 'B' to 'G' fee-blocks.

**3.4** In Chapter 4 of CP19/16, we proposed the draft periodic fees to recover the allocated AFR from the fee-payers within each of these fee-blocks. This included proposing to increase 2019/20 minimum and flat fees for the B to G fee-blocks by 2% in line with our policy to link these fees to movements in our ongoing regulatory activities (ORA).

**3.5** As part of our preparations should the UK exit the European Union (EU) without an agreement or transition period ('no-deal Brexit') on the 31 October 2019, we proposed that European Economic Area (EEA) payment services and electronic money firms that enter the Temporary Permissions Regime (TPR) and Supervised run-off (SRO) would continue:

- to receive fees discounts in the case of firms that previously passported into the UK as branches
- not to pay any periodic fees in the case of firms that previously passported into the UK on a services basis

**3.6** The TPR will also enable fund managers to continue to market their investment funds to investors in the UK. In Chapter 3 of CP19/16 we discussed the consultations that were previously undertaken which included the basis that 'C' fee-block investment funds in the TPR would pay periodic fees aligned to the current structure. The fee-rates proposed in CP19/16 for investment funds in the TPR, should a no-deal Brexit occur on the 31 October 2019, were the same as those which will apply if the UK leaves the EU on the 31 October 2019 with an agreement and transition period.

**3.7** As confirmed in Table 2.2 of Chapter 2 of this PS, the allocation of our AFR to 'B' to 'G' fee-blocks has not changed from CP19/16.

**3.8** We asked:

> **Q2:** ***Do you have any comments on the proposed FCA 2019/20 minimum fees and periodic fee rates for fee payers other than authorised firms?***

## Responses to proposals

**3.9** We received 2 responses to these proposals.

**3.10** A recognised investment exchange (RIE) was supportive of the reduced allocation of the AFR to the overall B fee-block because of the decrease in the Markets in Financial Instruments Directive (MiFID II) cost recovery from RIEs, Multilateral Trading Facilities (MTFs) and Organised Trading Facilities (OTFs). They were also supportive of the rebalancing of fees within the B fee-block resulting in the proposed variable fee rate for RIEs (on annual income over £10m) decreasing by 31%. They encouraged the FCA to introduce a more uniformed assessment of regulatory fees for all trading venues by introducing the income metric (tariff base) for MTFs and OTFs.

**3.11** A financial adviser firm questioned what had prompted the 31% decrease in the fee rate for RIE's.

### Our response

As stated in CP19/16, the overall 31% decrease in the draft variable fee-rate for RIEs reflects the lower recovery of MiFID II scope change costs and a higher amount of estimated total tariff data (income) reported by RIEs for 2019/20 than the actual total income reported for 2018/19. There has not been, as such, a rebalancing of fees within the B fee-block. As discussed in paragraphs 3.11 and 3.12 and Table 3.1, the variance between the actual 2019/20 variable fee rate for RIEs compared to 2018/19 is 16.3% which reflects that the final total income reported by RIEs for calculating the 2019/20 final fee rate was lower than the estimated amount used to calculate the draft fee rate in CP19/16 but still higher than actual income reported for 2018/19.

In Chapter 4 of CP16/33 (November 2016) when we consulted on introducing income as the tariff base for RIEs and regulated benchmark administrators (RBAs) we indicated that we would consult on doing the same for MTFs and OTFs but this would not occur until after the implementation of MiFID II.

## Changes between draft fee rates and final fee rates

**3.12** We highlighted in CP19/16 that fee-payers should be aware that the draft fee rates and levies in Appendix 1 and 2 of CP19/16 were calculated using estimated fee-payer populations and tariff data (measures of size as a proxy for risk). We also highlighted that these may change when the final fee rates are calculated in June 2019.

**3.13** Table 3.1 lists the fee-blocks where the percentage variance in the fee rates from 2018/19 have changed from the draft version in CP19/16 and the final rates in Appendix 1 and 2 of this PS:

***Table 3.1: Variance in fee rates from 2018/19 – CP19/16 compared to actual***

| | Variance in fee rates from 2018/19 | |
|---|---|---|
| **Fee-block (variable fee rate)** | **CP19/16** | **Actual** |
| B: Recognised investment exchanges | -31.0% | -16.3% |
| B: Service companies | 3.0% | 7.4% |
| B: Regulated benchmark administrators | -21.0% | -22.1% |
| C: Collective investment schemes | 15.0% | -9.3% |
| D: Designated professional bodies | 0.0% to 5.9% | -15.0% to 20.4% |
| E: UKLA E.2 Premium listed issuer | 6.0% | 4.9% |
| G.2: Payment Services Regulations - certain deposit acceptors | 0.0% | 11.5% |
| G.3: Payment Services Regulations - large payment institutions and registered account information service providers | 0.0% | 11.5% |
| G.15: Regulated covered bonds | -20.0% | -18.1% |

# 4 Applying financial penalties

**4.1** In this chapter, we confirm the amount of retained penalties from 2018/19 and the final percentage rebates that will be applied to 2019/20 periodic fees paid by firms.

## Financial penalty rebates for 2019/20

**4.2** In Chapter 5 of CP19/16, we estimated the retained penalties for 2018/19 to be £48.6m. The amount of the estimated retained penalties allocated to each fee-block and the estimated percentage rebates for 2019/20 periodic fees were set out in Table 5.1 in CP19/16.

**4.3** The final amount of retained penalties for 2018/19 is £47.5m, 2.4% less than the £48.6m estimated in CP19/16. Table 4.1 sets out how the retained penalties have been distributed across fee-blocks, in the same proportions as CP19/16.

***Table 4.1: Final schedule of application 2018/19 retained penalties in 2019/20***

| Fee-block | Actual 2018/19 retained penalties to be applied to benefit of fee-payers (£m) | Actual rebate applied to 2019/20 fees | Estimated 2018/19 retained penalties to be applied to benefit of fee-payers (£m) | Estimated rebate applied to 2019/20 fees |
|---|---|---|---|---|
| AP.0 FCA prudential | 0.0 | 0.0% | 0.0 | 0.0% |
| A.1 Deposit acceptors | 7.5 | 10.5% | 7.7 | 10.5% |
| A.2 Home finance providers and administrators | 0.8 | 4.5% | 0.8 | 4.5% |
| A.3 Insurers – general | 1.5 | 5.9% | 1.5 | 5.9% |
| A.4 Insurers – life | 2.7 | 6.3% | 2.8 | 6.3% |
| A.5 Managing agents at Lloyd's | 0.0 | 0.0% | 0.0 | 0.0% |
| A.6 The Society of Lloyd's | 0.0 | 0.0% | 0.0 | 0.0% |
| A.7 Portfolio managers | 11.0 | 24.8% | 11.3 | 24.8% |
| A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes | 1.8 | 15.3% | 1.8 | 15.4% |
| A.10 Firms dealing as principal | 6.0 | 11.6% | 6.2 | 11.7% |
| A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both) | 4.0 | 5.3% | 4.1 | 5.3% |
| A.14 Corporate finance advisors | 1.9 | 13.3% | 1.9 | 13.3% |

| | | | | |
|---|---|---|---|---|
| A.18 Home finance providers, advisers and arrangers | 3.1 | 18.3% | 3.1 | 18.3% |
| A.19 General insurance mediation | 2.7 | 9.9% | 2.8 | 9.9% |
| A.21 Firms holding client money or assets or both | 3.1 | 22.0% | 3.2 | 22.1% |
| B. Recognised investment exchanges, operators of multilateral trading facilities and recognised auction platforms (only) | 0.0 | 0.0% | 0.0 | 0.0% |
| CC1 Consumer credit – limited permission | 0.0 | 0.0% | 0.0 | 0.0% |
| CC2 Consumer credit – full permission | 0.0 | 0.0% | 0.0 | 0.0% |
| E. Issuers and sponsors of securities | 1.4 | 6.6% | 1.4 | 6.7% |
| G.1 Persons registered under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 | 0.0 | 0.0% | 0.0 | 0.0% |
| G.2, G.3, G.4, G.5 Firms under the Payment Services Regulations 2017 | 0.0 | 0.0% | 0.0 | 0.0% |
| G.10, G.11 Firms under the Electronic Money Regulations 2011 | 0.0 | 0.0% | 0.0 | 0.0% |
| G.20, G.21 Firms under the Mortgage Credit Directive Order 2015 | 0.0 | 0.0% | 0.0 | 0.0% |
| G.25 Firms under the Data Reporting Regulations 2017 | 0.0 | 0.0% | 0.0 | 0.0% |
| **Total** | **47.5** | | **48.6** | |

# 5 Feedback on further FCA fees policy proposal

**5.1** In this chapter, we set out the outcome of our consultation in Chapter 6 of CP19/16 on the proposed clarification of the definition of income as the tariff base measure used to calculate the fees of regulated benchmark administrators.

## Definition of income for Regulated Benchmark Administrators (RBAs)

**5.2** When finalising the 2018/19 fee-rates for RBAs we undertook a validation exercise to ensure RBAs were reporting their income in line with the tariff base definition in FEES 4 Annex 11AR. We gave feedback on the outcome of this exercise in Chapter 3 of Handbook Notice 61 (December 2018). We noted that the second part of the fees rule tariff base definition seeks to capture income from the sale and marketing of a benchmark where undertaken by a separate legal entity. This requires the RBA to be responsible for identifying the relevant income and reporting it to us as its own income. That separate legal entity can be located anywhere. Again, it is income arising from the activities of the firm as an RBA, wherever that income comes from, which needs to be reported.

**5.3** We noted that the inclusion of 'in the UK' to this second part of the tariff base definition has confused some firms. So, we reported that we planned to consult, in CP19/16, on removing this text to clarify our policy intention.

**5.4** This modification to the tariff base definition for RBAs in FEES 4 was set-out in Appendix 1 of CP19/16.

**5.5** We asked:

> **Q3:** ***Do you have any comments on our proposed clarification of the tariff base definition for RBAs?***

## Responses to proposal

**5.6** We received 1 response from, a trade body representing wholesale market venues, platforms and arranging intermediaries. They supported the clarification.

# 6 Financial Ombudsman Service general levies

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

**6.1** In this chapter, we provide feedback on the responses we received to Chapter 7 of CP19/16. In that chapter, we consulted the 2019/20 fee rates for firms in the compulsory jurisdiction (CJ) of the Financial Ombudsman Service ('the ombudsman service') and set out the proposed fee rates for firms in each industry block.

## Summary of proposals

**6.2** The ombudsman service presented its final budget to the FCA Board in March 2019. The FCA Board approved the total budget of £331.8m for 2019/20 (up from £289.8m in 2018/19). The total budget covered the annual general levy payable for the compulsory jurisdiction ('the general levy'), case fees and the number of cases per firm where no case fee is chargeable (the first 25 cases the service deals with each year). Further details of the ombudsman service and a breakdown of its budget are in its 2019/20 strategic plans and budget document.

**6.3** Around 85% of the ombudsman service's funding comes from case fees, which are currently invoiced and collected once cases have been resolved, or collected via the group account case fee arrangement. This is an arrangement where the largest business groups pay quarterly in advance based on expected volumes of complaints.

**6.4** The general levy only applies to firms covered by the CJ and it is raised and collected by the FCA. It is payable by all firms authorised or registered by us. This includes those that have not had any cases referred to the ombudsman service. However, firms who do not deal with eligible complainants can claim an exemption from the general levy.

**6.5** The ombudsman service has asked us to recover £44.5m (up from £24.5m in 2018/19) through the general levy, and to allocate this in line with its forecast of where its costs will fall. The increase of £20m will allow the ombudsman service to:

- recover the under-collection in last year's general levy (£1.5m)
- manage the set-up and year 1 costs of 2 new jurisdictions: complaints made by small and medium-sized enterprises (SMEs, £5m); and complaints made about claims management companies (CMCs, £2.2m)
- scale up to meet both increasing complaint volumes and a change in product mix (£11.3m), recognising that in 2019/20 the ombudsman service is expecting a total of 210,000 new cases outside of Payment Protection Insurance (PPI) – this is the highest number the service will have ever received, and is approximately 30% higher than the 2018/19 budget assumption of 160,000 new cases

6.6 We asked:

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

## Responses to proposals

6.7 Overall, we received 10 responses to the fees consultation, of which 7 commented on the proposals on the ombudsman service. These 7 respondents included 4 firms and 3 trade associations, representing building societies, consumer credit, motor and asset finance sectors, and the debt collection and purchase industry.

6.8 There was a general acknowledgement that the general levy needed to increase due to the new SME jurisdiction. However, 2 respondents thought the cost of the SME jurisdiction was unfairly allocated to the 13% of firms who we estimate will pay more than the minimum levy.

### Our response

The costs attributed to the ombudsman service's new jurisdictions include the investment in setting up these areas of work. We expect the burden on levy payers due to these areas to fall in subsequent years, after the ombudsman service has recovered the initial investment.

We intend to apportion the general levy as consulted on in CP19/16.

6.9 There were concerns about the significant increase in fees for consumer credit firms, particularly those in fee block I020. Two of the trade associations said their members were facing increases in the general levy of 3,000%. One firm felt that the 89% increase in enquiries to the ombudsman service about consumer credit reported in the ombudsman service's 2018/19 annual review was disproportionate to the 3,000% increase in the levy it faced under the proposals. They asked us to reconsider the proposal, with a view to adopting a method of calculating contributions that is more proportionate to the number of enquiries made to the ombudsman service by a lender's customers.

### Our response

The ombudsman service has had to respond to a significant year-on-year increase in complaints about consumer credit products. The service predicts that 22% of demand in 2019/20 would come from consumer credit products.

As stated in its strategic plans and budget document, the ombudsman service has had to divert resources to handle a growing demand for its service. There are no indications that this demand will slow or reverse in the coming year. In particular, demand related to complaints about consumer credit products has increased significantly over the last few years. However, the proportions of the general levy allocated to each fee block have, until now, not been adjusted to fully account for this.

**6.10** So, we consider the method of calculating contributions is proportionate. Two trade associations queried why, in the case of the new CMC jurisdiction, the funding could not come from the CMCs themselves.

**Our response**

We think this may be a misunderstanding. The proposals for industry block I024 (CMCs) show that CMCs would be contributing the full £2.2m required to fund the costs of dealing with complaints about CMCs.

**6.11** Respondents did not see a change in product mix and an increase in demand as an adequate explanation for the £11.3m needed by the ombudsman service for scaling up (see paragraph 7.5). One trade association and one firm felt that FOS had adequate, or more than adequate, reserves. Four of the respondents commented that the increase in demand for consumer credit should be reflected in the higher number of case fees received.

**Our response**

Most of the ombudsman service's funding comes from case fees. However, as noted in its strategic plans and budget document, only part of its workload relates to 'chargeable cases', with a significant proportion relating to problems resolved at an earlier stage. The budget also needs to account for an ongoing programme of change, including the investment the service is making in responding to recommendations in 2018's independent review.

The ombudsman service thinks the fairest way to ensure it can deal with the additional demand it is expecting is to raise the general levy, which applies to all businesses it covers.

The ombudsman service will continue to draw on its reserves in line with its long-term strategy, as set out in its strategic plans and budget.

We intend to apportion the general levy as consulted on in CP19/16.

# 7 Money and Pensions Service levies

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

7.1 In this chapter, we set out the 2019/20 final levies for the Money and Pensions Service and provide feedback on the responses we received to Chapter 8 of CP19/16.

## Background

7.2 The Money and Pensions Service is the new name of the Single Financial Guidance Body (SFGB). The Money and Pensions Service is an arm's length body of the Department for Work and Pensions (DWP). It is responsible for providing money and pensions guidance in the UK and debt advice in England. It also has a strategic function to develop and coordinate a national strategy to improve financial capability, debt management and financial education for children and young people. The FCA is responsible for collecting funding for the Money and Pensions Service. Each year we must collect the amount notified to us by DWP.

7.3 Since we published CP19/16, the Money and Pensions Service has reported underspends in the 2018/19 budgets for money guidance, pensions guidance and debt advice. Table 7.1 shows the final amounts we will collect for the Money and Pensions Service (SFGB) levies for 2019/20. The amount for pensions guidance includes £4.7m for the pensions dashboard.

***Table 7.1: 2019/20 Funding requirement – consultation compared to final***

| Function | Consultation funding requirement (£m) | Final funding requirement (£m) | Movement (%) |
|---|---|---|---|
| Money guidance | 25.9 | 23.4 | -9.7 |
| Pensions guidance | 35.9 | 30.7 | -14.5 |
| Debt advice | 55.8 | 53.3 | -4.5 |
| Money and Pensions Service total | 117.6 | 107.4 | -8.7 |

7.4 We proposed that, for 2019/20, we would allocate Money and Pensions Service costs to fee-blocks in the same proportions we used in 2018/19 for its predecessor bodies the Money Advice Service (MAS) and Pension Wise.

## Money guidance levy

7.5 The total budget for delivering the money guidance function for 2019/20 is £25.9m. We proposed to allocate the money advice budget on the same basis as last year.

7.6 We asked:

> **Q5:** ***Do you have any comments on the proposed 2019/20 rates for the MAPS money guidance levy?***

7.7 We received 10 responses to the consultation in CP19/16. Of those, only 2 commented on the proposed Money and Pensions Service levy rates for money guidance. Both respondents to this question were firms. One said it supported the proposals. The other asked why intermediaries were required to contribute to money guidance funding.

**Our response**

CP19/16 did not consult on which firms should contribute to the money guidance levy. It consulted on the allocation of costs between the existing fee-blocks. The money guidance levy, which began in 2010/11, is paid by almost all FCA-regulated firms. This is because the Money Advice Service was designed to be universal, providing guidance on all financial issues consumers face, so all sectors of the financial services industry made contributions towards the cost of the service. Since 2014/15 the levy has been allocated to take account of MAS usage data and strategic objectives. This gave a clearer link between how consumers used the service, the service's business strategy, and the firms that pay for the service. The money guidance levy for the new Money and Pensions Service was designed to mirror the levy used for the MAS money guidance function. For this year, we have proposed to allocate costs in the same way they were allocated for MAS last year. For the future, we expect to continue discussions on the allocation method with the Money and Pensions Service and DWP.

We intend to allocate the money guidance levy rates as consulted on in CP19/16.

## Money and Pension Service debt advice levy

7.8 The total budget for delivering the Money and Pensions Service debt advice function for 2019/20 is £53.3m. We proposed to allocate the debt advice budget on the same basis as last year.

7.9 We asked:

**Q6:** ***Do you have any comments on the proposed 2019/20 rates for the MAPS debt advice levy?***

7.10 Of the 10 responses we received to the consultation, 6 commented on the proposed Money and Pensions Service levy rates for debt advice. These 6 respondents included 4 firms and 2 trade associations. Five respondents said they disagreed with the tariff base used to calculate a firm's contribution to the levy, and 3 commented on the amount of debt advice funding to be collected via the levy. One asked why the costs are allocated at 50% to each fee-block, and said the levy should be extended to firms carrying on a broader range of regulated activities. Another asked what account we had taken of costs for debt advice that relates to unregulated debt such as debt owed on council tax and utilities. A third said the levy should take better account of different corporate structures which mean that some lenders are exempt from regulation and so do not pay the levy. One respondent asked why intermediaries are required to contribute to the debt advice levy.

### Our response

The allocation of 50% of costs to each fee-block was devised using Bank of England data on total lending, modified by write-off levels to reflect the difficulties that can occur during the lending process.

We are aware that debt advice might relate to unregulated activity such as debt owed on council tax and utilities. However, we have no power to levy entities that do not carry out regulated activity so we did not take account of such debt in allocating the Money and Pensions Service debt advice costs.

CP19/16 did not consult on which firms should contribute to the levy or what tariff base should be used to calculate a firm's contribution. When considering these aspects of the levy methodology, we will consider all the views we have received on the tariff base and corporate structures which may affect which entities are regulated and required to pay the levy.

CP19/16 did not consult on the amount of funding required by the Money and Pensions Service to carry out its debt advice function. The FCA is required to collect the amount notified to us each year by DWP.

No firm is required to pay the Money and Pensions Service debt advice levy on the basis of being an intermediary. A firm will pay this levy if it carries out regulated consumer credit lending as defined in our Handbook or if it is a home finance provider or administrator as defined under fee-block A.2.

We intend to allocate the debt advice levy rates as consulted on in CP19/16.

## Pensions guidance levy

7.11 The total budget for delivering the pensions guidance function for 2019/20 is £30.7m. That amount will fund the pensions guidance function that was previously provided by Pension Wise. It also includes £4.7m for the pensions dashboard. We proposed to allocate the pensions guidance budget on the same basis we used last year for Pension Wise.

7.12 We asked:

**Q7:** ***Do you have any comments on the proposed 2019/20 rates for the MAPS pensions guidance levy?***

### Responses to proposals for pensions guidance

7.13 Of the 10 responses we received to the consultation, only 1 commented on the proposed Money and Pensions Service levy rates for pensions guidance. The respondent was a firm. The firm asked why intermediaries were required to contribute to the levy.

### Our response

CP19/16 did not consult on which firms or fee-blocks should contribute to the levy. It consulted on the allocation of the levy between the firms and fee-blocks that must pay the levy under our rules. The fee-blocks that must pay the levy are those who may benefit from the sale of retirement financial products and services created by recent government pension reforms known as pension 'freedoms'. Advisory arrangers, dealers and brokers are included but have a lower allocation than other fee-blocks because we believe they stand to benefit from the pension reforms to a lesser extent than those carrying out other regulated activities.

We intend to allocate the pensions guidance levy rates as consulted on in CP19/16.

# 8 Devolved Authorities levy

(FEES 7B Annex 1R - final rules in Appendix 1 and Fees 7D Annex 1R - final rules in Appendix 2)

**8.1** In this chapter, we set out the 2019/20 final levy for the Devolved Authorities' debt advice and provide feedback on the responses we received to Chapter 9 of CP19/16.

## Background

**8.2** The Devolved Authorities are responsible for delivering debt advice in Scotland, Wales and Northern Ireland. The FCA is responsible for collecting the funding for that function. Each year we must collect the amount notified to us by Her Majesty's Treasury.

Allocation and recovery for debt advice

**8.3** The total budget for delivering debt advice in the Devolved Authorities in 2019/20 is £7.845m. We proposed to allocate costs under the Devolved Authorities' debt advice levy in the same proportion they were allocated last year for the MAS debt advice levy.

**8.4** We asked:

**Q8:** ***Do you have any comments on the proposed 2019/20 rates for the Devolved Authorities' debt advice levy?***

## Responses to proposals for debt advice

**8.5** Of the 10 responses we received to the consultation, 3 commented on the proposals for the Devolved Authorities' debt advice levy. These respondents were 2 trade bodies and 1 firm. All 3 said they disagreed with the tariff base by which the levy is calculated. One asked about the 50% split between the fee-blocks and said the fee-blocks should be broadened to include firms carrying out other regulated activities. Another asked what account we had taken of costs for debt advice that related to unregulated debt such as debt owed on council tax and utilities. The third said the levy should take better account of different corporate structures which mean that some lenders are exempt from regulation and so do not pay the levy. All 3 respondents commented on the rising cost of the debt advice levy and said the introduction of the Devolved Authorities' debt advice levy had increased costs for levy payers.

**Our response**

As we said in CP18/34 and Handbook Notice 63, the Devolved Authorities' debt advice levy was not introduced as an additional cost to firms. It was introduced as a mechanism to direct funding for debt advice in Scotland, Wales and Northern Ireland to the Devolved Authorities rather than to MAS. That is because the Devolved Authorities took from MAS responsibility for debt advice in their respective locations. Before this change the same firms who pay this levy already paid for debt advice in Scotland, Wales and Northern Ireland, but the funding was collected in a single levy which also included funding for England.

For our response to the other comments received on this proposal please refer to our response to comments on Question 7 for the Money and Pensions Service debt advice levy.

We intend to allocate the Devolved Authorities' debt advice levy rates as consulted on in CP19/16.

# 9 Illegal money lending levy

(FEES 13 Annex 1R - final rules in Appendix 1 and FEES 13A Annex 1R – final rules in Appendix 2)

**9.1** In this chapter, we confirm the final 2019/20 expenses that the Treasury will incur by providing for the teams tackling illegal money lending (IML). We also give feedback on the responses we received to Chapter 10 of CP19/16, in which we set out the proposed 2019/20 IML levy rates.

**9.2** The Treasury has notified us that their final 2019/20 IML expenses will be £5.7m, unchanged from the estimated amount in CP19/16.

## Summary of proposals

**9.3** We proposed IML levy rates to recover the £5.7m from consumer credit firms as set out in Table 9.1.

***Table 9.1: 2019/20 IML levy rates***

| Type of firm | Fee |
|---|---|
| CC1. Limited permission | £5 flat rate |
| CC2. Full permission | Up to £250,000 consumer credit income: £10 minimum levy |
| | Over £250,000 consumer credit income: £10 + £0.20 per £1,000 |

**9.4** As part of our preparations for the UK exiting the European Union (EU) we proposed in Chapter 3 of CP19/16 that, in the case of FCA fees, if the UK leaves the European Union (EU) without an agreement or transition period on the 31 October 2019 we would:

- Continue to apply all fee discounts for European Economic Area (EEA) branch firms and not charge EEA service firms periodic fees for 2019/20.
- Continue to apply fees discounts for Gibraltar-based firms for 2019/20 and that we would consult on the rules in our June 2019 Quarterly Consultation Paper (QCP). QCP No 24 was published 7 June 2019 and the consultation period closes on 7 August 2019. Subject to the responses we receive we are scheduled to publish the final rules and feedback statement in our September 2019 Handbook Notice.

**9.5** In Chapter 10 of CP19/16 we proposed the same in the case of the IML levy where the rules relating to the levy mirror those of the FCA.

**9.6** We asked:

**Q9:** ***Do you have any comments on the proposed 2019/20 illegal money lending (IML) levy rates?***

## Responses to proposals

9.7 A trade body representing debt collection and debt purchasing firms, while acknowledging that the work the IML teams undertake is undeniably important, stated that consumer credit firms derive no more benefit from that work than any other firm active in a financial services market. They felt it was unclear why the cost of this levy continues to fall solely on the consumer credit fee-blocks.

### Our response

We consulted on the basis for recovering Treasury's costs for providing the teams to tackle illegal money lending in Chapter 2 of CP16/33 (November 2016). The Treasury asked us to collect the levy from consumer credit firms through the CC1 and CC2 consumer credit fee-blocks.

As stated in our feedback on the responses to that consultation, in Chapter 3 of our Handbook Notice 41 (February 2017), all firms in the consumer credit market benefit from effective policing of the perimeter.

This is not the case for firms operating in other financial services markets.

## Changes between the draft levy and final levy rates

9.8 We highlighted in CP19/16 that fee-payers should know that the draft IML levy rates in Appendix 1and 2 of CP19/16 were calculated using estimated fee-payer populations and tariff data, which may change when the final levy rates are calculated in June 2019.

9.9 The IML variable levy rate in Appendix 1 of this PS has changed to £0.195 from the draft rate in CP19/16.

9.10 Our online fees calculator is available for firms to calculate their individual IML levy based on the final rates in Appendix 1 of this PS.

# Annex 1
# List of non-confidential respondents

Association of Mortgage Intermediaries

Building Societies Association

Chase de Vere IFA Ltd

Credit Services Association

European Venues and Intermediaries Association

Finance & Leasing Association

Premium Credit Limited

# Annex 2
# FCA 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 for 2013/14 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
- 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 April; the final schedule is published in the subsequent policy and feedback statement to that consultation in July.

***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 |
| B. Recognised investment exchanges and , 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 3
# Abbreviations used in this paper

| | |
|---|---|
| **AFR** | Annual funding requirement |
| **CJ** | Compulsory jurisdiction |
| **CMCs** | Claims management companies |
| **CP** | Consultation Paper |
| **DA** | Devolved Authorities |
| **DPB** | Designated professional bodies |
| **EEA** | European Economic Area |
| **EU** | European Union |
| **FCA** | Financial Conduct Authority |
| **FEES** | Fees manual |
| **FPS** | Financial Penalty Scheme |
| **FSCS** | Financial Services Compensation Scheme |
| **FSMA** | Financial Services and Markets Act |
| **IML** | Illegal money lending |
| **MAPS** | Money and Pensions Service (formerly called the Single Financial Guidance Body) |
| **MiFID II** | Markets in Financial Instruments Directive II |
| **MLRs** | Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 |
| **MTF** | Multilateral trading facility |
| **OPBAS** | The Office for Professional Body Anti-Money Laundering Supervision |
| **ORA** | Ongoing regulatory activities |
| **OTF** | Organised trading facility |
| **PPI** | Payment protection insurance |

| | |
|---|---|
| **PRA** | Prudential Regulation Authority |
| **PS** | Policy Statement |
| **RBAs** | Regulated Benchmark Administrators |
| **RIE** | Recognised investment exchange |
| **SFGB** | Single Financial Guidance Body (now called the Money and Pensions Service) |
| **SRO** | Supervised run-off |
| **TPR** | Temporary Permissions Regime |
| **UK** | United Kingdom |
| **VJ** | Voluntary jurisdiction |

We have developed the policy in this Policy Statement in the context of the existing UK and EU regulatory framework. The Government has made clear that it will continue to implement and apply EU law until the UK has left the EU. We will keep the proposals under review to assess whether any amendments may be required in the event of changes in the UK regulatory framework in the future.

All our publications are available to download from www.fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 7066 7948 or email: publications_graphics@fca.org.uk or write to: Editorial and Digital team, Financial Conduct Authority, 12 Endeavour Square, London E20 1JN

# Appendix 1
# Periodic Fees (2019/20) and Other fees Instrument 2019 (made rules)

# PERIODIC FEES (2019/2020) AND OTHER FEES INSTRUMENT 2019

## Powers exercised

A. The Financial Conduct Authority ("the FCA") makes this instrument in the exercise of:

(1) the following powers and related provisions in or under 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 234 (Industry funding);
(g) section 333T (Funding of action against illegal money lending);
(h) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority); and

(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) regulation 46 and paragraph 5 of Schedule 1 (Fees) in the Regulated Covered Bond Regulations 2008 (SI 2008/346);

(5) 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);

(6) regulation 40 (FCA: penalties, fees and exemption from liability in damages) of the Data Reporting Services Regulations 2017 (SI 2017/699);

(7) section 27 of the Financial Guidance and Claims Act 2018; and

(8) regulation 26 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 of the Securitisation Regulations 2018 (SI 2018/1288).

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

**Commencement**

C. This instrument comes into force on 1 July 2019.

**Amendments to the Handbook**

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

**Notes**

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

**Citation**

F. This instrument may be cited as the Periodic Fees (2019/2020) and Other Fees Instrument 2019.

By order of the Board
27 June 2019

## Annex

## Amendments to the Fees manual (FEES)

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

### 4 Periodic fees

…

### 4.2 Obligation to pay periodic fees

…

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

| 1 Fee payer | 2 Fee payable | 3 Due date | 4 Events occurring during the period leading to modified periodic fee |
|---|---|---|---|
| … | | | |
| *Persons* who hold a certificate issued by the *FCA* under article 54 of the *Regulated Activities Order* (Advice given in newspapers etc.) | £~~1,128~~ <u>1,151</u> | (1) Unless (2) applies, on or before 1 August or, if later, within 30 days of the date of the invoice<u>.</u><br><br>(2) If an event in column 4 occurs<u>,</u> during the course of a *fee year*, 30 *days* after the occurrence of that event<u>.</u> | Certificate issued to *person* by <u>the</u> *FCA* under article 54 of the *Regulated Activities Order* |
| … | | | |

### 4 Annex 2AR FCA Fee rates and EEA/Treaty firm modifications for the period from 1 April 2019 to 31 March 2020

| Part 1<br><br>… | |
|---|---|
| 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 | ~~14.683~~ 14.89 |
| | >140 - 630 | ~~14.683~~ 14.89 |
| | >630 - 1,580 | ~~14.683~~ 14.89 |
| | >1,580 - 13,400 | ~~18.354~~ 18.613 |
| | >13,400 | ~~24.227~~ 24.569 |
| | The tariff rates in A.1 are not relevant for the *permissions* relating to *operating a dormant account fund*. Instead a flat fee of ~~£6,242~~ £6,367 is payable in respect of these *permissions*. | |
| A.2 | Band width (No. of mortgages and/or home finance transactions) | Fee (£/mortgage) |
| | >50 | ~~2.473~~ 2.594 |
| 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 | ~~337.16~~ 339.43 |
| | PLUS | |
| | Best estimate liabilities for fees purposes (BEL) | General Periodic fee |
| | Band Width (£million of BEL) | Fee (£/£m or part £m of BEL) |
| | >1 | ~~18.48~~ 19.518 |
| | For *UK ISPVs* the tariff rates are not relevant and a flat fee of ~~£485~~ £495 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 | ~~262.78~~ 194.80 |
| | PLUS | |
| | Best estimate liabilities for fees purposes (BEL) | General Periodic fee |
| | Band Width (£million of BEL) | Fee (£/£m or part £m of BEL) |
| | >1 | ~~8.25~~ 13.952 |
| A.5 | Band Width (£million of Active Capacity (AC)) | Fee (£/£m or part £m of AC) |
| | >50 | ~~7.13~~ 7.58 |
| A.6 | Flat fee (£) | ~~344,067~~ 353,834 |
| A.7 | For class 1(C), (2), (3) and (4) *firms*: | |
| | Band Width (£million of Funds under Management (FuM)) | Fee (£/£m or part £m of FuM) |
| | >10 | ~~5.696~~ 5.44 |
| | For class 1(B) *firms*: the fee calculated as for class 1(C) *firms* above, less 15%. For class 1(A) *firms*: the fee calculated as for class 1(C) *firms* above, less 50%. | |
| A.9 | Band Width (£million of Gross Income (GI)) | Fee (£/£m or part £m of GI) |
| | >1 | ~~815.25~~ 800.49 |
| A.10 | Band Width (No. of traders) | Fee (£/person) |
| | >1 | ~~5,487.30~~ 6,126.94 |
| | For *firms* carrying on *auction regulation bidding*, the fee in A.10 is calculated as above less 20% for each trader that carries on *auction regulation bidding* but not *MiFID business bidding* or *dealing in investments as principal*. | |
| A.13 | Band Width (£ thousands of annual income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |

| | | |
|---|---|---|
| | >100 | ~~2.597~~ <u>2.558</u> |
| A.14 | Band Width (£ thousands of annual income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~1.631~~ <u>1.62</u> |
| A.18 | Band Width (£ thousands of Annual Income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~11.04~~ <u>10.764</u> |
| A.19 | Band Width (£ thousands of Annual Income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~1.61~~ <u>1.668</u> |
| A.21 | *Client money* | |
| | Band Width (£ *client money*) (CM) held | Fee (£/£ millions or part £ million of CM) |
| | less than £1 million | ~~115.30~~ <u>119.00</u> |
| | an amount equal to or greater than £1 million but less than or equal to £1 billion | ~~86.48~~ <u>89.25</u> |
| | more than £1 billion | ~~57.65~~ <u>59.50</u> |
| | PLUS | |
| | *Safe custody assets* | |
| | Band Width (£ *safe custody assets*) (CA) held | Fee (£/£ millions or part £ million of CA) |
| | less than £10 million | ~~0.43~~ <u>0.45</u> |
| | an amount equal to or greater than £10 million and less than or equal to £100 billion | ~~0.33~~ <u>0.338</u> |
| | more than £100 billion | ~~0.22~~ <u>0.225</u> |
| B. Service Companies | Band Width | Fee (£) |
| | Annual income up to and including £100,000 | ~~1,110.00~~ <u>1,132</u> |
| | **PLUS:** | |

| | | |
|---|---|---|
| | Band width | Fee (£/£thousand or part £ thousand of income) |
| | Annual income over £100,000 | ~~2.57~~ 2.76 |
| B. Regulated benchmark administrators | Band width | Fee (£) |
| | Annual income up to and including £100,000 | ~~1,128~~ 1,151 |
| | **PLUS:** | |
| | Band width | Fee (£/£ thousand or part £ thousand of income) |
| | Annual income over 100,000 | ~~2.0408~~ 1.59 |
| B. Recognised investment exchanges | Band width | Fee (£) |
| | Annual income up to and including £10,000,000 | ~~103,000~~ 105,060 |
| | **PLUS:** | |
| | Band width | Fee (£/£ thousand or part £ thousand of income) |
| | Annual income over £10,000,000 | ~~4.91~~ 4.11 |
| B. Recognised auction platforms | ~~55,143.00~~ 56,004 | |
| B. Recognised overseas investment exchanges | ~~63,061.00~~ 60,000 | |
| B. MTF and OTF operators | As set out in *FEES* 4 Annex 10R (Periodic fees for MTF and OTF operators). | |
| CC1. Credit-related regulated activities with limited permission | Band Width (£ thousands of annual income (AI)) | Fee (£) |
| | 0 - 10 | ~~104~~ 106 |
| | >10 - 50 | ~~261~~ 266 |
| | >50 - 100 | ~~416~~ 424 |

| | | |
|---|---|---|
| | >100 | ~~520~~ 530 |
| | **PLUS:** | |
| | | Fee (£/£ thousand or part £ thousand of AI) |
| | >250 | 0.40 |
| CC2. Credit-related regulated activities | Band Width (£ thousands of annual income (AI)) | Fee (£) |
| | 0 - 50 | ~~312~~ 318 |
| | >50 - 100 | ~~520~~ 530 |
| | >100 | ~~1,040~~ 1,061 |
| | **PLUS:** | |
| | | Fee (£/£ thousand or part £ thousand of AI) |
| | >250 | 1.30 |
| CMC. | Band width (£ thousands of annual turnover) | Fee (£) for 2019/20 |
| | 0-50 | 500 |
| | 50-100 | 1,000 |
| | >100 | 13 per £ thousand or part per £ thousand |

| |
|---|
| Part 2<br><br>… |

| **Part 2(a) tariff rates (minimum fees) payable to the FCA by FCA-authorised persons** | | |
|---|---|---|
| A.0 | (1) | £~~1,128~~ 1,151 unless it is a *community finance organisation* with a tariff base of: |

| | | | |
|---|---|---|---|
| | | (a) | up to and including 3 mortgages and/or *home finance transactions*, in which case a minimum fee of £~~173~~ 176 is payable; or |
| | | (b) | more than 3 but no more than 10 mortgages and/or *home finance transactions*, in which case a minimum fee of £~~585~~ 597 is payable; or |
| | | (c) | more than 10 but no more than 50 mortgages and/or *home finance transactions*, in which case a minimum fee of £~~1,084~~ 1,106 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 £~~0.1093~~ 0.1091. | | |

| **Part 2(b) tariff rates (minimum fees) payable to the FCA by PRA-authorised persons** | | | |
|---|---|---|---|
| A.0 | (1) | £~~563~~ 574 unless: | |
| | | (a) | It is a *credit union* that meets the conditions in (2), in which case the minimum fee payable is as set out in (2); |
| | | (b) | it is a *non-directive friendly society* that falls into the A.3 activity group but not the A.4 activity group and 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 £~~242~~ 247; or |
| | | (c) | it is a *non-directive friendly society* that falls into the A.4 activity group but not the A.3 activity group and 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 £~~242~~ 247; or |
| | | (d) | it is a *non-directive friendly society* that falls into the A.3 and A.4 activity groups and meets the conditions in (3)(a) and (3)(b), in which |

| | | | |
|---|---|---|---|
| | | | case the minimum fee payable is £~~242~~ 247. |
| | (2) | The conditions referred to in (1)(a) are that the *credit union* has a tariff base (Modified Eligible Liabilities) of: | |
| | | (a) | 0 to 0.5million, in which case a minimum fee of £~~90~~ 92 is payable; or |
| | | (b) | greater than 0.5millon but less than 2.0million, in which case a minimum fee of £~~304~~ 310 is payable. |
| | (3) | The conditions referred to in (1)(d) are that: | |
| | | (a) | the *non-directive friendly society* falls into the A.3 activity group and has, for that activity, 0.5 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less; |
| | | (b) | the *non-directive friendly society* falls into the A.4 activity group and has, for that activity, written 1.0 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less. |
| | 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. | | |

…

FEES 4 Annex 2BR (Ring-Fencing Implementation Fee) is deleted in its entirety. The deleted text is not shown but the annex is marked [deleted] as shown below.

**4 Annex 2BR** **Ring-Fencing Implementation Fee** [deleted]

Amend the following as shown.

**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 ~~2018~~ 2019 to 31 March ~~2019~~ 2020**

Part 1 – Periodic fees payable

| Scheme type | Basic fee (£) | Total funds/sub-funds aggregate | Fund factor | Fee (£) |
|---|---|---|---|---|
| *ICVC*, | ~~386~~ 350 | 1-2 | 1 | ~~386~~ 350 |
| *AUT*, | | 3-6 | 2.5 | ~~965~~ 875 |
| *ACS*, | | 7-15 | 5 | ~~1,930~~ 1,750 |
| *UK ELTIFs*, | | 16-50 | 11 | ~~4,246~~ 3,850 |
| Money market funds with effect from 21 July 2018 | | >50 | 22 | ~~8,492~~ 7,700 |
| Section 264 of the *Act*, *schemes* other than *non-EEA AIFs* recognised under section 272 of the *Act*~~,~~ | | | | |
| *Non-EEA AIFs* recognised under section 272 of the *Act* | ~~1,570~~ 1,425 | 1-2 | 1 | ~~1,570~~ 1,425 |
| | | 3-6 | 2.5 | ~~3,925~~ 3,562.50 |
| | | 7-15 | 5 | ~~7,850~~ 7,125 |
| | | 16-50 | 11 | ~~17,270~~ 15,675 |
| | | >50 | 22 | ~~34,540~~ 31,350 |

…

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 *AIF* (£) |
|---|---|
| Notification under regulation 57 of the *AIFMD UK regulation* | ~~323~~ 330 |
| Notification under regulation 58 of the *AIFMD UK regulation* | ~~225~~ 230 |
| Notification under regulation 59 of the *AIFMD UK regulation* | ~~323~~ 330 |

Part 3 - Periodic fees paid by *small registered UK AIFMs*

| |
|---|
| The annual fee for *small registered UK AIFMs* is £~~637~~ 650 |

**4 Annex 5R** **Periodic fees for designated professional bodies payable in relation to the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020**

Table of fees payable by Designated Professional Bodies

| Name of Designated Professional Body | Amount payable (£) |
|---|---|
| The Law Society of England & Wales | ~~90,070~~ 81,110 |
| The Law Society of Scotland | ~~15,260~~ 15,030 |
| The Law Society of Northern Ireland | ~~13,830~~ 15,140 |
| The Institute of Actuaries | ~~10,120~~ 10,170 |
| The Institute of Chartered Accountants in England and Wales | ~~36,000~~ 43,700 |
| The Institute of Chartered Accountants of Scotland | ~~11,350~~ 11,770 |
| The Institute of Chartered Accountants in Ireland | ~~14,840~~ 16,580 |
| The Association of Chartered Certified Accountants | ~~18,800~~ 21,400 |
| The Council for Licensed Conveyancers | ~~11,790~~ 12,400 |
| Royal Institution of Chartered Surveyors | ~~15,270~~ 16,950 |

Note

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

…

**4 Annex 10R** **Periodic fees for MTF operators payable in relation to the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020**

| General supervisory category of *MTF* or *OTF* operator (see Note below) | Fee payable (£) | Due date<br><br>(i) 1 August ~~2018~~ 2019; or<br><br>(ii) 30 days from the date of the invoice in the case of a *firm* which receives *permission* to be *operating a multilateral trading facility* or to be *operating an organised trading facility* or whose *permission* is extended to include this activity in the course of the relevant financial year. |
|---|---|---|
| *MTF* or *OTF* operator has a named individual fixed portfolio supervisor | ~~292,501~~<br>343,358 | |
| All other *MTF* or *OTF* operators (i.e. those supervised by a team of flexible portfolio supervisors) | ~~27,584~~<br>32,380 | |
| [deleted] | | |
| an *EEA firm* | 0 | |
| Note: subject to *FEES* 4.3.13R, this table applies to all *MTF* or *OTF* operators with permission to operate an *MTF* or *OTF* as at 1 April of the applicable *fee year*, irrespective of whether, and if so when, their *permission* to operate an *MTF* or *OTF* was subsequently cancelled during that *fee year*. | | |

**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 2019 to 31 March 2020**

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* (other than *incoming data reporting services providers*) under the *DRS Regulations*.

…

| |
|---|
| Part 5 - Tariff rates |

| **Activity group** | Fee payable in relation to ~~2018/19~~ 2019/20 | |
|---|---|---|
| G.2 | Minimum fee (£) | ~~515~~ 525 |
| | £ million or part £m of Modified Eligible Liabilities (MELS) | Fee (£/£m or part £m of MELS) |
| | > 0.1 | ~~0.5390~~ 0.6009 |
| G.3 | Minimum fee (£) | ~~515~~ 525 |
| | £ thousands or part £thousand of Relevant Income | Fee (£/£thousand or part £thousand of Relevant Income) |
| | > 100 | ~~0.3625~~ 0.4041 |
| G.4 | Flat fee (£) | ~~515~~ 525 |
| G.5 | As in G.3 | |
| G.10 | Minimum fee (£) | ~~1,692~~ 1,726 |
| | £ million or part £m of average outstanding electronic money (AOEM) | Fee (£/£m, or part £m of AOEM) |
| | >5.0 | 80.00 |
| G.11 | Flat fee (£) | ~~1,128~~ 1,151 |
| G.15 | Minimum fee for the first registered *programme* (£) | ~~79,184~~ 83,597 |
| | Minimum fee for all subsequent registered *programmes* | 75% of minimum fee for first registered *programme* |
| | £ million or part £m of *regulated covered bonds* issued in the 12 months ending on the valuation date. | Fee (£/£m or part £m of *regulated covered bonds* issued in the 12 months ending on the valuation date) |
| | >0.00 | ~~11.80~~ 9.66 |
| | … | |

| | | |
|---|---|---|
| G.20 | Flat fee (£) | ~~416~~ 424 |
| G.21 | Flat fee (£) | ~~208~~ 212 |
| 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* (other than an incoming *data reporting services provider*) has authorisation. | ~~25,750~~ 26,265 |
| G.26 TPV | Flat fee (£) | ~~250~~ 255 |

…

…

**4 Annex 11AR** **Definition of annual income for the purposes of calculating fees in fee blocks A.13, A.14, A.18, A.19 and B. Service Companies, Recognised Investment Exchanges, Regulated Benchmark Administrators and Claims Management Companies**

| **Annual income definition** |
|---|
| General definition for all relevant fee-blocks (other than where the ~~firms~~ firm is an operator of a Recognised Investment Exchange, a Benchmark Administrator or a Claims Management Company) |
| … |
| Where the firm is a Regulated Benchmark Administrator<br><br>"Annual income" for a *regulated benchmark administrator* is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the *firm's* accounts during the reporting year in respect of, or in relation to activities in the *UK* that comprise a necessary part of its business as a *regulated benchmark administrator*.<br><br>Where the sales and marketing of a benchmark are undertaken by a separate legal entity, the *regulated benchmark administrator* is responsible for identifying the relevant income and reporting it to us as its own income. To avoid double counting, the *regulated benchmark administrator* should report only the income from sales ~~in the *UK*~~ and exclude any amount paid to it from that income to pay for its expenses as a *regulated benchmark administrator*. |

…

**4 Annex 14R** **UKLA periodic fees for the period from 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020**

| Part 1 Base fee | | | |
|---|---|---|---|
| Activity group or invoice code (Note 1) | | Description | Base fee payable (£) |
| E.1 | Discontinued | | |
| E.2 | Premium listed issuer | A *listed issuer* of *equity shares* and *certificates representing shares* with a *premium listing* (see Note 2) | ~~5,355~~ 5,465 |
| E.3 | Standard listed issuer | A *listed issuer* of *shares* and *certificates representing certain securities* with a *standard listing* and not with a *premium listing* (see Note 2) | ~~20,285~~ 20,700 |
| E.4 | Discontinued | | |

| | | | |
|---|---|---|---|
| E.5 | Discontinued | | |
| E.6 | Non-listed issuer (in *DTR*) | A non-*listed issuer* (in *DTR*) | 0 |
| E.7 | Primary information provider | A *primary information provider* | ~~16,920~~ <u>17,275</u> |
| ES.01 | Sponsor | A *sponsor* (see Note 3) | ~~28,190~~ <u>28,775</u> |

…

| Part 2 Variable fee additional to base fee | | | |
|---|---|---|---|
| Activity Group | | Market capitalisation as at the last *business day* of the November prior to the *fee-year* in which the fee is payable in £million | Fee payable in £per £million or £part million |
| E.2 | Premium listed issuer (as described in Part 1) | 0 – 100 | 0 |
| | | > 100 – 250 | ~~27.457725~~ <u>28.803154</u> |
| | | > 250 – 1,000 | ~~10.594000~~ <u>11.113106</u> |
| | | > 1,000 – 5,000 | ~~6.521042~~ <u>6.840573</u> |
| | | > 5,000 – 25,000 | ~~0.159068~~ <u>0.166862</u> |
| | | > 25,000 | ~~0.051391~~ <u>0.053909</u> |

…

**4 Annex 15R** **Fees relating to the recognition of benchmark administrators and the endorsement of benchmarks for the period 1 April ~~2018~~ <u>2019</u> to 31 March ~~2019~~ <u>2020</u>**

| Activity group | Fee payable |
|---|---|
| A *third country legal representative* | £~~12,500~~ <u>12,750</u> |
| A *benchmark endorser* | £~~7,500~~ <u>7,650</u> |

…

## 5 Financial Ombudsman Service Funding

…

## 5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2019/20

Introduction: annual budget

1. The *annual budget* for ~~2018/19~~ 2019/20 approved by the *FCA* is £~~289.8m~~ 331.8m.

2. The total amount expected to be raised through the *general levy* in ~~2018/19~~ 2019/20 will be £~~24.5m~~ 44.5m.

Compulsory jurisdiction - general levy

| Industry block | Tariff base | General levy payable by firm |
|---|---|---|
| 1-Deposit acceptors, *home finance providers*, *home finance administrators* (excluding *firms* in block 14) and *dormant account fund operators* | Number of accounts relevant to the activities in *DISP* 2.6.1R as at 31 December<br><br>In the case of *dormant account fund operators*, the tariff base is the number of eligible activated accounts (8). | £~~0.04466~~ 0.070623 per relevant account, subject to a minimum levy of £100 |
| 2-Insurers - general (excluding *firms* in blocks 13 & 15) | Gross written premium for fees purposes (GWP) as defined in *FEES* 4 Annex 1AR; or<br><br>Relevant gross written premium (RGWP) notified to the *FCA* under *FEES* 5.4.1R(1A) | £~~0.069~~ 0.16902 per £1,000 of GWP or RGWP, subject to a minimum levy of £100 |
| 3-The *Society* (of Lloyd's) | Not applicable | £~~25,989~~ 32,126 to be allocated by the *Society* |
| 4-Insurers - life (excluding *firms* in block 15) | Gross written premium for fees purposes (GWP) as defined in *FEES* 4 Annex 1AR; or<br><br>Relevant gross written premium | £~~0.0085~~ 0.01064 per £1,000 of GWP or RGWP, subject to a minimum levy of |

| | | |
|---|---|---|
| | (RGWP) notified to the *FCA* under *FEES* 5.4.1R(1A) | £130 |
| 5. Portfolio managers (including those holding *client money*/assets and not holding *client money*/assets) | Flat fee | Levy of £~~230~~ 210 |
| 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, *arrangers*, dealers or brokers holding and controlling *client money* and/or assets | Annual income as defined in *FEES* 4 Annex 11A relating to *firm's relevant business*. | £~~0.136~~ 0.1579 per £1,000 of annual income subject to a minimum fee of £45 |
| 9-Advisors, *arrangers*, dealers or brokers not holding and controlling *client money* and/or assets | Annual income as defined in *FEES* 4 Annex 11A relating to *firm's relevant business*. | £~~0.033~~ 0.0602 per £1,000 of annual income subject to a minimum fee of £45 |
| 10-Corporate finance advisers | Flat fee | Levy of £55 |
| 11-*fee-paying payment service providers* (but excluding *firms* in any other Industry block except Industry block 18) | For *authorised payment institutions*, *registered account information service providers*, *electronic money issuers* (except for *small electronic money institutions*), the Post Office Limited, the Bank of England, government departments and local authorities, and *EEA authorised payment institutions* relevant income as described in *FEES* 4 Annex 11 Part 3 | £0.0003 per £1,000 of relevant income subject to a minimum levy of £75 |

| | | |
|---|---|---|
| | For *small payment institutions* and *small electronic money institutions* a flat fee | Levy of £35 |
| 13-Cash plan health providers | Flat fee | Levy of £65 |
| 14-*Credit unions* | Flat fee | Levy of £55 |
| 15-*Friendly societies* whose tax-exempt business represents 95% or more of their total relevant business | Flat fee | Levy of £65 |
| 16-*Home finance providers, advisers* and *arrangers* (excluding *firms* in blocks 13, 14 & 15) | Flat fee | Levy of £~~90~~ 85 |
| 17 - General insurance distribution (excluding *firms* in blocks 13, 14 & 15) | *Annual income* (as defined in *MIPRU* 4.3) relating to *firm's relevant business* | £~~0.4477~~ 0.5671 per £1,000 of *annual income* (as defined in *MIPRU* 4.3) relating to *firm's relevant business* subject to a minimum levy of £100 |
| 18 - *fee-paying electronic money issuers* | For all *fee-paying electronic money issuers* except for *small electronic money institutions*, average outstanding *electronic money*, as described in *FEES* 4 Annex 11 Part 3. | £~~0.0007~~ 0.0003 per £1,000 of average outstanding electronic money subject to a minimum levy of £40 |
| | For *small electronic money institutions*, a flat fee | Levy of £50 |
| 19 - *Credit-related regulated activities* with *limited permission* | For *not-for-profit debt advice bodies*, a flat fee | Levy of £0 |
| | For all other *firms* with *limited* | Levy of £35 |

| | | |
|---|---|---|
| | *permission*, a flat fee | |
| 20 - *Credit-related regulated activities* | Annual income as defined in *FEES* 4 Annex 11BR | Levy of £35<br><br>Plus £~~0.01~~ 0.30 per £1,000 of annual income on income above £250,000 |
| 21 - *CBTL firms* that do not have *permission* to carry out any *regulated activities* | Flat fee | Levy of £35 |
| 22 - *designated credit reference agencies* (but excluding *firms* in any other *industry block*) | Flat fee | Levy of £75 |
| 23 – *designated finance platforms* (but excluding *firms* in any other *industry block*) | Flat fee | Levy of £75 |
| 24 *claims management companies* | Annual income | £50 plus £3.00 per £1,000 of annual income |

…

…

FEES 7 (CFEB Levies) is deleted in its entirety. The deleted text is not shown but the chapter is marked [deleted] as shown below.

**7 CFEB Levies** [deleted]

Amend the following as shown.

**7A SFGB levies**

…

## 7A Annex 1R SFGB money advice levy for the period from 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

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 | ~~0.0565~~ 1.312 |
| A.2 | Band Width (no. of mortgages and/or *home finance transactions*) | Fee (£/mortgage) |
| | >50 | ~~0.0217~~ 0.522 |
| A.3 | Gross written premium for fees purposes (GWP) | |
| | Band Width (£ million of GWP) | Fee (£/£m or part £m of GWP) |
| | >0.5 | ~~1.142~~ 26.681 |
| | **PLUS** | |
| | Best estimate liabilities for fees purposes (BEL) | |
| | Band Width (£ | Fee (£/£m of part £m of BEL) |

| | | |
|---|---|---|
| | million of BEL) | |
| | >1 | ~~0.0626~~ 1.514 |
| A.4 | Gross written premium for fees purposes (GWP) | |
| | Band Width (£ million of GWP) | Fee (£/£m or part £m of GWP) |
| | >1 | ~~0.748~~ 12.316 |
| | **PLUS** | |
| | Best estimate liabilities for fees purposes (BEL) | |
| | Band Width (£ million of BEL) | Fee (£/£m or part £m of BEL) |
| | >1 | ~~0.0235~~ 0.928 |
| A.5 | Band Width (£ million of Active Capacity (AC)) | Fee (£/£m or part £m of AC) |
| | >50 | 0.0000 |
| A.6 | Flat levy | 0.0000 |
| 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 | ~~0.0059~~ 0.137 |

| | | |
|---|---|---|
| | For class 1(B) *firms*: the fee calculated as for class 1(C) firms above, less 15%. | |
| | For class 1(A) *firms*: the fee calculated as for class 1(C) *firms* 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 | ~~3.376~~ 77.457 |
| A.10 | Band Width (no. of traders) | Fee (£/trader) |
| | >1 | ~~5.418~~ 146.77 |
| A.13 | For class (2) firms | |
| | Band Width (£ thousands of annual income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~0.0027~~ 0.0628 |
| | For a *professional firm* 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 | ~~0.0012~~ 0.028 |
| A.18 | Band Width (£ thousands of Annual Income (AI)) | Fee ((£/£ thousand or part £ thousand of AI) |
| | >100 | ~~0.0077~~ 0.171 |
| A.19 | Band Width (£ thousands of Annual Income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |

| | | |
|---|---|---|
| | >100 | ~~0.0014~~ 0.0338 |
| A.21 | Band Width (£ *client money*) (CM) held | Fee (£/£ millions or part £m of CM) |
| | less than £1 million | ~~0.08~~ 1.90 |
| | an amount equal to or greater than £1 million but less than or equal to £1 billion | ~~0.06~~ 1.425 |
| | more than £1 billion | ~~0.04~~ 0.95 |
| | **PLUS** | |
| | *Safe custody assets* | |
| | Band Width (£ *safe custody assets*) (CA) held | Fee (£/£ millions or part £m of CA) |
| | less than £10 million | ~~0.00029~~ 0.0072 |
| | an amount equal to or greater than £10 million and less than or equal to £100 billion | ~~0.00022~~ 0.0054 |
| | more than £100 billion | ~~0.00015~~ 0.0036 |
| G.3 | Minimum fee (£) | ~~0~~ 10 |
| | £ thousands or part £ thousand of Relevant | Fee (£/£thousand or part £ thousand of Relevant Income) |

| | | |
|---|---|---|
| | Income | |
| | >100 | ~~0.0012~~ 0.0234 |
| G.4 | Flat fee (£) | ~~0~~ 10 |
| G.10 | Minimum fee (£) | ~~0~~ 10 |
| | £ million or part £m of average outstanding electronic money (AOEM) | Fee (£/£m or part £m of AOEM) |
| | >5.0 | ~~0.3000~~ 4.12 |
| G.11 | Flat fee (£) | ~~0~~ 10 |
| CC.1 | Minimum fee (£) | ~~0~~ 10 |
| | £ thousand of annual income (AI) | Fee (£/£ thousand or part £ thousand of AI) |
| | >250 | ~~0.0046~~ 0.101 |
| CC.2 | Minimum fee (£) | ~~0~~ 10 |
| | £ thousands of annual income (AI) | Fee (£/£ thousand or part £ thousand of AI |
| | >250 | ~~0.0046~~ 0.101 |
| Notes | | |
| (1) The definitions of fee-blocks G5 and G10 under Part 2 and Part 2A of *FEES* 4 Annex 11R are modified, for the purposes of *FEES* 7A 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 *EEA firms* and those which hold a *Part 4A permission*. | | |

| Part 2 | |
|---|---|
| (1) | This part sets out the minimum *SFGB money advice levy* applicable to the *firms* specified in (3) below. |
| (2) | The minimum *SFGB money advice levy* payable by any *firm* referred to in (3) is £10. |
| (3) | A *firm* is referred to in this paragraph if it falls within the following activity groups: A.1; A.2; A.3 (excluding *UK ISPVs*); 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 Annex 2R** **SFGB debt advice levy for the period from 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020**

…

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)<br><br>>0 | Fee (£/£m or part £m of secured debt)<br><br>~~0.766~~ 18.981 |
| CC.3 Consumer credit lending | Band width (£million of value of lending)<br><br>>0 (Note 1) | Fee (£/£m or part £m of value of lending)<br><br>~~3.985~~ 103.07 |
| Note | | |
| (1) *Credit unions* and *community finance organisations* do not pay any *SFGB debt advice levy* on the first £2,000,000 of value of lending. | | |

**7A Annex 3R** **SFGB pensions guidance levy for the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020**

| 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)<br><br>~~0.0456~~ <u>2.201</u> |
| A.4 | Band width (£ million of gross written premium for fees purposes (GWP) >1 | Fee (£/£m or part £m of GWP)<br><br>~~1.1920~~ <u>51.382</u> |
| A.7 | For class 1(B), 1 (C), (2) and (3) firms:<br><br>Band width (£ million of funds under management (FuM))<br><br>>10 | Fee (£/£m or part £m of FuM)<br><br>~~0.0175~~ <u>0.848</u> |
| A.9 | Band width (£ million of gross income (GI))<br><br>>1 | Fee (£/£m or part £m of GI)<br><br>~~6.9225~~ <u>332.32</u> |
| A.13 | Band width (£ thousands of annual income (AI))<br><br>>100 | Fee (£/£ thousand or part of £ thousand of AI)<br><br>~~0.0025~~ <u>0.1182</u> |

…

**7B** **The DA levy**

…

**7B** **DA levy for the period from 1 April 2019 to 31 March 2020**

**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)<br><br>>0 | Fee (£/£m or part £m of secured debt)<br><br>~~[tbc]~~ 2.794 |
| CC.3 Consumer credit lending | Band width (£million of value of lending)<br><br>>0 (Note 1) | Fee (£/£m or part £m of value of lending)<br><br>~~[tbc]~~ 15.18 |
| **Note:** *Credit unions* and *community finance organisations* do not pay any *DA levy* on the first £2,000,000 of value of lending. | | |

…

FEES 10 (Pensions guidance levy) and FEES 11 (Pension guidance providers' levy) are deleted in their entirety. The deleted text is not shown but the chapters are marked [deleted] as shown below.

**10 Pensions guidance levy** [deleted]

**11 Pensions guidance providers' levy** [deleted]

Amend the following as shown.

…

**13 Illegal money lending levy**

…

**13 Annex 1R** **Illegal money lending (IML) levy for ~~2018/19~~ 2019/20**

| | | |
|---|---|---|
| **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 + ~~0.200~~ 0.195 per £1,000 |

# Appendix 2
# Periodic Fees (2019/20) and Other fees (EU Exit) Instrument 2019 (made rules)

# PERIODIC FEES (2019/2020) AND OTHER FEES (EU EXIT) INSTRUMENT 2019

## Powers exercised

A. The Financial Conduct Authority ("the FCA") makes this instrument in the exercise of:

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

(a) section 137A (The FCA's general rules);
(b) section 137SA (Rules to recover expenses relating to the single financial guidance body);
(c) section 137SB (Rules to recover debt advice expenses incurred by the devolved authorities);
(d) section 137T (General supplementary powers);
(e) section 139A (Power of the FCA to give guidance);
(f) section 333T (Funding of action against illegal money lending);
(g) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority); and

(2) the following provisions of the Payment Services Regulations 2017 as amended by the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018:

(a) regulation 120 (Guidance); and
(b) regulation 35 of part 3 of schedule 3 (Power to charge fees);

(3) the following provisions of the Electronic Money Regulations 2011 as amended by the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018:

(a) regulation 60 (Guidance); and
(b) regulation 12K of part 1A of Schedule 3 (Power to charge fees); and

(4) regulations 206 and 208 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019; and

(5) regulation 63 of the EEA Passport Rights (Amendment, etc. and Transitional Provisions) (EU Exit) Regulations 2018 (power to charge fees).

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

## Commencement

C. This instrument comes into force on exit day as defined in the European Union (Withdrawal) Act 2018.

## Amendments to the Handbook

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

## Notes

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

## Citation

F. This instrument may be cited as the Periodic Fees (2019/2020) and Other Fees (EU Exit) Instrument 2019.

By order of the Board
27 June 2019

# Annex

## Amendments to the Fees manual (FEES)

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

**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 2019 to 31 March 2020**

**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 | ~~[tbc]~~ 14.89 |
| | >140 - 630 | ~~[tbc]~~ 14.89 |
| | >630 – 1,580 | ~~[tbc]~~ 14.89 |
| | >1,580 – 13,400 | ~~[tbc]~~ 18.613 |
| | >13,400 | ~~[tbc]~~ 24.569 |
| A.2 | Band Width (no. of mortgages and/or *home finance transactions*) | Fee (£/mortgage) |
| | >50 | ~~[tbc]~~ 2.594 |
| A.3 | Gross written premium for fees purposes (GWP) | Periodic fee |
| | Band Width (£ million of GPI) | Fee (£/£m or part £m of GWP) |
| | >0.5 | ~~[tbc]~~ 339.43 |
| | PLUS | |
| | Best estimate liabilities for fees | General Periodic fee |

| | | |
|---|---|---|
| | purposes (BEL) | |
| | Band Width (£ million of BEL) | Fee (£/£m of part £m of BEL) |
| | >1 | ~~[tbc]~~ 19.518 |
| 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 | ~~[tbc]~~ 194.80 |
| | PLUS | |
| | Best estimate liabilities for fees purposes | General Periodic fee |
| | Band Width (£ million of BEL) | Fee (£/£m or part £m of BEL) |
| | >1 | ~~[tbc]~~ 13.952 |
| 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 | ~~[tbc]~~ 5.44 |
| | 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 | ~~[tbc]~~ 800.49 |
| A.10 | Band Width (no. of traders) | Fee (£/trader) |
| | >1 | ~~[tbc]~~ 6,126.94 |
| A.13 | For class (2) firms | |
| | Band Width (£ thousands of annual income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~[tbc]~~ 2.558 |
| | For a *professional firm* 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 | ~~[tbc]~~ 1.62 |
| A.18 | Band Width (£ thousands of Annual Income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~[tbc]~~ 10.764 |
| A.19 | Band Width (£ thousands of Annual Income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~[tbc]~~ 1.668 |
| | ~~more than £100 billion~~ | ~~[tbc]~~ |
| CC.2 | Band Width (£ thousands of annual income (AI)) | Fee (£) |
| | 0 - 50 | ~~[tbc]~~ 318 |
| | >50 - 100 | ~~[tbc]~~ 530 |
| | >100 | ~~[tbc]~~ 1,061 |
| | **PLUS:** | |
| | | Fee (£/£ thousand or part £ thousand of AI) |
| | >250 | ~~[tbc]~~ 1.30 |

**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 | £~~[tbc]~~ 1,151 unless it is a *TP firm* that also pays minimum fees set out in the ~~PRA Rulebook~~ *PRA Rulebook,* in which case it is £~~[tbc]~~ 574. |

**Part 3**

*TA PI firm* or *TA RAISP firm*

| Activity group | Fee payable | |
|---|---|---|
| G.2 | Minimum fee (£) | ~~[tbc]~~ 525 |

| | | |
|---|---|---|
| | | |
| | £ million or part £ million of Modified Eligible Liabilities (MELs) | Fee (£/£m or part £m of MELs) |
| | >0.1 | ~~[tbc]~~ 0.6009 |
| | ~~>10 -140~~ | ~~[tbc]~~ |
| G.3 | Minimum fee (£) | ~~[tbc]~~ 525 |
| | £ thousands or part £ thousand of Relevant Income | Fee (£/£thousand or part £ thousand of Relevant Income) |
| | >100 | ~~[tbc]~~ 0.4041 |

**Part 4**

*TA EMI firm*

| Activity group | Fee payable | |
|---|---|---|
| G.10 | Minimum fee (£) | ~~[tbc]~~ 1,726 |
| | £ million or part £ million of average outstanding electronic money (AOEM) | Fee (£/£m or part £m of AOEM) |
| | >5.0 | ~~[tbc]~~ 80.00 |

**4A Annex 2R** **TPR funds periodic fees for the period from 1 April 2019 to 31 March 2020**

**Part 1**

| Scheme type | Basic fee (£) | Total funds/sub-funds aggregate | Fee (£) |
|---|---|---|---|
| *EEA UCITS scheme* recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018 | ~~[tbc]~~ 350 | 1-2 | ~~[tbc]~~ 350 |
| | | 3-6 | ~~[tbc]~~ 875 |
| | | 7-15 | ~~[tbc]~~ 1,750 |
| | | 16-50 | ~~[tbc]~~ 3,850 |

| | | | |
|---|---|---|---|
| | | >50 | ~~[tbc]~~ 7,700 |

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.

**Part 2**

| Scheme type | Fee (£) |
|---|---|
| *EEA AIF*, *EuVECA*, *EuSEF*, or *EEA ELTIF* which may be marketed in the *UK* under Part 9A of The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018 | 0 |

**7C Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) - Single Financial Guidance Body levy**

…

**7C Annex 1R TPR SFGB money advice levy for the period from 1 April 2019 to 31 March 2020**

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 *TP firms* | | |
| A.1 | Band Width (£ million of Modified Eligible Liabilities (MELs)) | Fee (£/£m or part £m of MELs) |
| | >10 | ~~[tbc]~~ 1.312 |
| A.2 | Band Width (no. of mortgages and/or *home finance transactions*) | Fee (£/mortgage) |
| | >50 | ~~[tbc]~~ 0.522 |
| A.3 | Gross written premium for fees | |

| | | |
|---|---|---|
| | purposes (GWP) | |
| | Band Width (£ million of GWP) | Fee (£/£m or part £m of GWP) |
| | >0.5 | ~~[tbc]~~ 26.681 |
| | **PLUS** | |
| | Best estimate liabilities for fees purposes (BEL) | |
| | Band Width (£ million of BEL) | Fee (£/£m of part £m of BEL) |
| | >1 | ~~[tbc]~~ 1.514 |
| A.4 | Gross written premium for fees purposes (GWP) | |
| | Band Width (£ million of GWP) | Fee (£/£m or part £m of GWP) |
| | >1 | ~~[tbc]~~ 12.316 |
| | **PLUS** | |
| | Best estimate liabilities for fees purposes (BEL) | |
| | Band Width (£ million of BEL) | Fee (£/£m or part £m of BEL) |
| | >1 | ~~[tbc]~~ 0.928 |
| 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 | ~~[tbc]~~ 0.137 |

| | | |
|---|---|---|
| | Class 1(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 | ~~[tbc]~~ 77.457 |
| A.10 | Band Width (no. of traders) | Fee (£/trader) |
| | >1 | ~~[tbc]~~ 146.77 |
| A.13 | For class (2) firms | |
| | Band Width (£ thousands of annual income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~[tbc]~~ 0.0628 |
| | For a *professional firm* 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 | ~~[tbc]~~ 0.028 |
| A.18 | Band Width (£ thousands of Annual Income (AI)) | Fee ((£/£ thousand or part £ thousand of AI) |
| | >100 | ~~[tbc]~~ 0.171 |
| A.19 | Band Width (£ thousands of Annual Income (AI)) | Fee (£/£ thousand or part £ thousand of AI) |
| | >100 | ~~[tbc]~~ 0.0338 |
| CC.2 | Minimum fee (£) | ~~[tbc]~~ 10 |

| | | |
|---|---|---|
| | £ thousands of annual income (AI) | Fee (£/£ thousand or part £ thousand of AI |
| | >250 | ~~[tbc]~~ 0.101 |
| Part 2 *TA PI firms* and *TA RAISP firms* | | |
| G.3 | Minimum fee (£) | ~~[tbc]~~ 10 |
| | £ thousands or part £ thousand of Relevant Income | Fee (£/£thousand or part £ thousand of Relevant Income) |
| | >100 | ~~[tbc]~~ 0.0234 |
| Part 3 *TA EMI firms* | | |
| G.10 | Minimum fee (£) | ~~[tbc]~~ 10 |
| | £ million or part £m of average outstanding electronic money (AOEM) | Fee (£/£m or part £m of AOEM) |
| | >5.0 | ~~[tbc]~~ 4.12 |
| | ~~£ thousands of annual income (AI)~~ | ~~Fee (£/£ thousand or part £ thousand of AI~~ |
| | ~~>250~~ | ~~[tbc]~~ |
| Part 4 | | |

| | |
|---|---|
| (1) | This Part sets out the minimum *TPR SFGB money advice levy* applicable to the *TPR firms* specified in (3) below. |
| (2) | The minimum *TPR SFGB money advice levy* payable by any *firm* referred to in (3) is £~~[tbc]~~ 10.00 |

| | |
|---|---|
| (3) | A *TP firm* 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. |

**7C Annex 2R** **TPR SFGB debt advice levy for the period from 1 April 2019 to 31 March 2020**

…

**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)<br><br>>0 | Fee (£/£m or part £m of secured debt)<br><br>~~[tbc]~~ 18.981 |
| CC.3 Consumer credit lending | Band width (£ million of value of lending)<br><br>>0 (Note 1) | Fee (£/£m or part £m of value of lending)<br><br>~~[tbc]~~ 103.07 |
| Note | | |
| (1) *Credit unions* and *community finance organisations* do not pay any *TPR SFGB debt advice levy* on the first £2,000,000 of value of lending. | | |

**7C Annex 3R** **TPR SFGB pensions guidance levy for the period 1 April 2019 to 31 March 2020**

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

| Activity group | SFGB pensions guidance levy payable | |
|---|---|---|
| *TP firms* | | |
| A.1 | Band width (£ million of modified eligible liabilities (MELs)) >10 | Fee (£/£m or part £m of MELS) |

| | | |
|---|---|---|
| | | ~~[tbc]~~ <u>2.201</u> |
| A.4 | Gross written premium for fees purposes (GWP) | |
| | Band Width (£ million of GWP) | Fee (£/£m or part £m of GWP) |
| | >1 | ~~[tbc]~~ <u>51.382</u> |
| A.7 | For class 1(B), 1(C), (2) and (3) firms:<br><br>Band width (£ million of funds under management (FuM))<br><br>>10 | Fee (£/£m or part £m of FuM)<br><br>~~[tbc]~~ <u>0.848</u> |
| A.9 | Band width (£ million of gross income (GI))<br><br>>1 | Fee (£/£m or part £m of GI)<br><br>~~[tbc]~~ <u>332.32</u> |
| A.13 | Band width (£ thousands of annual income (AI))<br><br>>100 | Fee (£/£ thousand or part of £ thousand of AI)<br><br>~~[tbc]~~ <u>0.1182</u> |

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

…

**7D Annex 1R** **TPR DA levy for the period from 1 April 2019 to 31 March 2020**

…

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 | ~~[tbc]~~ 2.794 |
| CC.3 Consumer credit lending | Band width (£million of value of lending)<br><br>>0 (Note 1) | Fee (£/£m or part £m of value of lending)<br><br>~~[tbc]~~ 15.18 |
| **Note:** *Credit unions* and *community finance organisations* do not pay any *TPR DA levy* on the first £2,000,000 of value of lending. | | |

…

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

…

**13A Annex 1R Annex 1R TPR Illegal money lending (IML) levy for 2019/20**

| **Activity group** | **Description** | **Fee (£)** |
|---|---|---|
| **Activity group CC2. Credit-related regulated activities:** | Up to £250,000 consumer credit income: | ~~[tbc]~~ 10 |
| | Over £250,000 consumer credit income: | ~~[tbc]~~ 10 + £~~[tbc]~~ 0.195 per £1,000 |

Insert the following new TP 22A after TP 22 (Transitional provisions relating to FSCS levy arrangements from 1 April 2019 or, if later, from exit day as defined in the European Union (Withdrawal) Act 2018). The text is not underlined.

**TP 22A Transitional provisions relating to the payment of fees or levies by TP persons in 2019/20, taking effect on exit day**

| **(1)** | **(2) Material provision to which** | **(3)** | **(4) Transitional provision** | **(5) Transitional provision:** | **(6) Handbook provision:** |
|---|---|---|---|---|---|

<table>
<tr><th></th><th>transitional provision applies</th><th></th><th></th><th>dates in force</th><th>coming into force</th></tr>
<tr><td>22A .1</td><td>FEES 4A, FEES 7C, FEES 7D, FEES 13A</td><td>R</td><td>Nothing in the rules in FEES 4A, 7B, 7C or 13A imposes a liability to pay a fee or a levy on a TP person that is not a branch in the United Kingdom.</td><td>From exit day for the 2019/2020 fee year</td><td>Amended with effect from exit day</td></tr>
<tr><td>22A .2</td><td>FEES 4A, FEES 7C, FEES 7D, FEES 13A</td><td>R</td><td>The fees or levies paid by a TP person that is a branch will be subject to the following modifications:<br>
<table>
<tr><td>Activity group</td><td>Percentage deducted from the tariff payable under the chapters of FEES referred to in (2) applicable to the TP person</td></tr>
<tr><td>A.1</td><td>10%</td></tr>
<tr><td>A.3</td><td>10%</td></tr>
<tr><td>A.4</td><td>10%</td></tr>
<tr><td>A.7</td><td>10%</td></tr>
<tr><td>A.9</td><td>10%</td></tr>
<tr><td>A.10</td><td>10%.</td></tr>
<tr><td>A.13</td><td>10%</td></tr>
<tr><td>A.18</td><td>10%</td></tr>
<tr><td>A.19</td><td>50%</td></tr>
<tr><td>B. MTF and OTF operators</td><td>Not applicable</td></tr>
<tr><td>AP.0</td><td>100%</td></tr>
<tr><td>G.2</td><td>40%</td></tr>
<tr><td>G.3</td><td>40%</td></tr>
</table></td><td>From exit day for the 2019/2020 fee year</td><td>Amended with effect from exit day</td></tr>
</table>

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | G.10 | 40% | | |
| | | | Note 1 | The modifications to fee tariffs payable by a *TP person* which has established a *branch* in the *United Kingdom* apply only in relation to the relevant regulated activities of the *firm* which are carried on in the *United Kingdom*. | | |
| | | | Note 2 | The *FCA* minimum fees described in Parts 2, 3 and 4 of *FEES* 4A Annex 1R and Part 4 of *FEES* 7C Annex 1R apply in full and the modifications in this TP 22A.2 do not apply to them. | | |

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