

Chapter 7B

The DA levy

7B.2 The DA levy

Obligation to pay DA levy

- 7B.2.1** **R** A *firm* must pay the *DA levy* applicable to it:
- (1) in full and without deduction (unless permitted or required by a provision in *FEES*); and
 - (2) by 1 August or, if later, within 30 days of the date of the invoice in the *fee year* to which that sum relates.
- 7B.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 *DA levy* in relation to the period during which the *person's Part 4A permission* was cancelled or varied applies to the *person*.
- 7B.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 7B.2.1R** and the annulment takes effect after 1 August or after the invoice referred to in **FEES 7B.2.1R(2)** has been issued, then the date for payment referred to in **FEES 7B.2.1R(2)** does not apply, but the *person* must pay the *DA levy* applicable to it in full and without deduction, on the date on which the annulment takes effect.

Calculation of DA levy

- 7B.2.2** **R** The *DA levy* is calculated as follows:
- (1) identify each of the activity groups set out in Part 1 of **FEES 7B Annex 1R** that apply to the business of the *firm* for the relevant period (for this purpose, the activity groups under **FEES 7B Annex 1R** are defined in that Annex or 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 7B.2.3R**;
 - (3) add each of the amounts calculated under (2);

- (4) modify the result as indicated by the table in ■ FEES 4.2.7ER, ■ FEES 4.2.7FR, ■ FEES 4.2.7GR, ■ FEES 4.2.7HR, ■ FEES 4.2.7IR, ■ FEES 4.2.7JG and ■ FEES 4.2.7KR (if applicable);
- (5) apply any applicable payment charge specified in ■ FEES 4.2.4R to the amount in (4), 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
- (6) make the calculations using information obtained in accordance with Part 3 of ■ FEES 7B Annex 1R in the case of Part 2 of that Annex.

7B.2.3 **R** The amount payable by a *firm* with respect to a particular activity group is calculated as follows:

- (1) calculate the size of the *firm's* tariff base for that activity group using:
 - (a) the tariff base calculations in Part 2 of ■ FEES 7B Annex 1R; and
 - (b) the valuation date requirements in Part 3 of ■ FEES 7B Annex 1R;
- (2) the amount payable in (1) is the amount payable by the *firm* with respect to that activity group.

7B.2.4 **R** For the purposes of ■ FEES 7B.2.3R:

- (1) a *firm* 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 Part 2 of ■ FEES 7B Annex 1R 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;
- (2) for a *firm* which has not complied with ■ FEES 4.4.2R (information on which fees are calculated) or ■ FEES 4.4.8D (Information relating to payment services and the issuance of electronic money) for this period, the DA levy is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10.

FEES 4 rules incorporated into FEES 7B by cross-reference

7B.2.5 **G** The FCA Handbook provisions relating to the DA levy are meant to follow closely the provisions relating to the payment of periodic fees under ■ FEES 4.3.1R. In the interests of brevity, not all of these provisions are set out again in ■ FEES 7B. In some cases, certain ■ FEES 4 rules are applied to the payment of the DA levy by individual rules in ■ FEES 7B. The rest are set out in the table in ■ FEES 7B.2.7R.

7B.2.6 R The *rules* set out in the table in ■ FEES 7B.2.7R, and any other *rules* in ■ FEES 4 included in ■ FEES 7B by cross-reference, apply to the *DA levy* in the same way as they apply to periodic fees payable under ■ FEES 4.3.1R.

7B.2.7 R Table of rules in ■ FEES 4 that also apply to ■ FEES 7B to the extent that in ■ FEES 4 they apply to fees payable to the *FCA*

FEES 4 rules incorporated into FEES 7B	Description
FEES 4.2.7ER	Modifications for persons becoming subject to periodic fees during the course of a <i>fee year</i>
FEES 4.2.7FR	Calculating the fee in the <i>firm's</i> first year of <i>authorisation</i>
FEES 4.2.7GR	Calculating fees in the second fee year where the <i>firm</i> received <i>permission</i> between 1 January and 31 March in its first fee year
FEES 4.2.7HR to FEES 4.2.7KR	Calculating all other fees in the second and subsequent years of <i>authorisation</i> where a full year of tariff data is not available
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	Groups 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

7B.2.8 D ■ FEES 4.4.7D to ■ FEES 4.4.9D (Information relating to payment services and the issuance of electronic money) also apply to ■ FEES 7B.

7B.2.9 G References in a ■ FEES 4 *rule* incorporated into ■ FEES 7B by cross-reference to a periodic fee should be read as being to the *DA Levy*. References in a ■ FEES 4 *rule* incorporated into ■ FEES 7B to *market operators, service companies, MTF operators, investment exchanges, or designated professional bodies* should be disregarded.

7B.2.10 G In some cases, a ■ FEES 4 *rule* incorporated into ■ FEES 7B in the manner set out in ■ FEES 7B.2.5G will refer to another *rule* in ■ FEES 4 that has not been individually incorporated into ■ FEES 7B. Such a reference should be read as being to the corresponding provision in ■ FEES 7B. The main examples are set out in ■ FEES 7B.2.11G.

7B.2.11 G Table of ■ FEES 4 rules that correspond to ■ FEES 7B rules

FEES 4 rules	Corresponding FEES 7B rules
FEES 4.2.1R	FEES 7B.2.1R
FEES 4.3.1R	FEES 7B.2.2R

FEES 4 rules	Corresponding FEES 7B rules
FEES 4.3.3R	FEES 7B.2.2R
FEES 4.3.3AR	FEES 7B.2.2R

7B