

FEES (Illegal money lending levy)

Chapter 13

Illegal money lending levy

13.2 The IML levy

Obligation to pay the IML levy

13.2.1 **R** A *firm* must pay each *IML levy* applicable to it:

in full and without deduction by 1 August (or, if later, within 30 *days* of the date of the invoice) in the financial year to which the sum relates; and

in accordance with the *rules* in this chapter.

13.2.1A **G** Schedule 6A to the *Act* sets out a procedure to enable the *FCA* to cancel or vary the *Part 4A permission* of a *person* who it appears to the *FCA* is not carrying on a *regulated activity*. Paragraph 5 of that schedule sets out a procedure for annulment of cancellation or variation of *Part 4A permission* in specified circumstances. Where the *FCA* grants an application for annulment, paragraph 6 of Schedule 6A sets out its effect. In particular, the cancellation or variation of *Part 4A permission* is treated as if it had never taken place. As a result of the effect of annulment under Schedule 6A, the *IML levy* in relation to the period during which the *person's Part 4A permission* was cancelled or varied applies to the *person*.

13.2.1B **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 13.2.1R** and the annulment takes effect after 1 August or after the invoice referred to in **FEES 13.2.1R(1)** has been issued, then that date for payment does not apply, but the *person* must pay the *IML levy* applicable to it in full and without deduction, on the date on which the annulment takes effect.

13.2.2 **R** [deleted]

Calculation of the IML levy

13.2.3 **R** The *IML levy* is calculated as follows:

- (1) identify whether activity group CC1 or CC2 applies to the business of the *firm* for the relevant period (for this purpose, the activity groups are defined in accordance with Part 1 of **FEES 4 Annex 1AR**);
- (2) for each of those activity groups, calculate the amount payable in the way set out in **FEES 13.2.4R**;

- (3) add the amounts calculated under (2);
- (4) work out whether a minimum *fee* is payable under Part 2 of ■ FEES 7 Annex 1R and if so how much;
- (5) add together the amounts calculated under (3) and (4);
- (6) modify the result as indicated by the tables in ■ FEES 4.2.7ER (Modifications for persons becoming subject to periodic fees during the course of a fee year), ■ FEES 4.2.7FR (Calculating the fee in the firm's first year of authorisation), ■ FEES 4.2.7GR (Calculating fees in the second *fee-year* where the firm received permission between 1 January and 31 March in its first *fee-year*) and ■ FEES 4.2.7HR to ■ FEES 4.2.7KR (Calculating all other fees in the second and subsequent years of authorisation where a full year of tariff data is not available) (if applicable);
- (7) apply any applicable payment charge specified in ■ FEES 4.2.4R (Method of payment) to the amount in (6), provided that:
 - (a) for payment by direct debit, successful collection of the amount due is made at the first attempt by the *FCA*; or
 - (b) for payment by credit transfer, the amount due is received by the *FCA* on or before the due date; and
- (8) make the calculation using information obtained in accordance with ■ FEES 4.4 (Information on which fees are calculated).

13.2.4 **R** The amount payable by a *firm* with respect to a particular activity group is calculated as follows:

- (1) for a *firm* in activity group CC1, a £5 flat rate is the amount payable by the *firm* with respect to that activity group;
- (2) for a *firm* in activity group CC2:
 - (a) up to and including £250,000 consumer credit income: £10 is the amount payable by the *firm* with respect to that activity group; and
 - (b) over £250,000 consumer credit income: £10 + £0.202 per £ thousand or part £ thousand of consumer credit income; and
- (3) a *firm* in activity group CC2 must calculate its tariff base using the annual income calculation in Part 3 of ■ FEES 4 Annex 1AR and ■ FEES 4 Annex 11BR and the valuation date requirements in Part 5 of ■ FEES 4 Annex 1AR.

13.2.5 **R** For the purposes of ■ FEES 13.2.4R:

- (1) a *firm* in activity group CC2 may apply the relevant tariff bases and rates to its non-UK business, as well as to its UK business, if:
 - (a) it has reasonable grounds for believing that the costs of identifying the *firm's* UK business separately from its non-UK business in the way described in ■ FEES 4 Annex 11BR are disproportionate to the difference in fees payable; and

(b) it notifies the *FCA* in writing at the same time as it provides the information concerned under ■ FEES 4.4 (Information on which fees are calculated), or if earlier, at the time it pays the fees concerned; and

(2) for a *firm* which has not complied with ■ FEES 4.4.2R (Information on which fees are calculated) for this period, the *IML levy* is calculated using (where relevant) the valuation or valuations of business applicable to the previous period multiplied by the factor of 1.10.

13.2.6 **R** [deleted]

FEES 4 rules incorporated into FEES 13 by cross-reference

13.2.7 **G** The *Handbook* provisions relating to the *IML levy* are meant to follow closely the provisions relating to the payment of the periodic fees in ■ FEES 4.3.1R. In the interests of brevity, not all of these provisions are set out again in ■ FEES 13. In some cases, certain ■ FEES 4 rules are applied to the payment of the *IML levy* by individual rules in ■ FEES 13. The rest are set out in the table in ■ FEES 13.2.9R.

13.2.8 **R** The rules set out in the table in ■ FEES 13.2.9R and any other rules in ■ FEES 4 included in ■ FEES 13 by cross-reference apply to the *IML levy* in the same way as they apply to periodic fees payable under ■ FEES 4.3.1R.

13.2.9 **R** Table of rules in ■ FEES 4 that also apply to ■ FEES 13 to the extent that in ■ FEES 4 they apply to fees payable to the *FCA*.

FEES 4 rules incorporated into FEES 13	Description
FEES 4.2.10R	Extension of time
FEES 4.2.11R (first entry only)	Due date and changes in <i>permission</i> for periodic fees
FEES 4.3.7R	Group of <i>firms</i>
FEES 4.3.13R	<i>Firms</i> applying to cancel or vary <i>permission</i> before start of period
FEES 4.3.17R	<i>Firms</i> acquiring businesses from other <i>firms</i>
FEES 4.4.1R to FEES 4.4.6AR	Information on which fees are calculated

13.2.10 **G** In some cases, a ■ FEES 4 rule incorporated into ■ FEES 13 in the manner set out in ■ FEES 13.2.7G will refer to another rule in ■ FEES 4 that has not been individually incorporated into ■ FEES 13. Such a reference should be read as being to the corresponding provision in ■ FEES 13.

13.2.11 **G** Table of ■ FEES 4 rules that correspond to ■ FEES 13 rules

FEES 4 rules	Corresponding FEES 7 rules
FEES 4.2.1R	FEES 13.2.1R

FEES 4 rules	Corresponding FEES 7 rules
FEES 4.3.1R	FEES 13.2.3R
FEES 4.3.3R	FEES 13.2.3R
FEES 4.3.3AR	FEES 13.2.3R
FEES 4.3.12R	FEES 13.2.6R
FEES 4.3.12AR	FEES 13.2.6R