

**FEES (CONSUMER CREDIT NO 2) INSTRUMENT 2014**

**Powers exercised**

- A. The Financial Conduct 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 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 139A (Power of the FCA to give guidance);
  - (4) section 234 (Industry funding);
  - (5) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority) of the Act; and
  - (6) paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body).
- B. The rule making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 April 2014.

**Amendments to the FCA Handbook**

- D. The Fees manual (FEES) is amended in accordance with Annex A to this instrument.
- E. The Supervision manual (SUP) is amended in accordance with Annex B to this instrument.

**Citation**

- F. This instrument may be cited as the Fees (Consumer Credit No 2) Instrument 2014.

By order of the Board of the Financial Conduct Authority  
27 March 2014

## Annex A

## Amendments to the Fees manual (FEES)

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

## 3.2 Obligation to pay fees

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Method of payment

## 3.2.3 R ...

- (3) The sum payable under *FEES* 3.2.1R by a *firm* applying for a variation of its *Part 4A permission* which is not an application for new *permission* solely in respect of one or more *credit-related regulated activities* (*FEES* 3.2.7R(p)(1) or *FEES* 3.2.7R(p)(4) and, if applicable, *FEES* 3.2.7AR(c)) must be paid by any of the methods described in (1) or by Maestro, Visa Debit or credit card (Visa/Mastercard/American Express only).
- (4) Unless *FEES* 3.2.3AR applies, the sum payable under *FEES* 3.2.1R by a *firm* applying for a *Part 4A permission* in respect of *credit-related regulated activities* only or a variation of its *Part 4A permission* to include solely one or more *credit-related regulated activities* must be paid by Maestro, Visa Debit or credit card (Visa/Mastercard/American Express only).
- (5) Payments by credit card must include an additional 2% of the sum paid:
- (a) 2% of the sum paid when paying by Visa or Mastercard; or
- (b) 3.2% of the sum paid when paying by American Express.

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## 3.2.7 R Table of application, notification and vetting fees payable to the FCA

(1) Fee payer	(2) Fee payable	Due date
...	...	...
(pa) A person who makes an application under section 30(1) of the Consumer Credit	<u>As (a) or (p) above, less any amount paid to the Office of Fair Trading in relation to</u>	Within 30 days of the date of the invoice.

<p>Act 1974 which meets the conditions of article 33 (Variations at request of licensee where no determination made before 1 April 2014) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (the “relevant variation application”)</p>	<p><u>the relevant variation application</u></p>	
<p>(zs) Applicant for <i>FCA</i> permission for an agreement to be enforced under section 28A(3)(a) and/or <u>money paid or property transferred under an agreement to be retained under 28A(3)(b) of the Act</u></p>	<p>(1) <u>If the application is for permission for an agreement to be enforced under section 28A(3)(a) of the Act and for permission for money paid or property transferred under an agreement to be retained under section 28A(3)(b) of the Act, the fee is £3,500 per type of agreement specified in the application.</u></p> <p>(2) <u>If the application is for permission for an agreement to be enforced under section 28A(3)(a) of the Act only, the fee is £3,500 per type of agreement specified in the application.</u></p> <p>(3) <u>If the application is for permission for money paid or property transferred under an agreement to be retained under section 28A(3)(b) of the Act only, the fee is £3,500 per type of agreement specified in the</u></p>	<p>On or before the date the application is made</p>

	<p><u>application.</u></p> <p>Where there are a number of agreements of the same type, only one fee is payable in respect of those agreements. A number of agreements are of the same type when those agreements are entered into on the same terms and conditions.</p>	
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### 3 Annex 1R Authorisation fees payable

#### Part 1 – Authorisation fees payable

For *PRA-authorized persons* and *persons* seeking to become *PRA-authorized persons*, the amount payable to the *PRA* is 50% of the amount payable under Part 1 and the amount payable to the *FCA* is 50% of the amount payable under Part 1. The amount payable to the *PRA* above is collected by the *FCA* as agent of the *PRA*.

For *FCA-authorized persons* and *persons* seeking to become *FCA-authorized persons*, the amount payable to the *FCA* is the amount payable under Part 1. No amount is payable to the *PRA*.

The table below sets out the following:

(1) fees for applications by *credit unions* and ~~other societies registered or deemed registered under section 1(2)(b) of the Industrial and Provident Society Act 1965~~ *community finance organisations*;

(2) application fees in respect of the complexity groupings that relate to *regulated activities* that are not *credit-related regulated activities*; and

(3) application fees in respect of the complexity groupings that relate to *credit-related regulated activities*.

Application type	Amount payable (£)
(1) <i>Credit unions</i> and <del>other societies registered or deemed registered under section 1(2)(b) of the Industrial and Provident Society Act 1965</del> <i>community finance organisations</i>	
(a) <i>Credit unions</i> – registration of a	200

common bond	
(aa) <del>Credit unions or other societies registered or deemed registered under section 1(2)(b) of the Industrial and Provident Society Act 1965</del> <i>community finance organisations</i> – where application is for a <i>Part 4A permission</i> limited to <i>permission to carry on credit-related regulated activities</i>	200
...	

Part 3 – Complexity Groupings relating to *credit-related regulated activities*

Straightforward cases

Activity grouping	Description
CC.12	<i>Credit broking</i>  <i>Providing credit information services</i>
...	

...

...

**4 Periodic fees**

...

Background

- 4.1.3 G Most of the detail of the periodic fees that are payable by *firms* is set out in *FEES 4 Annexes 1A to 11BR*. *FEES 4 Annex 12G* and (in respect of the FCA only) *FEES 4 Annex 13G* provide guidance on the calculation of certain tariffs. Most of the provisions of the Annexes will vary from one *fee year* to another. Accordingly fresh *FEES 4 Annexes* will come into force, following consultation, for each *fee year*.

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Modifications for persons becoming subject to periodic fees during the course of a *fee year*

...

- 4.2.7 R A *firm* (other than an *AIFM qualifier*, *ICVC* or *UCITS qualifier*) which becomes authorised or registered or whose *permission* and/or *payment service* activities are extended, during the course of the *fee year* must pay a fee which

is calculated by:

...

(2) calculating the amount for each of the applicable tariffs which is the higher of:

(a) any applicable minimum fee specified in relation to a particular tariff in *FEES 4 Annex 2AR* or *FEES 4 Annex 2BR* (but note, for the avoidance of doubt, these are not the A.0 or PA.0 minimum fees set out in Part 2 of *FEES 4 Annex 2AR* and Part 2 of *FEES 4 Annex 2BR*); and

...

...

...

#### 4 FCA Activity groups, tariff bases and valuation dates

##### Annex 1AR

Part 1	
This table shows how the <i>FCA</i> links the <i>regulated activities</i> for which a <i>firm</i> has <i>permission</i> to activity groups (fee-blocks). A <i>firm</i> can use the table to identify which fee-blocks it falls into based on its <i>permission</i> .	
Activity group	Fee payer falls into the activity group if
...	...
B. Benchmark administrators	...
<u>CC1. Credit-related regulated activities with limited permission</u>	<u>it carries on credit-related regulated activities; and</u> <u>it has a limited permission; and</u> <u>it is not a not-for-profit debt advice body; and</u> <u>it is not a credit union or community finance organisation with annual income as defined in FEES 4 Annex 11BR of less than £250,000.</u>
<u>CC2. Credit-related regulated activities</u>	<u>it carries on credit-related regulated activities; and</u> <u>it does not have a limited permission; and</u> <u>it is not a not-for-profit debt advice body; and</u>

	<u>it is not a <i>credit union or community finance organisation</i> with annual income as defined in <i>FEES 4 Annex 11BR</i> of less than £250,000.</u>
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Part 2	
This table sets out the activity groups (fee blocks) in relation to (i) the minimum <u>fee fees</u> payable to the <i>FCA</i> and (ii) the prudential fee payable to the <i>FCA</i> .	
Activity group	Fee payer falls into the fee-block if
A.0 <i>FCA</i> minimum fee	(1) it is in at least one of the fee blocks under Part 1; and (2) it is not: (a) a <i>UK ISPV</i> ; or (b) a <i>firm</i> whose only <i>permission</i> is operating a dormant fund account; <u>or</u> (c) a <i>firm</i> exclusively carrying on <i>credit-related regulated activities</i> .
AP.0 <i>FCA</i> prudential fee	(1) it is an <i>FCA authorised person other than an FCA authorised person exclusively carrying on credit-related regulated activities</i> ; and (2) the periodic fee it pays to the <i>FCA</i> is not limited to the A.0 minimum fee.

...

Part 3	
This table indicates the tariff base for each fee-block set out in Part 1.	
The tariff base in this Part is the means by which the <i>FCA</i> measures the amount of business conducted by a <i>firm</i> for the purposes of calculating the annual periodic fees payable to the <i>FCA</i> by that <i>firm</i> .	
Activity group	Tariff base
...	...
B. Benchmark administrators	...
<u>CC1. Credit-related regulated</u>	<u>Annual income as defined in <i>FEES 4 Annex 11BR</i>.</u>

<u>activities with limited permission</u>	
<u>CC2. Credit-related regulated activities</u>	<u>Annual income as defined in FEES 4 Annex 11BR.</u>

...

<p>Part 5</p> <p>This table indicates the valuation date for each fee-block. A <i>firm</i> can calculate its tariff data in respect of fees payable to the <i>FCA</i> by applying the tariff bases set out in Part 3 with reference to the valuation dates shown in this table.</p>	
Activity group	Valuation date
...	...
<i>B. Benchmark administrators</i>	...
<u>CC1. Credit-related regulated activities with limited permission</u>	<u>Annual income for the financial year ended in the calendar year ending 31 December.</u>
<u>CC2. Credit-related regulated activities</u>	<u>Annual income for the financial year ended in the calendar year ending 31 December.</u>

**4 Annex 2AR FCA Fee rates and EEA/ Treaty firm modifications for the period from 1 April 2013 to 31 March 2014**

<p>Part 1</p> <p>This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of <i>FEES 4 Annex 1AR</i></p>	
...	



Activity group	Fee payable	
...		
B. MTF operators	...	
<u>CC1. Credit-related regulated activities with limited permission</u>	<u>Band Width (£ thousands of annual income (AI))</u>	<u>Fee (£/£ thousand or part £ thousand of AI)</u>
	[tbc]	[tbc]
	[tbc]	[tbc]
	[tbc]	[tbc]
	[tbc]	[tbc]
	[tbc]	[tbc]
<u>CC2. Credit-related regulated activities</u>	<u>Band Width (£ thousands of annual income (AI))</u>	<u>Fee (£/£ thousand or part £ thousand of AI)</u>
	[tbc]	[tbc]
	[tbc]	[tbc]
	[tbc]	[tbc]
	[tbc]	[tbc]

After FEES 4 Annex 11AR insert the following new Annex 11BR. The text is not underlined.

**4**  
**Annex**  
**11BR**

**Definition of annual income for the purposes of calculating fees in fee blocks CC1 and CC2**

**Annual income definition for *credit related regulated activities***

“Annual income” is the gross inflow of economic benefits (i.e. cash, receivables and

other assets) recognised in the *firm's* accounts during the reporting year in respect of, or in relation to, the provision in the *UK* of the *regulated activities* specified in *FEES* 4 Annex 1AR Part 1 as belonging to fee-blocks CC1 or CC2 as applicable.

The figure should be reported without netting off the operating costs or business expenses, but including:

(a) all interest received on loans, brokerages, *commissions*, *fees*, and other related income (for example, administration *charges*, overrides, profit shares etc) due to the *firm* in respect of, or in relation to, the provision in the *UK* of the *credit-related regulated activities* specified in *FEES* 4 Annex 1AR Part 1 as belonging to fee-blocks CC1 and CC2 and which the *firm* has not rebated to *clients* or passed on to other *authorised firms* (for example, where there is a commission chain).

Plus:

(b) any ongoing *commission* from previous business received by the *firm* during the reporting year.

Plus:

(c) the “fair value” of any goods or services the *firm* provided to *clients*. This is an estimate of the amount the *firm* would otherwise have received for any *regulated activity* under (a) above, but for which it has made a business decision to waive or discount its charges.

Guidance on the interpretation of this definition is presented in Table 2 of *FEES* 4 Annex 13G.

*FEES* 4 Annex 13G is amended as shown.

#### 4 **Annex 13G** **Guidance on the calculation of tariffs set out in FEES 4 Annex 1AR Part 3**

The following tables set out *guidance* on how a *firm* should calculate certain tariffs that relate to fee-blocks containing only *FCA-regulated activities*.

Table 1

...

Table 2

The following table sets out *guidance* on how a *firm* should calculate tariffs for fee blocks CC.1 and CC.2

**Calculating and apportioning annual income – FEES 4 Annex 11BR**

<b><u>Calculating annual income</u></b>	
<u>Defining relevant income streams</u>	
(1)	<u>Firms should report the total income from the credit-related regulated activities for which they have permission.</u>
(2)	<u>Firms should only include revenue streams that relate to regulated activities which are carried on 'in the United Kingdom'. In many cases, it will be quite straightforward to identify where an activity is carried on. But when there is a cross-border element, for example because a client is outside the United Kingdom or because some other element of the activity happens outside the United Kingdom, the question may arise as to where the activity is carried on. PERG 2.4 describes the legislation that is relevant to this question.</u>
<u>Reporting period</u>	
(3)	<u>The “reporting year” is the firm’s financial year end during the calendar year prior to the FCA fee year. This fee year starts on 1 April. This is specified in part 5 of FEES 4 Annex 1AR.</u>
(4)	<u>The income that should be included is the income that was recognised in the accounts of the relevant reporting year. This means that some income due may not be reported until the following year because it has not yet been recognised in the accounts, while other income may be carried forward from previous years.</u>
<u>Fair value</u>	
(5)	<p><u>The firm should report a “fair value” price for any services for which it has made a business decision not to charge to clients.</u></p> <p><u>We consider fair value to refer to the amount at which goods or services could be exchanged in an arm’s length transaction between informed and willing parties, other than in a forced or liquidation sale.</u></p> <p><u>Some examples where fair value may be relevant in the context of consumer credit are:</u></p> <p><u>(a) “Imputed interest”: where a loan has been provided interest-free or at a discounted rate, the charge should be rounded up to the prevailing rate normally chargeable to a client with a similar credit rating;</u></p> <p><u>(b) “Commission-equivalent” or “fee-equivalent”: where a firm has foregone or discounted the commission or fee it would actually have charged but for the business decision to grant a discount in a particular case or on a temporary basis, it should report the amount it would otherwise have charged for providing equivalent credit-related regulated activity.</u></p>
(6)	<p><u>Firms should not estimate a fair value where:</u></p> <p><u>(a) there is a statutory prohibition on charging interest (such as bankruptcy</u></p>

	<p><u>debts); or</u></p> <p><u>(b) they have reduced or suspended their normal charging structure because the debtor is unable to meet contractual repayments and an alternative repayment arrangement has been agreed with the creditor; or</u></p> <p><u>(c) they have made a “borrower-lender-supplier” agreement to allow a customer to pay the cash price of goods or services in instalments – any penalties or interest charged where the customer is in default should be declared as income.</u></p>
<u>Inclusions</u>	
<u>(7)</u>	<u>Annual income should include:</u>
<u>(a)</u>	<u>all amounts due to the <i>firm</i> arising out of <i>credit-related regulated activities</i> for which the <i>firm</i> holds <i>permission</i>, including regular charges and instalments due to the <i>firm</i> during the reporting year;</u>
<u>(b)</u>	<u>income received in relation to the provision of current account overdrafts interest charges, arrangement fees and charges of credit cards by merchants;</u>
<u>(c)</u>	<u>interchange charges for the use of credit cards by merchants;</u>
<u>(d)</u>	<u>any payment from a <i>parent</i> to facilitate the discounting or forgoing of any amounts that would otherwise be charged in full to a <i>client</i>, to the extent that the payment exceeds the “fair value” price reported in accordance with paragraph (5) above;</u>
<u>(e)</u>	<u>earnings from those who will become its <i>appointed representatives</i> immediately after authorisation; and</u>
<u>(f)</u>	<u>administrative charges and any interest from income related to its <i>credit-related regulated activities</i>.</u>
<u>Prohibited deductions</u>	
<u>(8)</u>	<u>Deductions should not be made for:</u>
<u>(a)</u>	<u>bad debts;</u>
<u>(b)</u>	<u>customer benefits such as cash rewards, complimentary travel insurance, air miles vouchers etc;</u>
<u>(c)</u>	<u>items such as general business expenses (eg, employees’ salaries and overheads);</u>
<u>(d)</u>	<u>finances or penalties levied against the <i>firm</i>;</u>
<u>(e)</u>	<u>commission a <i>firm</i> pays to another party to arrange a transaction with a</u>

	<u>client unless it receives a fee in respect of the same transaction;</u>
(f)	<u>the difference (if positive) between the fee payable by a firm to another party for arranging a transaction and the amount payable to the firm by the end client in respect of that transaction (here, the firm must net any excess payable by the end client to zero); and</u>
(g)	<u>payments to clients made by way of redress.</u>
<u>Exclusions</u>	
(9)	<u>The following should be excluded from the calculation of annual income:</u>
(a)	<u>Any income arising from business which is not a credit-related regulated activity.</u>
(b)	<u>(i) Repayments of principal lent by the firm in the course of it carrying on a credit-related regulated activity and (ii) sums received by the firm in exchange for the rights to principal owed to the firm where the principal was lent by the firm in the course of carrying on a credit-related regulated activity and where the rights are not sold at a premium to the value of the principal outstanding, should not be included. By the same token, the money a firm has received for the purpose of lending on to consumers as principal (e.g. money raised through wholesale borrowing, grant-aid, intra-group transfers, etc) should not be treated as income.</u>
(c)	<u>On the same principle, the income on debt purchase is the difference between the price paid for the purchased book and the amount collected.</u>
(d)	<u>To avoid double-counting, amounts which have been passed on to other firms carrying on credit-related regulated activities may be excluded from the calculation of annual income, for example where there is a commission chain. Transfers of income to other firms may be particularly common within groups where, to present a single interface to clients, all amounts due to the group may be collected by one firm for subsequent redistribution to other firms within the group. It is for groups themselves to decide the most convenient way to report such annual income, ie whether the firm which receives the full amount should declare that full amount or whether each firm in the group should report its separate distribution.</u>
(e)	<u>Any payment from a parent to facilitate the discounting or forgoing of any amount that would otherwise be charged in full to a client should be excluded to the extent that the payment does not exceed or equal the “fair value” price reported in accordance with paragraph (6) above.</u>
(f)	<u>Rebates to customers and fees or commissions passed onto other firms should be excluded.</u>
(g)	<u>The costs of wholesale funding should be excluded from the calculation</u>

		<u>– ie interest payments on money borrowed in order to lend on to customers.</u>
	(h)	<u>If the total income a <i>firm</i> reports to us in one year includes an estimate for potential income which had been recognised in the accounts but not in practice received, and which has subsequently been written off as a bad debt, the amount may be deducted from the following year's reported income.</u>
	(i)	<u>Any debit backs deducted from an intermediary by a lender where a customer settles the loan early or defaults.</u>
	(j)	<u><i>Authorised professional firms</i> should exclude the income from <i>non-mainstream regulated activities</i>. They may estimate the proportion of their business that is derived from those activities and split the income from individual invoices accordingly.</u>
	(k)	<u>For the avoidance of doubt, income relating to operating current accounts and debit card transactions should be excluded except where the income relates to the provision of overdrafts (see paragraph (6)(c) above).</u>
	(l)	<u>For the avoidance of doubt, income relating to or in respect of an activity is not part of annual income to the extent that the activity benefits from the exclusion in article 69 of the Financial Services and Markets Act 2000 (Regulated Activities Order) 2001 (Groups and joint enterprises). <i>Firms</i> should refer to the <i>guidance</i> on the application of this exclusion is contained in <i>PERG 2.9</i>.</u>
<b><u>Apportioning annual income</u></b>		
<u>Where a <i>firm</i> cannot separate its income on the basis of <i>credit-related regulated activities</i>, it may apportion the income on the basis of the proportionate split of business that the <i>firm</i> otherwise undertakes. Examples are outlined below.</u>		
	(1)	<u>If a <i>firm</i> receives annual income from a platform-based business it may report this in line with a wider breakdown of its activities.</u>
	(2)	<u>A <i>firm</i> may allocate ongoing <i>commission</i> from previous business on the basis of the type of <i>firm</i> it receives the <i>commission</i> from. This avoids tracking back legacy business which may no longer match the provider's current business model.</u>
	(3)	<u>If a <i>firm</i> has invested income from <i>credit-related regulated activities</i>, then any interest received should be reported as income, in proportion to the volume of business relating to <i>credit-related regulated activities</i> it undertakes to avoid tracking back old payments.</u>
	(4)	<u><i>Firms'</i> systems ought to be able to distinguish <i>UK</i> from non-<i>UK</i> business to establish which conduct of business regime it was conducted under. However, if, a <i>firm</i> has a mix of business and its systems do not relate the figures back to</u>

	<u>the income streams from <i>credit-related regulated activities</i>, then it may make a proportionate split as described above, calculating its regulated <i>UK</i> income on the basis of the overall split between <i>UK</i> and non-<i>UK</i> income.</u>
(5)	<u>An <i>authorised professional firm</i> may estimate the proportion of its business that is derived from <i>regulated activity</i> and split its income for individual invoices accordingly.</u>
(6)	<u>It is for individual <i>firms</i> to determine how they should calculate the appropriate split of income. The <i>FCA</i> is not prescriptive about the methodology. It requires only that:</u>
(a)	<u>the approach should be proportionate - the <i>FCA</i> is looking for <i>firms</i> to make their best efforts to estimate the split;</u>
(b)	<u>the <i>firm</i> must be able on request to provide a sound and clearly expressed rationale for its approach - for example, if all invoices were analysed over a particular period, the <i>firm</i> should be able to justify the period as representative of its business across the year;</u>
(c)	<u>the methodology should be objective - for example, based on random sampling of invoices or random stratified sampling; and</u>
(d)	<u>the <i>firm</i> must on request be able to provide an audit trail which demonstrates that the choice of methodology was properly considered at an appropriate level or in the appropriate forums within the <i>firm</i>, and the decision periodically reviewed at the same level or in an equivalent forum.</u>

Amend the following as shown.

## 5 Financial Ombudsman Service Funding

### 5.1 Application

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5.1.1-A G Whilst no rule made by the *FCA* in this chapter applies to ~~licensees~~ subject to the ~~Consumer Credit Jurisdiction~~ or to *VJ participants*, some of the guidance may do. The application of rules made by the *FOS Ltd* in this chapter is set out in *FEES* 5.5A and described in *FEES* 5.1.2AG.

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5.1.8 G This chapter also explains the way that the ~~Consumer Credit Jurisdiction~~ will be funded by a combination of contributions collected by the Office of Fair Trading which are paid to *FOS Ltd* and ease fees invoiced and collected directly by the *FOS Ltd* from ~~licensees~~. [deleted]

## 5.2 Introduction

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- 5.2.1 G Paragraph 9 of Schedule 17 to the *Act* (The Ombudsman Scheme) requires *FOS Ltd* to adopt an *annual budget* which has been approved by the *FCA*. The *annual budget* must distinguish between the costs of operating the *Compulsory Jurisdiction*, ~~the *Consumer Credit Jurisdiction*~~ and the *Voluntary Jurisdiction*.

...

- 5.2.2A G Section 234A(1) of the *Act* (Funding by consumer credit licensees etc.) enables *FOS Ltd* from time to time and with the approval of the *FCA* to determine a sum which is to be raised by way of contributions under that section to cover the costs of:

- (1) ~~the establishment of the *Financial Ombudsman Service* so far as it relates to the *Consumer Credit Jurisdiction*;~~
- (2) ~~its operation in relation to the *Consumer Credit Jurisdiction*; and~~
- (3) ~~a component to cover the costs of collection of the contributions to that sum (collection costs). [deleted]~~

- 5.2.2B G *FOS Ltd* must notify the Office of Fair Trading of every determination made under section 234A(1) and the Office of Fair Trading must give a general notice of every determination so notified. The Office of Fair Trading may by general notice impose requirements on

- (1) ~~licensees under standard licences which cover to any extent the carrying on of a type of business specified in an order made under section 226A(2)(e) of the *Act*; or~~
- (2) ~~persons who make applications for:~~
  - (a) ~~standard licences covering to any extent business of such a type; or~~
  - (b) ~~the renewal of standard licences on terms covering to any extent the carrying on of a business of such a type;~~

~~to pay contributions to the Office of Fair Trading for the purpose of raising sums determined by *FOS Ltd* in accordance with the provisions of section 234A(6) and (7) of the *Act*. [deleted]~~

...

- 5.2.3A G Paragraph 16C of Schedule 17 to the *Act* enables *FOS Ltd* to require *licensees* subject to the *Consumer Credit Jurisdiction* and any other respondents to a complaint to pay specified fees to it in respect of complaints closed by the *Financial Ombudsman Service*. [deleted]



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**5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction**

...

Industry block	Tariff base	General levy payable by firm
...	...	...
<u>19 – Credit-related regulated activities with limited permission</u>	<u>For not-for-profit debt advice bodies, a flat fee</u>	<u>Levy of £[tbc]</u>
	<u>For all other firms with limited permission, a flat fee</u>	<u>Levy of £[tbc]</u>
<u>20 – Credit-related regulated activities</u>	<u>Annual income as defined in FEES 4 Annex 11BR</u>	<u>£[tbc] per £[tbc] of annual income</u>

...

**7 Annex 1R CFEB levies for the period from 1 April 2013 to 31 March 2014**

This table shows the *CFEB levies* applicable to each activity group (fee-block)

Activity group	<i>CFEB levy payable</i>	
...		
G.11	Flat fee (£)	10
<u>CC.1</u>	<u>Minimum fee</u>	<u>[tbc]</u>
	<u>Band Width (£ thousands of annual income (AI))</u>	<u>Fee (£/£ thousand or part £ thousand of AI)</u>
	<u>[tbc]</u>	<u>[tbc]</u>
<u>CC.2</u>	<u>Minimum fee</u>	<u>[tbc]</u>
	<u>Band Width (£ thousands of annual income (AI))</u>	<u>Fee (£/£ thousand or part £ thousand of AI)</u>

	[tbc]	[tbc]
--	-------	-------

...

...

After FEES TP 9 insert the following new FEES TP 10. The text is not underlined.

**TP 10 Transitional Provisions relating to FEES 4.2.7BR for firms carrying on credit related regulated activities**

(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
10.1	<i>FEES</i> 4.2.7BR(2)(b)	R	Insert a new paragraph after (5)(c) as follows:  “(5)(ca): paragraph (5)(c) does not apply to a <i>firm’s credit-related regulated activities.</i> ”	From 1 April 2014 until 1 April 2016	1 April 2014

**Annex B**

**Amendments to the Supervision manual (SUP)**

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

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...

**CCR002 Consumer Credit data  
Volumes**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Activities</b>	Fee Mechanism	Revenue	Total Customers	Total Transaction
<b>Lending</b>				
<b>1</b> Debt purchasing				
Hire purchase/conditional sale				
<b>2</b> agreements				
<b>3</b> Home credit loan agreements				
<b>4</b> Bill of sale loan agreements				
<b>5</b> Pawnbroking				
<b>6</b> High-cost short term credit				
<b>7</b> Running-account credit				
<b>8</b> Other lending				
<b>9 Credit Broking</b>				
<b>10 Debt Management Activity</b>				
<b>11 All other credit-related activity</b>				
<b><u>A</u></b>				
<b><u>12</u></b> <u>Total annual income as defined in FEES 4 Annex 11BR for the purpose of FCA fees reporting</u>				

...

**CCR007 Consumer Credit Data: key data for credit firms with limited permission**

**A**

<b>1</b>	Revenue from credit-related regulated activities	
<b>2</b>	Total revenue (including from activities other than credit-related regulated activities)	
<b>3</b>	Number of transactions involving credit-related regulated activities in reporting period	
<b>4</b>	Number of complaints related to credit-related activities received in period	
<b>5</b>	Credit-related regulated activity carried on in relation to the greatest number of customers in reporting period	
<b>6</b>	<u>Total annual income as defined in FEES 4 Annex 11BR for the purpose of FCA fees reporting</u>	