

**FEES PROVISIONS (2007/2008) INSTRUMENT 2007****Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 72 (The competent authority);
  - (2) section 74(4) (The official list);
  - (3) section 99(1) (Fees);
  - (4) section 101 (Listing rules: general provisions);
  - (5) section 138 (General rule making power);
  - (6) section 156 (General supplementary powers);
  - (7) section 157(1) and (4) (Guidance);
  - (8) section 213 (The compensation scheme);
  - (9) section 223 (Management expenses);
  - (10) paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority); and
  - (11) paragraph 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 April 2007.

**Amendments to the Handbook**

- D. The modules of the FSA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Fees manual (FEES)	Annex B
Supervision manual (SUP)	Annex C

**Citation**

- E. This instrument may be cited as the Fees Provisions (2007/2008) Instrument 2007.

By order of the Board  
22 March 2007

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

...

- participant firm*
- (1) (except in FEES 1 and FEES 6) a *firm* or a *member* other than:
    - (a) ...
  - ...
  - (2) (in FEES 1 and FEES 6) a *firm* specified in paragraph (1) above that is not a *member*.

## Annex B

### Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where text is being replaced completely, this is explained and the new text is not underlined.

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2.2.1 R If a *person* does not pay the total amount of a periodic fee (including fees relating to *reportable transactions* to the FSA using the ~~FSA's Direct Reporting System~~ or FSA's Transaction Reporting System (see SUP 17)), FOS levy or case fee, or share of the FSCS levy, ~~before~~ on the end of the date on which it is due, under the relevant provisions in FEES 4, 5 or 6, that *person* must pay an additional amount as follows:

- (1) if the fee was not paid in full before the end of the due date, an administrative fee of £250; plus
- (2) ~~if the fee was not paid in full before the end of 15 days after the due date,~~ interest on any unpaid part of the fee at the rate of 5% per annum above the Bank of England's repo rate from time to time in force, accruing on a daily basis from the date on which the amount concerned became due.

2.2.2 G The FSA, (for periodic fees, FOS and FSCS levies), and FOS Ltd (for FOS case fees), expect to issue invoices at least 30 *days* before the date on which the relevant amounts fall due. FOS case fees are invoiced on a monthly basis. Accordingly it will generally be the case that a *person* will have at least 30 *days* from the issue of the invoice before an administrative fee becomes payable, ~~and at least 45 days before any interest becomes payable.~~

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3.2.7 R Table of application, notification and vetting fees

(1) Fee payer	(2) fee payable	Due date
...	...	...
(l) Under the <i>listing rules</i> , an <i>issuer</i> involved in specific events or transactions during the year where documentation is subject to a transaction vetting.	<del>FEES 3 Annex 5R, part 1, unless the transaction would come within the definition of significant transaction under category (q) in this table, in which case the fee payable under that category.</del>	On or before the date that relevant documentation is first submitted to the FSA.
(m) Under the <i>prospectus rules</i> , an <i>issuer</i> or <i>person</i>	<del>FEES 3 Annex 5R, part 2, unless the transaction</del>	On or before the date that relevant documentation

<p>requesting approval or vetting of the documents arising in relation to specific events or transactions that it might be involved in during the year.</p>	<p>would come within the <u>definition of significant transaction under category (q) in this table, in which case the fee payable under that category.</u></p>	<p>is first submitted to the <i>FSA</i>.</p>
<p>...</p>	<p>...</p>	<p>...</p>
<p>(o) <u>In connection with rules (or future rules) implementing the <i>Capital Requirements Regulations 2006</i> (including any amendments):</u>  (i) <u>A firm applying to the <i>FSA</i> for a waiver or concession (or guidance on the availability of either) in connection with rules (or future rules) implementing the revised Basel Capital Accord (including any amendments); or</u>  (ii) <u>a firm's <i>EEA</i> parent applying to its <i>Home State</i> regulator for the use of the Internal Ratings Based approach and the <i>Home State</i> regulator requesting the <i>FSA</i>'s assistance in accordance with the <i>Capital Requirements Regulations 2006</i>.</u></p>	<p><u>If the firm is applying to the <i>FSA</i>:</u></p> <p>(1) <del>Unless</del> (2) applies, <i>FEES 3 Annex 6R</i>;  (2) (a) <del>Unless</del> (b) applies a firm submitting a second application for a waiver or concession or guidance described in column (1) within 12 months of the first application (where the fee was paid in accordance with (1)) must pay 50% of the fee applicable to it under <i>FEES 3 Annex 6R</i>, but only in respect of that second application.  (b) No fee is payable by a firm in relation to a successful application for a waiver or a concession based on a minded to grant decision in respect of the same matter following a complete application for guidance in accordance with prescribed submission requirements.  (c) No fee is payable by a firm applying to its <i>Home State</i> regulator where the <i>Home State</i> regulator has requested the assistance of the <i>FSA</i> and the firm falls within Group 4 of Part 1 of</p>	<p><u>Where the firm has made an application directly to the <i>FSA</i>, On or before the date the application is made, otherwise within 30 days after the <i>FSA</i> notifies the firm that its <i>EEA</i> parent's <i>Home State</i> regulator has requested the <i>FSA</i>'s assistance.</u></p>

	<u>FEES 3 Annex 6R.</u>	
...	...	...
<p><u>(q) A significant transaction, being one where:</u></p> <p><u>(i) the issuer has a market capitalisation in excess of £1.5 billion and it is a new applicant for a primary listing under the listing rules, or involved in a reverse or hostile takeover or a significant restructuring; or</u></p> <p><u>(ii) the issuer has a market capitalisation in excess of £5 billion and is involved in a class 1 transaction or a transaction requiring vetting of an equity prospectus or equivalent document; or</u></p> <p><u>(iii) the issuer is proposing a Depositary Receipt issue intended to raise more than £5billion.</u></p>	<u>£50,000</u>	<u>On or before the date the application is made.</u>
<p><u>(r) Providers of reporting or trade matching systems applying for recognition under MiFID as an Approved Reporting Mechanism.</u></p>	<u>£20,000</u>	<u>On or before the date the application is made.</u>

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FEES 3 Annex 4R

Application ~~and tranche~~ fees in relation to listing rules

Part 1

Fee type	Fee amount
Application Fees	
Application for <i>listing</i>	£225 plus £100 per each additional issue of securities with its own International Securities Identification Number <u>unless the fee in Category 8 of FEES 3 Annex 5R Part 2 applies.</u>
<del>Tranches from debt issuance programmes and securitised derivative tranches</del>	£100

Part 2

Sponsor Application Fees	
Fee type	Fee amount
Application for approval as <i>sponsor</i>	£4,000

FEES 3 Annex 5R

Document vetting and approval fees in relation to listing and prospectus rules

Part 1

Fee type		Fee amount
Transaction vetting fees Transaction vetting fees relate to specific events or transactions that an <i>issuer</i> might be involved in during the year.		
Eligibility	New applicants	£1,300
Category 1	<i>Class 1 transactions</i> <u>Listing particulars for Depository Receipts</u>	£5,700
Category 2	<u>Listing particulars for <i>specialist security issuers</i></u>	£2,500

	<i>issuers of specialist securities (including depositary receipts)</i>	
Category 3	All other vetting only transactions	£2,500
Category 4	<i>Supplementary listing particulars</i>	£500

## Part 2

These fees relate to approval or vetting of the documents referred to in the second column of this table arising in relation to specific events or transactions that an *issuer, offeror* or *person* requesting admission might be involved in during the year.

Category 1	Equity <i>prospectus</i> Equivalent document referred to in <i>PR 1.2.2R(2)</i> or (3) or <i>PR 1.2.3R(3)</i> or (4) <u>Depositary Receipt prospectus</u>	£5,700
Category 2	Equity <i>registration document</i>	£4,000
Category 3	Equity <i>securities note and summary</i> Summary document referred to in <i>PR 1.2.3R(8)</i>	£2,500
Category 4	Non-equity <i>prospectus</i> or <i>base prospectus</i> (excluding <u>drawdown prospectus</u> or <u>base prospectus</u> ) Equivalent document referred to in <i>PR 1.2.2R(2)</i> or (3) or <i>PR 1.2.3R(3)</i> or (4)	£2,500
Category 5	Non-equity <i>registration document</i>	£1,750
Category 6	Non-equity <i>securities note and summary</i> Summary document referred to in <i>PR 1.2.3R(8)</i>	£1,000 <u>£600</u>
Category 7	<i>Supplementary prospectus</i>	£500
Category 8	<u>Drawdown prospectus</u> or <u>base prospectus</u>	<u>£600</u>

For the purposes of categories 1-3 of this fee schedule, equity does not include convertible securities or depositary receipts. These are treated as non-equity.

Where a fee in category 8 of this fee schedule is payable, the listing application fee under FEES 3 Annex 4R Part 1 does not apply.

Fees from other fee schedules contained in other sections of the sourcebook may be applicable to a single submission.

Certain transactions may come within the category of significant transactions and thus attract a higher fee, as set out in FEES 3.2.7R(q).

Delete FEES 3 Annex 6R and replace with the following:

FEES 3 Annex 6R

Fees payable for a waiver (or concession) or guidance on the availability of either in connection with rules implementing Basel Capital Accord

Part 1

Fees payable other than for applications for a waiver (or concession) or guidance on the availability of either to allow a firm to use the counterparty credit risk internal model method.

For *firms* falling into a group (Group 1) in which five or more significant overseas entities are applying for *guidance* on the availability of a *waiver* or concession in connection with future *rules* implementing the revised Basel Capital Accord (including any amendments), the fees in Table 1 are applicable.

Where a request for assistance regarding an Advanced or Foundation IRB application under the *Capital Requirements Regulations 2006* has been made to the *FSA* as detailed in *FEES 3.2.7R (o)*, the fees in Table 1 and Table 2 are applicable if:

- (i) the *firm* is a subsidiary of the applicant in the *United Kingdom* and has permission to accept deposits; and
- (ii) the *firm* does not fall within Group 4 of Table 2.

Table 1

Application group	Description of group	Application fee 2007/08		
		Advanced IRB (£'000)	Foundation IRB (£'000)	AMA (£'000)
Group 1	Five or more significant overseas entities applying for <i>guidance</i> on the availability of a <i>waiver</i> or concession in connection with future <i>rules</i> implementing the revised Basel Capital Accord (including any	257	222	174



	amendments)			
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For all other firms the fees in Table 2 are applicable

Table 2

Application group	Description of group		Application fee 2007/08		
	Modified eligible liabilities (£m)	Number of traders as at 31 December 2006	Advanced IRB (£'000)	Foundation IRB (£'000)	AMA (£'000)
Group 2	>40,000	>200	222	190	140
Group 3	>5,000 - 40,000	26 - 200	90	69	49
Group 4	0 - 5,000	0 - 25	40	29	23

(1)	Advanced and Foundation IRB applications are applications for <i>guidance</i> regarding the Internal Ratings Based approach for credit risk. AMA applications are applications for guidance regarding the Advanced Measurement Approach for operational risk.
(2)	For the purposes of Table 2, a <i>firm's</i> A.1 or A10 tariff data for the relevant period will be used to provide the value of modified eligible liabilities or number of traders.

Part 2

Fees payable for applications for a waiver (or concession) or guidance on the availability of either to allow a firm to use the counterparty credit risk internal model method.

£52,000

...

4.1.4 G (1) ...

- (2) The provision of the ~~Direct Reporting System~~ and Transaction Reporting System facilities for *firms* reporting transactions under *SUP* 17 incurs costs to the *FSA*. ...

...

FEES 4 Annex 1R

Activity groups, tariff bases and valuation dates applicable

...

Part 2

...

Activity group	Tariff base
...	...
A.3	<p>GROSS PREMIUM INCOME AND GROSS TECHNICAL LIABILITIES</p> <p>For <i>insurers</i>:</p> <p>The amount of <i>premium</i> receivable which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6 in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p>
	<p>less, <i>premiums</i> relating to <del><i>pension fund management</i></del> <u>pension fund management</u> business where the <i>firm</i> owns the <i>investments</i> and there is no transfer of risk;</p>
	<p>AND the amount of gross technical liabilities (<i>IPRU(INS)</i> Appendix 9.1 - Form 15, line 19) which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p>less,</p> <p>the amount of gross technical liabilities relating to <del><i>pension</i></del></p>

	<i>fund management</i> pension fund management business where the <i>firm</i> owns the <i>investments</i> and there is no transfer of risk.
	...
A.4	<p>ADJUSTED GROSS PREMIUM INCOME AND MATHEMATICAL RESERVES</p> <p>Except for <i>UK ISPVs</i>:</p> <p>Amount of new regular <i>premium</i> business (yearly <i>premiums</i> including reassurances ceded but excluding cancellations and reassurances accepted), times ten;</p> <p>Plus</p> <p>amounts of new single <i>premium</i> business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included;</p> <p>Less</p> <p><i>premiums</i> relating to pension fund management business where the <i>firm</i> owns the <i>investments</i> and there is no transfer of risk.</p> <p>For each of the above, business transacted through independent practitioners or tied agents (either single or multi-tie) will be divided by two in calculating the adjusted gross premium income;</p>
	<p>AND</p> <p>the amount of mathematical reserves (<i>IPRU(INS)</i> Appendix 9.1R Form <del>9</del> <u>14</u>, Line <del>23</del> <u>11</u>) which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p>Less</p> <p>mathematical reserves relating to <del><i>pension fund management</i></del> <u>pension fund management</u> business where the <i>firm</i> owns the <i>investment</i> and there is no transfer of risk.</p> <p>...</p>

...

#### FEES 4 Annex 2R

Fee tariff rates, permitted deductions and EEA/Treaty firm modifications for the period from 1 April ~~2006~~ 2007 to 31 March ~~2007~~ 2008

#### Part 1

...

Activity group	Fee payable	
A.1	Minimum fee (£)	150
	£ million of Modified Eligible Liabilities (MELs)	Fee (£/£m or part £m of MELS)
	...	...
	For a <i>firm</i> in A.1 which has a limitation on its <i>permission</i> to the effect that it may <i>accept deposits</i> from <i>wholesale depositors</i> only, the fee is calculated as above less 30%. <del>In addition, the fee specified below is payable by UK banks and building societies. The wholesale depositors discount and permitted deductions in Part 2 of FEES 4 Annex 2R do not apply to this fee.</del>	
...		

...

Delete existing text in FEES 4 Annex 2R Part 3 and insert new text as follows:

#### FEES 4 Annex 2R Part 3

Part 3		
This table shows the modifications to fee tariffs that apply to <i>incoming EEA firms</i> and <i>incoming Treaty firms</i> .		
Activity group	Percentage deducted from the tariff payable under Part 1 applicable to the firm	Minimum amount payable
A.1	80% (except for a <i>firm</i> operating on a cross-border services basis only)	£100 (except for a <i>firm</i> operating on a cross-border services basis only)
	For a <i>firm</i> operating on a cross-border services basis only, 100%	For a <i>firm</i> operating on cross-border services basis only, nil
A.3	100%	nil
A.4	25%	£100
A.7	5%	£100
A.9	5%	£100
A.10	10%	£100

A.12	10%	£100
A.13	10%	£100
A.19	10%	£100

The modifications to fee tariffs payable by an *incoming EEA firm* or an *incoming Treaty firm* apply only in relation to the relevant *regulated activities* of the *firm* which are *passported activities* or *Treaty activities* and which are carried on in the *UK*.

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#### FEES 4 Annex 3R

##### Transaction reporting fees

Transaction reporting fees for the period from 1 April ~~2006~~ 2007 to 31 March ~~2007~~ 2008

This table shows the fees payable for ~~transaction reporting~~ firms using the FSA's Transaction Reporting System.

Fee type	Fee amount (including VAT)
...	
Firms using the <del>Direct Reporting System software or the</del> Transaction Reporting System will be additionally invoiced for:	
(a)	<del>an initial software licence fee of £587.50 (including VAT) for users of the Direct Reporting System; [deleted]</del>
(b)	<del>an annual enrolment fees of £235 (including VAT) per licencee held on 1 April each year for users of the Direct Reporting System; and [deleted]</del>
(c)	an annual enrolment fee of £235 (including VAT) per registration held on 1 April each year for using the <u>FSA's Transaction Reporting System</u> .

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#### FEES 4 Annex 5R

Periodic fees for designated professional bodies payable in relation to the period 1 April ~~2006~~ 2007 to 31 March ~~2007~~ 2008

Table. Fees payable by Designated Professional Bodies

Name of Designated Professional Body	Amount payable	Due date

The Law Society of England & Wales	£62,860	30 April 2006
	£38,500	1 September 2006
	£50,680	30 April 2007
	[to be determined]	1 September 2007

...

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FEES 4 Annex 6R

Periodic fees for recognised investment exchanges and recognised clearing houses payable in relation to the period 1 April 2006 2007 to 31 March 2007 2008

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Part 1 - Periodic fees for UK recognised bodies

Name of UK recognised body	Amount payable	Due date
CRESTCo Limited	£282,500	30 April 2006
	£229,000	<u>2007</u>
	...	...
<del>The International Petroleum Exchange of London Limited</del> <u>ICE Futures Ltd</u>	£162,500	30 April 2006
	£148,500	<u>2007</u>
	...	..
LIFFE Administration and Management	£400,000	30 April 2006
	£252,500	<u>2007</u>
	...	...
LCH.Clearnet Limited	£352,500	30 April 2006
	£290,500	<u>2007</u>
	...	...
The London Metal Exchange Limited	£230,000	30 April 2006
	£166,500	<u>2007</u>
	...	...
London Stock Exchange plc	£367,500	30 April 2006
	£332,000	<u>2007</u>
	...	...
virt-x Exchange Ltd	£105,000	30 April 2006
	£40,000	<u>2007</u>
	...	...
EDX London Ltd	£80,000	30 April 2006
	£32,000	<u>2007</u>
	...	...
NYMEX Europe Limited	£75,000	30 April 2006
	£67,500	<u>2007</u>

...	...	...
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5.1.4 R A firm which is exempt under *DISP* 1.1.7R is also exempt from *FEES* 5.1 to *FEES* ~~5.7~~5.6.

5.1.4A R A firm will only be exempt from *FEES* 5.7 for any given financial year if it met the conditions in *DISP* 1.1.7R on 31 March of the immediately preceding financial year.

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6.2.8 R For the purposes of *FEES* 6.2.1R a participant firm will only be exempt from a specific costs levy or compensation costs levy for any given financial year if it met the conditions in *FEES* 6.2.1R on 31 March of the immediately preceding financial year.

...

6.5.9 R The contribution groups and tariff bases for the investment business sub-scheme (see *FEES* 6.5.7R(2)). (The contribution groups, legal bases for activity and tariff bases are the same as the correspondingly numbered activity groups and tariff bases set out in ~~part~~ Part 1 and ~~part~~ Part 2 of *FEES* 4 Ann 1R, to the extent that they are covered by the scope of the *FSCS*.)

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#### FEES 6 Annex 1R

#### Financial Services Compensation Scheme - Management Expenses Levy Limit

This table belongs to FEES 6.4.2 R

Period	Limit on total of all management expenses levies attributable to that period (£)
1 December 2001 to 1 April 2002	£4,209,000
1 April 2002 to 31 March 2003	£13,228,000
1 April 2003 to 31 March 2004	£13,319,000
1 April 2004 to 31 March 2005	£17,590,000
1 April 2005 to 31 March 2006	£27,030,000
1 April 2006 to 31 March 2007	£37,060,000
<u>1 April 2007 to 31 March 2008</u>	<u>£37,520,000</u>

## Annex C

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

In those rules in the Supervision manual which are listed below, the Table in each rule is amended as follows:

*RMAR (...E, ~~and~~ F and J)*

*MLAR (... and J)*

The rules referred to above are:

- SUP 16.7.8R;
- SUP 16.7.10R;
- SUP 16.7.17R;
- SUP 16.7.25R;
- SUP 16.7.27R;
- SUP 16.7.29R;
- SUP 16.7.36R;
- SUP 16.7.63R;
- SUP 16.7.66R; and
- SUP 16.7.75R.

Amend the table in each of the following rules with this new text:

*RMAR (...E, ~~and~~ F and J)*

*MLAR (excluding J)*

- SUP 16.7.12R; and
- SUP 16.7.58R;