

Consultation Paper

CP25/33**

Regulatory fees and levies: policy proposals for 2026/27

November 2025

How to respond

For our proposals on targeted support, we are asking for comments by **9 January 2026**.

For all other proposals, we are asking for comments by **16 January 2026**.

You can send them to us using the form on our [website](#).

Or in writing to:

Fees Policy
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Email:

cp25-33@fca.org.uk.

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- an account of the representations we receive, and
- an account of how we have responded to the representations.

In your response, please indicate:

- if you consent to the publication of your name. If you are replying from an organisation, we will assume that the respondent is the organisation and will publish that name, unless you indicate that you are responding in an individual capacity (in which case, we will publish your name),
- if you wish your response to be treated as confidential. We will have regard to this indication, but may not be able to maintain confidentiality where we are subject to a legal duty to publish or disclose the information in question.

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This is a joint consultation by the PRA and FCA. Responses will be shared between the regulators

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Irrespective of whether you indicate that your response should be treated as confidential, we are obliged to publish an account of all the representations we receive when we make the rules.

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Chapter 1

Summary

Why we are consulting

- 1.1** We are funded by fees and levies from the firms we regulate. This consultation paper (CP) outlines proposed changes to how we will raise Financial Conduct Authority (FCA) fees, Financial Ombudsman Service (Financial Ombudsman) levies and Financial Services Compensation Scheme (FSCS) levies, ahead of our spring consultation on fee and levy rates for 2026/27.
- 1.2** This CP includes the following sections:
- Chapter 2 sets out our proposed changes to the Fees Manual of the FCA Handbook (FEES).
 - Chapter 3 sets out proposed changes to FEES 5 (regarding the Financial Ombudsman) and FEES 6 (regarding the FSCS).
 - Chapter 4 sets out proposals which we are consulting on jointly with the Prudential Regulation Authority (PRA) to avoid unnecessary duplication.
 - Chapter 5 provides fees policy updates.

Who this applies to

- 1.3** This CP applies to:
- All FCA and PRA fee-payers.
 - Financial Ombudsman and FSCS levy-payers.
 - And to any businesses considering applying for FCA authorisation or registration.
- 1.4** Each proposal deals with a specific policy area and identifies who it affects. Table 1 summarises which sections of this CP are relevant to which firms.
- 1.5** This CP is not directly relevant to financial services consumers.

Table 1: Fee-payers affected by each chapter of this CP

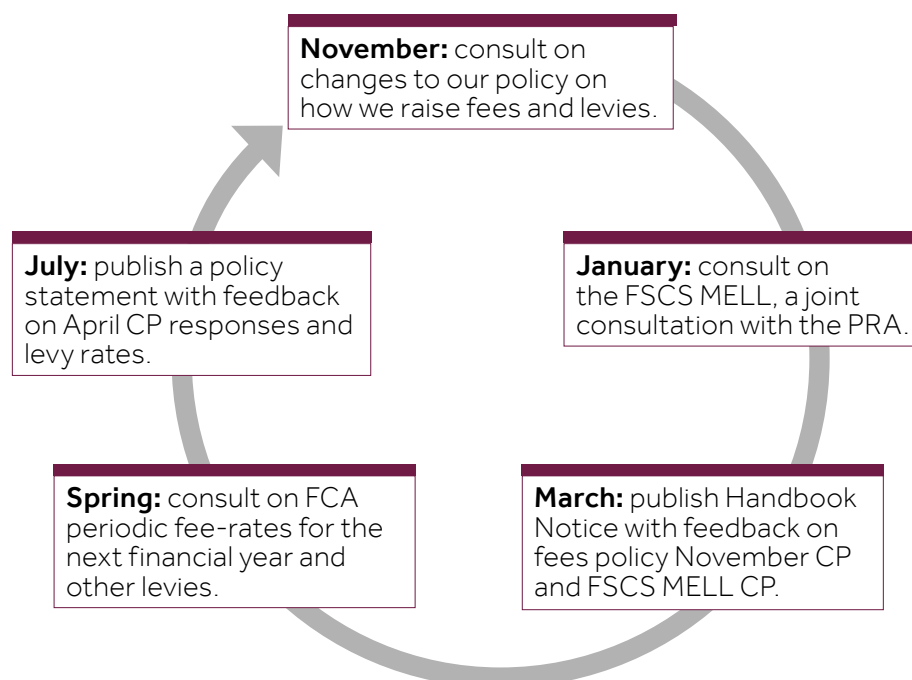
Issue	Fee-payers likely to be affected	Chapter
Proposed changes to the Fees Manual	All fee-payers	2
Changes to FEES 5 and FEES 6	All firms paying levies for the Financial Ombudsman and FSCS	3
Joint PRA and FCA proposals	All fee-payers	4
Fees policy updates	All fee-payers	5

Our fees policy cycle

1.6 We have an annual fees cycle:

- November – we consult on the development of our fees policy approach.
- March – where we propose rules changes in our November CP for the following financial year, we consider CP feedback and make any rule changes in the following March Handbook Notice.
- Spring – we consult on cost recovery proposals for the coming financial year (April to March).
- July to October – we invoice firms.

This process is shown below¹ and detailed on our [fees webpage](#).



¹ Each January, the FCA and the PRA conduct a joint consultation on the Management Expenses Levy Limit (MELL) for the FSCS. The MELL covers the FSCS's ongoing operating costs and includes the FSCS's IT, staff and legal and outsourced and internal claims' handling costs. It does not include compensation costs, which are levied separately and decided by the FSCS.

Measuring success

- 1.7** A successful outcome from the operation of our fees rules is the appropriate recovery of FCA costs. We set out how much we intend to recover in our annual work programme. The rule changes for the levies payable to the Financial Ombudsman and the FSCS are also designed to result in an appropriate recovery of those organisations' costs.

Next steps

- 1.8** For our proposals on Targeted Support (paras 2.11 – 2.18 and question 3 – 7), send us your comments by **9 January 2026**.
- 1.9** For all other proposals, send us your comments by **16 January 2026**.
- 1.10** Use the [online form](#), or write to us at the address on page 2 or email us at cp25-33@fca.org.uk.
- 1.11** We will provide feedback to comments in Chapters 2, 3, 4 and 5 and publish any rules made by the FCA Board in our Handbook Notice in February 2026 (for rules on targeted support) and March 2026.
- 1.12** The PRA and the FCA will consider comments on the rule changes proposed in Chapter 4 independently and in line with their respective statutory objectives. We will publish our feedback on FCA Handbook changes in Chapter 4 and any rules made by the FCA Board in our Handbook Notice in March 2026. The PRA will publish any feedback and rules made by the PRA Board in April 2026.

How it links to our objectives

- 1.13** The fees we collect enable us to recover the costs of our work. As we approach this work, we must carefully consider how to advance our objectives and deliver against our strategy. As such, although our proposals are not intended to directly advance our operational objectives or secondary objective, they fund our capacity to do so.

Equality and diversity considerations

- 1.14** We have considered the equality and diversity issues that may arise from the proposals in this CP.

- 1.15** Overall, we do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010 (in Northern Ireland, the Equality Act is not enacted but other antidiscrimination legislation applies). But we will continue to consider the equality and diversity implications of the proposals during the consultation period. We will revisit them when making the final rules.
- 1.16** In the meantime, we welcome your input to this CP on these issues.

Chapter 2

Proposed changes to the Fees Manual

(Draft FCA Handbook instrument in Appendix 1)

(Draft FCA Handbook instrument in Appendix 2)

2.1 In this chapter, we set out our proposals for:

- Private Intermittent Securities and Capital Exchange System (PISCES) periodic fee
- Targeted support fees and levies
- Cryptoasset firms' application fees
- Deferred Payment Credit (DPC) fees and levies
- Payment institutions (PIs), registered account information service providers (RAISPs), and electronic money institutions (EMIs) registration fee
- Minor amendments to the Fees manual (FEES)

Private Intermittent Securities and Capital Exchange System (PISCES) periodic fee

(FEES 4 Annex 1A, Annex 2A, Annex 11A)

- 2.2** PISCES is a new type of trading platform that enables intermittent trading of private company shares. The regulatory framework has been established under a Financial Market Infrastructure sandbox created by the Treasury. The sandbox opened in June 2025 and is expected to run for 5 years. After the sandbox closes, we will review our regulatory model and make any necessary adjustments.
- 2.3** We introduced a Category 6 application fee (currently £11,150) for approval to operate a PISCES in June 2025, coinciding with the opening of the gateway. We will start charging periodic fees from 2026/27.
- 2.4** We propose to allocate PISCES operators to a new 'B' (Market Infrastructure) fee-block so that we can recover our project and supervisory costs through periodic fees. Under this structure, firms would pay a minimum annual fee of £2,200 which reflects the baseline costs of regulation. If a firm's annual regulated income from operating a PISCES exceeds £500,000, an additional variable fee would apply. We consider our standard definition of annual income in FEES 4 Annex 11A will be appropriate for the PISCES service.
- 2.5** We will be recovering c.£380,000 in project costs and c.£170,000 in annual supervisory costs. All application fees will be credited against the project costs, slightly reducing the total to be recovered. To make sure that the first operators do not pay a disproportionate share of the total costs, we propose to set a fixed variable fee-rate throughout the full 5-year sandbox period.

- 2.6** The total costs will be recovered over the 5 years, but the variable fee-rate will not change as new firms join. This approach gives certainty to the operators and prospective operators. They will be able to predict their fee-rates over the full period of the sandbox and pay according to the size of their business as it grows. If there are more applicants than we anticipate, or if the market grows faster than projected, we will recover our costs more quickly. We successfully used this approach to cost recovery when we took responsibility for regulating consumer credit in 2014.
- 2.7** We will fix the rate at a level which, in the light of the information available to us, would enable us to recover all our costs over 5 years. We will consult on the fee-rate as part of our fee-rates CP in spring 2026. On current calculations, we expect the fee-rate to be below £12 per £1,000 of regulated income. We will review the rate and, if necessary, adjust it at the end of the sandbox period.

Levies

- 2.8** Investors trading shares on a PISCES platform will continue to be covered by the protections available through the Financial Ombudsman, and where applicable, the FSCS.
- 2.9** Under our proposed model, PISCES platforms assume an intermediated business model, meaning investors will typically transact through authorised intermediaries rather than directly with the PISCES operator. Therefore, we expect FSCS-protected claims and any resulting FSCS levies may arise where claims against intermediaries relate to designated investment business (such as advising, arranging or dealing in investments). FSCS coverage also applies to PISCES operators as it does for Multilateral Trading Facilities (MTFs). PISCES intermediaries and PISCES operators will come under Class 2 Category 2.1 (life distribution and investment intermediation) for FSCS fees purposes.
- 2.10** This approach is consistent with our broader policy on Financial Ombudsman and FSCS levies for market infrastructure providers. We will keep this position under review as the regime develops.

Question 1: Do you agree with our proposal to create a new fee-block for PISCES operators and base their periodic fee on regulated income?

Question 2: Do you agree with our proposal that firms should only start paying a variable fee above a threshold of £500,000 of regulated income?

Targeted support fees and levies

(FEES 4 Annex 1A, FEES 6 Annex 3A)

Consultation deadline: 9 January 2026

- 2.11** We are working with the Government to finalise rules and legislation to establish a new targeted support regime. The regime will enable firms to provide more support on investments and pensions to groups of clients with similar financial needs.
- 2.12** Firms will need to apply for permission to undertake targeted support. We intend to open the gateway for applications in March 2026. We are shortening the consultation period for this proposal so that the rules can be made in February 2026.
- 2.13** We estimated in CP25/17 that between 60 and 130 firms may offer targeted support. We expect most of these to be already authorised as retail financial intermediaries and paying fees in fee-block A.13 (advisers, arrangers, dealers or brokers). Targeted support will be an extension to their existing activity.
- 2.14** We propose to extend the definition of A.13 to include the new activity of providing targeted support. Firms already authorised for activities in A.13 will pay a Category 2 (currently £550) variation of permission (VoP) fee for extending their activity to undertake targeted support. Firms seeking new authorisation will pay a Category 4 application fee (currently £2,790) to join A.13.
- 2.15** If a firm is planning to provide targeted support, it will need to ensure that any income from this activity is allocated appropriately within its annual eligible income return, in line with the existing reporting requirements for fee-block A.13.

Levies

- 2.16** Adding targeted support to fee-block A.13 results in targeted support being added to industry blocks 8 and 9 (Advisors, arrangers, dealers or brokers) for Financial Ombudsman levies.
- 2.17** We propose adding targeted support to Class 2, Category 2.1 (life distribution and investment intermediation) for FSCS levies. FSCS levies are based on firms reported eligible income under each class. We recognise that targeted support will, in some cases, be provided as a cross-subsidised service, with no direct charge to consumers and revenue generated elsewhere. In such cases, firms may not report income directly attributable to targeted support, but the activity can still create Financial Ombudsman and FSCS exposure. If this is not properly reflected in levy calculations, there is a risk of under-contribution, despite the potential for claims arising from the provision of targeted support. We welcome feedback from respondents on how they expect to calculate their eligible income from targeted support for Financial Ombudsman and FSCS levies and whether an alternative tariff base or a flat rate would be more appropriate.

Project costs

- 2.18** We recognise that the benefits of targeted support, in some cases, will be shared with firms in other fee-blocks, specifically A.7 (portfolio managers) and A.9 (managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes). We are considering sharing some of the project costs with these fee-blocks. We will determine these allocations when we consult on fee-rates in spring 2026. The annual cost of supervision will be restricted to fee-block A.13, but this is unlikely to have a significant impact on fees as these costs will be spread across all firms in the fee-block.

Question 3: Do you agree with our proposal to extend the definition of fee-block A.13?

Question 4: Do you agree that some of the project costs should be recovered from fee-blocks A.7 and A.9?

Question 5: Do you agree with our proposal to include targeted support in industry blocks 8 and 9 to include the activity of targeted support?

Question 6: Do you agree with our proposal to add targeted support to Class 2, Category 2.1 for FSCS levies?

Question 7: Do you agree that FOS and FSCS levies for targeted support should be based on annual eligible income? If so, how will firms calculate this? If not, what alternative tariff base do you suggest?

Cryptoasset firms' application fee

(FEES 3 Annex 1, FEES 4 Annex 1A)

- 2.19** The Government proposes to bring new regulated activities involving cryptoassets (cryptoasset activities) into our remit. Currently, we only supervise cryptoasset businesses in relation to financial promotions and under the Money Laundering Regulations (MLRs).
- 2.20** Firms and individuals wishing to perform new cryptoasset activities will need to apply for authorisation or a VoP and pay an application fee before carrying these out in the UK (see the [FCA Crypto Roadmap](#) for the current timeline). This requirement applies even if they are already registered with us for money laundering purposes.
- 2.21** Our rules require firms to pay a fee to submit their application. To keep the structure of application fees simple, we allocate our charges into 10 standard pricing categories (see our [webpage](#) for further details). If a firm applies for a Part 4A permission which falls

within more than one application fee category, it will only need to pay the highest fee. We are currently consulting on whether the cryptoasset activities should be treated as distinct permissions.

- 2.22** We have analysed the anticipated costs of reviewing applications for the different cryptoasset activities. Based on this analysis, we propose the following application fee categories for each cryptoasset activity:

Table 2: Proposed application fees for regulated cryptoasset activities

Cryptoasset activity	Application fee
Arranging deals in qualifying cryptoassets	Category 4 (£2,790)
Dealing in qualifying cryptoassets as agent	Category 4 (£2,790)
Qualifying cryptoasset staking	Category 4 (£2,790)
Dealing in qualifying cryptoassets as principal	Category 6 (£11,150)
Safeguarding qualifying cryptoassets and relevant specified investment cryptoassets	Category 6 (£11,150)
Issuing qualifying stablecoin	Category 6 (£11,150)
Operating a qualifying cryptoasset trading platform	Category 7 (£27,870)

- 2.23** The proposed application fees will recover a reasonable portion of our costs from applicants, without creating disproportionate barriers to entry. The remainder of the cost will be borne by existing fee-payers.
- 2.24** We will consult on the periodic fee structure, and (if applicable) the FSCS levies and Financial Ombudsman industry block for firms with cryptoasset activity permissions in November 2026.

Question 8: Do you agree with our proposed application fees for cryptoasset activities? If not, please explain why you disagree.

Deferred Payment Credit (DPC)

(FEES 3.2, 3 Annex 1, Annex 15, Annex 16, FEES 4.1, FEES 4.2, FEES 7A.1, 7A Annex 2, FEES 7B.1, 7B Annex 1, FEES 13.1)

- 2.25** DPC (often called 'Buy Now Pay Later') refers to interest-free credit which finances the purchase of goods or services that is repayable in 12 or fewer instalments within 12 months or less.
- 2.26** At present, DPC is exempt from regulation and lenders engaging solely in DPC activities do not require authorisation. From 15 July 2026, lenders who offer a DPC agreement

to finance the purchase of goods or services from a merchant (thirdparty lenders) will come under our regulation. [CP25/23](#) sets out our proposed approach to DPC regulation.

- 2.27** Most firms undertaking DPC are already authorised for other consumer credit activities and will not need to apply for authorisation but may need to apply for a VoP (currently £550, if they are a full permission consumer credit firm). However, any lenders exclusively providing DPC will need to apply for authorisation.
- 2.28** Full permission consumer credit firms applying to carry out regulated credit agreements in fee-block CC.2 currently pay a Category 5 fee (currently £5,850). We propose to set the same application fee for firms that apply for full permission to enter regulated DPC agreements.
- 2.29** DPC firms authorised with full permission will be in fee-block CC.2. They will be required to report their income so we can calculate the annual fee necessary to recover our ongoing costs. This income should be reported in line with the definition in FEES 4 Annex 11B.
- 2.30** To make sure any firms without the necessary permissions can continue operating and to avoid disruption for consumers, there will be a Temporary Permissions Regime. This will allow firms without the necessary permissions to continue their DPC activities while we assess their applications.
- 2.31** We propose that firms entering the Temporary Permissions Regime pay a Category 1 registration fee (currently £280) to make sure they contribute towards our processing costs. Once in the Temporary Permissions Regime firms pay periodic fees. [CP25/23](#) proposed that firms will not be required to submit regulatory returns for their DPC activities while they are in the Temporary Permissions Regime. Should we proceed on that basis, we propose to request a projection of annual income for future DPC activities when they notify to register² for the Temporary Permissions Regime. This will be used to calculate their periodic fees while they are in the Regime. When DPC firms apply for FCA authorisation or a VoP, their application fee will be reduced by the amount already paid for their Category 1 registration.

Levies

- 2.32** As set out in [CP25/23](#), DPC activities will be added to the Financial Ombudsman's industry blocks for credit-related activities. The Financial Ombudsman will consult on its case fee and the compulsory and voluntary jurisdiction levies for 2026/27 as part of its plan and budget at the end of 2025. Consistent with consumer credit activities in general, DPC activities will remain outside the scope of FSCS cover. Consumer credit firms, in scope of Class 5 Category 2 in FEES 6 Annex 3A, currently only pay the FSCS base cost levy.
- 2.33** Further, DPC firms will be required to pay the illegal money lending levy, the money advice levy, the debt advice levy, and the devolved authorities levy. To calculate firms' debt advice levy and the devolved authorities levy, we will request projections of the

² We will in due course publish directions on the process for registration for temporary permission; these will also specify the information firms must provide for registration.

value of their DPC lending, when entering the Temporary Permissions Regime. Firms will need to consider the provisions of the MLRs to determine whether they are required to pay the Economic Crime Levy (ECL) if their annual UK revenue exceeds £10.2m.

- 2.34** Some of the draft Handbook text in Appendix 1 of this CP depends on Glossary terms and rules that were previously consulted on in CP25/23. We propose to ensure that the relevant provisions from CP25/23 are brought into force in time so that the DPC-related rules in this CP can take effect.

Question 9: Do you agree with our proposed registration and application fee structure for DPC firms?

Question 10: Do you agree with our proposal to add DPC activities to the consumer credit fee-block?

Payment institutions (PIs), registered account information service providers (RAISPs), and electronic money institutions (EMIs) registration fee

(FEES 3 Annex 8, Annex 10)

- 2.35** At present, PIs, RAISPs, and EMIs pay £3 for each agent providing payment services registered under them at the time of registration. PIs, RAISPs and EMIs also pay £3 to notify us of a change to an agent providing services on their behalf, when submitting more than 100 changes.
- 2.36** The current fee structure, which was designed for a simpler, lower-volume regime, no longer reflects the resources needed to assess submissions at scale, nor does it support fair or effective cost recovery. This is because the complexity and volume of agent registrations has increased significantly since their introduction in 2012. This has increased our processing costs with an increasing share being passed onto existing fee-payers.
- 2.37** To streamline cost recovery and make sure we recover our assessment costs, we propose to remove the £3 registration fee and allocate our annual assessment costs (currently £160,000) to the PI and EMI fee-blocks (G.3, G.4, G.10 and G.11). This change results in a c.2.5% increase to the AFR allocated to PI and EMI fee-blocks with a corresponding c.0.02% reduction to the AFR allocated to all other fee-blocks.

Question 11: Do you agree with our proposal to remove the £3 agent registration fee for payment institutions (PIs), registered account information service providers (RAISPs) and electronic money institutions (EMIs)?

Minor amendments

(FEES 3 Annex 8, FEES 4 Annex 1A)

2.38 We propose several minor amendments to the Fees manual:

- Updating the VoP fee for SPIs from a Category 2 fee to a Category 3 fee in FEES 3 Annex 8. In our March 2025 Handbook Notice, we increased the SPI registration fee from a Category 2 fee to a Category 3 fee to reflect the rising costs of assessing SPI registrations. When implementing this rule change, we did not update the corresponding VoP fee, which currently requires SPIs to pay 50% of a Category 2 fee to extend their payment services. Amending the VoP fee to a Category 3 VoP fee ensures consistency across our rules.
- Removing an outdated provision in FEES 4 Annex 1A that excludes firms from fee-block A.10 (firms dealing as principal) if they are limited to not acting solely as market makers.
- Removing obsolete references to PRA returns for calculating insurance firms (fee-block A.3) Gross Written Premiums and Best Estimate Liabilities in FEES 4 Annex 1A. We will use a more general tariff base description without referring to detailed reporting fields, which are subject to change. This is the approach we have taken with the definitions of income for fee-blocks A.13, A.18, A.19, CC.1 and CC.2.

Question 12: Do you agree with our proposed changes to FEES 3 Annex 8 and FEES 4 Annex 1A?

Chapter 3

FEES 5 (Financial Ombudsman Service) and FEES 6 (Financial Services Compensation Scheme)

- 3.1** We set rules that determine how levies are collected from firms to fund the Financial Ombudsman and the FSCS. These rules are set out in FEES 5 and 6 of the Handbook. The Financial Ombudsman sets rules for a firm's case fees for complaints referred to it.
- 3.2** In this chapter we propose a change to FEES 5 in relation to the Handbook Glossary definition of 'relevant business'. We are not proposing any changes to FEES 6 in this chapter.
- 3.3** In Chapter 2, we set out our proposals for the fees we will collect from Private Intermittent Securities and Capital Exchange System (PISCES), targeted support and deferred payment credit (DPC) firms. Proposals for how these firms will be treated for Financial Ombudsman and FSCS levies, and any associated changes to FEES 5 and FEES 6, are covered there.

FEES 5 – Retaining the current 'relevant business' definition

(FEES 5.4.4G)

- 3.4** The amount of 'relevant business' reported by firms is used to calculate the Financial Ombudsman's Compulsory Jurisdiction (CJ) levy for certain industry blocks in FEES 5 Annex 1R. The CJ levy applies to firms under the CJ of the Financial Ombudsman and contributes to its funding.
- 3.5** The Handbook Glossary definition of relevant business relates to activity with eligible complainants to the Financial Ombudsman who are consumers. However, there are other, non-consumer eligible complainants – for example, micro-enterprises, small businesses, small charities, and trustees of small trusts.
- 3.6** In March 2024, we amended the Glossary definition of relevant business, expanding it to include business conducted with all eligible complainants, as defined in DISP 2.7.3R. This change aimed to make sure the calculation of the CJ levy would account for business carried out with non-consumer eligible complainants as the Financial Ombudsman also incurs costs dealing with their complaints. Stakeholders broadly supported our proposals.
- 3.7** However, for firms with a higher proportion of commercial business (such as managing agents under industry block I017), the expanded definition could significantly increase in the relevant business they report. This may lead to disproportionately higher fees given the relatively low-cost impact on the Financial Ombudsman from the small number of complaints it receives from non-consumer eligible complainants about these firms.

- 3.8** In Handbook Notice 128 (March 2025), we said we would analyse the different options for firms to report their relevant business to ensure a proportionate impact of an expanded definition. This includes consideration of any changes to our reporting systems and processes. We explained that any final proposals would need further consultation. To enable this analysis, we deferred the in-force date of the expanded definition to 1 April 2026.

Findings from our analysis

- 3.9** Separate levy tariff bases – one applied to a firm's relevant business with consumers and another with non-consumers – would ensure a more proportionate outcome. It would allow levy calculations to reflect the lower resource burden the latter places on the Financial Ombudsman. However, this would need firms to report consumer and non-consumer figures separately and require significant adjustments to our reporting systems and processes. We have considered the benefits of this more accurate levy allocation against the extra reporting burden on the 20,000+ firms who would need to report both figures and the reporting systems and processes changes we would need to make.
- 3.10** We looked at the latest Financial Ombudsman data showing the distribution of forecast complaints from consumers and non-consumers across the 8 main industry blocks affected³. For 2025/26 around 3.8% of complaints are expected to be from non-consumers as an average across all blocks.
- 3.11** Most blocks have even lower proportions of non-consumer complaints, with a correspondingly small resource burden that these place on the Financial Ombudsman. A change in definition would have a limited impact on levy calculations for these firms, compared to the additional reporting burden, and the changes to our reporting systems and processes. Therefore, we no longer consider it proportionate to require all firms, in all affected industry blocks, to report non-consumer relevant business for levy calculation purposes.
- 3.12** We propose retaining the current relevant business definition (ie based on business with consumers only) and not proceeding with the planned expansion of the definition due to go in force on 1 April 2026.
- 3.13** Instead, we are considering a more targeted approach to account for specific industry blocks or groups of firms where non-consumer complaints place a higher burden on the Financial Ombudsman's resource. We aim to use a future Fees Policy consultation to introduce any further proposals, subject to internal clearance of any required changes to our reporting systems and processes.
- 3.14** Any implications for the Financial Ombudsman's voluntary jurisdiction fall outside the scope of this consultation.

Question 13: Do you agree with our proposal to withdraw the planned change to the definition of 'relevant business' and maintain the current definition? If not, why?

³ Industry blocks I001, I002, I004, I008, I009, IA11, I017 and I024 in FEES 5 Annex 1R

Chapter 4

Joint consultation with PRA

(Draft FCA Handbook instrument at Appendix 1)

(Draft PRA Rulebook instrument at Appendix 3)

- 4.1** This chapter sets out our proposal to amend invoice due dates for firms which pay £50,000 or more in FCA and/or PRA fees in a year (referred to as 'payments on account'). The proposal will amend the FCA Handbook and the PRA Rulebook, so we are consulting jointly with the PRA.

Invoicing due date for payments on account

(FEES 4.3, 4A.2.2, 5.7, 6.7, 7C.3, 9.2, FEES App 2.3, FEES App 4.3 of the FCA Handbook)

(Fees Part 3.15 of the PRA Rulebook)

- 4.2** Firms which pay on account must pay their fees for the following year in 2 instalments. The first instalment, which is made up of 50% of the previous year's fees for the FCA, Payment Systems Regulator (PSR), PRA, FSCS and 100% of the Financial Ombudsman levy, is due on 1 April. We collect the remaining balance on 1 September.
- 4.3** Settlement runs for direct debits take 3 days to process. They are typically not initiated over the month-end to avoid matching the receipts in different periods. This means that collection cannot be completed on the due date and has to be deferred sometimes by as long as 6 days. Firms have raised concerns when their fees have not been collected on the expected date, particularly when their invoices are labelled as 'overdue' despite the delay being procedural.
- 4.4** We propose to amend the due dates in FEES and in the PRA Rulebook to the 'last working day in March' and 'last working day in August', respectively (for the Financial Ombudsman levy it is only the March date that is relevant). This amendment will provide greater certainty for firms, minimise the risk of incorrect late payment penalties being imposed, and reduce time spent dealing with queries. We can make all the necessary changes to the payment process. We do not consider this amendment will create additional administrative burden for firms.

Question 14: Do you agree with our proposal to amend the invoicing due dates for payments on account?

Chapter 5

Fees policy updates

5.1 This chapter provides updates on 6 areas of fees policy:

- section 166 costs (skilled person review) for motor finance firms
- pro-rating fees for firms which cancel their permissions
- technical changes to the Financial Penalty Scheme (FPS)
- firms dealing as principal (fee-block A.10)
- fees for firms undertaking activities under the Berne Financial Services Agreement (BFSA)
- environment, sustainability and governance (ESG) ratings provider application fee

Section 166 costs for motor finance firms

5.2 In January 2024, we used our powers under section 166 of FSMA to undertake a skilled person review of historical motor finance discretionary commission arrangements (DCAs) sales across 10 lenders. These firms covered the costs of the skilled person review directly at a total cost of c.£12.48m.

5.3 The skilled person review was critical in uncovering the scale and nature of misconduct across the motor finance sector and informing our response. We therefore consider it inequitable for those 10 lenders to bear both the full cost of the skilled person review and their share of the broader motor finance project costs.

5.4 In April 2025, we consulted industry on whether the motor finance skilled person review costs paid by lenders should be rebated. In July 2025, following supportive feedback from firms, we said that we would continue exploring options to rebate skilled person review costs.

5.5 To make sure the costs of the review are shared fairly across the sector, we propose to recover these skilled person costs from the broader population of motor finance firms. This would consist of:

- The 10 firms originally in scope of the skilled person review.
- All other lenders in scope of the redress scheme we recently consulted on ([CP25/27](#)).

5.6 The 10 lenders that have already paid the £12.48m skilled person costs would receive a credit note, effectively refunding the costs paid. This will be offset against their regulatory fees due in 2026/27.

5.7 We will set out how this will impact all lenders' fees when we consult on fee-rates in spring 2026.

5.8 At this stage, we propose to recover the costs of the skilled person review from motor finance lenders in scope of our proposed redress scheme. This is consistent with the

approach we consulted on for the redress scheme, where lenders are expected to deliver the scheme. However, we welcome feedback on whether brokers should be included in our skilled person cost recovery proposals.

- 5.9** We note that this approach will help shape our policy for recovering the broader motor finance project costs. So, ahead of our spring consultation on motor finance project cost recovery, we welcome feedback on whether brokers should be included in future project cost recovery proposals. If brokers were to be included, we would need to request additional information from lenders, through additional reporting, to identify and include the relevant brokers. This could lead to additional resource costs if we need to undertake further analysis, which could increase our overall project costs to be recovered from firms.

Question 15: Do you agree with our proposal to refund 100% of the skilled person review costs paid by relevant lenders and recover this from a broader population of motor finance lenders?

Question 16: In addition to recovering skilled person costs from lenders, should we recover these costs from brokers as well? Please outline why and provide any other considerations.

Question 17: Should both lenders and brokers contribute towards our wider motor finance project costs?

Pro-rating fees for firms which cancel their permissions

- 5.10** When firms apply to cancel their permissions, they continue to pay their periodic fee for the financial year in which they applied. If they submit their application before 31 March, they do not pay any fee for the following year starting 1 April.
- 5.11** Several firms have argued that their fees should be pro-rated, especially if they cancel in the earlier part of the year. They argue that it is unreasonable for us to recover costs from them if we are not supervising them for much of the year.
- 5.12** In response, we are considering a pro-rating structure. If we proceed, we will be able to implement the necessary system changes by 1 April 2027.
- 5.13** We have considered daily, monthly and quarterly pro-rating of annual fees for firms cancelling their permissions. We consider quarterly pro-rating is the most cost-effective option. This is because most cancelling firms are minimum fee-payers. Pro-rating on a daily or monthly basis will have minimal benefit and require significant FCA resources to administer.
- 5.14** Processing cancellations varies according to the types of permission and individual circumstances. So, the formal submission date of the cancellation request provides a clear and consistent date from which to determine the pro-rating.

- 5.15** Table 3 shows the fee level payable if we adopt a quarterly pro-rating model. Table 4 shows the impact this model would have had on our revenue if it had been in place in 2023/24 and 2024/25. Any loss in revenue would be carried forward to the following year and added to the annual funding requirement (AFR) recovered from the wider fee-paying population. In each of the last 2 years, the loss was under 1% of the AFR. However, there could be a greater impact if a major fee-payer were to cancel early in the year.

Table 3: Quarterly pro-rating of fees

Cancellation in	% of annual fee payable
Q1 (April – June)	25%
Q2 (July – September)	50%
Q3 (October – December)	75%
Q4 (January – March)	100%

Table 4: Impact on AFR for 2023/24 and 2024/25

Year	Loss in revenue	% of AFR	AFR (£m)
2024/25	c.£1m	0.13%	£755m
2023/24	c.£1.5m	0.24%	£634m

Question 18: Do you agree that we should consider pro-rating fees for firms cancelling in-year? Do you have any comments on adopting a quarterly model?

Technical changes to the FPS

- 5.16** Under FSMA, we must pay the financial penalty revenues we receive from firms and individuals to the Treasury. Before doing so, we may keep some of the enforcement costs incurred in the financial year in which the penalties were received and apply these for the benefit of regulated persons. We use these 'retained penalties' to reduce our fees the following year (other than for the fees levied on the penalty payers themselves). FSMA requires us to operate an FPS which details how we use retained penalties for the benefit of firms.
- 5.17** We propose updating the outdated names for fee-blocks A.3, A.13, A.19, and G.25 in the FPS to A.3 (Insurers – general and UK ISPs), A.13 (Advisors, arrangers, dealers or brokers), A.19 (general insurance distribution), and G.25 (firms under the Data Reporting Regulations 2024). These updates will not change the scope of the FPS. These changes are in Annex 4.

Question 19: Do you agree with our proposed changes to the FPS?

Firms dealing as principal (fee-block A.10)

- 5.18** The fees for firms in fee-block A.10 are currently based on a headcount of traders. We explained in our [November 2023 CP](#) that we have concerns about whether this tariff base (metric for calculating fees) appropriately distributes recovery of our costs for supervising the different firms in the fee-block. In particular, automation and high-frequency trading mean that the number of traders is increasingly unreliable as a measure of a firm's trading activity.
- 5.19** As set out in November 2023, we consider the size of a firm's trading business or the risk it presents could be more reliable measures of trading activity. We set out options for using certain risk measures as a basis for calculating fees.
- 5.20** In our [November 2024 CP](#), we said we would delay implementation while we explored alternatives to the headcount tariff base, with a view to consulting on proposals in November 2025. We are continuing this work to ensure a fair and proportionate approach to cost recovery between the largest and smallest firms. We will give an update once we have finalised our approach.

Fees for firms undertaking activities under the Berne Financial Services Agreement (BFSA)

- 5.21** From 1 January 2026, the Berne Financial Services Agreement (BFSA) will come into force. The BFSA is a mutual recognition agreement with Switzerland under which Swiss firms can register with us to undertake certain regulated activities without requiring FCA authorisation. We do not propose to charge fees to incoming Swiss firms for regulated activities they perform under the BFSA.
- 5.22** Where Swiss firms are already FCA authorised to undertake regulated activities that can be performed under the BFSA and wish to use the BFSA regime, they must apply to cancel or vary their permissions for those activities before notifying us to supply those same activities under the BFSA. Once cancelled, firms will no longer pay fees in future years for those activities. They must continue to pay fees and report tariff data for any permissions they continue to hold. We are not proposing to change any rules.

ESG ratings providers application fee

- 5.23** The Government has recently introduced legislation which brings the provision of certain types of ESG ratings into our regulatory perimeter. Existing ESG ratings providers will need to apply for permission to undertake the new regulated activity and pay an application fee.
- 5.24** We intend to consult on our application fee proposals in a forthcoming consultation on the regulatory regime for the provision of ESG ratings. We will consult on the periodic fee structure for ESG ratings providers in November 2026.

Annex 1

Questions in this paper

- Question 1:** Do you agree with our proposal to create a new fee-block for PISCES operators and base their periodic fee on regulated income?
- Question 2:** Do you agree with our proposal that firms should only start paying a variable fee above a threshold of £500,000 of regulated income?
- Question 3:** Do you agree with our proposal to extend the definition of fee-block A.13?
- Question 4:** Do you agree that some of the project costs should be recovered from fee-blocks A.7 and A.9?
- Question 5:** Do you agree with our proposal to include targeted support in industry blocks 8 and 9 to include the activity of targeted support?
- Question 6:** Do you agree with our proposal to add targeted support to Class 2, Category 2.1 for FSCS levies?
- Question 7:** Do you agree that Financial Ombudsman and FSCS levies for targeted support should be based on annual eligible income? If so, how will firms calculate this? If not, what alternative tariff base do you suggest?
- Question 8:** Do you agree with our proposed application fees for cryptoasset activities? If not, please explain why you disagree.
- Question 9:** Do you agree with our proposed registration and application fee structure for DPC firms?
- Question 10:** Do you agree with our proposal to add DPC activities to the consumer credit fee-block?
- Question 11:** Do you agree with our proposal to remove the £3 agent registration fee for payment institutions (PIs), registered account information service providers (RAISPs) and electronic money institutions (EMIs)?
- Question 12:** Do you agree with our proposed changes to FEES 3 Annex 8 and FEES 4 Annex 1A?

- Question 13:** Do you agree with our proposal to withdraw the planned change to the definition of 'relevant business' and maintain the current definition? If not, why?
- Question 14:** Do you agree with our proposal to amend the invoicing due dates for payments on account?
- Question 15:** Do you agree with our proposal to refund 100% of the skilled person review costs paid by relevant lenders and recover this from a broader population of motor finance lenders?
- Question 16:** In addition to recovering skilled person costs from lenders, should we recover these costs from brokers as well? Please outline why and provide any other considerations.
- Question 17:** Should both lenders and brokers contribute towards our wider motor finance project costs?
- Question 18:** Do you agree that we should consider pro-rating fees for firms cancelling in-year? Do you have any comments on adopting a quarterly model?
- Question 19:** Do you agree with our proposed changes to the FPS?

Annex 2

Compatibility statement

Compliance with legal requirements

1. This Annex records the FCA's compliance with a number of legal requirements applicable to the proposals in this CP, including an explanation of the FCA's reasons for concluding that our proposals in this CP are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA).
2. Under section 138I(6) FSMA, the FCA is generally exempt from the requirement to carry out and publish a cost benefit analysis for fees policy proposals. However, changes to FEES 6 (the FSCS levy rules) are not all covered by section 138I(6) FSMA. For the FEES 6 changes we have concluded that in accordance with section 138L(3) FSMA, any increases in costs for firms would be of minimal significance. The proposals (adding targeted support into Class 2, Category 2.1, and amending the invoicing due date for payments on account relating to FSCS levies) do not create any new obligations for firms, should not add to their administrative burden and should not impact the levy amounts required from firms in affected classes.
3. When consulting on new rules, the FCA is required by section 138I(2)(d) FSMA to include an explanation of why it believes making the proposed rules (a) is compatible with its general duty, under section 1B(1) FSMA, so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances one or more of its operational objectives, (b) so far as reasonably possible, advances the secondary international competitiveness and growth objective, under section 1B(4A) FSMA, and (c) complies with its general duty under section 1B(5)(a) FSMA to have regard to the regulatory principles in section 3B FSMA. The FCA is also required by section 138K(2) FSMA to state its opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
4. This Annex also sets out the FCA's view of how the proposed rules are compatible with the duty on the FCA to discharge its general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (section 1B(4)). This duty applies in so far as promoting competition is compatible with advancing the FCA's consumer protection and/or integrity objectives.
5. In addition, this Annex explains how we have considered the recommendations made by the Treasury under section 1JA FSMA about aspects of the economic policy of His Majesty's Government to which we should have regard in connection with our general duties.
6. This Annex includes our assessment of the equality and diversity implications of these proposals.

7. Under the Legislative and Regulatory Reform Act 2006 (LRRRA) the FCA is subject to requirements to have regard to a number of high-level 'Principles' in the exercise of some of our regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with requirements under the LRRRA.

The FCA's objectives and regulatory principles: Compatibility statement

8. The fees we collect enable us to recover the costs of the work of the FCA. As we approach this work, we must carefully consider how to advance our objectives. As such, although our proposals in this CP are not intended in themselves to directly advance our operational objectives or secondary objective, they fund our capacity to do so.
9. We also take our objectives into account in the development of fees policy. Below we set out how we have considered our objectives in relation to certain key elements of our fee structure.
- a. Application fees:** We charge firms applying to enter the market. When charging new market entrants, we consider our objectives – in particular, our strategic objective of ensuring that markets function well, our operational objective of promoting effective competition in the interests of consumers and our secondary objective of international competitiveness and growth – by balancing the cost of policing the perimeter against the need to foster the innovation and competition which new entrants can bring. The need to strike the right balance determines the level at which we set our application fees.
- Consequently, applicants typically pay only a portion of our costs in assessing new entrants. The remaining cost is recovered from existing fee-payers. We consider this is proportionate because all participants in the regulated market benefit from effective policing of the perimeter and an innovative and competitive market. Further, by charging only a portion of our costs back to applicants, we avoid creating unnecessary barriers to entry.
- b. Fee-blocks:** Once authorised, we group fee-payers into fee-blocks which align firms with similar permissions. The costs of regulating those permissions can then be broadly aligned with the relevant fee-block. By structuring our fees policy around the general principle that firms should pay for the cost of being regulated, we take into account our strategic objective of ensuring that markets function well, our operational objective of promoting effective competition and our secondary objective of international competitiveness and growth.
- Targeting cost recovery on more specific firms and markets means that firms are not unduly burdened with the cost of regulating firms working in significantly different sectors and are largely paying for regulatory work which benefits the market within which they are working. Each year, we adjust the cost allocations to reflect any additional work we are undertaking for those types of activity. Likewise, where necessary, we review whether a given population is in the right fee-block and

consult to make adjustments accordingly. This structure also enables us to recover costs from the full population of firms where it would be equitable to do so.

- c. **Fee structures:** We determine which fee structure is most appropriate for each fee-block. Our periodic fees may be calculated according to:
 - i. **Flat-rate fees:** fees are fixed for all firms in a specific fee-block, regardless of their size. The flat rate model is used where firms within a fee-block are broadly the same size, or where the costs to be recovered from firms are unlikely to significantly change year-on-year.
 - ii. **Variable fees:** fees are adjusted annually to capture the costs that need to be recovered from the firms in that fee-block to fund our work planned in the coming year. This model facilitates firms principally paying what is required to recover the costs of regulating them.
 - i. **Minimum fees:** most fee-blocks operate using the minimum and variable-rate fee model. Under this model, all firms pay a fixed minimum fee up to a certain threshold. Firms then only pay an additional variable fee if they exceed the threshold based on the tariff base. This ensures that cost recovery is weighted towards the larger fee-payers with the capacity to contribute higher fees on top of their minimum fee. In turn, this protects the smaller fee-payers by ensuring that the greater cost burdens are placed on the fee-payers best able to meet them.

Applying an appropriate fee structure to each fee-block ensures sustainable cost recovery, allowing us to fund our work which supports all our objectives. Further, structuring cost recovery in a way that recognises firms have varying capacities to pay fees acknowledges our strategic objective of ensuring that markets function well, our operational objective of promoting effective competition and our secondary objective of growth and competitiveness. By balancing the cost burden appropriately across firms of varying sizes and business model, we are promoting a fair market which allows firms to compete on a proportionate and even footing.

- d. **Collecting on behalf of other agencies:** We are also consulting on some adjustments to the rules affecting the levies for the Financial Ombudsman, the FSCS, the Money and Pensions Service and the PSR. These levies fund their activities so indirectly enable them to exercise their statutory functions, while their proper functioning enables us to meet our consumer protection objective.

How our proposals align with our fees structure

- 10. Below we set out how our CP proposals align with our fees structure and how we have considered our objectives more broadly. See Chapters 2, 3, and 4 for details on these proposals.

- a. **Private Intermittent and Securities Capital Exchange System (PISCES) periodic fee:** Our proposal to require PISCES operators with incomes exceeding £500,000 to pay a variable fee on top of their minimum fee will result in an equitable distribution of costs between small and large firms. Further, ensuring the variable fee-rate does not change as new firms join provides certainty and transparency for firms.

- b. Fee-block allocation for firms offering targeted support: The proposal to add targeted support firms to fee-block A.13 is proportionate and efficient as it recognises that targeted support will be an extension of firms' existing activity while ensuring that we recover the costs of supervising the new activity.
 - c. Cryptoasset firms' application fees: Our proposed application fees seek to recover a fair proportion of our costs from applicants while avoiding unreasonable barriers to entry, and recognise the different costs incurred in relation to the different activities.
 - d. Deferred Payment Credit (DPC) notification fee: Our proposed notification fee seeks to recover a fair proportion of our costs from applicants without acting as a disproportionate barrier to entry. Further our proposal to require DPC firms in the Temporary Permissions Regime to pay periodic fees ensures their supervision costs are not paid by other fee-payers.
 - e. Payment institutions (PIs), registered account information service providers (RAISPs), and electronic money institutions (EMIs) registration fee: Our proposal to remove the agent registration fee and allocate these costs to PI and EMI fee-blocks ensures we recover our actual costs incurred and create a more equitable distribution of cost recovery between PIs/EMIs and all other fee-payers.
 - f. Minor amendments to the Fees manual (FEES): our other proposals as part of the CP are minor amendments aimed at improving clarity.
 - g. Invoicing due date for payments on account: Our proposal to amend the invoicing due date will reduce the amount of time spent by firms and the FCA submitting and resolving queries, supporting a more efficient and cost-effective regulatory environment.
 - h. FEES 5: Our proposal to withdraw our planned changes to the definition of "relevant business" and continue work identifying the most appropriate industry block subset will avoid creating a reporting and cost burden on firms.
11. In preparing the proposals set out in this CP, the FCA has had regard to the regulatory principles set out in section 3B FSMA.

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

12. Our fees policy proposals are developed and proposed to recover our costs in carrying out our responsibilities under FSMA and associated legislation. We aim to carry out this work in the most efficient and economical way possible, concentrating on the areas of activity that pose the greatest risk to our objectives. Additionally, we have considered this need when developing the fees policy proposals. For example, our proposal to change the due date for on account invoices will result in less regulator time and resources being spent on queries from firms. Similarly, our proposal to remove the £3 agent registration fee and reallocate costs will lead to more efficient cost recovery from the firms generating the costs.

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

13. Our fees are necessary for us to meet our objectives. As outlined above, we aim to use our resources in the most efficient and economical way, while delivering benefits to UK

consumers and businesses through our regulatory activities. We consider our proposed changes to be proportionate.

14. For example, the proposed application fees for new cryptoasset activities reflect a proportionate approach by aiming to recover only a portion of the assessment costs from applicants, with the remainder paid by existing fee-payers. This makes sure that application fees are not a barrier to entry and recognises the broader benefit to authorised firms of maintaining regulatory oversight and safeguarding the perimeter.

The need to contribute towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (UK net zero emissions target) and section 5 of the Environment Act 2021 (environmental targets)

15. Our fee-rates proposals set out in this CP are not intended in themselves to contribute towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (UK net zero emissions target) and section 5 of the Environment Act 2021 (environmental targets), but the fees we collect fund our capacity to make this contribution.

The general principle that consumers should take responsibility for their decisions

16. The proposals in this CP do not directly impact the principle that consumers should take responsibility for their decisions, but the fees we collect fund work which interacts with this principle.

The responsibilities of senior management

17. The proposals in this CP do not directly impact the responsibilities of senior management, but the fees we collect fund work which affects these responsibilities.

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

18. The proposals in this CP recognise the differences in the nature and objectives of businesses carried on by different persons. As set out above, we group fee-payers into fee-blocks which align firms with similar permissions. Fee-blocks facilitate applying fees which recognise the different business models of different fee-payers. For example, our proposed application fees for cryptoasset firms recognises the different costs incurred in relation to applications to perform the different activities.

The desirability of publishing information relating to persons subject to requirements imposed under FSMA, or requiring them to publish information

- 19.** The proposals in this CP do not relate to the publishing of information relating to persons subject to requirements imposed under FSMA or requiring them to publish information. However, the fees we collect fund work which interacts with this principle.

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

- 20.** Our CP processes are intended to ensure that we are transparent about the thinking behind our proposals and clearly explain what we expect to achieve.

In formulating these proposals, the FCA has had regard to the importance of taking action intended to minimise the extent to which it is possible for a business carried on (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by section 1B(5)(b) FSMA).

Treasury recommendations about economic policy

- 21.** In the remit letter from the Chancellor of the Exchequer to the FCA on 14 November 2024, the Chancellor recommended that the FCA should create a regulatory environment which facilitates growth through supporting competition and encouraging newer and more innovative firms to start up and grow.
- 22.** We have had regard to these recommendations and consider that the proposals in this CP reflect an appropriate balance between pursuing a growth agenda whilst recovering our costs in the most equitable way. For example, our proposal to require PISCES operators to pay a variable fee only if they exceed a threshold of £500,000 of income is designed to encourage entry and growth of innovative firms and make sure smaller operators are not burdened with disproportionate costs.

Expected effect on mutual societies

- 23.** The FCA does not expect the proposals in this paper to have a significantly different impact on mutual societies compared to the impact on other types of fee-payers.

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

- 24.** These proposals enable us to fund the activities we need to undertake in 2026/27. These activities include meeting our duty to promote effective competition in the interests of consumers.

Equality and diversity

- 25.** We are required under the Equality Act 2010 in exercising our functions to 'have due regard' to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Act, advance equality of opportunity between persons who share a relevant protected characteristic and those who do not, and foster good relations between people who share a protected characteristic and those who do not.
- 26.** As part of this, we ensure the equality and diversity implications of any new policy proposals are considered. The outcome of our consideration in relation to these matters in this case is stated in paragraph 1.15 of the CP.

Legislative and Regulatory Reform Act 2006 (LRRRA)

- 27.** We have had regard to the principles in the LRRRA for the parts of the proposals that consist of general policies, principles or guidance relating to the fee-rates proposals. We consider that these parts of the proposals have had regard to the five LRRRA principles – that regulatory activities should be carried out in a way which is transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed.
- 28.** We have had regard to the Regulators' Code for the parts of the proposals that consist of general policies, principles or guidance and consider that the new guidance being proposed is intended to support the clarity and interpretation of the proposed rules.

Annex 3

PRA statutory obligations

1. In carrying out its policymaking functions, the PRA is required to comply with several legal obligations. The analysis in this CP explains how the proposals have had regard to the most significant matters, including an explanation of the ways in which having regard to these matters has affected the proposals.
2. The PRA has a statutory duty to consult when changing rules (FSMA s138J). When not making rules, the PRA has a public law duty to consult widely where it would be fair to do so.
3. s138J(2)(a) FSMA requires PRA to publish a cost benefit analysis ('CBA') unless, in accordance with s138L(3), the PRA believes that there will be no increase in costs or that increases will be minimal. The proposal does not create any new obligations for firms, should not add to their administrative burden and should not impact the levy amounts required from firms.

'Have Regards' Analysis

4. In developing this proposal, the PRA has had regard to its framework of regulatory principles. The regulatory principles that the PRA considers are the most material to the proposal includes:
 - a. The principle that a burden or restriction which is imposed on a person should be proportionate to the benefits which are expected to result from the imposition of that burden (FSMA regulatory principles) and recognition of differences between businesses: The PRA considers the proposal to amend the invoice due dates for firms which paid £50,000 or more in FCA and PRA fees in the previous fee year will benefit firms as their fees will be collected on the expected date and will avoid invoices being unnecessarily marked as overdue.
 - b. The principle that the PRA should exercise its functions as transparently as possible (FSMA regulatory principles): The PRA considers the proposal will provide certainty to firms on when their payments will be collected and minimise the risk of incorrect penalties being applied.
5. The PRA has had regard to other factors as required. Where analysis has not been provided against a 'have regard' for this proposal, it is because the PRA considers that 'have regard' to not be a significant factor for this proposal.
6. The PRA considers that the proposals do not give rise to equality and diversity implications.

Expected impact on mutual societies

- 7.** The PRA is required by section 138K(2) FSMA to state their opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
- 8.** In the PRA's opinion, the impact of the proposed rule change on mutuals is expected to be no different from the impact on other firms.

Annex 4

Changes to the Financial Penalty Scheme (FPS)

We propose updating the outdated names for fee-blocks A.3, A.13, A.19, A.23 and G.25 in the FPS to A.3 (Insurers – general and UK ISPVs), A.13 (Advisors, arrangers, dealers or brokers), A.19 (general insurance distribution), A.23 (funeral plan intermediaries and funeral plan providers) and G.25 (firms under the Data Reporting Regulations 2024). These updates will not change the scope of the FPS.

1. Paragraph 21 of Schedule 1ZA of the Financial Services and Markets Act 2000 (FSMA) (as amended by the Financial Services Act 2012 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:
 - 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 for ensuring that retained penalties are applied for the benefit of firms.
 - Firms that have become liable to pay any penalty to us in any financial year do not receive any benefit from any penalty imposed on any firm under the scheme in the following year.
3. Under our FPS we apply retained penalties, received in any financial year, as a rebate to the periodic fees paid in the following financial year by firms in the fee-blocks set out in Table A.
4. The total retained penalties from any financial year will be applied across these fee-blocks in proportion to the allocation of the enforcement budgeted costs for the following financial year. This will target the benefit from retained penalties to the fee-blocks that are paying for enforcement costs. The allocation of enforcement costs to fee-blocks will be as it was in previous years other than where there has been a material and explainable exception (allocation by exception). Where such an allocation by exception has occurred the retained penalties in the following year will be applied to the revised baseline fee-blocks.
5. If financial penalties do not cover enforcement costs in any year the application of retained penalties to the baseline fee-blocks will not cover the enforcement costs allocated to them.
6. Enforcement costs are not allocated to the A.0 minimum fee fee-block. Therefore, retained penalties are not allocated to this fee-block.

7. The firms on which any penalty was imposed in a financial year will not receive any rebate to their periodic fees paid, for any retained penalties, in the following financial year.
8. Each year we publish a schedule setting out the:
 - total retained penalties in the previous financial year
 - amount of retained penalties allocated to each fee-block, and
 - percentage rebate that will be applied in the following financial year to the periodic fees paid by the firms in those fee-blocks
9. A draft of this schedule is published in our annual fee rates CP in April; the final schedule is published in the subsequent policy and feedback statement to that CP 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 and UK ISPVs
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 Advisors, arrangers, dealers or brokers
A.14 Corporate finance advisers
A.18 Home finance providers, advisers and arrangers
A.19 General insurance distribution
A.21 Firms holding client money or assets, or both
A.22 Principal firms – appointed representatives
A.23 Funeral plan intermediaries and funeral plan providers
A.24 Access to cash – designated firms
B Recognised investment exchanges, operators of multilateral trading facilities and recognised auction platforms (only)
CC.1 Consumer credit – limited permission
CC.2 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

Fee – Block

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 2024

Annex 5

Abbreviations in this document

Abbreviation	Description
AFR	Annual Funding Requirement
BFSa	Berne Financial Services Agreement
CJ	Compulsory Jurisdiction
CP	Consultation Paper
DPC	Deferred Payment Credit
ECL	Economic Crime Levy
EMI	Electronic Money Institution
ESG	Environmental Social Governance
FCA	Financial Conduct Authority
FPS	Financial Penalty Scheme
FSCS	Financial Services Compensation Scheme
FSMA	Financial Services Markets Act 2000
ISPV	Insurance Special Purpose Vehicle
MLR	Money Laundering Regulations
MTF	Multilateral Trading Facility
PI	Payment Institution
PISCES	Private Intermittent Securities and Capital Exchange System
PRA	Prudential Regulation Authority
PSR	Payment Systems Regulator

Abbreviation	Description
RAISP	Registered Account Information Service Provider
SPI	Small Payment Institution
VoP	Variation of Permission

Appendix 1

Draft Handbook text

APPLICATION, PERIODIC AND OTHER FEES (2026/27) INSTRUMENT 2026

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under the following:
- (1) the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137SA (Rules to recover expenses relating to the Money and Pensions Service);
 - (b) section 137SB (Rules to recover debt advice expenses incurred by the devolved authorities);
 - (c) section 137T (General supplementary powers);
 - (d) section 139A (Power of the FCA to give guidance);
 - (e) section 213 (The compensation scheme);
 - (f) section 234 (Industry funding);
 - (g) section 333T (Funding of action against illegal money lending); and
 - (h) paragraph 23 (Fees) in Part 3 (Penalties and fees) of Schedule 1ZA (The Financial Conduct Authority);
 - (2) regulation 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (Fees) of Part 1 (Primary Legislation) of the Schedule (Modifications to Primary and Secondary Legislation) to the Regulated Covered Bond Regulations 2008 (SI 2008/346);
 - (3) regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99);
 - (4) regulation 9 (Functions of the Authority) of the Recognised Auction Platforms Regulations 2011 (SI 2011/2699);
 - (5) article 6 (Qualifying provisions: fees) of the Financial Services and Markets Act 2000 (Qualifying Provisions) Order 2013 (SI 2013/419);
 - (6) paragraph 9 (Funding (participants in regulated payment systems)) in Schedule 4 (The Payment Systems Regulator) of the Financial Services (Banking Reform) Act 2013 (including as applied by regulation 15(3)(d) of the Payment Card Interchange Fee Regulations 2015 (SI 2015/1911));
 - (7) 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);
 - (8) regulation 21 (Fees and penalties) of the Small and Medium Sized Business (Credit Information) Regulations 2015 (SI 2015/1945);
 - (9) regulation 18 (Fees and penalties) of the Small and Medium Sized Business (Finance Platforms) Regulations 2015 (SI 2015/1946);

- (10) paragraph 25 (FCA: penalties, fees and exemption from liability in damages) of Part 4 (Application of the Act for the purposes of the Regulations) of Schedule 1 (Administration and enforcement of Parts 3, 4, and 5) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701);
 - (11) regulation 102 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692);
 - (12) regulation 118 (Costs of supervision) of the Payment Services Regulations 2017 (SI 2017/752);
 - (13) regulation 27 (Costs of supervision) of the Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017 (SI 2017/1301);
 - (14) regulation 26 (FCA: penalties, fees and exemption from liability in damages) of the Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (SI 2018/135);
 - (15) regulation 63 (Power to charge fees) of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1149);
 - (16) paragraph 12K (Power to charge fees) of Part 1A (Continuation of authorisation for limited purposes: Electronic Money Regulations 2011), and paragraph 35 (Power to charge fees) of Part 3 (Continuation of authorisation for limited purposes: Payment Services Regulations 2017), of Schedule 3 (Transitional Provisions) to the Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018 (SI 2018/1201);
 - (17) regulations 206 (Meaning of “qualifying functions” in this Part) and 208 (Fees: Financial Conduct Authority) of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (SI 2019/632);
 - (18) regulation 14 (Modifications to regulations 74A to 74C: reporting requirements etc. for Annex 1 financial institutions) of the Money Laundering and Terrorist Financing (Amendment) (No. 2) Regulations 2022 (SI 2022/860); and
 - (19) regulation 27 (FCA: penalties, fees and exemption from liability in damages) of the Data Reporting Services Regulations 2024 (SI 2024/107).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.
- C. As required by section 137SA(5) of the Act, the Secretary of State has consented to rules made under that section and, as required by sections 137SB(5) and 333T(5) of the Act, the Treasury has consented to rules made under these sections.

Commencement

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

Amendments to the Periodic Fees (2024/2025) and Other Fees Instrument 2024 (FCA 2024/8) (as amended by FCA 2025/10 and FCA 2025/22)

E. The coversheet and part 2 of Annex A of the Periodic Fees (2024/2025) and Other Fees Instrument 2024 (FCA 2024/8) (as amended by FCA 2025/10 and FCA 2025/22) are amended in accordance with Annex A to this instrument.

Amendments to the Handbook

F. The Glossary of definitions is amended in accordance with Annex B to this instrument.

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

Notes

H. In the Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of the reader but do not form part of the legislative text.

Citation

I. This instrument may be cited as the Application, Periodic and Other Fees (2026/27) Instrument 2026.

By order of the Board
[*date*]

Annex A**Amendments to the Periodic Fees (2024/2025) and Other Fees Instrument 2024 (FCA 2024/8) (as amended by FCA 2025/10 and FCA 2025/22)**

In this Annex, striking through indicates deleted text.

The Periodic Fees (2024/2025) and Other Fees Instrument 2024 (FCA 2024/8) (as amended by FCA 2025/10 and FCA 2025/22) is amended as shown below.

Coversheet:

Commencement

G. This instrument comes into force on 1 April 2024 except as provided below:

- (1) ~~Part 2 of Annex A (Glossary of definitions) comes into force on 1 April 2026 [deleted];~~
- (2) Part 2 of Annex B (Fees manual) comes into force on 1 June 2024;
and
- (3) Part 3 of Annex B (Fees manual) comes into force on 1 April 2025.

Part 2 of Annex A is deleted in its entirety. The deleted text is not shown.

Annex B**Amendments to the Glossary of definitions**

In this Annex, striking through indicates deleted text.

working day (1) ...

...

- (3) (in *FEES 9* and *COBS 19.11*) any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the *United Kingdom*.

Annex C

Amendments to the Fees manual (FEES)

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

Part 1: Comes into force on [1 April 2026]

3 Application, Notification and Vetting Fees

...

3.2 Obligation to pay fees

[*Editor's note:* The proposed changes to FEES 3.2 below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

...

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

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

Part 1A: Application, notification and vetting fees		
(1) Fee payer	(2) Fee payable (£) by reference to the pricing category in <i>FEES 3 Annex 1AR</i> .	Due date
...		
(zzh) ...		
<u>(zzi) A person making a notification of a desire for registration for <i>deferred payment credit temporary permission</i> under article 8 of the <i>Deferred Payment Credit Order</i>.</u>	<u>The fee set out in <i>FEES 3 Annex 15R</i>.</u>	<u>As set out in <i>FEES 3 Annex 15R</i>.</u>
...		

...

3 Annex Authorisation fees payable 1R

[*Editor's note:* The proposed changes to FEES 3 Annex 1R below take into account the changes proposed by the consultation papers 'Stablecoin Issuance and Cryptoasset Custody' (CP25/14), 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) and 'Application of FCA Handbook for Regulated Cryptoasset Activities' (CP25/25) as if they were made.]

...

Part 2 – Pricing categories applicable to applications made in the following activity groupings in the A, B, C, CC and CMC fee blocks

Activity grouping	Description	Applicable pricing category in FEES 3 Annex 1AR
...		
A.24 <u>A.25</u>	Carrying on <i>regulated pensions dashboard activity</i>	5
<u>A.26</u>	<u>Arranging deals in qualifying cryptoassets</u>	<u>4</u>
	<u>Dealing in qualifying cryptoassets as agent</u>	<u>4</u>
	<u>Qualifying cryptoasset staking</u>	<u>4</u>
	<u>Dealing in qualifying cryptoassets as principal</u>	<u>6</u>
	<u>Safeguarding qualifying cryptoassets and relevant specified investment cryptoassets</u>	<u>6</u>
	<u>Issuing qualifying stablecoin</u>	<u>6</u>
	<u>Operating a qualifying cryptoasset trading platform</u>	<u>7</u>
...		
CC.2	...	6

	<p><u>Where a firm holding a deferred payment credit temporary permission subsequently applies for permission for:</u></p> <p><u>(1) entering into a regulated credit agreement as lender; or</u></p> <p><u>(2) exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement,</u></p> <p><u>its application fee for one such subsequent application is reduced by the amount (in £) which it paid under FEES 3 Annex 15R Item 7.</u></p>	
CMC
...		

...

...

3 Annex 8R Fees payable under the Payment Services Regulations, including for authorisation as an authorised payment institution, registration as a small payment institution, notification fees and fees for variation of authorisation and registration

...

Application type for authorisation, registration and notification under Part 2 of the Payment Services Regulations	Applicable pricing category in FEES 3 Annex 1AR or amount payable (£)
...	
(4) authorised payment institution where, at the time the application is made, the applicant intends to use agents [deleted]	<p>£3 for each agent registered with the FCA at the time of application.</p> <p>This fee is in addition to any fee due under paragraph (2) or (3) of this table.</p>
(5) authorised payment institution where, during the course of the FCA financial year (12 months ending 31 March), the firm notifies the	£3 for each change notified to the FCA during the FCA financial year.

FCA of any changes to the list of <i>agents</i> it has registered since authorisation [deleted]	No fee is due under paragraph (5) if the total number of notifications to the <i>FCA</i> during the <i>FCA</i> financial year numbers 100 or less.
...	
(9) Variation of registration under regulation 13 of the <i>Payment Services Regulations</i> where the small payment institution is applying to increase the payment services that it is permitted to carry on.	50% of Category 23
...	

...

3 Annex 10R Fees payable under the Electronic Money Regulations, including for authorisation as an authorised electronic money institution, registration as a small electronic money institution or variation thereof and notification fees, in accordance with the Electronic Money Regulations

Authorisation, registration and variation fees payable

Application type for authorisation, registration and notification under Part 2 of the Electronic Money Regulations	Applicable pricing category in FEES 3 Annex 1AR or amount payable (£)
...	
(3) electronic money institution —where, at the time the application is made, the applicant intends to use <i>agents</i> [deleted]	£3 for each <i>agent</i> registered with the <i>FCA</i> at the time of application. This fee is in addition to any fees due under paragraph (1) or (2) of this table.
(4) electronic money institution —where, during the course of the <i>FCA</i> financial year (12 months ending 31 March), the <i>firm</i> notifies the <i>FCA</i> of any changes to the list of <i>agents</i> it has registered since its authorisation [deleted]	£3 for each change notified to the <i>FCA</i> during the <i>FCA</i> financial year. No fee is due under paragraph (4) if the total number of notifications to the <i>FCA</i> during the <i>FCA</i> financial year numbers 100 or less.

...	
-----	--

...

3 Annex FCA Transaction Fees 15R

[*Editor's note:* The proposed changes to FEES 3 Annex 15R below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

	Application type	Pricing category in FEES 3 Annex 1AR or amount of fee (£)	Due date
...			
6	...		
	<u>Notification type</u>	<u>Pricing category in FEES 3 Annex 1AR or amount of fee (£)</u>	<u>Due date</u>
7	<u>Notification of a desire for registration for deferred payment credit temporary permission under article 8 of the Deferred Payment Credit Order.</u>	<u>Category 1</u>	<u>On or before the date the notification is made</u>

...

3 Annex Fees for an application for variation of permission 16R

[*Editor's note:* The proposed changes to FEES 3 Annex 16R below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

The fee relevant to the application is due on or before the date the application is made.

	Application type		Applicable pricing category in FEES 3 Annex 1AR
...			
4	The proposed new business falls within an activity group specified in <i>FEES 3 Annex 1R</i> within which the applicant does not already hold any permission		50% of the highest pricing category relevant to the application
5	Credit-related permissions		
	(a)	Activity group CC1 – any applicant which already holds a limited permission and applies for:	
		(i) Another limited permission activity	No fee payable
		(ii) Any other credit-related permission	100% of highest pricing category relevant to the application.
	(b)	Activity group CC2 – any applicant which already holds a permission within activity group CC2 and applies for another permission within CC2	50% of the highest pricing category
...			
7	<i>Credit union</i> applying to vary its permission for:		
		(a) credit-related activity	£50
		(b) any other activity	£75
...			

Where an applicant holds a *deferred payment credit temporary permission*, and is now applying for a variation of permission in scope of items 4, 5 or 7, the fee payable is reduced by the amount (in £) which the applicant paid under *FEES 3 Annex 15R Item 7*.

If the amount already paid under *FEES 3 Annex 15R Item 7* exceeds the amount that is due then the application for variation of permission will be processed free of charge, but a refund will not be provided.

4 Periodic fees

4.1 Introduction

[*Editor's note:* The proposed changes to FEES 4.1 below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

...

Gibraltar-based firms

4.1.2A R ...

4.1.2B G Firms are reminded that GEN 2.3.1R(5) provides that a Gibraltar-based firm carrying on deferred payment credit activity must comply with the relevant Handbook provisions relating to deferred payment credit activity.

...

4.2 Obligation to pay periodic fees

...

Modifications for persons becoming subject to periodic fees during the course of a fee year

- 4.2.7E R (1) (a) *A firm (other than an ICVC or an issuer of regulated covered bonds) which becomes authorised or registered, or whose permission and/or activities is/are extended, during the course of the fee year must pay a fee based on its projected valuation for the first 12 months of its new business.*
- (b) *This is the valuation provided by the firm in the course of its application, registration or notification, or if not provided at that time, the valuation provided subsequently.*

...

...

Part 2: Comes into force on [21 April 2026]

4 Periodic fees

...

4.3 Periodic fee payable by firms (other than AIFM qualifiers, ICVCs and UCITS qualifiers)

...

Time of payment

4.3.6 R ...

(1E) The fee in (1C) is:

- (a) an amount equal to 50% of the *FCA* periodic fee payable for the previous *fee year* by:
 - (i) ~~1 April~~ the last working day in March; or
 - (ii) if later, within 30 days of the date of the invoice, in the *fee year* to which the sum due under *FEES* 4.2.1R relates; and
- (b) the balance of the *FCA* periodic fee due for the current *fee year* by:
 - (i) ~~1 September~~ the last working day in August; or
 - (ii) if later, within 30 days of the date of the invoice, in the *fee year* to which that sum relates.

...

- (7) Where the *FCA* grants a person's application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and the *person* falls within, as the case may be, (1C) or (2) and:
 - (a) the annulment takes effect after ~~1 April~~ the last working day in March or after the invoice referred to in (1E)(a)(ii) has been issued, then (1C), (1D) and (1E) do not apply, but the *person* must, where the annulment takes effect after ~~1 April~~ the last working day in March but before ~~1 September~~ the last working day in August, pay:
 - (i) an amount equal to 50% of the *FCA* periodic fee payable for the previous *fee year* on the date on which the annulment takes effect; and
 - (ii) the balance of the *FCA* periodic fee due for the current *fee year* by ~~1 September~~ the last working day in August or, if later, within 30 days of the date of the invoice, in the *fee year* to which that sum relates; or
 - (b) the annulment takes effect after ~~1 September~~ the last working day in August or after the invoice referred to in (1E)(b)(ii) has been issued, then (1C), (1D) and (1E) do not apply, but the *person* must pay the total amount due on the date on which the annulment takes effect; or

- (c) the annulment takes effect after 1 August or after the invoice referred to in (2) has been issued, then (2) does not apply, but the *person* must pay the periodic fee in full on the date on which the annulment takes effect.

...

Part 3: Comes into force on [1 April 2026]

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

[*Editor's note:* The proposed changes to FEES 4 Annex 1AR below take into account the changes proposed by the consultation papers 'Stablecoin Issuance and Cryptoasset Custody' (CP25/14) and 'Application of FCA Handbook for Regulated Cryptoasset Activities' (CP25/25) as if they were made.]

Part 1

This table shows how the *FCA* links the activities (for which a *firm* has *permission* or designation) to activity groups (fee-blocks). A *firm* can use the table to identify which fee-blocks it falls into based on its *permission* or its other activities.

Activity group	Fee payer falls in the activity group if:
...	
A.10 Firms dealing as principal	<p>its <i>permission</i> includes</p> <p>(a) <i>dealing in investments as principal</i>; and/or</p> <p>(b) <i>bidding in emissions auctions</i>;</p> <p>BUT NOT if one or more of the following apply:</p> <p>the above activity is limited either to <i>establishing, operating or winding up a collective investment scheme, establishing, operating or winding up a personal pension scheme</i> or a <i>stakeholder pension scheme</i>, or to carrying out <i>depository</i> activities;</p> <p>the <i>firm</i> is a <i>corporate finance advisory firm</i>;</p> <p>the above activity is otherwise limited to carrying out <i>corporate finance business</i>;</p>

	<p>the <i>firm</i> is subject to a <i>limitation</i> to the effect that the <i>firm</i>, in carrying on this <i>regulated activity</i>, is limited to entering into transactions in a manner which, if the <i>firm</i> was an <i>unauthorised person</i>, would come within <i>article 16</i> of the <i>Regulated Activities Order</i> (Dealing in contractually based investments);</p> <p>the above activity is limited to not acting as a market maker;</p> <p>the <i>firm</i> is an <i>oil market participant</i> or <i>energy market participant</i> (except where the <i>firm</i> is <i>bidding in emissions auctions</i>);</p> <p>its <i>permission</i> includes either:</p> <ul style="list-style-type: none"> - <i>effecting contracts of insurance</i>; or - <i>carrying out contracts of insurance</i>.
...	
A.25 Pensions dashboard firms	...
<u>A.26 Cryptoasset activities</u>	<p><u>its permission includes one or more of the following:</u></p> <ul style="list-style-type: none"> - <u>Arranging deals in qualifying cryptoassets;</u> - <u>Dealing in qualifying cryptoassets as agent;</u> - <u>Qualifying cryptoasset staking;</u> - <u>Dealing in qualifying cryptoassets as principal;</u> - <u>Safeguarding qualifying cryptoassets and relevant specified investment cryptoassets;</u> - <u>Issuing qualifying stablecoin; or</u> - <u>Operating a qualifying cryptoasset trading platform.</u>
...	
B. MTF and OTF operators	<p>its <i>permission</i> includes <i>operating a multilateral trading facility</i> or operating an organised trading facility <u>operating an organised trading facility</u>.</p>

<u>B. Pisces operators</u>	<u>it is a <i>Pisces operator</i>.</u>
...	

...

Part 3

This table indicates the tariff base for each fee-block set out in Part 1.

The tariff base in this Part is the means by which the *FCA* measures the amount of business conducted by a *firm* for the purposes of calculating the annual periodic fees payable to the *FCA* by that *firm*.

Activity group	Tariff base
...	
A.3	<p>GROSS WRITTEN PREMIUM FOR FEES PURPOSES AND BEST ESTIMATE LIABILITIES FOR FEES PURPOSES</p> <p>Gross written premium for fees purposes means:</p> <p>(1) for UK Solvency II firms, a <i>firm's</i> gross written premium as reported to the <i>PRA</i>, being the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes of the annual quantitative reporting template S.05.01.01 the total gross written premiums reported in the <i>firm's</i> annual regulatory submissions to the <i>FCA</i> or <i>PRA</i> in respect of general insurance business conducted from a <i>UK firm</i>; and</p> <p>(2) [deleted]</p> <p>(3) for <i>non-directive firms</i>, a <i>firm's</i> gross premium written as reported to the <i>PRA</i> under item 11 of form 11, or where this is not reported because the <i>firm</i> is a <i>Swiss general insurer</i> or holds a relevant waiver given by the <i>PRA</i> under the <i>PRA Rulebook</i>, the entry at sheet 1, line 1, column 1, of form 20A, or where the <i>firm</i> is a <i>friendly society</i>, the income and expenditure account entry for gross premium written or contributions as income receivable, as appropriate the total gross premiums received in respect of general insurance business conducted from a <i>UK firm</i>, as reported in the <i>firm's</i> annual regulatory submissions</p>

	<p>to the <i>FCA</i> or <i>PRA</i>, or, where this is not reported because the <i>firm</i> is not required to submit such returns, from the <i>firm</i>'s audited accounts or, in the case of <i>friendly societies</i>, from the income or contributions line in their annual accounts prepared under the <i>Friendly Societies (Accounts and Related Provisions) Regulation Regulations 1994 (SI 1994/1983)</i>, or from other equivalent and verifiable internal data.</p> <p>AND</p> <p>Best estimate liabilities for fees purposes means:</p> <p>(1) for UK Solvency II firms, a <i>firm</i>'s best estimate liabilities as reported to the <i>PRA</i>, being the sum of items entered under row codes R0010, R0370, R0380, R0410 and R0420, column code C0180, of the annual quantitative reporting template S17.01.01; plus the sum of items entered under row codes R0010, R0030, column codes C0090, C0140 and C0190, of the annual quantitative reporting template S12.01.01 in the <i>firm</i>'s annual quantitative reporting submissions; and</p> <p>(2) [deleted]</p> <p>(3) for <i>non-directive firms</i>, a <i>firm</i>'s total gross technical provisions as reported to the <i>PRA</i> under item 19 of form 15, or where this is not reported because the <i>firm</i> is a <i>marine mutual</i>, item 29 of form M2 <u>total liabilities on the form M2 statement of assets and liabilities</u>, or where the <i>firm</i> is a <i>friendly society</i>, the balance sheet entry C3 'claims outstanding' where this entry is required under the <i>Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983)</i>; and otherwise zero.</p> <p>'Annual quantitative reporting template' has the meaning given in Fees Chapter 1 Application and Definitions of the <i>PRA Rulebook</i>.</p> <p>'Corporate pension business' has the meaning given in Fees Chapter 1 Application and Definitions of the <i>PRA Rulebook</i>.</p> <p>'UK Solvency II firm' has the meaning given in Insurance General Application 2 of the <i>PRA Rulebook</i>.</p>
	...

...	
B. MTF and OTF operators	...
<u>B. Pisces operators</u>	<u>Annual income as defined in FEES 4 Annex 11AR.</u>
...	

...

Part 5

This table indicates the valuation date for each fee-block. A *firm* can calculate its tariff data in respect of fees payable to the *FCA* by applying the tariff bases set out in Part 3 with reference to the valuation dates shown in this table.

Activity group	Valuation date
...	
B. MTF and OTF operators	...
<u>B. Pisces operators</u>	<u>Annual income for the financial year ended in the calendar year ending 31 December.</u>
...	

4 Annex 2AR FCA Fee rates for the period from 1 April 2025 to 31 March 2026

Part 1

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

...

Activity group	Fee payable	
...		
B. MTF and OTF operators	...	

<u>B. Pisces operators</u>	<u>Band width</u>	<u>Fee (£)</u>
	<u>Annual income up to and including £500,000</u>	<u>2,000.00</u>
	<u>PLUS:</u>	
	<u>Band width</u>	<u>Fee (£/£ thousand or part £ thousand of income)</u>
	<u>Annual income over £500,000</u>	<u>[tbc]</u>
...		

...

...

4 Annex 11AR Definition of annual income for the purposes of calculating fees in fee blocks A.13, A.14, A.18, A.19, A.23 and B. Service Companies, UK Recognised Investment Exchanges, Multilateral Trading Facilities, Organised Trading Facilities, Private Intermittent Securities and Capital Exchange Systems, Regulated Benchmark Administrators and Claims Management Companies

Annual income definition
<p>General definition for all relevant fee-blocks (other than where the firm is an operator of a UK Recognised Investment Exchange, a Multilateral Trading Facility, an Organised Trading Facility, <u>a Private Intermittent Securities and Capital Exchange System</u>, a Regulated Benchmark Administrator or a Claims Management Company)</p> <p>...</p> <p>Definition for firms operating Multilateral Trading Facilities, and Organised Trading Facilities, <u>and/or a Private Intermittent Securities and Capital Exchange System</u></p> <p><i>This refers to firms operating a <u>multilateral trading facility</u>, or <u>organised trading facility</u>, and/or <u>Pisces</u>.</i></p> <p>“Annual income” for an operator of a <i>multilateral trading facility</i>, or <i>organised trading facility</i> <u>and/or Pisces</u> is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the <i>firm’s</i> accounts during the reporting year in respect of, or in relation to activities that comprise a necessary part of the <i>firm’s</i> business as an operator of a <i>multilateral trading facility</i>, or <i>organised trading facility</i> <u>or Pisces</u>.</p>

For the purposes of calculating annual income of the operator of a *multilateral trading facility*, ~~or~~ *organised trading facility* and/or *Pisces* include amounts received in relation to the operation of its markets; access to those markets; the submission, management and execution of orders; quotes or transactions on those markets; the supply of pre-and post-trade transparency information about those markets; fees for *admission to trading* or listing; membership of connectivity charges; fees for order execution or management; trade reporting; market data and any other relevant revenue streams.

...

4 Annex 11BR Definition of annual income for the purposes of calculating fees in fee blocks CC1, CC2 and CC4

...
(2) Proxy measure of annual income
<p>(a) A <i>firm</i> that receives no annual income of the type in 1(a) to (c) must report its annual income using the proxy measure in (b) if:</p> <p>(i) its main business;</p> <p><u>(aa)</u> is to sell goods or supply services; and</p> <p><u>(bb)</u> is not to carry on a credit activity in 2(a)(ii) or 2(a)(iii);</p> <p>and</p> <p>(ii) it carries on:</p> <p>(aa) <i>credit broking</i> in relation to <i>credit agreements</i>, except for <i>credit broking</i> in relation to buy-to-let mortgages; or</p> <p>(bb) <i>entering into a regulated credit agreement as lender</i>;</p> <p>or</p> <p>(iii) it carries on:</p> <p>(aa) <i>credit broking</i> in relation to <i>consumer hire agreements</i>; or</p> <p>(bb) <i>entering into a regulated consumer hire agreement as owner</i>.</p> <p>...</p>
...

...

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

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

Part 1 – Method for calculating the fee for fee-paying ~~payment service providers~~ credit rating agencies, trade repositories and securitisation repositories

The periodic fee is calculated by identifying the relevant activity group under Part 2 and multiplying the tariff base identified in Part 3 of *FEES* 4 Annex 16R by the appropriate rates in the table at Part 4.

...

Part 4: Comes into force on [21 April 2026]

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

...

4A.2 Obligation to pay periodic fees

...

- 4A.2.2 R If a *TP firm*'s periodic fee for the previous financial year was at least £50,000, the *TP firm* must pay:
- (1) an amount equal to 50% of the periodic fee payable for the previous year, by ~~1 April~~ the last working day in March (or if later, within 30 days of the date of the invoice) in the *financial year* to which the sum due under *FEES* 4A.2.1R relates; and
 - (2) the balance of the periodic fee due for the current *financial year* by ~~1 September~~ the last working day in August (or if later, within 30 days of the date of the invoice) in the *financial year* to which that sum relates.

...

- 4A.2.2B R Where the *FCA* grants a *person*'s application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and the *person* falls within *FEES* 4A.2.2R and:
- (1) the annulment takes effect after ~~1 April~~ the last working day in March, or after the invoice referred to in *FEES* 4A.2.2R(1) has been issued, then the date for payment in *FEES* 4A.2.2R(1) does not apply, but the *person* must, where the annulment takes effect after ~~1~~

~~April~~ the last *working day* in March but before ~~1 September~~ the last *working day* in August, pay:

- (a) an amount equal to 50% of the *FCA* periodic fee payable for the previous year on the date on which the annulment takes effect; and
 - (b) the balance of the *FCA* periodic fee due for the current *financial year* by ~~1 September~~ the last *working day* in August or, if later, within 30 *days* of the date of the invoice, in the *financial year* to which that sum relates; or
- (2) the annulment takes effect after ~~1 September~~ the last *working day* in August or after the invoice referred to in *FEES* 4A.2.2R(2) has been issued, then the date for payment in *FEES* 4A.2.2R(2) does not apply, but the *person* must pay the total periodic fee due for the current *financial year*, on the date on which the annulment takes effect.

...

Part 5: Comes into force on [the day after the making of the instrument]

5 Financial Ombudsman Service Funding

...

5.4 Information requirement

...

- 5.4.4 G (1) ~~From 1 April 2026, a new definition of *relevant business* is introduced. This new definition applies in relation to business done with all types of *eligible complainant* described in *DISP* 2.7.3R. *Firms* must use this new definition for any *relevant business* conducted from 1 April 2026 onwards.~~
- (2) ~~Where the pre-April 2026 *Glossary* definition of *relevant business* applies (ie, to *relevant business* of a *firm* up until 31 March 2026):~~
- (1) ~~(a) a A *firm* should not provide a statement of *relevant business* if it deals only with *eligible complainants* who are not *consumers*; and,~~
 - (2) ~~(b) *FEES* 5.4.1R does not apply in relation to business done with other types of *eligible complainant* described in *DISP* 2.7.3R(2) to (7).~~

...

Part 6: Comes into force on [21 April 2026]**5.7 Payment**

- 5.7.1 R A *firm* must pay annually to the *FCA* the *general levy* on or before the later of ~~1 April~~ the last working day in March and 30 calendar *days* after the date when the invoice is issued by the *FCA*.

...

6 Financial Services Compensation Scheme Funding

...

6.7 Payment of levies

Payments on account by certain firms

- 6.7.-1 R Where a *participant firm* must pay its periodic fees for a *fee year* in accordance with *FEES* 4.3.6R(1C) to (1E), it must pay its share of any *annual levy* imposed by the *FSCS* for the *financial year* of the *compensation scheme* as follows:

- (1) by ~~1 April~~ the last working day in March an amount equal to 50%, or such lower percentage as the *FSCS* may determine, of the *participant firm's* share of the *annual levy* payable for the previous *financial year* of the *compensation scheme*; and
- (2) by ~~1 September~~ the last working day in August the balance of the *annual levy* due from the *participant firm* for the current *financial year* of the *compensation scheme*.

- 6.7.-1A R Where the *FCA* grants the *person's* application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and the *person* falls within *FEES* 6.7.-1R and:

- (1) the annulment takes effect after ~~1 April~~ the last working day in March, then the date for payment referred to in *FEES* 6.7.-1R(1) does not apply, but the *person* must, where the annulment takes effect after ~~1 April~~ the last working day in March but before ~~1 September~~ the last working day in August, pay:
 - (a) on the date on which the annulment takes effect, an amount equal to 50%, or such lower percentage as the *FSCS* may determine, of the *participant firm's* share of the *annual levy* payable for the previous *financial year* of the *compensation scheme*; and
 - (b) by ~~1 September~~ the last working day in August, the balance of the *annual levy* due from the *participant firm* for the current *financial year* of the *compensation scheme* ~~year~~; or

- (2) the annulment takes effect after ~~1 September~~ the last working day in August, then the date for payment referred to in *FEES* 6.7.-1R(2) does not apply, but the *person* must pay the total amount due on the date on which the annulment takes effect.

...

Part 7: Comes into force on [1 April 2026]

7A SFGB levies

7A.1 Application and Purpose

[*Editor's note:* The proposed changes to FEES 7A.1 below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

...

Gibraltar-based firms

7A.1.10 R ...

7A.1.11 G Firms are reminded that *GEN* 2.3.1R(5) provides that a *Gibraltar-based firm carrying on deferred payment credit activity* must comply with the relevant *Handbook* provisions relating to *deferred payment credit activity*.

...

7A SFGB debt advice levy for the period from 1 April 2025 to 31 March 2026 Annex 2R

[*Editor's note:* The proposed changes to FEES 7A Annex 2R below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

...

Part 2

...

Note

(1) ...

(2) Where *firms* in fee-block CC.3:

- (a) are holding, or have held, a *deferred payment credit temporary permission*; and
- (b) are not required to submit CCR003 reporting data in relation to their *deferred payment credit activity* for the relevant *fee year*,

the projected value of *deferred payment credit lending*, submitted as part of their notification of a desire for registration for *deferred payment credit temporary permission* under article 8 of the *Deferred Payment Credit Order*, is used in its place. But where *firms* in fee-block CC.3 are reporting CCR003 reporting data for other activities, the tariff base takes into account both the CCR003 reporting data and the projected value of *deferred payment credit lending*.

...

...

7B The DA levy

7B.1 Application and Purpose

[*Editor's note:* The proposed changes to FEES 7B.1 below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

...

Gibraltar-based firms

7B.1.10 R ...

7B.1.11 G Firms are reminded that *GEN 2.3.1R(5)* provides that a *Gibraltar-based firm* carrying on *deferred payment credit activity* must comply with the relevant *Handbook* provisions relating to *deferred payment credit activity*.

...

7B DA levy for the period from 1 April 2025 to 31 March 2026

Annex 1R

[*Editor's note:* The proposed changes to FEES 7B Annex 1R take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

...

Part 2

...

Note:

(1) The tariff base for *authorised professional firms* that do not submit *data item* CCR003 under SUP 16 Annex 38AR is the same as set out above and should be reported to the FCA as required by FEES 4.4.1R and FEES 4.4.2R. The valuation date is in accordance with the CC.3 valuation date in Part 3.

(2) Where *firms* in fee-block CC.3:

(a) are holding, or have held, a *deferred payment credit temporary permission*; and

(b) are not required to submit CCR003 reporting data in relation to their *deferred payment credit activity* for the relevant *fee year*,

the projected value of *deferred payment credit lending*, submitted as part of their notification of a desire for registration for *deferred payment credit temporary permission* under article 8 of the *Deferred Payment Credit Order*, is used in its place. But where *firms* in fee-block CC.3 are reporting CCR003 reporting data for other activities, the tariff base takes into account both the CCR003 reporting data and the projected value of *deferred payment credit lending*.

...

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

7C.1 Application and purpose

...

Purpose

7C.1.3 G The purpose of this chapter is to set out the requirements on the *persons* listed in ~~FEES CB.1.1R~~ FEES 7C.1.1R to fund the Secretary of State costs relating to the SFGB, and the related FCA collection costs. For the avoidance of doubt, such *persons* also include *supervised run-off firms*.

...

Part 8: Comes into force on [21 April 2026]

7C.3 The TPR SFGB money advice levy and debt advice levy

Obligation to pay TPR SFGB money advice levy or debt advice levy

...

- 7C.3.2 R If a *firm's TPR SFGB money advice levy* or *TPR SFGB debt advice levy* for the previous *financial year* was at least £50,000, the *firm* must pay:
- (1) an amount equal to 50% of the *TPR SFGB money advice levy* or *TPR SFGB debt advice levy* payable for the previous year, by ~~4 April~~ the last working day in March (or if later, within 30 ~~days~~ days of the date of the invoice) in the *financial year* to which the sum due under *FEES 7C.3.1R* relates; and
 - (2) the balance of the *TPR SFGB money advice levy* or *TPR SFGB debt advice levy* due for the current *financial year* by ~~4 September~~ the last working day in August (or if later, within 30 ~~days~~ days of the date of the invoice) in the *financial year* to which that sum relates.

...

- 7C.3.2B R Where the *FCA* grants a *person's* application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and the person falls within *FEES 7C.3.2R* and:
- (1) the annulment takes effect after ~~4 April~~ the last working day in March or after the invoice referred to in *FEES 7C.3.2R(1)* has been issued, then the date for payment referred to in *FEES 7C.3.2R(1)* does not apply, but the *person* must, where the annulment takes effect after ~~4 April~~ the last working day in March but before ~~4 September~~ the last working day in August, pay:
 - (a) an amount equal to 50% of the *TPR SFGB money advice levy* or *TPR debt advice levy* payable for the previous year on the date on which the annulment takes effect; and
 - (b) the balance of the *TPR SFGB money advice levy* or *TPR debt advice levy* due for the current financial year by ~~4 September~~ the last working day in August or, if later, within 30 *days* of the date of the invoice, in the *financial year* to which that sum relates; or
 - (2) the annulment takes effect after ~~4 September~~ the last working day in August or after the invoice referred to in *FEES 7C.3.2(2)* has been issued, then the date for payment referred to in *FEES 7C.3.2R(2)* does not apply, but the *person* must pay the total *TPR SFGB money advice levy* or *TPR debt advice levy* due for the current *financial year*, on the date on which the annulment takes effect.

...

9 Payment Systems Regulator funding

...

9.2 PSR fees

...

Time of payment

- 9.2.2 R *PSR fee payers* falling within the scope of *FEES* 4.3.6R(1C) – (1E) must pay to the *FCA*:
- (1) an amount equal to 50% of the *PSR fee* payable for the previous *fee year*, by ~~1 April~~ the last working day in March in the current *fee year* or, if later, within 30 *days* of the date of the invoice; and
 - (2) the balance of the *PSR fee* due by ~~1 September~~ the last working day in August in the current *fee year* or, if later, within 30 *days* of the date of the invoice.

...

Part 9: Comes into force on [1 April 2026]

13 Illegal money lending levy

13.1 Application and purpose

[*Editor's note*: The proposed changes to *FEES* 13.1 below take into account the changes proposed by the consultation paper 'Deferred Payment Credit (unregulated Buy Now Pay Later): Proposed approach to regulation' (CP25/23) as if they were made.]

...

Gibraltar-based firms

13.1.9 R ...

13.1.10 G Firms are reminded that *GEN* 2.3.1R(5) provides that a *Gibraltar-based firm* carrying on *deferred payment credit activity* must comply with the relevant *Handbook* provisions relating to *deferred payment credit activity*.

...

Part 10: Comes into force on [21 April 2026]

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

...

App 2.3 Periodic fees imposed under Regulation 27 of the OPBAS Regulations

...

Time of payment

App
2.3.5

If a **professional body supervisor's** periodic fee for the previous **fee year** was at least £50,000, it must pay its periodic fee for the current **fee year** in two instalments as follows:

- (1) an amount equal to 50% of the periodic fee payable for the previous **fee year** by:
 - (a) ~~1 April~~ the last working day in March; or
 - (b) if later, within 30 **days** of the date of the invoice, in the **fee year** to which that sum relates; and
- (2) the balance of the periodic fee due for the current **fee year** by:
 - (a) ~~1 September~~ the last working day in August; or
 - (b) if later, within 30 **days** of the date of the invoice, in the **fee year** to which that sum relates.

[**Note:** Regulation 27 of the **OPBAS Regulations**]

...

App 2
Annex
3G

Glossary of definitions

The following words or terms used in *FEES* Appendix 2 appearing in bold (other than headings and titles) have the meanings given to them below.

Expression	Definition
...	
supervised	...
<u>working day</u>	any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the United Kingdom.

...

App 4

Fees payable by cryptoasset businesses registered under the Money Laundering Regulations

...

App 4.3 Periodic fees

...

Time of payment

App 4.3.10 If a *cryptoasset business*'s periodic fee paid under this appendix for the previous *fee year* was £50,000 or more, it must pay its periodic fee for the current *fee year* in two instalments as follows:

- (1) an amount equal to 50% of the periodic fee payable for the previous *fee year* by:
 - (a) ~~1 April~~ the last working day in March; or
 - (b) if the fee is payable after ~~1 April~~ the last working day in March, within 30 *days* of the date of the invoice, in the *fee year* to which that sum relates; and
- (2) the balance of the periodic fee due for the current *fee year* by:
 - (a) ~~1 September~~ the last working day in August; or
 - (b) if the fee is payable after ~~1 September~~ the last working day in August, within 30 *days* of the date of the invoice, in the *fee year* to which that sum relates.

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

...

Appendix 2

Draft Handbook text

**ADVICE GUIDANCE BOUNDARY REVIEW (TARGETED SUPPORT) (FEES AND
LEVIES) INSTRUMENT 2026**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137SA (Rules to recover expenses relating to the Money and Pensions Service);
 - (2) section 137T (General supplementary powers);
 - (3) section 213 (The compensation scheme);
 - (4) section 234 (Industry funding); and
 - (5) paragraph 23 (Fees) in Part 3 (Penalties and fees) of Schedule 1ZA (The Financial Conduct Authority).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.
- C. As required by section 137SA(5) of the Act, the Secretary of State has consented to rules made under that section.

Commencement

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

Amendments to the Handbook

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

Notes

- F. In the Annex to this instrument, the notes (indicated by “*Editor’s note:*”) are included for the convenience of the reader but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Advice Guidance Boundary Review (Targeted Support) (Fees and Levies) Instrument 2026.

By order of the Board
[*date*]

Annex

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text.

[*Editor's note:* This Annex takes into account the changes made by the Public Offers of Relevant Securities (Operating an Electronic System) Instrument 2025 (FCA 2025/32) which come into force on 19 January 2026. It also takes into account the changes proposed by the consultation paper 'Supporting consumers' pensions and investment decisions: proposals for targeted support' (CP25/17) as if they were made final.]

4 Periodic fees

...

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

Part 1

This table shows how the *FCA* links the activities (for which a *firm* has *permission* or designation) to activity groups (fee-blocks). A *firm* can use the table to identify which fee-blocks it falls into based on its *permission* or its other activities.

Activity group	Fee payer falls in the activity group if:
...	...
A.13 Advisors, arrangers, dealers or brokers	<p>(1) it is an <i>authorised professional firm</i> and ALL the <i>regulated activities</i> in its <i>permission</i> are limited to non-mainstream regulated activities (a <i>firm</i> falling within this category is a class (1) <i>firm</i>);</p> <p>OR</p> <p>(1A) it is a <i>POP operator</i>;</p> <p>OR</p> <p>(2) its <i>permission</i>:</p> <p>(a) includes one or more of the following:</p> <p>(i) in relation to one or more <i>designated investments</i>: <i>dealing in investments as agent</i>;</p>

	<p><i>arranging (bringing about) deals in investments;</i></p> <p><i>making arrangements with a view to transactions in investments;</i></p> <p><i>dealing as principal in investments where the activity is carried on as an oil market participant or energy market participant;</i></p> <p><i>advising on investments (except P2P agreements) (except pension transfers and pension opt-outs);</i></p> <p><i>giving basic advice on a stakeholder product;</i></p> <p><i>advising on pension transfers and pension opt-outs;</i></p> <p><i>advising on syndicate participation at Lloyd's;</i></p> <p><u><i>providing targeted support;</i></u></p> <p>(ii) <i>advising on P2P agreements;</i></p> <p>(iii) <i>in relation to a structured deposit:</i></p> <p><i>dealing in investments as agent; or</i></p> <p><i>arranging (bringing about deals) in investments; or</i></p> <p><i>making arrangements with a view to transactions in investments; or</i></p> <p><i>advising on investments (except P2P agreements); or</i></p> <p><i>advising on investments (except pension transfers and pension opt-outs);</i></p> <p>(b) BUT NONE of the following:</p> <p><i>effecting contracts of insurance; or</i></p> <p><i>carrying out contracts of insurance;</i></p> <p>AND</p> <p>(c) PROVIDED the fee-payer is NOT any of the following:</p> <p><i>a corporate finance advisory firm;</i></p> <p><i>a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business;</i></p>
--	--

	<p>a <i>firm</i> for whom all the applicable activities above are limited to carrying out <i>venture capital business</i>;</p> <p>a <i>firm</i> for whom all the applicable activities above are limited to acting as a <i>residual CIS operator</i>;</p> <p>a <i>firm</i> for whom all the applicable activities above are limited to <i>acting as trustee or depositary of an AIF</i> and/or <i>acting as trustee or depositary of a UK UCITS</i>;</p> <p>a <i>service company</i>.</p> <p>A <i>firm</i> falling within (1A) or (2), and not (1), is a class 2 <i>firm</i>.</p>
...	

...

...

6 Financial Services Compensation Scheme Funding

...

6 Annex 3AR Financial Services Compensation Scheme - classes and categories

R This table belongs to *FEES* 6.5.6AR

...

Class 2	Investment Intermediation Claims
Category 2.1	Life distribution and investment intermediation
Firms with permission for:	<p>...</p> <p>any of the following in relation to <i>long-term insurance contracts</i> (other than <i>pure protection contracts</i>) and/or rights under a <i>stakeholder pension scheme</i> or a <i>personal pension scheme</i>:</p> <p><i>dealing in investments as agent</i>;</p> <p><i>arranging (bringing about) deals in investments</i>;</p> <p><i>making arrangements with a view to transactions in investments</i>;</p>

	<p><i>assisting in the administration and performance of a contract of insurance;</i></p> <p><i>advising on investments;</i></p> <p><i>advising on pension transfers and pension opt-outs;</i></p> <p><i>basic advice;</i></p> <p><u><i>providing targeted support;</i></u></p> <p><i>agreeing to carry on a regulated activity which is within any of the above; and/or</i></p>
	<p>any of the following in relation to <i>designated investment business</i> BUT excluding activities that relate to <i>long-term insurance contracts</i> or rights under a <i>stakeholder pension scheme</i> or a <i>personal pension scheme</i>:</p> <p><i>dealing in investments as principal;</i></p> <p><i>dealing in investments as agent;</i></p> <p><i>MiFID business bidding;</i></p> <p><i>arranging (bringing about) deals in investments;</i></p> <p><i>making arrangements with a view to transactions in investments;</i></p> <p><i>advising on investments;</i></p> <p><i>basic advice;</i></p> <p><i>safeguarding and administering investments;</i></p> <p><i>arranging safeguarding and administering of assets;</i></p> <p><i>operating a multilateral trading facility;</i></p> <p><u><i>providing targeted support;</i></u></p> <p><i>agreeing to carry on a regulated activity which is within any of the above.</i></p>
...	

...

Appendix 3

Draft PRA Rulebook text

PRA RULEBOOK: FEES (AMENDMENT) (No 1) INSTRUMENT [2026]

Powers exercised

- A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers in the Financial Services and Markets Act 2000 ("the Act") and any other relevant rulemaking powers or related provisions:
- (1) section 137G (The PRA's general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 192XA (Rules applying to holding companies);
 - (4) section 192XB (Procedural provision); and
 - (5) paragraph 31 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZB (The Prudential Regulation Authority) of the Act.
- B. The PRA makes this instrument also in the exercise of powers in regulation 3 of the Financial Regulators' Powers (Technical Standards) (Amendment etc.) (EU Exit) Regulations 2018 and regulation 209(1) of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 in respect of the matters falling within those provisions.
- C. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

PRA Rulebook: Fees (Amendment) (No 1) Instrument [2026]

- D. The PRA makes the rules in the Annex to this instrument.
- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the PRA Rulebook: Fees (Amendment) (No 1) Instrument [2026]

By order of the Prudential Regulation Committee

[DATE]

Annex

Amendments to the Fees Part

In this Annex new text is underlined and deleted text is struck through.

...

3 PERIODIC FEES

3.15 The *due date for payment of periodic fees* is as follows:

...

(2) Any *firm* whose combined total liability for *periodic fees* payable to the *FCA* and the *PRA* in the previous *fee year* was £50,000.00 or above must pay its *periodic fees* for the current year in two tranches as follows:

(a) an amount equal to 50% of the *PRA periodic fee* payable in the previous *fee year* on or before ~~4 April~~ the last working day in March in the current *fee year*; and

(b) the balance of the *periodic fee* for the current *fee year* by ~~1 September~~ the last working day in August.

...

...

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