

**FEES (Illegal money lending levy)**

## Chapter 13

# Illegal money lending levy

## 13.2 The IML levy

### Obligation to pay the IML levy

13.2.1

**R**

A *firm* must pay each *IML levy* applicable to it:

in full and without deduction by 1 August (or, if later, within 30 *days* of the date of the invoice) in the financial year to which the sum relates; and

in accordance with the *rules* in this chapter.

13.2.2

**R**

[deleted]

### Calculation of the IML levy

13.2.3

**R**

The *IML levy* is calculated as follows:

- (1) identify whether activity group CC1 or CC2 applies to the business of the *firm* for the relevant period (for this purpose, the activity groups are defined in accordance with Part 1 of ■ FEES 4 Annex 1AR);
- (2) for each of those activity groups, calculate the amount payable in the way set out in ■ FEES 13.2.4R;
- (3) add the amounts calculated under (2);
- (4) work out whether a minimum *fee* is payable under Part 2 of ■ FEES 7 Annex 1R and if so how much;
- (5) add together the amounts calculated under (3) and (4);
- (6) modify the result as indicated by the tables in ■ FEES 4.2.6R (Modifications for persons becoming subject to periodic fees during the course of a fee year) and ■ FEES 4.2.7FR (Calculating the fee in the firm's first year of authorisation) (if applicable);
- (7) apply any applicable payment charge specified in ■ FEES 4.2.4R (Method of payment) to the amount in (6), provided that:
  - (a) for payment by direct debit, successful collection of the amount due is made at the first attempt by the *FCA*; or
  - (b) for payment by credit transfer, the amount due is received by the *FCA* on or before the due date; and

- (8) make the calculation using information obtained in accordance with  
■ FEES 4.4 (Information on which fees are calculated).

- 13.2.4 **R** The amount payable by a *firm* with respect to a particular activity group is calculated as follows:
- (1) for a *firm* in activity group CC1, a £5 flat rate is the amount payable by the *firm* with respect to that activity group;
  - (2) for a *firm* in activity group CC2:
    - (a) up to and including £250,000 consumer credit income: £10 is the amount payable by the *firm* with respect to that activity group; and
    - (b) over £250,000 consumer credit income: £10 + £0.202 per £ thousand or part £ thousand of consumer credit income; and
  - (3) a *firm* in activity group CC2 must calculate its tariff base using the annual income calculation in Part 3 of ■ FEES 4 Annex1AR and ■ FEES 4 Annex 11BR and the valuation date requirements in Part 5 of ■ FEES 4 Annex 1AR.

- 13.2.5 **R** For the purposes of ■ FEES 13.2.4R:
- (1) a *firm* in activity group CC2 may apply the relevant tariff bases and rates to its non-UK business, as well as to its UK business, if:
    - (a) it has reasonable grounds for believing that the costs of identifying the *firm's* UK business separately from its non-UK business in the way described in ■ FEES 4 Annex 11BR are disproportionate to the difference in fees payable; and
    - (b) it notifies the *FCA* in writing at the same time as it provides the information concerned under ■ FEES 4.4 (Information on which fees are calculated), or if earlier, at the time it pays the fees concerned; and
  - (2) for a *firm* which has not complied with ■ FEES 4.4.2R (Information on which fees are calculated) for this period, the *IML Levy* is calculated using (where relevant) the valuation or valuations of business applicable to the previous period multiplied by the factor of 1.10.

- 13.2.6 **R** The modifications:
- (1) for *incoming EEA firms* and *incoming Treaty firms* which have established *branches* in the UK in Part 3 of ■ FEES 4 Annex 2AR apply; and
  - (2) for *EEA authorised payment institutions*, *EEA authorised electronic money institutions*, and *full credit institutions* that are *EEA firms* in Part 7 of ■ FEES 4 Annex 11R apply.

**FEES 4 rules incorporated into FEES 13 by cross-reference**

**13.2.7** **G** The *Handbook* provisions relating to the *IML levy* are meant to follow closely the provisions relating to the payment of the periodic fees in **FEES 4.3.1R**. In the interests of brevity, not all of these provisions are set out again in **FEES 13**. In some cases, certain **FEES 4 rules** are applied to the payment of the *IML levy* by individual rules in **FEES 13**. The rest are set out in the table in **FEES 13.2.9R**.

**13.2.8** **R** The *rules* set out in the table in **FEES 13.2.9R** and any other *rules* in **FEES 4** included in **FEES 13** by cross-reference apply to the *IML levy* in the same way as they apply to periodic fees payable under **FEES 4.3.1R**.

**13.2.9** **R** Table of rules in **FEES 4** that also apply to **FEES 13** to the extent that in **FEES 4** they apply to fees payable to the *FCA*.

FEES 4 rules incorporated into FEES 13	Description
FEES 4.2.4R	Method of payment
FEES 4.2.7GR to FEES 4.2.7KR	Calculation of periodic fee and tariff base for a <i>firm's</i> second <i>financial year</i>
FEES 4.2.8R	How <b>FEES 4.2.7R</b> applies in relation to an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i>
FEES 4.2.10R	Extension of time
FEES 4.2.11R (first entry only)	Due date and changes in <i>permission</i> for periodic fees
FEES 4.3.7R	Group of <i>firms</i>
FEES 4.3.13R	<i>Firms</i> applying to cancel or vary <i>permission</i> before start of period
FEES 4.3.17R	<i>Firms</i> acquiring businesses from other <i>firms</i>
FEES 4.4.1R to FEES 4.4.6R	Information on which fees are calculated

**13.2.10** **G** In some cases, a **FEES 4 rule** incorporated into **FEES 13** in the manner set out in **FEES 13.2.7G** will refer to another *rule* in **FEES 4** that has not been individually incorporated into **FEES 13**. Such a reference should be read as being to the corresponding provision in **FEES 13**.

**13.2.11** **G** Table of **FEES 4 rules** that correspond to **FEES 13 rules**

FEES 4 rules	Corresponding FEES 7 rules
FEES 4.2.1R	FEES 13.2.1R
FEES 4.3.1R	FEES 13.2.3R
FEES 4.3.3R	FEES 13.2.3R
FEES 4.3.3AR	FEES 13.2.3R
FEES 4.3.12R	FEES 13.2.6R
FEES 4.3.12AR	FEES 13.2.6R