

Chapter 12

FOS ADR levy



12.1 Application and Purpose

Application

12.1.1 R This chapter applies to *FOS Ltd*.

Purpose

- 12.1.2 G
- (1) This chapter sets out *rules* governing the amounts payable by *FOS Ltd* to the *FCA* to fund the *FCA*’s functions under the *ADR Regulations*.
 - (2) These *rules* are made using the rule-making power in paragraph 23 (Fees) Schedule 1ZA of the Act, as applied with modifications by Regulation 15A of the *ADR Regulations*.



12.2 FOS ADR levy

Obligation to pay FOS ADR levy

12.2.1

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FOS Ltd must pay the FOS ADR levy:

- (1) in full and without deduction; and
- (2) in accordance with this chapter.

Time of invoice and payment

12.2.2

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- (1) The FCA will raise the FOS ADR levy annually in arrears.
- (2) The FCA will invoice FOS Ltd in April for the FOS ADR levy relating to the previous fee year.
- (3) FOS Ltd must pay the FOS ADR levy within 30 days of the date of the invoice.

Calculation of FOS ADR levy

12.2.3

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The FOS ADR levy is calculated as follows:

- (1) Determine the number of hours, or part of an hour, taken by the FCA, in performing functions under the ADR Regulations.
- (2) Using the table at ■ FEES 3 Annex 9R(11), determine the relevant pay grades of those employed by the FCA to perform the functions under the ADR Regulations.
- (3) Next, multiply the applicable rate in the table at ■ FEES 3 Annex 9R(11) by the number of hours or part hours obtained under (1).
- (4) Then add any fees and disbursements invoiced to the FCA by any person in respect of services performed by that person for the FCA to assist the FCA in performing its functions under the ADR Regulations.
- (5) The resulting figure is the FOS ADR levy.

12.2.4

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- (1) The hourly rates chargeable for FCA employees are set out in the table at ■ FEES 3 Annex 9R(11) for Special Project Fee for Restructuring.
- (2) FCA board members are treated as “Any other person employed by the FCA” for this purpose.

12.2.5 **G** The obligation to pay the *FOS ADR levy* is ongoing.

Value-added tax (VAT)

- 12.2.6 **R**
- (1) All levies payable under ■ FEES 12 are stated net of VAT.
 - (2) Where VAT is applicable, this must also be included.



12.3 Late payments and recovery of unpaid levies

Late payments

12.3.1

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If *FOS Ltd* does not pay the total amount of the *FOS ADR levy* before the end of the date on which it is due, it must pay:

- (1) an administrative fee of £250; and
- (2) interest on any unpaid part of the levy at an annual rate of 5% above the Official Bank Rate from time to time in force, accruing daily from the date on which the amount concerned became due.

Recovery of levies

12.3.2

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- (1) The *FCA* may recover the *FOS ADR levy* as a debt owed to the *FCA* under paragraphs 23(8) of Schedule 1ZA of the *Act*.
- (2) The *FCA* will consider taking action for recovery (including interest) through the civil courts.



12.4 Relieving provisions

Reductions, remission or repayment of levy

- 12.4.1
- G
- The FCA may reduce or remit all or part of the FOS ADR levy applicable to FOS Ltd if it appears to the FCA that in the exceptional circumstances of a particular case paying all or part of it would be inequitable.
- 12.4.2
- G
- The FCA may refund all or part of the FOS ADR levy applicable to FOS Ltd if it appears to the FCA that in the exceptional circumstances of a particular case retaining all or part of the FOS ADR levy applicable to FOS Ltd would be inequitable.