

**FINANCIAL SERVICES COMPENSATION SCHEME (PAYMENT OF LEVIES)  
(AMENDMENT) INSTRUMENT 2011**

**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 156 (General supplementary powers);
  - (2) section 213 (The compensation scheme);
  - (3) section 214 (General); and
  - (4) section 223 (Management expenses).
- 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 October 2011.

**Amendments to the Handbook**

- D. The Fees manual (FEES) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Financial Services Compensation Scheme (Payment of Levies) (Amendment) Instrument 2011.

By order of the Board  
28 July 2011

## Annex

## Amendments to the Fees manual (FEES)

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

- 6.7.6 R If a *firm* ceases to be a *participant firm* or carry out activities within one or more *sub-classes* part way through a ~~*financial year*~~ financial year of the *compensation scheme*:
- (1) it will remain liable for any unpaid levies which the *FSCS* has already made on the *firm*; and
  - (2) the *FSCS* may make ~~a levy~~ one or more levies upon it (which may be before or after the firm has ceased to be a *participant firm* or carry out activities within one or more *sub-classes*, but must be before it ceases to be an *authorised person*) for the costs which it would have been liable to pay had the *FSCS* made a levy on all *participant firms* or firms carrying out activities within that *sub-class* in the financial year it ceased to be a *participant firm* or carry out activities within that *sub-class* at the time of the levy on the *firm*; ,
  - (3) ~~the *FSCS* may make a levy upon the *firm* (which may be before or after the firm has ceased to be a *participant firm*, but must be before it ceases to be an *authorised person*) for the purpose of meeting its expenses in relation to *compensation costs* and/or *management expenses* incurred or expected to be incurred at any time in the future in respect of defaults which have already occurred; [deleted]~~
  - (4) ~~the *FSCS* may estimate any costs referred to in (3) by any method or approach it considers appropriate, and adjust them to reflect the time value of money based on the funding arrangements in place in relation to the default; and [deleted]~~
  - (5) ~~paragraphs (3) and (4) apply notwithstanding any other provision in this chapter. [deleted]~~