

Fees Manual

FEES TP 20

Transitional provisions relating to the Temporary Permissions
regime for Claims Management Companies, taking effect on 1
January 2019

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
Periodic fee transitional provisions					
20.1	FEES TP 20	G	<p>(1) This transitional provision applies to <i>claims management companies</i>.</p> <p>(2) <i>Claims management company</i> is defined in the <i>Glossary</i> as a <i>person</i> carrying on a <i>regulated claims management activity</i> in <i>Great Britain</i>.</p> <p>(3) <i>Regulated claims management activity</i> is in turn defined as comprising various individual <i>regulated activities</i> which are defined in the <i>Glossary</i> by reference to the <i>regulated activities</i> in articles 89G to 89M of the <i>Regulated Activities Order</i>. All of the <i>Glossary</i> definitions above come into force on 1 January 2019.</p> <p>(4) The <i>regulated activities</i> in articles 89G to 89M of the <i>Regulated Activities Order</i> were added to the <i>Regulated Activities Order</i> by the <i>Claims Management Order</i>. That Order comes into force for most purposes on 1 April 2019. However, it came into force on 29 November 2018 for various purposes including:</p> <p>(a) for the purpose of enabling the <i>FCA</i> to make <i>rules</i>, give guidance, impose requirements, make directions, and approve <i>rules</i>;</p> <p>(b) for the purpose of enabling the <i>scheme operator</i> to</p>	1 January 2019	1 January 2019

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20.2	FEES 4 Annex 1A	R	<p>do various things including making <i>rules</i> and standard terms.</p> <p>(5) That means that, for the purposes of the definition of <i>claims management company</i> and the related <i>Glossary</i> definitions (including the definitions of <i>regulated claims management activity</i> and the related <i>regulated activities</i>) in this instrument, the references to the <i>Regulated Activities Order</i> are references to that Order as amended by the <i>Claims Management Order</i>.</p> <p><i>Claims management companies</i> registering for temporary permission must pay the periodic fee for the 2019/20 year within 14 days of the date of the invoice, which will be issued following registration. The periodic fee for 2019/20 will be calculated from the <i>firm's</i> annual turnover.</p> <p>"Turnover" means the sum of the amounts paid to, or received by, a <i>claims management company</i> in respect of <i>regulated claims management activities</i>, including:</p> <p>(a) charges, commission, the share of any compensation, fees and subscriptions;</p> <p>(b) the monetary value of any services received by the <i>claim management company</i> where it makes no payment for those services or where the payment received is worth less than the monetary value of the services; and</p> <p>(c) the monetary value of any advertising in respect of the <i>claims management company</i> that it has not paid for out of funds referred to in sub-paragraphs (a) and (b). "Annual turnover" means:</p> <p>(d) the <i>claims management company's</i> turnover for the 12 <i>months</i> to 30 November 2017; or</p>	1 January 2019	1 January 2019

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			<p>(e) if the business did not trade for the full 12 <i>months</i> to 30 November 2017, the estimated turnover for the 12 <i>months</i> to 30 November 2018; or</p> <p>(f) where the application for authorisation by the Claims Management Regulator was made on or after 30 November 2017, the estimated turnover for the 12 <i>months</i> to 30 November 2018.</p> <p><i>Firms</i> must also notify the FCA of any turnover arising from business in Scotland, or business conducted under section 75 of the CCA.</p>		
20.3	FEES 5.7.1	R	<p>Transitional provision for FOS general levy</p> <p><i>Claims management companies</i> applying for authorisation for the 2019/20 financial year must pay the <i>FOS general levy</i> on or before the later of 1 April 2019 and 30 calendar days after the date when the invoice is issued by the FCA. The general levy for claims management companies will be calculated at £50 plus £3.00 per £1,000 of annual income.</p> <p>“Income” is defined in FEES 5 Annex 4R and means the sum of the amounts paid to, or received by, a <i>claims management company</i> in respect of <i>regulated claims management activities</i>, including:</p> <p>(a) charges, commission, the share of any compensation, fees and subscriptions;</p> <p>(b) the monetary value of any services received by the <i>claims management company</i> where it makes no payment for those services or where the payment received is worth less than the monetary value of the services; and</p> <p>(c) the monetary value of any advertising in respect of the <i>claims management company</i> that it has not paid for</p>	1 January 2019	1 January 2019

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			<p>out of funds referred to in sub-paragraphs (a) and (b). "Annual income" means:</p> <p>(d) the <i>claims management company's</i> turnover for the 12 months to 30 November 2017; or</p> <p>(e) if the business did not trade for the full 12 months to 30 November 2017, the estimated turnover for the 12 months to 30 November 2018; or</p> <p>(f) where the application for authorisation by the Claims Management Regulator was made on or after 30 November 2017, the estimated turnover for the 12 months to 30 November 2018.</p> <p><i>Firms</i> must also notify the FCA of any turnover arising from business in Scotland, or business conducted under section 75 of the CCA.</p>		
20.4	FEES 5.8.1	R	<p>Joining the Financial Ombudsman Service</p> <p>For <i>claims management companies</i> applying for authorisation in the 2018/19 financial year, this rule does not apply to those <i>firms</i> which have paid in full upon registration but are not authorised until part way through the <i>financial year</i>.</p>	1 January 2019	1 January 2019