

Chapter 3

Application, Notification and Vetting Fees

Special Project Fee for restructuring

- (1) R The Special Project Fee for restructuring (the SPFR) is only payable by a *person* in one of the following categories:
- (a) if that *person* falls within any of the A, B, CC1, CC2 and CMC fee-blocks (as defined in Part 1 of FEES 4 Annex 1AR; or
 - (b) if that *person* falls within fee-block G.3 or G.10 (as defined in FEES 4 Annex 11); or
 - (c) [deleted]
 - (d) [deleted]
 - (e) [deleted]
 - (f) if that *person* applies for the permission in MIFIDPRU 4.12.4R.
- (2) R The SPFR becomes payable by a *person* falling into (1)(a) or (b) if it engages in, or prepares to engage in, activity which involves it undertaking or making arrangements with a view to any of the following:
- (a) raising additional capital; or
 - (b) a significant restructuring of the *firm* or the *group* to which it belongs, including:
 - (i) mergers or acquisitions;
 - (ii) reorganising the *firm's group* structure;
 - (iii) *retribution*;
 - (iv) a significant change to the *firm's* business model; and
 - (v) a significant internal change programme.
 - (c) a scheme of arrangement under Part 26 of the Companies Act 2006 in respect of that *person*.
- (3) R No SPFR is payable under (2) if the transaction only involves the *firm* seeking to raise capital within the *group* to which it belongs.
- (4) R Where the transaction in (2) involves raising capital outside the *group* to which the *firm* belongs, any SPFR in relation to that transaction is only payable by the largest *firm* in that *group*. The largest *firm* is the one that pays the highest periodic fee in the *fee year* in which the bill is raised. For the purpose of the calculation in (9), all time spent and fees and disbursements incurred in relation to the group are added together.
- (5) R The definition of *group* is limited for the purposes of calculating the SPFR to *parent undertakings* and their *subsidiary undertakings*.
- (6) R The SPFR also becomes payable by any *person* falling into (1) if any of the following circumstances apply to it:
- (a) an *insolvency order* is in effect as respects the *person* or the *person* is being voluntarily wound up or steps are being taken for the making of an *insolvency order* or voluntary winding up of, or with respect to, the *person* by someone entitled to take such steps; or
 - (b) the Bank of England or the Treasury have exercised a stabilisation power in respect of the *person* under the Banking Act 2009.
- (7) R In (6):

- (a) references to an *insolvency order* or winding up include the equivalent process in any jurisdiction outside the *United Kingdom*; and
- (b) references to an *insolvency order* include such an order made under the Banking Act 2009.
- (7A)R The *FCA* will levy its own SPFR separate to any levy issued by the *PRA* and this may be in relation to the same event or circumstance.
- (8) R No SPFR is payable to the *FCA*:
- (a) if the amount calculated in accordance with (9) in relation to the regulatory work conducted by the *FCA* totals less than £50,000 in the case of an *FCA-authorised person* or £25,000 in the case of a *PRA-authorised person*; or
- (b) for time spent giving *guidance* to the *person* in relation to the same matter if the *FCA* has charged that *person* for that *guidance*.
- (9) R The SPFR for the *FCA* is calculated as follows:
- (a) Determine the number of hours, or part of an hour, taken by the *FCA* in relation to regulatory work conducted as a consequence of the activities referred to in (2) or (6).
- (b) Next, multiply the applicable rate in the table at (11) by the number of hours or part hours obtained under (a).
- (c) Then add any fees and disbursements invoiced to the *FCA* by any *person* in respect of services performed by that *person* for the *FCA* in relation to assisting the *FCA* in performing the regulatory work referred to in (a).
- (d) The resulting figure is the fee.
- (e) The number of hours or part hours referred to in (a) are the number of hours or part hours as recorded on the *FCA*'s systems in relation to the regulatory work referred to in (a).
- (10) R The first column in the table at (11) sets out the relevant pay grades of those employed by the *FCA* and the second column sets out the hourly rates chargeable in respect of those pay grades.
- (11) R Table of *FCA* hourly rates:
- | FCA pay grade | Hourly rate (£) |
|---|-----------------|
| Administrator | 45 |
| Associate | 75 |
| Technical Specialist | 130 |
| Manager | 145 |
| Any other person employed by the <i>FCA</i> | 255 |
- (11A) R [deleted]
- (12) G The obligation to pay the SPFR is ongoing. Accordingly, there is no limitation on the number of times that the *FCA* may invoice a *person* for the SPFR in relation to the same events or circumstances referred to in (2) or (6). If the *FCA* does so, there is a single floor under (8)(a) and not a separate one for each instalment. Therefore, for example, if a *person* is subject to an administration order, the *FCA* may invoice the *person* on a periodic basis for all the related regulatory work, but may only do so once the total fee (including disbursements) equals 50,000.

- (13) G If the SPFR is payable, the full amount calculated under (9) is payable not just the excess over £50,000 or £25,000.
- (14) G The SPFR is a single fee. Therefore the SPFR may be payable under both (2) and (6). If it is payable under both, there is only a single floor under (8)(a), not two separate ones.