

Chapter 4

Periodic fees

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

4.3.1 **R** The periodic fee payable by a *firm* (except an *AIFM qualifier*, *ICVC* or a *UCITS qualifier*) is:

- (1) each periodic fee applicable to it calculated in accordance with
 - FEES 4.3.3 R, using information obtained in accordance with
 - FEES 4.4; plus
- (1A) any periodic fee applicable to it calculated in accordance with
 - FEES 4.3.3A R using information relating to its *UK* business obtained in accordance with ■ FEES 4.4 (or by other means in the case of the Bank of England); less
- (2) any deductions from the periodic fee specified in Part 2 of
 - FEES 4 Annex 2AR or Part 7 of ■ FEES 4 Annex 11R.

4.3.2 **G** (1) The amount payable by each *firm* will depend upon the category (or categories) of *regulated activities* or *payment services* it is engaged in (fee-blocks) and whether it is issuing *electronic money*, and on the amount of business it conducts in each category (tariff base). The fee-blocks and tariffs are identified in ■ FEES 4 Annex 1AR (and guidance on calculating certain of the tariffs is at ■ FEES 4 Annex 12 G and ■ FEES 4 Annex 13G) while ■ FEES 4 Annex 2AR sets out the tariff rates for the relevant *fee year*. In the case of *firms* that provide *payment services* and/or issue *electronic money*, the relevant fee blocks, tariffs and rates are set out in ■ FEES 4 Annex 11R.

(2) [deleted]

Calculation of periodic fee for fee-paying payment service providers, CBTL firms, data reporting services providers and fee-paying electronic money issuers

4.3.3 **R** The periodic fee referred to in ■ FEES 4.3.1 R is (except in relation to the *Society*, *fee-paying payment service providers*, *CBTL firms*, *fee-paying electronic money issuers* and *data reporting services providers*) calculated as follows:

- (1) identify each of the tariffs set out in Part 1 of ■ FEES 4 Annex 2AR which apply to the business of the *firm* for the period specified in that annex;

- (2) for each of the applicable tariffs, calculate the sum payable in relation to the business of the *firm* for that period;
 - (3) add together the amounts calculated under (2);
 - (4) work out whether an A.0, or , CC.0 minimum fee is payable under Part 2 of ■ FEES 4 Annex 2AR and if so how much (except that that minimum fee is not payable again by a *firm* whose *permission* is extended if the fee was already payable before the extension);
 - (4A) work out whether an AP.0 FCA prudential fee is payable under Part 2 of ■ FEES 4 Annex 2AR and if so how much;
 - (4B) [deleted]
 - (5) add together the amounts calculated under (3), (4) and (4A) ; and
 - (6) apply any applicable payment charge specified in ■ FEES 4.2.4 R, provided that:
 - (a) for payment by direct debit, successful collection of the amount due is made at the first attempt by the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*); or
 - (b) for payment by credit transfer, the amount due is received by the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) on or before the due date.
- [Note: Transitional provisions apply to ■ FEES 4.3.3R for *firms* in activity groups A.3 and A.4 – see ■ FEES TP 13]

Calculation of periodic fee for fee-paying payment service providers, CBTL firms, data reporting services providers (other than incoming data reporting services providers) and fee-paying electronic money issuers

4.3.3A **R** The periodic fee referred to in ■ FEES 4.3.1 R in relation to *fee-paying payment service providers, CBTL firms , data reporting services providers and fee-paying electronic money issuers* is calculated in accordance with ■ FEES 4 Annex 11 R.

Modification for firms with new or extended permissions

4.3.4 **G**

- (1) A *firm* which becomes authorised or registered during the course of a *fee year* will be required to pay a proportion of the periodic fee which reflects the proportion of the year for which it will have a *permission* or the right to provide particular *payment services* or the right to issue *electronic money*- see ■ FEES 4.2.5 G and ■ FEES 4.2.6 R.
- (2) Similarly a *firm* which extends its *permission* or its right to provide particular *payment services* so that its business then falls within additional fee blocks will be required to pay a further periodic fee under this section for those additional fee blocks, but discounted to reflect the proportion of the year for which the *firm* has the extended permission or *payment services* activity - see ■ FEES 4.2.6 R and ■ FEES 4.2.7 R.

(3) [deleted]

(4) [deleted]

Amount payable by the Society of Lloyd's

4.3.5 **R** The periodic fee referred to in ■ FEES 4.3.1 R in relation to the *Society* is specified against its name in ■ FEES 4 Annex 2AR .

Time of payment

4.3.6 **R**

(1) [deleted]

(1A) [deleted]

(1B) [deleted]

(1C) If a *person* meets either of the conditions in (1D) it must pay the *FCA* the fee in (1E).

(1D) A *person* meets the conditions referred to in (1C) if:

- (a) its periodic fee for the previous *fee year* was at least £50,000 and it is:
 - (i) an *FCA-authorised person*; or
 - (ii) a *designated professional body*; or
 - (iii) a *recognised investment exchange*; or
 - (iv) a *regulated covered bond issuer*; or
- (b) it is a *PRA-authorised person* and its combined *FCA* and *PRA* periodic fees for the previous *fee year* were at least £50,000.

(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; 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; or
 - (ii) if later, within 30 days of the date of the invoice, in the *fee year* to which that sum relates.

[**Note:** If the *firm* is a *PRA-authorised person* that meets the condition at ■ FEES 4.3.6R(1)(D)(b), the *firm* will also pay its *PRA* periodic fees in two tranches as specified in the Fees Part of the *PRA Rulebook* . The *FCA*, acting as the *PRA*'s collection agent, will collect these fees.]

(2) If the *firm's*, *designated professional body's*, *recognised investment exchange's*, or *regulated covered bond issuer's* periodic fee for the previous *fee year* was less than £50,000, it must pay the periodic fee

due in full by 1 August or, if later, within 30 days of the date of the invoice in the *fee year* to which that sum relates.

- (3) If a *firm* has applied to cancel its *Part 4A permission* in the way set out in ■ SUP 6.4.5 D (Cancellation of permission), or its status as a *payment institution* under regulation 10 of the *Payment Services Regulations* (Cancellation of authorisation) or as regulation 10 is applied by regulation 14 of the *Payment Services Regulations* (Supplementary provisions), or its status as an *electronic money issuer* under regulation 10 of the *Electronic Money Regulations* (Cancellation of authorisation) or as regulation 10 is applied by regulation 15 of the *Electronic Money Regulations* (Supplementary provisions), or its registration as a *CBTL firm* under article 13(c) of the *MCD Order* or its authorisation as a *data reporting services provider* under regulation 11 of the *DRS Regulations*, then (1C), (1D) and (1E) do not apply but it must pay the total amount due when the application is made.
- (4) If the *FCA* has exercised its *own-initiative powers* to cancel a *firm's Part 4A permission*, then (1C), (1D) and (1E) do not apply but the *firm* must pay the total amount due immediately before the cancellation becomes effective.
- (4A) If the *FCA* has cancelled a *firm's* authorisation or registration under regulation 10 of the *Payment Services Regulations* or regulation 10 of the *Electronic Money Regulations* or its registration under regulation 10 as applied by regulation 14 of the *Payment Services Regulations* or its registration under regulation 10 as applied by regulation 15 of the *Electronic Money Regulations*, or its registration under article 13 (except under article 13(c) of the *MCD Order* , or its authorisation as a *data reporting services provider* under regulation 11 or 12 of the *DRS Regulations*, then (1C), (1D) and (1E) do not apply but the *firm* must pay the total amount due immediately before the cancellation becomes effective.
- (5) [deleted]
- (5A) [deleted]
- (6) Paragraphs (1C), (1D) and (1E) do not apply to any periodic fee in relation to a *firm's permission for operating a multilateral trading facility or operating an organised trading facility* and such a fee is not taken into account for the purposes of the split in (1E). Instead any fee for this *permission* is payable:
 - (a) on 1 August; or
 - (b) 30 days from the date of the invoice in the case of a *firm* which receives *permission* to be *operating a multilateral trading facility* or to be *operating an organised trading facility* or whose *permission* is extended to include either activity in the course of the relevant financial year.
- (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 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 but before 1 September, 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 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 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.

4.3.6A R

Groups of firms

4.3.7 R

A *firm* which is a member of a *group* may pay all of the amounts due from other *firms* in the same *group* under ■ FEES 4.2.1 R, if:

- (1) it notifies the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) in writing of the name of each other *firm* within the *group* for which it will pay; and
- (2) it pays the fees, in accordance with this chapter, as a single amount as if that were the amount required from the *firm* under ■ FEES 4.2.1 R.

4.3.8 G

A notification under ■ FEES 4.3.7R (1) should be made in accordance with ■ SUP 15.7 (Form and method of notification).

4.3.9 G

If the payment made does not satisfy in full the periodic fees payable by all of the members of the *group* notified to the *FCA* under ■ FEES 4.3.7 R, the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) will apply the sum received among the *firms* which have been identified in the notification given under ■ FEES 4.3.7R (1) in proportion to the amounts due from them. Each *firm* will remain responsible for the payment of the outstanding balance attributable to it.

4.3.10 G

If a *firm* pays its fees through an agent outside the scope of ■ FEES 4.3.7 R, the *firm* is responsible for ensuring that the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) is informed that the sum being paid is for that *firm's* periodic fees.

4.3.11 G

[deleted]

4.3.12 **R** [deleted]4.3.12A **R** [deleted]**Firms Applying to Cancel or Vary Permission Before Start of Period**

- 4.3.13 **R** (1) If:
- (a) a *firm*:
 - (i) makes an application to vary its *permission* (by reducing its scope), or cancel it, in the way set out in **■ SUP 6.3.15D(3)** (Variation of permission) and **■ SUP 6.4.5D** (Cancellation of permission); or
 - (ii) applies to vary (by reducing its scope) or cancel its authorisation or registration (regulation 8 and 10(1) of the *Payment Services Regulations* including as applied by regulation 14 of the *Payment Services Regulations*); or
 - (iii) applies to cancel its authorisation or registration (regulation 10 and 12 of the *Electronic Money Regulations* including as applied by regulation 15 of the *Electronic Money Regulations*); or
 - (iv) applies for revocation of its registration under article 13(c) of the *MCD Order*; or
 - (v) applies to vary (by reducing its scope) or cancel its authorisation as a *data reporting services provider* under regulation 11 and 12 of the *DRS Regulations*; or
 - (aa) an *issuer* makes an application for de-listing; or
 - (ab) a *sponsor* notifies the *FCA* of its intention to be removed from the list of approved *sponsors*; and
 - (b) the *firm, issuer or sponsor* makes the application or notification referred to in (a), (aa) or (ab) respectively, before the start of the *fee year* to which the fee relates;

■ FEES 4.2.1 R applies to the *firm* as if the relevant variation or cancellation of the *firm's permission* or authorisation or registration under the *Payment Services Regulations, MCD Order, DRS Regulations* or the *Electronic Money Regulations, de-listing or removal from the list of approved sponsors, took effect immediately before the start of the fee year* to which the fee relates.
- (2) But (1) does not apply if, due to the continuing nature of the business, the variation, cancellation, de-listing or removal is not to take effect on or before 30 June of the *fee year* to which the fee relates.

4.3.13A **R**4.3.14 **G** The due dates for payment of periodic fees are modified by **■ FEES 4.3.6R(3)**, **■ FEES 4.3.6R(4)**, **■ FEES 4.3.6R(4A)** and **FEES 4.3.4R(7)**, respectively where:

- (1) a *firm* has applied to cancel its:
 - (a) *Part 4A permission*; or
 - (b) its authorisation or registration under the *Payment Services Regulations* or the *Electronic Money Regulations*; or
 - (c) its registration as a *CBTL firm* under article 13(c) of the *MCD Order*; or
 - (d) authorisation under regulation 11 of the *DRS Regulations*; or
- (2) the *FCA* has exercised its:
 - (a) *own-initiative powers* to cancel a *firm's Part 4A permission*; or
 - (a) power to annul the cancellation or variation of a *person's Part 4A permission* under Schedule 6A to the *Act*; or
 - (b) powers under regulation 10 (Cancellation of authorisation), including as applied by regulation 14 (Supplementary provisions) of the *Payment Services Regulations* to cancel a *firm's* authorisation or registration under the *Payment Services Regulations*; or
 - (c) powers under regulation 10 (Cancellation of authorisation), including as applied by regulation 15 (Supplementary provisions) of the *Electronic Money Regulations* or regulation 11 of the *DRS Regulations*; or
 - (d) powers under article 13 (Revocation of registration), excluding article 13(c), of the *MCD Order*.

Firms acquiring businesses from other firms

4.3.15 **R** [deleted]

4.3.16 **R** (1) [deleted]

(2) [deleted]

(3) [deleted]

4.3.17 **R** (1) This *rule* applies if:

(a) a *firm* (A)

(i) (A) acquires all or a part of the business of another *firm* (B), whether by merger, acquisition of goodwill or otherwise; and

(B) would be required to pay a periodic fee in the *fee year* in which the acquisition takes place; or

(ii) becomes authorised or registered as a result of another *firm's* (B) simple change of legal status (as defined in **FEES 3 Annex 1R Part 6**); and

(b) had that acquisition or simple change of legal status (or any associated cancellation) not taken place, a periodic fee would have been payable by B in that same *fee year*.

- (2) If, before the date of acquisition or simple change of legal status, B had paid any periodic fee that would have become payable by it in that *fee year*, ■ FEES 4.2.1R and ■ FEES 4.2.7ER to ■ FEES 4.2.7KR will not apply to A in relation to the business of B.
- (3) (a) If, before the date of acquisition or simple change of legal status, B had not paid any periodic fee that would have become payable by it in that *fee year*, ■ FEES 4.2.1R and ■ FEES 4.2.7ER to ■ FEES 4.2.7KR will apply to A in relation to the business of B.
 (b) Periodic fees that would have become payable in that *fee year* include those which may have been dis-applied under ■ FEES 4.3.13R.
- (4) Regardless of A’s valuation date:
 - (a) if the acquisition or simple change of legal status takes place before B’s valuation date, then A must report the tariff data for, and pay fees or levies on, the transferred business up to the date of the transfer; and
 - (b) if the acquisition or simple change of legal status takes place after B’s valuation date and B has not paid the relevant fees or levies, then the data should be reported and fees be paid by A as if the transfer had taken place immediately before the valuation (if B continues to be authorised, it should strip the transferred business out of its report).

Cancellation and variation of Part 4A permission under Schedule 6A

4.3.18 **G** The *FCA* will not refund periodic fees if, after the start of the period to which they relate, a *person’s Part 4A permission* is cancelled under Schedule 6A or the *person’s Part 4A permission* is varied, reducing its permission under Schedule 6A (but see ■ FEES 2.3 (Relieving Provisions)).

Effect on periodic fees of annulment of cancellation or variation of permission under Schedule 6A

4.3.19 **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 Schedule 6A to the *Act* sets out a procedure for annulment of cancellation or variation of *Part 4A permission* in specified circumstances. It is for the *FCA* to decide whether it is just and reasonable to annul the decision to cancel a *person’s* permission or vary the permission to reduce its scope. 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 annulment, the periodic fees for the period during which the *person’s Part 4A permission* was cancelled or varied apply to the *person*.