

Temporary Permissions Regime (TPR) and Financial Service Contracts Regime
(FSCR) – Illegal money lending levy

Chapter 13A

Temporary Permissions
Regime (TPR) and Financial
Service Contracts Regime
(FSCR) – Illegal money lending
levy

13A.1 Application and purpose

Application

- 13A.1.1 **R** This chapter applies to every *TP person* carrying on an activity which would fall within activity group CC2 (Credit-related regulated activities).

Purpose

- 13A.1.2 **R** The purpose of this chapter is to set out the requirements on the *persons* listed in ■ FEES 13A.1.1R to fund the costs of taking action against illegal money lending. For the avoidance of doubt, such *persons* also include *supervised run-off firms*.

- 13A.1.3 **G** Section 333S of the Act (Financial assistance for action against illegal money lending) provides that the Treasury may make grants or loans, or give other forms of financial assistance, to *persons* for the purpose of taking action against illegal money lending.

- 13A.1.4 **G** Section 333T of the Act (Funding of action against illegal money lending) requires the Treasury to notify the *FCA* of the amount of the Treasury's illegal money lending costs. The *FCA* must make *rules* requiring *authorised persons*, or any specified class of authorised persons, to pay to the *FCA* the specified amounts or amounts calculated in a specified way, with a view to recovering the amounts notified to it by the Treasury.

Regulations 28 and 34 of the *EU Exit Passport Regulations* provide that *supervised run-off firms* are treated as having *Part 4A permission* or a *variation* to the *permission*.

- 13A.1.5 **G** FEES 13A sets out the rules referred to in ■ FEES 13A.1.4G.

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13A.2 Obligation to pay the IML levy

- 13A.2.1** **R** A *TP person* must pay the *TPR IML levy* applicable to it:
- (1) 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
 - (2) in accordance with the *rules* in this chapter.

- 13A.2.1A** **G** Schedule 6A to the *Act* sets out a procedure to enable the *FCA* to cancel or vary the *Part 4A permission* of a *person* who it appears to the *FCA* is not carrying on a *regulated activity*. Paragraph 5 of that schedule sets out a procedure for annulment of cancellation or variation of *Part 4A permission* in specified circumstances. Where the *FCA* grants an application for annulment, paragraph 6 of Schedule 6A sets out its effect. In particular, the cancellation or variation of *Part 4A permission* is treated as if it had never taken place. As a result of the effect of annulment under Schedule 6A, the *TPR IML levy* in relation to the period during which the *person's Part 4A permission* was cancelled or varied applies to the *person*.

- 13A.2.1B** **R** Where the *FCA* grants a *person's* application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and the *person* falls within **■ FEES 13A.2.1R** and the annulment takes effect after 1 August or after the invoice referred to in **■ FEES 13A.2.1R(1)** has been issued, then the date for payment referred to in **■ FEES 13A.2.1R(1)** does not apply, but the *person* must pay the *TPR IML levy* applicable to it in full and without deduction, on the date on which the annulment takes effect.

Calculation of the TPR IML levy

- 13A.2.2** **R** The *TPR IML levy* is calculated as follows:
- (1) identify whether activity group CC2 applies to the business of the *TP person* for the relevant period (for this purpose, the activity group is defined in accordance with Part 1 of **■ FEES 4 Annex 1AR**);
 - (2) calculate the amount payable in accordance with **■ FEES 13A Annex 1R**;
 - (3) a *TP person* in activity group CC2 must calculate its tariff base using the annual income calculation in Part 3 of **■ FEES 4 Annex 1AR** and **■ FEES 4 Annex 11BR** (including only business undertaken from a *branch* in the *UK*) and the valuation date requirements in Part 5 of **■ FEES 4 Annex 1AR**.

13A.2.3 **R** For the purposes of **FEES 13A.2.2R**:

- (1) a *TP person* 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 *TP person's* UK business separately from its non-UK business in the way described in Part 3 of **FEES 4 Annex 1AR** and Part 3 of **FEES 4 Annex 11R** 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 13A.2.2R(3)**, or, if earlier, at the time it pays the *TPR IML levy* concerned.
- (2) for a *TP person* which has not complied with **FEES 13A.2.2R(3)** for this period, the *TPR 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.

TPR IML levy commencement

13A.2.4 **R** The *TPR IML levy* under **FEES 13A** relate to the whole of any fee year and are due for payment from the commencement of the fee year. Any payment made under **FEES 13A.2.1R** is not refundable.

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

13A.2.5 **G** The Handbook provisions relating to the *TPR IML levy* in **FEES 13A** are meant to follow closely the provisions relating to the payment of the periodic fees in **FEES 4**. In the interests of brevity, not all of the provisions in **FEES 4** are set out again in **FEES 13A**. In some cases, certain **FEES 4** rules are applied to the payment of the *TPR IML levy* by individual rules in **FEES 13A**. The rest are set out in the table in **FEES 13A.2.7R**.

13A.2.6 **R** The *rules* set out in the table in **FEES 13A.2.7R** and any other rules in **FEES 4** included in **FEES 13A** by cross-reference apply to the *TPR IML levy* in the same way as they apply to periodic fees payable under **FEES 4**.

13A.2.7 **R** Table of rules in **FEES 4** that also apply to **FEES 13A** to the extent that in **FEES 4** they apply to fees payable to the *FCA*

FEES 4 rules incorporated into FEES 13A	Description
FEES 4.2.10R	Extension of time
FEES 4.3.7R	Groups of firms
FEES 4.3.17R	Firms acquiring businesses from other firms

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TPR illegal money lending (IML) levy for 2023/24

Activity group	Description	Fee (£)
Activity group CC2. Credit-related regulated activities:	Up to £250,000 consumer credit income:	10
	Over £250,000 consumer credit income:	10 + £0.274 per £1,000

