

## Chapter 3

# Application, Notification and Vetting Fees



## Special Project Fee for restructuring

- (1) R The Special Project Fee for restructuring (the SPFR) is only payable by a *person* in one of the following categories:
- (a) if that *person* falls within any of the A, B, CC1, CC2 and CMC fee-blocks (as defined in Part 1 of FEES 4 Annex 1AR; or
  - (b) if that *person* falls within fee-block G.3 or G.10 (as defined in FEES 4 Annex 11); or
  - (c) [deleted]
  - (d) [deleted]
  - (e) [deleted]
  - (f) if that *person* applies for the permission in MIFIDPRU 4.12.4R.
- (2) R The SPFR becomes payable by a *person* falling into (1)(a) or (b) if it engages in, or prepares to engage in, activity which involves it undertaking or making arrangements with a view to any of the following:
- (a) raising additional capital; or
  - (b) a significant restructuring of the *firm* or the *group* to which it belongs, including:
    - (i) mergers or acquisitions;
    - (ii) reorganising the *firm's group* structure;
    - (iii) *retribution*;
    - (iv) a significant change to the *firm's* business model; and
    - (v) a significant internal change programme.
  - (c) a scheme of arrangement under Part 26 of the Companies Act 2006 in respect of that *person*.
- (3) R No SPFR is payable under (2) if the transaction only involves the *firm* seeking to raise capital within the *group* to which it belongs.
- (4) R Where the transaction in (2) involves raising capital outside the *group* to which the *firm* belongs, any SPFR in relation to that transaction is only payable by the largest *firm* in that *group*. The largest *firm* is the one that pays the highest periodic fee in the *fee year* in which the bill is raised. For the purpose of the calculation in (9), all time spent and fees and disbursements incurred in relation to the group are added together.
- (5) R The definition of *group* is limited for the purposes of calculating the SPFR to *parent undertakings* and their *subsidiary undertakings*.
- (6) R The SPFR also becomes payable by any *person* falling into (1) if any of the following circumstances apply to it:
- (a) an *insolvency order* is in effect as respects the *person* or the *person* is being voluntarily wound up or steps are being taken for the making of an *insolvency order* or voluntary winding up of, or with respect to, the *person* by someone entitled to take such steps; or
  - (b) the Bank of England or the Treasury have exercised a stabilisation power in respect of the *person* under the Banking Act 2009.
- (7) R In (6):

	(a)	references to an <i>insolvency order</i> or winding up include the equivalent process in any jurisdiction outside the <i>United Kingdom</i> ; and
	(b)	references to an <i>insolvency order</i> include such an order made under the Banking Act 2009.
(7A)R		The <i>FCA</i> will levy its own <i>SPFR</i> separate to any levy issued by the <i>PRA</i> and this may be in relation to the same event or circumstance.
(8) R		No <i>SPFR</i> is payable to the <i>FCA</i> :
	(a)	if the amount calculated in accordance with (9) in relation to the regulatory work conducted by the <i>FCA</i> totals less than £50,000 in the case of an <i>FCA-authorised person</i> or £25,000 in the case of a <i>PRA-authorised person</i> ; or
	(b)	for time spent giving <i>guidance</i> to the <i>person</i> in relation to the same matter if the <i>FCA</i> has charged that <i>person</i> for that <i>guidance</i> .
(9) R		The <i>SPFR</i> for the <i>FCA</i> is calculated as follows:
	(a)	Determine the number of hours, or part of an hour, taken by the <i>FCA</i> in relation to regulatory work conducted as a consequence of the activities referred to in (2) or (6).
	(b)	Next, multiply the applicable rate in the table at (11) by the number of hours or part hours obtained under (a).
	(c)	Then add any fees and disbursements invoiced to the <i>FCA</i> by any <i>person</i> in respect of services performed by that <i>person</i> for the <i>FCA</i> in relation to assisting the <i>FCA</i> in performing the regulatory work referred to in (a).
	(d)	The resulting figure is the fee.
	(e)	The number of hours or part hours referred to in (a) are the number of hours or part hours as recorded on the <i>FCA</i> 's systems in relation to the regulatory work referred to in (a).
(10) R		The first column in the table at (11) sets out the relevant pay grades of those employed by the <i>FCA</i> and the second column sets out the hourly rates chargeable in respect of those pay grades.
(11) R		Table of <i>FCA</i> hourly rates:
	FCA pay grade	Hourly rate (£)
	Administrator	45
	Associate	75
	Technical Specialist	130
	Manager	145
	Any other person employed by the <i>FCA</i>	255
(11A) R		[deleted]
(12) G		The obligation to pay the <i>SPFR</i> is ongoing. Accordingly, there is no limitation on the number of times that the <i>FCA</i> may invoice a <i>person</i> for the <i>SPFR</i> in relation to the same events or circumstances referred to in (2) or (6). If the <i>FCA</i> does so, there is a single floor under (8)(a) and not a separate one for each instalment. Therefore, for example, if a <i>person</i> is subject to an administration order, the <i>FCA</i> may invoice the <i>person</i> on a periodic basis for all the related regulatory work, but may only do so once the total fee (including disbursements) equals 50,000.

- (13) G If the SPFR is payable, the full amount calculated under (9) is payable not just the excess over £50,000 or £25,000.
- (14) G The SPFR is a single fee. Therefore the SPFR may be payable under both (2) and (6). If it is payable under both, there is only a single floor under (8)(a), not two separate ones.