

## FEES (MORTGAGE CREDIT DIRECTIVE) INSTRUMENT 2015

### 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); and
  - (3) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

### Commencement

- C. (1) Part 2 of Annex B (FEES) of this instrument comes into force on 1 April 2016.  
(2) The remainder of this instrument comes into force on 20 April 2015.

### Amendments to the FCA Handbook

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

### Notes

- F. In Annex A to this instrument, the “note” (indicated by “**Note:**”) is included for the convenience of readers but does not form part of the legislative text.

### Citation

- G. This instrument may be cited as the Fees (Mortgage Credit Directive) Instrument 2015.

By order of the Board of the Financial Conduct Authority  
25 March 2015

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text, unless otherwise stated.

Insert the following new definition in the appropriate alphabetical position. This text is not underlined.

*advising on regulated credit agreements for the acquisition of land*    the *regulated activity*, specified in article 53DA of the *Regulated Activities Order* which is, in summary, advising a *person* if the advice:

- (a) is given to the *person* in his capacity as a recipient, or potential recipient, of *credit* under a *regulated credit agreement*;
- (b) the *person* intends to use the *credit* to acquire or retain property rights in land or in an existing or projected building; and
- (c) the advice consists of the provision of personal recommendations to the *person* in respect of one or more transactions relating to *regulated credit agreements*.

[**Note:** article 4(21) of the *MCD*]

Amend the following definition as shown.

*credit-related regulated activity*    (1)    (except in *FEES*) (in accordance with section 22 of the *Act* (the classes of activity and categories of investments)) any of the following activities specified in Part 2 or 3A of the *Regulated Activities Order* (Specified Activities):

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which is carried on by way of business and relates to a *specified investment* applicable to that activity or, in the case of (j) and (k), relates to information about a *person's* financial standing.

(2)    (in *FEES*) (in accordance with section 22 of the *Act* (the classes of activity and categories of investments)) any of the following activities specified in Part 2 or 3A of the *Regulated Activities Order* (Specified Activities):

- (a)    the activities in (1)(a) – (m); and
- (b)    *advising on regulated credit agreements for the acquisition of land* (article 53DA);

which is carried on by way of business and relates to a *specified investment* applicable to that activity or, in the case of (j) and (k) listed in (1), relates to information about a *person's* financial standing.

## Annex B

### Amendments to the Fees manual (FEES)

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

#### Part 1: Comes into force on 20 April 2015

#### 3 Annex 1R Authorisation fees payable

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

Straightforward cases

Activity Grouping	Description
CC.2	<i>Credit broking;</i> <i>Providing credit information services;</i> <u><i>Advising on regulated credit agreements for the acquisition of land</i></u>

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#### Part 2: Comes into force on 1 April 2016

#### 4 Annex 1AR FCA Activity groups, tariff bases and valuation dates

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<p>Part 3</p> <p>This table indicates the tariff base for each fee-block set out in Part 1.</p> <p>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>.</p>
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Activity group	Tariff base
...	...
A.2	<del>NUMBER OF MORTGAGES OR OTHER HOME</del>

	<p>FINANCE TRANSACTIONS ENTERED INTO AND ADMINISTERED</p> <p>The number of new <del>mortgage contracts, home purchase plans, home reversion plans and regulated sale and rent back agreements</del> <u>home finance transactions</u> entered into;</p> <p><b>AND</b></p> <p>The number of <del>mortgage contracts, home purchase plans, home reversion plans and regulated sale and rent back agreements</del> <u>home finance transactions</u> being administered,:</p> <p>(a) multiplied by 0.05 for <del>mortgage outsourcing firms or other home finance outsourcing firms with permission for administering a home finance transaction but not permission for entering into a home finance transaction; and or</del></p> <p>(b) by 0.5 for all other firms.</p>
	<p><b>Notes:</b></p> <p>(1) <del>Mortgage outsourcing firms are firms with permission for administering regulated mortgage contracts, but not to enter the contract as lender.</del>  <del>Home finance outsourcing firms are firms with permission for administering a home finance transaction, but not entering into a home finance transaction. [deleted]</del></p> <p>(2) <del>In this context a 'mortgage' means a loan secured by a first charge over residential property in the United Kingdom.</del>          For the measure of the number of contracts being administered, each <del>first charge</del> counts as one contract, irrespective of the number of loans involved.</p> <p>(3) <del>Mortgages, home purchase plans, home reversion plans and regulated sale and rent back agreements</del> <u>Home finance transactions</u> administered include those that the firm administers on behalf of other firms.</p>
<p>...</p>	