

Recovering the costs of the Office for Professional Body Anti-Money-laundering Supervision (OPBAS): feedback on CP19/13 and consultation on fee-rate for 2019/20

Consultation Paper

CP19/24**

July 2019

How to respond

We are asking for comments on this Consultation Paper (CP) by **25 September 2019**.

You can send them to us using the form on our website at:
www.fca.org.uk/cp19-24-response-form

Or in writing to:

David Cheesman
Financial Conduct Authority
12 Endeavour Square London E20 1JN

Telephone:

0207 066 5406

Email:

cp19-24@fca.org.uk

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1 Summary

Why we are consulting

- 1.1** We are feeding back on the outcome of our consultation in March 2019 on re-structuring the levy to recover the costs of establishing and running the Office for Professional Body Anti-Money Laundering Supervision (OPBAS).
- 1.2** The Government created OPBAS as part of a wider package of reforms to strengthen the UK's Anti-Money Laundering (AML) regime and based it within the FCA. OPBAS plays a key role in our AML and wider financial crime work and operates within our established executive management and governance structures.
- 1.3** We consulted on removing the minimum fee threshold from our model. We have decided to maintain it. This means that professional body supervisors (PBSs) will pay a fixed fee of £5,000 on the first 6,000 individuals that they supervise, and a per head rate on the individuals they supervise above the threshold.
- 1.4** On that basis, we are setting the fee-rate for 2018/19 and consulting on the rate for 2019/20.

Who this affects

- 1.5** This consultation paper (CP) will be relevant to:
- PBSs listed in Schedule 1 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the MLRs)
 - any professional bodies considering applying to be listed
- 1.6** It may also be of interest to designated professional bodies.
- 1.7** It contains no material directly relevant to retail financial services consumers.

Context

- 1.8** The Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2018 (the OPBAS Regulations) give us the power to recover the costs of OPBAS's supervisory activities from PBSs.
- 1.9** We are funded entirely by the fees and levies recovered from the bodies we regulate and do not receive any funding from other sources. As a result, our costs for setting up and operating OPBAS must be recovered from the PBSs it oversees.

- 1.10** We first consulted on the structure of fees to recover these costs in October 2017. Since then, we have undertaken a data collection exercise, consulted on fee rates and, in March 2019, consulted further on the fees model. The March 2019 consultation was to determine whether to retain the threshold of supervised individuals below which fee-payers pay a flat-rate fee. This CP presents the outcome of that consultation.

Summary of proposals

- 1.11** Chapter 2 summarises the consultation responses we received and presents our feedback:
- we confirm our original fees model, where PBSs pay a minimum fee of £5,000 for supervising up to 6,000 individuals and a variable fee-rate per head on individuals supervised above the threshold
 - we set the variable fee-rate for 2018/19 at £36.25 per supervised individual above the 6,000 threshold.
- 1.12** Chapter 3 proposes a variable fee-rate of £44.36 for 2019/20.
- 1.13** Chapter 4 sets out the next steps.

Equality and diversity considerations

- 1.14** We do not think that the proposal in this CP adversely impacts any of the groups with protected characteristics under the Equality Act 2010. We will continue to consider the equality and diversity implications of the proposals during the consultation period, and will revisit them when publishing the final rules.
- 1.15** In the meantime, we welcome your comments on any equality and diversity considerations you believe may arise.

Next steps

- 1.16** Please consider our proposal and send us your comments on the question in this CP by 25 September 2019. You can use the online response form on our website or write to us at the address on page 3 of this document.
- 1.17** We will consider your comments and publish the final fee-rate with our feedback in December 2019.

2 Feedback on consultation

(Legal Instrument in Appendix 1)

- 2.1** In this chapter, we summarise the consultation and the responses we received, present our feedback and confirm the fee-rate for 2018/19. The instrument made by the FCA Board on 25 July 2019 is in Appendix 1.

Summary of the consultation

- 2.2** Fee-payers are grouped into fee-blocks. Each fee-block collates businesses with similar activities, reducing the risk of cross-subsidy. PBSs are in a single fee-block, D2. Some of them are also in fee-block D1 as Designated Professional Bodies (DPBs). The costs and cost-recovery of fee-blocks D1 and D2 are ring-fenced, so there is no cross-subsidy.
- 2.3** Each fee-block uses a metric, known as a tariff measure, to distribute cost recovery between the fee-payers. We engaged with PBSs during 2017 and consulted in October 2017 on the structure of OPBAS fees (<https://www.fca.org.uk/publication/consultation/cp17-35.pdf>). After reviewing a wide range of alternatives, including income and professional membership, a count of individuals supervised under the MLRs emerged as the best available option.
- 2.4** Several PBSs advocated 'beneficial owners, officers and managers' (BOOMS) as a statutorily defined measure which was already being used by many of them. In our policy statement (PS) published in April 2018 (<https://www.fca.org.uk/publication/policy/ps18-09.pdf>), we incorporated this into our definition of supervised individuals for fee-block D2 in FEES Appendix 2 Annex 2 Part 1:
- beneficial owners, officers and managers; plus
 - sole practitioners who are relevant persons under the MLRs
- Both categories are as defined at regulation 3 of the MLRs.
- 2.5** 'Supervised individuals' had broad support as a statutorily defined measure which PBSs could readily supply. Several raised concerns that treating BOOMS and sole practitioners equally would disproportionately weigh cost recovery against those PBSs which supervise large numbers of sole practitioners and small partnerships.
- 2.6** Sole practitioners tend to generate lower fee revenues and are accountable only for their own money-laundering risks. BOOMS employed in the large firms which are generally supervised by the larger PBSs, generate substantial fee income and are accountable for the money-laundering risks of other fee-earners who are not included in the figures reported to us.
- 2.7** To help counter these concerns, we introduced a minimum fee structure to take some of the supervised individuals out of the equation. Up to 6,000 individuals, we

proposed that PBSs pay a minimum fee of £5,000. A variable fee is then payable on any individuals above that number.

- 2.8** We set the threshold at 6,000 because it left a clear demarcation between the smallest of the large PBSs and the largest of the small ones, with no PBSs falling close to the margin.
- 2.9** We were working with reports of supervised individuals the PBSs had reported to the Treasury, but we believed the figures were overstated because some PBSs had reported their total professional membership rather than the individuals supervised under the MLRs. We accordingly asked the PBSs to submit fresh data to us, using our definition, over the summer of 2018.
- 2.10** The tighter definition of supervised individuals reduced the population by 63%, from 217,884 reported to the Treasury to 79,731. The 6,000 threshold remained an objective demarcation point between large and small PBSs because it left a margin of 2,000 individuals above and below the line. This avoided any risk that we might appear to have exercised judgment in deciding which PBSs should fall on either side.
- 2.11** In October 2018, we confirmed the minimum fee and threshold and consulted on the variable rate fee for 2018/19 (<https://www.fca.org.uk/publication/consultation/cp18-32.pdf>).
- 2.12** Several of the respondents to the consultation challenged the model from which the variable rate fee was calculated. They argued that the threshold distorted the pattern of cost recovery.
- 2.13** Only 3 of the 22 fee-payers paid variable rate fees and between them contributed 94% of the costs of OPBAS. The other 19 PBSs paid only the flat rate of £5,000. Removing the threshold and the minimum fee resulted in a pattern of cost recovery where every PBS paid about £20 per head on all their supervised individuals.
- 2.14** We undertook a review of our previous consultations and concluded that:
- 6,000 individuals remained a reasonable threshold; but
 - While we had consulted on the minimum fee, we had not consulted explicitly on whether there should be a threshold or not. We considered it would be appropriate to request further evidence on the impact of removing the threshold.
- 2.15** We accordingly consulted in March 2019 (<https://www.fca.org.uk/publication/consultation/cp19-13.pdf>) on removing the threshold and setting a flat-rate per head fee, which would be £20.59 in 2018/19. This model would have left 3 PBSs paying less than £5,000 so we proposed that no PBS would pay less than that, however many individuals they supervised.
- 2.16** We did not consult on the level of the threshold or the minimum fee since these had already been set, following consultation, at 6,000 supervised individuals and £5,000. Our consultation question was:

Q1: *Do you agree that we should remove the minimum fee structure and charge all PBSs a flat rate of £20.59 per supervised individual, subject to a minimum charge of £5,000? Please support your view with evidence*

demonstrating the impact on the viability of professional body supervisors and on the individuals they supervise.

Costs of OPBAS

- 2.17** In CP19/13 we explained that the bulk of OPBAS running costs cover employment costs, with an appropriate share of the costs associated with being part of the FCA. These include the costs of enforcement.
- 2.18** Some respondents asserted that it was difficult to comment on our fees proposals without further information to demonstrate the efficient and economic use of OPBAS's resources.
- 2.19** However, our consultation was on the mechanism for recovering the costs we incur from year to year and not on the overall cost of OPBAS itself. The OPBAS team is part of the FCA, which is audited by the National Audit Office and accountable to Parliament.
- 2.20** We welcome discussion about the objectives and performance of OPBAS but do not consider it appropriate to publish details of the internal governance and deployment of resources of individual FCA teams.

Outcome of the consultation and feedback

- 2.21** We received 20 responses to CP 19/13. They are listed in Annex 2.
- 2.22** The main arguments in favour of removing the threshold were:
- If the FCA charges all PBSs the same flat rate per head, and each PBS passes this on to the individuals they supervise, that removes competition issues by avoiding the financial incentive for supervised individuals to switch PBS. A threshold increases the AML charges the larger PBSs recover from their supervised individuals. Some may choose to be supervised by other PBSs where the per head rate is lower.
 - It is 'fairer and clearer' because the variable fee model results in supervised individuals making different contributions towards the costs of OPBAS, 'depending on who they were supervised by, with those supervised by the three largest PBSs paying a disproportionate amount.'
 - As per head fees trickle down to supervised individuals, 'if you are regulated by the three largest PBSs, you will pay £41.03 per BOOM, whereas if you are regulated by a smaller regulator that pays the minimum fee, we estimate you will pay an average of £10 per BOOM.'
 - Removing the threshold gives 'a fairer, clearer and more proportionate distribution of cost recovery.'
 - The supervisory costs of OPBAS are not dependent on the number of individuals any PBS supervises: 'Instead, the costs relate to the assessed risks relating to each PBS, and the larger PBSs are likely to have more established procedures and economies of scale.'

- The current model does not take into account the relative regulatory risks of the different sections of the supervised population, nor how PBSs are managing those risks.
- It is unfair that 3 PBSs who are responsible for 69% of the supervised individuals should pay 94% of the fees.
- The threshold of 6,000 individuals 'is arbitrary, and would deliver unfair outcomes.' The only rational justification for it is 'to require the larger PBSs to subsidise the smaller ones.'

2.23 The main arguments in favour of retaining the threshold were:

- 'Far from being a "fundamental flaw", the minimum fee structure rescues what would otherwise be an inferior model' from a 'perverse outcome' where cost recovery is weighted towards the smallest firms. A threshold mitigates the 'inherent potential unfairness' of a methodology based on a supervised population 'ranging from sole/self-employed practitioners to very large firms with many fee earners.' Removing it 'will inevitably favour larger PBSs at the expense of smaller ones.'
- The level of fees earned by supervised firms would have been the best indicator of risk. The metric of supervised individuals disproportionately affects smaller firms and is arguably anti-competitive. With the Big 4 accountancy firms between them having UK turnover above £1.3bn, the 3 largest fee-payers 'almost certainly supervise firms representing more than 94% of the regulated activity.' Their fees accordingly reflect both the likely level of risk in the supervised population and the ability to recover costs from that population.
- The professions that are predominantly made up of sole practitioners and self-employed individuals are disproportionately penalised by a per head methodology. This 'one size fits all' model does not reflect reality or 'translate across the diverse supervisory landscape' because 'crude numbers of BOOMs' do not indicate impact risk. The market share and potential for harm of a sole trader generating fee income under £100k is not equivalent to a partner in a Big 4 accountancy firm who generates fees of £2.3m – £3.9m and is accountable for other staff who are not included in the totals of supervised individuals reported to the FCA.
- PBSs do not in practice pass the FCA per head fee-rate to the individuals they supervise under the AMLs. The costs are funded – or 'subsidised' as one PBS put it – by their wider membership. Since a firm can be supervised by only one PBS under the MLRs, not all BOOMs are members of the PBS supervising them. Three PBSs mentioned that they directly supervised only 2% – 10% of their own members. The rest were supervised by other PBSs, either as BOOMs or sole practitioners, or as employees accountable to BOOMs.
- Keeping the threshold holds down the charges the smaller PBSs recover from their supervised firms, so avoids financial incentives for firms to switch to other PBSs or, in the case of accountancy firms, opt for supervision by HMRC who have no remit to maintain and enhance professional standards.
- Removing the threshold raises the costs of OPBAS supervision for the smaller PBSs. They might reconsider the commercial advantages of undertaking AML supervision and seek to withdraw this service.
- 'The threshold of 6,000 supervised individuals required before the variable fee begins to operate is reasonable and evidence-based.'
- Barristers present an exceptionally low AML risk since they are prohibited from holding client money, but they are almost all self-employed so are over-represented in the population of supervised individuals. A chambers is a grouping of individuals, all of whom may report themselves as sole practitioners, whereas a firm of the same size would report only its partners, as BOOMs.

Our feedback

- 2.24** After extensive internal discussion of the arguments for and against retaining the threshold, we have concluded that our original assessment in 2017 was correct and supervised individuals should not be treated equally.
- 2.25** We recognise that supervised individuals is not the ideal measure for distributing cost recovery between fee-payers, but no alternative has been suggested to us which we are confident PBSs can report consistently.
- 2.26** In the absence of a more sensitive measure, excluding the first 6,000 supervised individuals from the calculation is a simple, if unsophisticated, device to help counter-balance the potential over-representation of small firms in the population.
- 2.27** Three important general points came out of the consultation:
- Whatever structure of fees we adopt, no PBS said it would be put out of business by our fees. Some respondents suggested that, if costs increased, smaller accountancy PBSs might in the future question whether it was commercially viable to be an AML supervisor and instead consider restricting their services to maintaining professional standards. Such a decision was unlikely to be determined purely by our fees.
 - Whatever structure of fees we adopt, some accountancy firms might be tempted to shop around for cheaper supervision. If we removed the threshold and fees increased for smaller PBSs, firms might opt for supervision by HMRC or larger PBSs. If we retained the threshold, setting higher per head rates for the larger PBSs, firms might opt for supervision by the smaller PBSs.
 - Only one PBS said it attempted to target recovery of its AML supervisory costs on the population it directly supervises. The others recover their AML costs through the fees charged from their wider membership of active members with practising certificates. Many of these members may be subject to the MLRs but only a proportion will be included in the figures of sole practitioners and BOOMs submitted to us.

Therefore, although the flat-rate per head model is elegant and symmetrical, it does not appear to reflect the way PBSs charge their supervised populations. In practice, their charging models are more complex. When we set up a fees structure, we attempt to achieve an equitable distribution of cost recovery. We do not try to second-guess how fee-payers will recover our charges from their clients, customers or members.

- 2.28** We wish to acknowledge the exceptionally strong commitment to principle which inspired two PBSs to support removal of the threshold even though they knew it would result in large increases in their own fees. It is extremely unusual for fee-payers to argue for their fees to be raised.

Fee-rate for 2018/19

- 2.29** The threshold of 6,000 individuals and the minimum fee of £5,000 are already set in the fees manual, so the instrument in Appendix 1, which our Board made on

25 July 2019, sets the variable fee-rate payable on the number of individuals above the threshold.

2.30 When we consulted, our estimated budget for OPBAS was £1.4m, but we now have the outturn figure for 2018/19, which is £1.2m. Adding in half of the set-up costs of £0.5m (£0.25m), the total to be recovered is £1.45m instead of £1.65m. Consequently, the fee-rate we have set is, at £36.25 per head, slightly lower than the rate consulted on in CP18/32.

2.31 We have not yet recovered any of the costs of OPBAS, so we intend to issue the invoices for 2018/19 in August 2019.

3 Consultation on fee-rate for 2019/20

(Draft instrument in Appendix 2)

- 3.1** Now that we have confirmed the structure of OPBAS fees, with a minimum fee threshold, we are consulting on the fee-rate for 2019/20.
- 3.2** The budget for OPBAS in 2019/20 is £1.5m. Therefore, with the balance of the set-up costs (£0.25m), we will be recovering a total of £1.75m. On this basis, the fee-rate we are consulting on is £44.36 per head. We are asking for responses by 25 September 2019.
- 3.3** The FCA Board will finalise the fee-rate in December 2019 and invoices will be issued in the first quarter of 2020.
- 3.4** In future, OPBAS fees will be determined as part of the annual consultation on fee-rates in the spring of each year. We will therefore consult on the 2020/21 OPBAS fees in the spring 2020 CP.
- 3.5** Fee-payers who pay more than £50,000 in FCA fees in any year, pay the equivalent of half of the previous year's fees each April as an instalment towards the current year's fee and the balance in September.
- 3.6** This means that PBSs which pay more than £50,000 in fees for 2019/20, will pay half of the 2019/20 figure in April 2020 and the balance of the 2020/21 fee in September 2020

Q1: Do you have any comments on our proposed variable fee of £44.36 per supervised individual for 2019/20?

4 Next steps

4.1 The next steps are:

- we will issue invoices for the 2018/19 fees in August 2019
- this consultation closes on 25 September 2019
- we will set the final fee-rate at the December 2019 Board and publish feedback
- we will issue invoices for 2019/20 in the first quarter of 2020
- we will consult on the fee-rate for 2020/21 as part of the annual consultation on FCA fee-rates in spring 2020
- fee-payers paying over £50,000 in 2019/20 will pay the equivalent of half the 2019/20 fee in April 2020 and the balance of the 2020/21 fee in September 2020.

Annex 1

Question in this paper

Q1: Do you have any comments on our proposed variable fee of £44.36 per supervised individual?

Annex 2

Non-confidential respondents

Association of Accounting Technicians

Association of Chartered Certified Accountants

Association of International Accountants

Association of Taxation Technicians

Bar of Northern Ireland

Bar Standards Board

Chartered Institute of Legal Executives

Chartered Institute of Taxation

Chartered Institute of Management Accountants

CILEx Regulation

Council for Licensed Conveyancers

General Council of the Bar of England and Wales

Institute of Chartered Accountants of England and Wales

Institute of Chartered Accountants of Scotland

Institute of Financial Accountants

Law Society of England and Wales

Law Society of Northern Ireland

Law Society of Scotland

Solicitors Regulation Authority

Annex 3

Compatibility statement

Compliance with legal requirements

1. Although OPBAS fees will not be charged under the FSMA regime, we must make sure our proposals are compatible with the FCA's wider statutory duties, so this annex explains our reasons for concluding that they are compatible with relevant requirements under the Financial Services and Markets Act 2000 (FSMA). A cost benefit analysis of OPBAS was conducted in Guidance consultation GC17/7, 'Office for Professional Body Anti-Money Laundering Supervision: a sourcebook for professional body supervisors', published in July 2017.
2. When consulting on new rules, we are required by section 138I(2)(d) of FSMA to explain why we believe they are compatible with our strategic objective, advances 1 or more of our operational objectives, and have regard to the regulatory principles in s.3B of FSMA. We are also required by s.138K(2) of FSMA to state our opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
3. This annex sets out our view of how the proposed rules are compatible with our duty to discharge our general functions (which include rule-making) in a way that promotes effective competition in the interests of consumers (s.1B(4)). This duty applies where promoting competition is compatible with advancing our consumer protection and integrity objectives.
4. It also includes our assessment of the equality and diversity implications of these proposals.

Our objectives and regulatory principles

5. The fees structure and fee-rate we are proposing in this consultation is not intended to advance our operational objectives. However, the fees collected will enable us to fund our activities. The proposal will indirectly advance our operational objectives of:
 - delivering consumer protection – securing an appropriate degree of protection for consumers
 - enhancing market integrity – protecting and enhancing the integrity of the UK financial system
 - building competitive markets – promoting effective competition in the interests of consumers
6. We also think that the proposal is indirectly compatible with our strategic objective to ensure the relevant markets function well. For the purposes of our strategic objective,

'relevant markets' are defined by s.1F of FSMA. In the rest of this annex, reference to objectives means both our strategic objective and operational objectives.

7. In preparing the proposal set out in this consultation, we have had regard to the regulatory principles set out in s. 3B of FSMA. The most relevant regulatory principles are considered below.

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

8. We have tried to keep the fees structure as simple as possible to avoid unnecessary administrative costs. The fee we are consulting on will enable us to recover our costs.

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

9. The structure we have implemented is intended to distribute cost recovery between the relevant fee-payers as fairly as possible.

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

10. In Chapter 2 we explained the thinking behind our decisions.
11. In formulating these proposals, we have had regard to the importance of minimising the extent to which it is possible for a business carried on (i) by an authorised person or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s. 1B(5)(b) of FSMA). The levy we propose will assure the operation of OPBAS, whose remit is to make sure the MLRs are effectively implemented.

Expected effect on mutual societies

12. We do not believe our consultation proposal will have a direct impact on mutual societies.

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

13. Our fees enable us to fund our activities, including our duty to promote effective competition in the interests of consumers. We have tried to minimise distortion to competition by basing the fees on the number of persons supervised under the MLRs.

We can then spread cost recovery as fairly as possible across all fee-payers and charge lower fees to the smaller PBSs which supervise fewer persons.

Equality and diversity

14. We are required under the Equality Act 2010 to 'have due regard' to the need to eliminate discrimination and to promote equality of opportunity in carrying out our policies, services and functions. We believe the policy proposals in this CP do not raise equality or diversity questions but we welcome comments on any equality and diversity issues you believe may arise.

Annex 4 Abbreviations

AFR	Annual funding requirement
AML	Anti-money laundering
BOOMs	Beneficial owners, officers and managers, as defined at Regulation 3 of the MLRs
CP	Consultation Paper
DPB	Designated Professional Body (designated by order under s 326(1) of FSMA)
FCA	Financial Conduct Authority
FEES	FEES Manual
FSMA	Financial Services and Markets Act 2000
MLRs	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (these replace the Money Laundering Regulations 2007)
OPBAS	Office for Professional Body Anti-Money Laundering Supervision
OPBAS Regulations	Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017
PS	Policy statement

We have developed the policy in this Consultation Paper 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.

We make all responses to formal consultation available for public inspection unless the respondent requests otherwise. We will not regard a standard confidentiality statement in an email message as a request for non-disclosure.

Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

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

Legal instrument

**FEES (OFFICE FOR PROFESSIONAL BODY ANTI-MONEY LAUNDERING
SUPERVISION) (No 2) INSTRUMENT 2019/20**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the power under Regulation 27 (costs of supervision) of the Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017; and
 - (2) the power under Regulation 102 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

Commencement

- B. This instrument comes into force on 26 July 2019.

Amendments to the Handbook

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

Notes

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

Citation

- E. This instrument may be cited as the Fees (Office for Professional Body Anti-Money Laundering Supervision) (No 2) Instrument 2019.

By order of the Board
25 July 2019

Annex

Amendments to the Fees manual (FEES)

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

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

...

Part 3

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

Fee payable in relation to 2018/2019	Amount payable (£)
...	...
Variable fee, payable by professional body supervisors where the number of supervised individuals is 6,000 or more.	£ 45.49 <u>36.25</u> multiplied by the total number of supervised individuals in excess of the threshold of 6,000. [See Note]
[Note: reference to “the number of supervised individuals” is to those supervised individuals calculated in accordance with Part 1.]	

Appendix 2

Draft instrument

**FEES (OFFICE FOR PROFESSIONAL BODY ANTI-MONEY LAUNDERING
SUPERVISION) (No [3]) INSTRUMENT 2019/20**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the power under Regulation 27 (costs of supervision) of the Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017; and
 - (2) the power under Regulation 102 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

Commencement

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

Amendments to the Handbook

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

Notes

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

Citation

- E. This instrument may be cited as the Fees (Office for Professional Body Anti-Money Laundering Supervision) (No [3]) Instrument 2019.

By order of the Board
[*date*]

Annex

Amendments to the Fees manual (FEES)

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

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

...

Part 3

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

Fee payable in relation to 2019/2020	Amount payable
...	...
Variable fee, payable by professional body supervisors where the number of supervised individuals is 6,000 or more.	£ 36.25 <u>44.36</u> multiplied by the total number of supervised individuals in excess of the threshold of 6,000. [See Note]
[Note: reference to “the number of supervised individuals” is to those supervised individuals calculated in accordance with Part 1.]	

