Chapter 4

Periodic fees
### 4.1 Introduction

#### Application

4.1.1 R This chapter applies to every person set out in FEES 1.1.2R (2).

4.1.1A R A reference to firm in this chapter includes a reference to:

1. a fee-paying payment service provider;
2. a CBTL firm;
3. a fee-paying electronic money issuer;
4. a recognised investment exchange; and
5. a data reporting services provider provider (other than an incoming data reporting services provider).

#### Purpose

4.1.2 G The purpose of this chapter is to set out the requirements on firms and others to pay periodic fees and transaction reporting fees in certain circumstances.

#### Background

4.1.3 G Most of the detail of the periodic fees that are payable by firms is set out in FEES 4 Annexes 1A to 11R. FEES 4 Annex 12G and FEES 4 Annex 13G provide guidance on the calculation of certain tariffs. Most of the provisions of the Annexes will vary from one fee year to another. Accordingly fresh FEES 4 Annexes will come into force, following consultation, for each fee year.

4.1.4 G (1) The periodic fees for collective investment schemes reflect the estimated costs to the FCA of considering proposals to change regulated collective investment schemes, maintaining up to date records about them, and related policy work.

(2) [deleted]

(3) The periodic fees for fee-paying payment service providers, fee-paying electronic money issuers, CBTL firms, data reporting service providers (other than incoming data reporting services providers and issuers of regulated covered bonds are set out in FEES 4 Annex 11R. This annex sets out
the activity groups, tariff base, valuation dates and, where applicable, the flat fees due for these firms.

4.1.5 The Society of Lloyd’s, which has permission, has its own fee block.

4.1.6 [deleted]

4.1.7 In the case of periodic fees for firms, fees are calculated individually for each firm, but they may be paid on a group basis, if the group so wishes.
4.2 Obligation to pay periodic fees

General

4.2.1 A person shown in column (1) of the table in FEES 4.2.11 R as the relevant fee payer must pay each periodic fee applicable to it, calculated in accordance with the provisions referred to in column (2) of the applicable table, as adjusted by any relevant provision in this chapter:

(1) in full and without deduction (unless permitted or required by a provision in FEES); and

(2) on or before the date given in column (3) of that table, unless FEES 4.2.10 R applies.

4.2.2 A relevant fee payer will be required to pay a periodic fee for every year during which they have the status in column 1 of the table in FEES 4.2.11 R (or in relation to collective investment schemes, for every year during which it is a regulated collective investment scheme) subject to any reductions or exemptions applicable under this chapter. If a person is the relevant fee payer for more than one status listed in column 1 of the table in FEES 4.2.11 R (or in relation to collective investment schemes, the relevant fee payer for more than one regulated collective investment scheme) he will be required to pay a fee in relation to each.

(2) [deleted]

4.2.2A A recognised body may also have obligations to pay fees to the FCA under other rules arising from legislation other than the Act. For example a recognised body may have an obligation to pay a fee as an approved operator of a relevant system under the Uncertificated Securities Regulations 1995 (SI 1995/3272).

4.2.3 The FCA will issue invoices at least 30 days before the dates on which payments fall due under FEES 4.2.1 R.

Method of payment

4.2.4 (1) A periodic fee must be paid using either direct debit, credit transfer (BACS/CHAPS), cheque, Maestro, Visa Debit or by credit card (Visa/
The FCA does not specify a method of payment for a recognised body or a designated professional body.

The FCA expects a recognised body or a designated professional body will generally pay their respective fees by electronic credit transfer.

Modifications for persons becoming subject to periodic fees during the course of a fee year

(a) A firm (other than an AIFM qualifier, an ICVC, a UCITS qualifier, or an issuer of regulated covered bonds) which becomes authorised or registered, or whose permission and/or activities is extended, during the course of the fee year must pay a fee based on its projected valuation for the first twelve months of its new business.

(b) This is the valuation provided by the firm in the course of its application or if not provided at that time, the valuation provided subsequently.

(2) The calculation for the first year of authorisation or registration for:

(a) an AIFM qualifier, an ICVC and a UCITS qualifier is in FEES 4 Annex 4R Part 1; and

(b) an issuer of regulated covered bonds is in FEES 4 Annex 11R Part 4.

Calculating the fee in the firm’s first year of authorisation

(1) Identify the tariff rate or rates which will be relevant to the firm as a result of its new or extended permission; and then
apply the formula \((A+B+C) \times D\), where:
- \(A\) = the amount arrived at by applying the tariff rates to the firm’s projected valuation for the first twelve months of its new business, as provided by it in accordance with FEES 4.2.7ER;
- \(B\) = the A.0 minimum fee, unless already paid;
- \(C\) = any fee that becomes due in AP.0 following the calculation of \(A\); and
- \(D\) = the number of calendar months (inclusive) between the calendar month during which the firm received its new or extended permission and the last calendar month of that fee year \(\div 12\).

Calculating fees in the second fee-year where the firm received permission between 1 January and 31 March in its first fee year

When a firm receives permission between 1 January and 31 March, its fee for the following fee year starting 1 April will be calculated from:

(a) the projected valuation for the first twelve months of its new business that it provided in accordance with FEES 4.2.7ER; or

(b) an annualised figure based on actual data provided by 30 April in the fee year following obtaining its new or extended permission.

If the annualised tariff base figure provided under (b) is a cumulative measure like income, covering the full year, it must apply the formula \((A \div B) \times 12\), where:
- \(A\) = the total income from the date the new or extended permission was obtained up to the firm’s financial year end or 31 March (whichever is sooner) of its first fee year, calculated according to the relevant rules; and
- \(B\) = the number of months in the period referred to in \(A\).

Where the measure is not cumulative (e.g. the number of traders for fee-block A10), the firm must use the figure as at the firm’s financial year end or 31 March (whichever is sooner) of its first fee year, calculated in accordance with the relevant rules. If trading has not commenced by the applicable date the figure is nil.

Calculating all other fees in the second and subsequent years of authorisation where a full year of tariff data is not available

If it can, a firm must provide data from a complete period (as specified in FEES 4 Annex 1AR Part 5 or FEES 4 Annex 11R Part 4) that begins on or after the date that the firm obtained the relevant permissions to which the tariff base relates.
If a firm does not have sufficient tariff data to enable the periodic fees calculation to be made in respect of that fee year, it must calculate an annualised figure based on actual data where possible. If the tariff base is a cumulative measure like income, covering the full year, it must apply the formula \( (A \div B) \times 12 \), where:

\[ A = \text{the total income from the date of authorisation up to the firm’s financial year end or 31 December (whichever is sooner), calculated according to the relevant rules; and} \]

\[ B = \text{the number of months in the period referred to in A.} \]

For example, suppose the tariff data for a particular permission is based on income for the financial year ending during the calendar year ending 31 December before the relevant fee year starting the following April. A firm is authorised in October and its financial year ends in June. By April, it will not have been able to report on the basis of its financial year. The value of A would therefore cover the period from October to December and the value of B would be two i.e. November and December.

If the firm was authorised in June and its financial year ended in October, then the value of A would cover June to October and the value of B would be four i.e. July to October.

Where the measure is not cumulative (e.g. the number of traders for fee-block A10), the firm must use the figure relating to the valuation date specified in FEES 4 Annex 1R Part 5 (e.g. 31 December for A10). Table A sets out the reporting requirements for the key fee-blocks when full actual data is not available:

Table A: calculating tariff data for second and subsequent years of authorisation when full trading figures are not available

<table>
<thead>
<tr>
<th>Fee-block</th>
<th>Tariff base</th>
<th>Calculation where trading data are not available</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. Deposit acceptors</td>
<td>Average MELS for October - December</td>
<td>Use data available at 31 December or, if trading has not commenced by 31 December, use nil.</td>
</tr>
<tr>
<td>A2. Home finance providers and administrators</td>
<td>Number of relevant contracts entered into or being administered in the twelve months up to 31 December</td>
<td>Apply the formula ( (A \div B) \times 12 ) to arrive at an annualised figure.</td>
</tr>
<tr>
<td>A3. Insurers - general</td>
<td>Gross written premium for fees purposes (GWP) for the financial year ended in the calendar year ending 31 December and best estimate liabilities for fees purposes (BEL) valued at the end of the financial year</td>
<td>GWP – apply the formula ( (A \div B) \times 12 ) to arrive at an annualised figure.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BEL – use data at valuation date or, if trading has not commenced by then, use nil.</td>
</tr>
<tr>
<td>A4. Insurers - life</td>
<td>Gross written premium for fees purposes (GWP) for the financial year ended in the calendar year ending 31 December</td>
<td></td>
</tr>
</tbody>
</table>
### FEES 4 : Periodic fees

#### Section 4.2 : Obligation to pay periodic fees

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A5. Managing agents at Lloyd's</td>
<td>Active capacity in respect of the underwriting year at the beginning of the period to which the fee relates</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>A6. The Society of Lloyd's</td>
<td>Bespoke fee</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>A7. Portfolio managers</td>
<td>Funds under management valued at 31 December</td>
<td>Use data as at 31 December or, if trading has not commenced by 31 December, use nil.</td>
</tr>
<tr>
<td>A9. Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes</td>
<td>Annual gross income for the financial year ending 31 December</td>
<td>Apply the formula ((A \div B) \times 12) to arrive at an annualised figure.</td>
</tr>
<tr>
<td>A10. Firms dealing as principal</td>
<td>Number of traders as at 31 December</td>
<td>Use data as at 31 December or, if trading has not commenced by 31 December, use nil.</td>
</tr>
<tr>
<td>A13. Advisors, arrangers, dealers or brokers</td>
<td>Annual income for the financial year ending 31 December</td>
<td>Apply the formula ((A \div B) \times 12) to arrive at the annualised figure.</td>
</tr>
<tr>
<td>A14. Corporate finance advisers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A18. Home finance providers, advisers and arrangers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A19. General insurance distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A21. Firms holding clients</td>
<td>The highest amount of</td>
<td>The highest amount of</td>
</tr>
<tr>
<td>Service Type</td>
<td>Formula or Fee Type</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>B. Market operators, MTF operators and OTF operators</td>
<td>Flat fee</td>
<td></td>
</tr>
<tr>
<td>B. Service companies</td>
<td>Annual income for the financial year ended in the calendar year ending 31 December</td>
<td></td>
</tr>
<tr>
<td>B. Regulated benchmark administrators</td>
<td>Annual income for the financial year ended in the calendar year ending 31 December</td>
<td></td>
</tr>
<tr>
<td>B. Recognised investment exchanges</td>
<td>Annual income for the financial year ended in the calendar year ending 31 December</td>
<td></td>
</tr>
<tr>
<td>B. Recognised auction platforms</td>
<td>Flat fee</td>
<td></td>
</tr>
<tr>
<td>B. Recognised overseas investment exchanges</td>
<td>Flat fee</td>
<td></td>
</tr>
<tr>
<td>CC1. Credit-related regulated activities with limited permission</td>
<td>Annual income for the financial year ended in the calendar year ending 31 December</td>
<td></td>
</tr>
<tr>
<td>CC2. Credit related regulated activities</td>
<td>Annual income for the financial year ended in the calendar year ending 31 December</td>
<td></td>
</tr>
<tr>
<td>G.2 Payment services institutions – deposit acceptors</td>
<td>See A1 deposit acceptors</td>
<td></td>
</tr>
<tr>
<td>G.3. Large payment services institutions</td>
<td>Relevant income</td>
<td></td>
</tr>
<tr>
<td>G.4 Small payment institutions</td>
<td>Flat fee</td>
<td></td>
</tr>
<tr>
<td>G.5 Other payment institutions</td>
<td>Relevant income</td>
<td></td>
</tr>
<tr>
<td>G.10 Large electronic money institutions</td>
<td>Average outstanding electronic money over 12 months ending 31 December</td>
<td></td>
</tr>
<tr>
<td>G.11 Small electronic money institutions</td>
<td>Flat fee</td>
<td></td>
</tr>
<tr>
<td>G.15 Issuer of regulated covered bonds</td>
<td>Value as at 31 December</td>
<td></td>
</tr>
<tr>
<td>G.20 Consumer buy-to-let (CBTL) lender</td>
<td>Flat fee</td>
<td></td>
</tr>
<tr>
<td>G.21 CBTL adviser and arranger</td>
<td>Flat fee</td>
<td></td>
</tr>
</tbody>
</table>
In relation to an *incoming EEA firm* or an *incoming Treaty firm* the modification provisions of §FEES 4.2.7 R apply only in relation to the relevant *regulated activities* of the *firm*, which are *passported activities* or *Treaty* activities and which are carried on in the *United Kingdom*, and which are not provided on a *cross border services* basis. For *payment services* and *electronic money* issuance, the adjustment only applies to the business to which the calculation made in §FEES 4.3.12A R relates.

**Fee payers ceasing to hold relevant status or reducing the scope of their permission after start of relevant period**

The FCA will not refund periodic fees if, after the start of the period to which they relate:

1. a fee payer ceases to have the status set out in column (1) of the table in §FEES 4.2.11 R; or

2. a *firm* reduces its *permission* or *payment services* activities so that it then falls out of the fee-block previously applied to it;

(but see §FEES 2.3 (Relieving Provisions) and §FEES 4.3.13 R (Firms Applying to Cancel or Vary Permission Before Start of Period)).

**Extension of Time**

A *person* need not pay a periodic fee on the date on which it is due under the relevant provision in §FEES 4.2.1 R, if:

1. that date falls during a period during which circumstances of the sort set out in §GEN 1.3.2 R (Emergencies) exist, and that *person* has reasonable grounds to believe that those circumstances impair its ability to pay the fee, in which case he must pay it on or before the fifth *business day* after the end of that period; or

2. unless §FEES 4.3.6R (3), §FEES 4.3.6R (4) or §FEES 4.3.6R (4A) (Time and method for payment) applies, that date would otherwise fall on or before the 30th *day* after the date on which the FCA (in its own capacity or in its capacity as collection agent for the PRA) has sent written notification to that *person* of the fee payable on that date, in which case he must pay on or before the 30th *day* after the date on which the FCA sends the notification.

**Table of periodic fees payable to the FCA**
**FEES 4 : Periodic fees**

**Section 4.2 : Obligation to pay periodic fees**

<table>
<thead>
<tr>
<th>1 Fee payer</th>
<th>2 Fee payable</th>
<th>3 Due date</th>
<th>4 Events occurring during the period leading to modified periodic fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any firm (except an AIFM qualifier, ICVC or a UCITS qualifier)</td>
<td>(1) Unless (2) applies, as specified in FEES 4.3.1 R in relation to FEES 4 Annex 2AR and FEES 4 Annex 11 R.</td>
<td>(1) Unless (2) or (3) apply, on or before the relevant dates specified in FEES 4.3.6 R.</td>
<td>Firm receives permission, or becomes authorised or registered under the Payment Services Regulations, article 8 of the MCD Order, the DRS Regulations or the Electronic Money Regulations; or firm extends permission or its payment service activities</td>
</tr>
<tr>
<td></td>
<td>(2) Where a firm is paying a ring-fencing implementation fee, as specified in FEES 4 Annex 2BR.</td>
<td>(2) Unless (3) applies, if an event specified in column 4 occurs during the course of a fee year, 30 days after the occurrence of that event, or if later the dates specified in FEES 4.3.6 R.</td>
<td></td>
</tr>
<tr>
<td>Persons who hold a certificate issued by the FCA under article 54 of the Regulated Activities Order (Advice given in newspapers etc.)</td>
<td>£1,151</td>
<td>(3) Where the permission is for operating a multilateral trading facility or operating an organised trading facility, the date specified in FEES 4 Annex 10R (Periodic fees for MTF and OTF operators).</td>
<td>Certificate issued to person by the FCA under article 54 of the Regulated Activities Order</td>
</tr>
<tr>
<td>Any manager of an AUT;</td>
<td>In relation to each unit trust the amount specified in part 1 of FEES 4 Annex 4</td>
<td>(1) Unless (2) applies, on or before 1 August or, if later, within 30 days of the date of the invoice.</td>
<td>Authorisation order is made in relation to the relevant scheme</td>
</tr>
<tr>
<td>Any authorised fund manager of an authorised</td>
<td>In relation to each authorised contractual</td>
<td>(2) If an event in column 4 occurs during the course of a fee year, 30 days after the occurrence of that event.</td>
<td></td>
</tr>
<tr>
<td>1 Fee payer</td>
<td>2 Fee payable</td>
<td>3 Due date</td>
<td>4 Events occurring during the period leading to modified periodic fee</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------</td>
<td>------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>contractual scheme;</td>
<td>scheme the amount specified in part 1 of FEES 4 Annex 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any ACD of an ICVC; and</td>
<td>In relation to each ICVC, the amount specified in part 1 of FEES 4 Annex 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persons who, under the constitution or founding arrangements of a recognised scheme, are responsible for the management of the property held for or within the scheme;</td>
<td>In relation to each recognised scheme the amount specified in part 1 of FEES 4 Annex 4</td>
<td>The relevant scheme becomes a recognised scheme</td>
<td>Not applicable</td>
</tr>
<tr>
<td>AIFM of a UK ELTIF</td>
<td>In relation to each ELTIF the amount specified in part 1 of FEES 4 Annex 4</td>
<td>(1) Unless (2) applies, on or before 1 August or, if later, within 30 days of the date of the invoice. (2) If an event in column 4 occurs during the course of a fee year, 30 days after the occurrence of that event.</td>
<td>The ELTIF is authorised by the FCA under the ELTIF regulation</td>
</tr>
<tr>
<td>Designated professional body</td>
<td>FEES 4 Annex 5</td>
<td>On or before the relevant dates specified in FEES 4.3.6 R</td>
<td>Not applicable</td>
</tr>
<tr>
<td>UK recognised body</td>
<td>FEES 4 Annex 6, part 1 for a UK RIE; and FEES 4 Annex 6 R, part 1A for a UK RIE that is also an RAP</td>
<td>(1) On or before the relevant dates specified in FEES 4.3.6 R (2) If the event in column 4 occurs during the course of a fee year, 30 days after the occurrence of that event</td>
<td>Recognition order is made. The modified periodic fee is specified in FEES 4 Annex 6 R, Part 1 and (in the case of an RAP) Part 1A.</td>
</tr>
</tbody>
</table>
### FEES 4 : Periodic fees

**Section 4.2 : Obligation to pay periodic fees**

<table>
<thead>
<tr>
<th>1 Fee payer</th>
<th>2 Fee payable</th>
<th>3 Due date</th>
<th>4 Events occurring during the period leading to modified periodic fee</th>
</tr>
</thead>
</table>
| **ROIE**    | FEES 4 Annex 6, part 2 | (1) On or before the relevant dates specified in FEES 4.3.6 R | **Recognition order** is made.  
The modified periodic fee is specified in FEES 4 Annex 6, Part 2. |
| A listed issuer (in LR) of shares and certificates representing certain securities. | FEES 4 Annex 14R | Within 30 days of the date of the invoice | **Listed issuer** (in LR) becomes subject to **listing rules** |
| A sponsor | FEES 4 Annex 14R | Within 30 days of the date of the invoice | Approval of a sponsor |
| All non-listed issuers (in DTR) of shares and certificates representing certain securities. | FEES 4 Annex 14R | Within 30 days of the date of the invoice | Non-listed **issuer** (in DTR) becomes subject to disclosure requirements and transparency rules |
| Any primary information provider | FEES 4 Annex 14R | Within 30 days of the date of the invoice | A person is approved as a primary information provider |
| All firms reporting transactions in securities derivatives to the FCA in accordance with SUP 17, and market operators who provide facilities for trading in securities derivatives. | FEES 4 Annex 9 R | Within 30 days of the date of the invoice | Not applicable |
| Any issuer of a regulated covered bond. | 1 R | (1) Unless (2) applies, on or before the relevant dates specified in FEES 4.3.6 R | A person becomes registered as an **issuer of a regulated covered bond** |
| | | (2) If an event specified in column 4 occurs during the course of a fee | |
### Section 4.2: Obligation to pay periodic fees

**1 Fee payer** | **2 Fee payable** | **3 Due date** | **4 Events occurring during the period leading to modified periodic fee**
--- | --- | --- | ---
(i) An **AIFM** (other than a UK AIFM or an EEA AIFM with a branch in the UK) which has notified the FCA of its intention to market an AIF in the UK under regulation 57 of the AIFMD UK regulation and which has not ceased to market that AIF in the UK as at 1 April of the current fee year.

(ii) An **AIFM** which has notified the FCA of its intention to market an AIF in the UK under regulation 58 or 59 of the AIFMD UK regulation and which has not ceased to market that AIF in the UK as at 1 April of the current fee year.

**A small registered UK AIFM**

**A third country legal representative**

The basic fee contained in part 3 of FEES 4 Annex 4.

The tariff specified in FEES 4 Annex 15R.

Payable in accordance with FEES 4.3.6R.

The FCA receives a notification to market in the UK.

For each notification made by the AIFM of the kind specified in part 2 of FEES 4 Annex 4, the amount specified in part 2 of FEES 4 Annex 4.

(1) Unless (2) applies, on or before 1 August, or, if later, within 30 days of the date of the invoice.

(2) If an event in column 4 occurs during the course of a financial year, 30 days after the occurrence of that event.

The **AIFM** is registered by the FCA under regulation 10 of the AIFMD UK regulation.

[deleted]

Not applicable.

**FCA**

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[34x805]FEES 4 : Periodic fees

<table>
<thead>
<tr>
<th>1 Fee payer</th>
<th>2 Fee payable</th>
<th>3 Due date</th>
<th>4 Events occurring during the period leading to modified periodic fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>A benchmark endorser</td>
<td>The tariff specified in FEES 4 Annex 15R</td>
<td>Payable in accordance with FEES 4.3.6R</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

**Note:** Sponsors on the list of approved sponsors as at 1 April each year will be liable for the full year’s annual fee unless FEES 4.3.13 R applies.
4.3 Periodic fee payable by firms (other than AIFM qualifiers, ICVCs and UCITS qualifiers)

4.3.1 The periodic fee payable by a firm (except an AIFM qualifier, ICVC or a UCITS qualifier) is:

(1) each periodic fee applicable to it calculated in accordance with §FEES 4.3.3 R, using information obtained in accordance with §FEES 4.4; plus

(1A) any periodic fee applicable to it calculated in accordance with §FEES 4.3.3A R using information relating to its UK business obtained in accordance with §FEES 4.4 (or by other means in the case of the Bank of England); less

(2) any deductions from the periodic fee specified in Part 2 of §FEES 4 Annex 2AR or Part 7 of §FEES 4 Annex 11R.

4.3.2 (1) The amount payable by each firm will depend upon the category (or categories) of regulated activities or payment services it is engaged in (fee-blocks) and whether it is issuing electronic money, and on the amount of business it conducts in each category (tariff base). The fee-blocks and tariffs are identified in §FEES 4 Annex 1AR (and guidance on calculating certain of the tariffs is at §FEES 4 Annex 12 G and §FEES 4 Annex 13G) while §FEES 4 Annex 2AR sets out the tariff rates for the relevant fee year. In the case of firms that provide payment services and/or issue electronic money, the relevant fee blocks, tariffs and rates are set out in §FEES 4 Annex 11R.

(2) Incoming EEA firms, incoming Treaty firms, EEA authorised payment institutions and EEA authorised electronic money institutions receive a discount to reflect the reduced scope of the appropriate regulator’s responsibilities in respect of them. The level of the discount varies from fee-block to fee-block, according to the division of responsibilities between the appropriate regulator and Home state regulators for firms in each fee-block (see §FEES 4.3.11 G, §FEES 4.3.12 R and §FEES 4.3.12A R).
Calculation of periodic fee (except in relation to the Society of Lloyd’s, fee-paying payment service providers, CBTL firms, fee-paying electronic money issuers and data reporting services providers)

4.3.3 The periodic fee referred to in FEES 4.3.1 R is (except in relation to the Society, fee-paying payment service providers, CBTL firms, fee-paying electronic money issuers and data reporting services providers) calculated as follows:

1. identify each of the tariffs set out in Part 1 of FEES 4 Annex 2AR which apply to the business of the firm for the period specified in that annex;
2. for each of the applicable tariffs, calculate the sum payable in relation to the business of the firm for that period;
3. add together the amounts calculated under (2);
4. work out whether an A.0, or CC.0 minimum fee is payable under Part 2 of FEES 4 Annex 2AR and if so how much (except that that minimum fee is not payable again by a firm whose permission is extended if the fee was already payable before the extension);
4A. work out whether an AP.0 FCA prudential fee is payable under Part 2 of FEES 4 Annex 2AR and if so how much;
4B. [deleted]
5. add together the amounts calculated under (3), (4) and (4A);
6. apply any applicable payment charge specified in FEES 4.2.4 R, provided that:
   a. for payment by direct debit, successful collection of the amount due is made at the first attempt by the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA); or
   b. for payment by credit transfer, the amount due is received by the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) on or before the due date.

[Note: Transitional provisions apply to FEES 4.3.3R for firms in activity groups A.3 and A.4 – see FEES TP 13]

Calculation of periodic fee for fee-paying payment service providers, CBTL firms, data reporting services providers (other than incoming data reporting services providers) and fee-paying electronic money issuers

4.3.3A The periodic fee referred to in FEES 4.3.1 R in relation to fee-paying payment service providers, CBTL firms, data reporting services providers (other than incoming data reporting services providers) and fee-paying electronic money issuers is calculated in accordance with FEES 4 Annex 11 R.
Modification for firms with new or extended permissions

4.3.4

(1) A firm which becomes authorised or registered during the course of a fee year will be required to pay a proportion of the periodic fee which reflects the proportion of the year for which it will have a permission or the right to provide particular payment services or the right to issue electronic money—see FEES 4.2.5 G and FEES 4.2.6 R.

(2) Similarly a firm which extends its permission or its right to provide particular payment services so that its business then falls within additional fee blocks will be required to pay a further periodic fee under this section for those additional fee blocks, but discounted to reflect the proportion of the year for which the firm has the extended permission or payment services activity—see FEES 4.2.6 R and FEES 4.2.7 R.

(3) These provisions apply (with some changes) to incoming EEA firms, incoming Treaty firms, EEA authorised payment institutions and EEA authorised electronic money institutions.

(4) These provisions do not apply to a firm’s periodic fees in relation to its permission for operating a multilateral trading facility obtained from the FCA during the course of a fee year.

Amount payable by the Society of Lloyd’s

4.3.5

The periodic fee referred to in FEES 4.3.1 R in relation to the Society is specified against its name in FEES 4 Annex 2AR.

Time of payment

4.3.6

(1) [deleted]

(1A) [deleted]

(1B) [deleted]

(1C) If a person meets either of the conditions in (1D) it must pay the FCA the fee in (1E).

(1D) A person meets the conditions referred to in (1C) if:

(a) its periodic fee for the previous fee year was at least £50,000 and it is:
   (i) an FCA-authorised person; or
   (ii) a designated professional body; or
   (iii) a recognised investment exchange; or
   (iv) a regulated covered bond issuer; or

(b) it is a PRA-authorised person and its combined FCA and PRA periodic fees for the previous fee year were at least £50,000.

(1E) The fee in (1C) is:

(a) an amount equal to 50% of the FCA periodic fee payable for the previous fee year by:
(i) 1 April; or
(ii) if later, within 30 days of the date of the invoice, in the fee year to which the sum due under FEES 4.2.1R relates; and

(b) the balance of the FCA periodic fee due for the current fee year by:
(i) 1 September; or
(ii) if later, within 30 days of the date of the invoice, in the fee year to which that sum relates.

[Note: If the firm is a PRA-authorised person that meets the condition at FEES 4.3.6R(1)(D)(b), the firm will also pay its PRA periodic fees in two tranches as specified in the Fees Part of the PRA Rulebook. The FCA, acting as the PRA's collection agent, will collect these fees.]

(2) If the firm’s, designated professional body’s, recognised investment exchange’s, or regulated covered bond issuer’s periodic fee for the previous fee year was less than £50,000, it must pay the periodic fee due in full by 1 August or, if later, within 30 days of the date of the invoice in the fee year to which that sum relates.

(3) If a firm has applied to cancel its Part 4A permission in the way set out in SUP 6.4.5 D (Cancellation of permission), or its status as a payment institution under regulation 10 of the Payment Services Regulations (Cancellation of authorisation) or as regulation 10 is applied by regulation 14 of the Payment Services Regulations (Supplementary provisions), or its status as an electronic money issuer under regulation 10 of the Electronic Money Regulations (Cancellation of authorisation) or as regulation 10 is applied by regulation 15 of the Electronic Money Regulations (Supplementary provisions), or its registration as a CBTL firm under article 13(c) of the MCD Order or its authorisation as a data reporting services provider under regulation 11 of the DRS Regulations, then (1) and (2) do not apply but it must pay the total amount due when the application is made.

(4) If the FCA has exercised its own-initiative powers to cancel a firm’s Part 4A permission, then (1) and (2) do not apply but the firm must pay the total amount due immediately before the cancellation becomes effective.

(4A) If the FCA has cancelled a firm’s authorisation or registration under regulation 10 of the Payment Services Regulations or regulation 10 of the Electronic Money Regulations or its registration under regulation 10 as applied by regulation 14 of the Payment Services Regulations or its registration under regulation 10 as applied by regulation 15 of the Electronic Money Regulations, or its registration under article 13 (except under article 13(c)) of the MCD Order, or its authorisation as a data reporting services provider under regulation 11 or 12 of the DRS Regulations, then (1) and (2) do not apply but the firm must pay the total amount due immediately before the cancellation becomes effective.

(5) [deleted]

(5A) [deleted]
(6) Paragraphs (1) and (2) do not apply to any periodic fee in relation to a firm’s permission for operating a multilateral trading facility or operating an organised trading facility and such a fee is not taken into account for the purposes of the split in (1). Instead any fee for this permission is payable on the date specified in FEES 4 Annex 10 (Periodic fees for MTF and OTF operators).

4.3.7 A firm which is a member of a group may pay all of the amounts due from other firms in the same group under FEES 4.2.1 R, if:

(1) it notifies the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) in writing of the name of each other firm within the group for which it will pay; and

(2) it pays the fees, in accordance with this chapter, as a single amount as if that were the amount required from the firm under FEES 4.2.1 R.

4.3.8 A notification under FEES 4.3.7R (1) should be made in accordance with SUP 15.7 (Form and method of notification).

4.3.9 If the payment made does not satisfy in full the periodic fees payable by all of the members of the group notified to the FCA under FEES 4.3.7 R, the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) will apply the sum received among the firms which have been identified in the notification given under FEES 4.3.7R (1) in proportion to the amounts due from them. Each firm will remain responsible for the payment of the outstanding balance attributable to it.

4.3.10 If a firm pays its fees through an agent outside the scope of FEES 4.3.7 R, the firm is responsible for ensuring that the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) is informed that the sum being paid is for that firm’s periodic fees.

Incoming EEA firms, incoming Treaty firms, EEA authorised payment institutions and EEA authorised electronic money institutions

4.3.11 The FCA recognises that its responsibilities in respect of an incoming EEA firm, an incoming Treaty firm, an EEA authorised payment institution or an EEA authorised electronic money institution are reduced compared with a firm which is incorporated in the United Kingdom.

Accordingly the periodic fees which would otherwise be applicable to incoming EEA firms, incoming Treaty firms, EEA authorised payment institutions and EEA authorised electronic money institutions are reduced.
For an incoming EEA firm, (excluding MTF and OTF operators), or an incoming Treaty firm, the calculation required by FEES 4.3.3 R is modified as follows:

1. the tariffs set out in Part 1 of FEES 4 Annex 2AR are applied only to the regulated activities of the firm which are carried on in the United Kingdom; and

2. those tariffs are modified in accordance with Part 3 of FEES 4 Annex 2AR.

For:

- (a) a full credit institution which is a fee-paying payment service provider and an EEA firm; or
- (b) a full credit institution which is a fee-paying electronic money issuer and an EEA firm; or
- (c) an EEA authorised payment institution; or
- (d) an EEA authorised electronic money institution;

the calculation required by FEES 4.3.3A R is modified as follows:

1. the tariffs set out in Part 5 of FEES 4 Annex 11 are only applied to the payment services or electronic money issuance of the firm carried on from an establishment in the United Kingdom, including any payment services carried on through any of its agents established in the United Kingdom; and

2. those tariffs are modified in accordance with Part 7 of FEES 4 Annex 11.

Firms Applying to Cancel or Vary Permission Before Start of Period

(1) If:

(a) a firm:

(i) makes an application to vary its permission (by reducing its scope), or cancel it, in the way set out in SUP 6.3.15D(3) (Variation of permission) and SUP 6.4.5D (Cancellation of permission); or

(ii) applies to vary (by reducing its scope) or cancel its authorisation or registration (regulation 8 and 10(1) of the Payment Services Regulations including as applied by regulation 14 of the Payment Services Regulations); or

(iii) applies to cancel its authorisation or registration (regulation 10 and 12 of the Electronic Money Regulations including as applied by regulation 15 of the Electronic Money Regulations); or

(iv) applies for revocation of its registration under article 13(c) of the MCD Order; or
(v) applies to vary (by reducing its scope) or cancel its 
authorisation as a data reporting services provider under 
regulation 11 and 12 of the DRS Regulations; or

(aa) an issuer makes an application for de-listing; or

(ab) a sponsor notifies the FCA of its intention to be removed from 
the list of approved sponsors; and

(b) the firm, issuer or sponsor makes the application or notification 
referred to in (a), (aa) or (ab) respectively, before the start of the 
fee year to which the fee relates;

FEES 4.2.1 R applies to the firm as if the relevant variation or 
cancellation of the firm’s permission or authorisation or registration 
under the Payment Services Regulations, MCD Order, DRS Regulations 
or the Electronic Money Regulations, de-listing or removal from the 
list of approved sponsors, took effect immediately before the start of 
the fee year to which the fee relates.

(2) But (1) does not apply if, due to the continuing nature of the 
business, the variation, cancellation, de-listing or removal is not to 
take effect on or before 30 June of the fee year to which the fee 
relates.

4.3.13A  R

4.3.14  G

The due dates for payment of periodic fees are modified by FEES 4.3.6R(3), 
FEES 4.3.6R(4) and FEES 4.3.6R(4A) respectively where:

(1) a firm has applied to cancel its:

(a) Part 4A permission; or

(b) its authorisation or registration under the Payment Services 
Regulations or the Electronic Money Regulations; or

(c) its registration as a CBTL firm under article 13(c) of the MCD 
Order; or

(d) authorisation under regulation 11 of the DRS Regulations; or

(2) the FCA has exercised its:

(a) own-initiative powers to cancel a firm’s Part 4A permission; or

(b) powers under regulation 10 (Cancellation of authorisation), 
including as applied by regulation 14 (Supplementary provisions) 
of the Payment Services Regulations to cancel a firm’s 
authorisation or registration under the Payment Services 
Regulations; or

(c) powers under regulation 10 (Cancellation of authorisation), 
including as applied by regulation 15 (Supplementary provisions) 
of the Electronic Money Regulations or regulation 11 of the DRS 
Regulations; or

(d) powers under article 13 (Revocation of registration), excluding 
article 13(c), of the MCD Order.
4.3.15 [deleted]

4.3.16

(1) [deleted]

(2) [deleted]

(3) [deleted]

4.3.17

(1) This rule applies if:

(a) a firm (A)

(i) (A) acquires all or a part of the business of another firm (B), whether by merger, acquisition of goodwill or otherwise; and

(B) would be required to pay a periodic fee in the fee year in which the acquisition takes place; or

(ii) becomes authorised or registered as a result of another firm’s (B) simple change of legal status (as defined in FEES 3 Annex 1R Part 6); and

(b) had that acquisition or simple change of legal status (or any associated cancellation) not taken place, a periodic fee would have been payable by B in that same fee year.

(2) If, before the date of acquisition or simple change of legal status, B had paid any periodic fee that would have become payable by it in that fee year, FEES 4.2.1R and FEES 4.2.7ER to FEES 4.2.7KR will not apply to A in relation to the business of B.

(3) (a) If, before the date of acquisition or simple change of legal status, B had not paid any periodic fee that would have become payable by it in that fee year, FEES 4.2.1R and FEES 4.2.7ER to FEES 4.2.7KR will apply to A in relation to the business of B.

(b) Periodic fees that would have become payable in that fee year include those which may have been dis-applied under FEES 4.3.13R.

(4) Regardless of A’s valuation date:

(a) if the acquisition or simple change of legal status takes place before B’s valuation date, then A must report the tariff data for, and pay fees or levies on, the transferred business up to the date of the transfer; and

(b) if the acquisition or simple change of legal status takes place after B’s valuation date and B has not paid the relevant fees or levies, then the data should be reported and fees be paid by A as if the transfer had taken place immediately before the valuation (if B continues to be authorised, it should strip the transferred business out of its report).
4.4 Information on which fees are calculated

4.4.1 A firm (other than the Society or an MTF or OTF operator in relation to its MTF or OTF business) must notify to the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) the value (as at the valuation date specified in Part 5 of FEES 4 Annex 1AR) of each element of business on which the periodic fee payable by the firm is to be calculated.

4.4.2 A firm (other than the Society) must send to the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) in writing the information required under FEES 4.4.1 R as soon as reasonably practicable, and in any event within two months, after the date specified as the valuation date in Part 5 of FEES 4 Annex 1AR in relation to fees payable to the FCA (or FEES 4.2.7B R where applicable) unless FEES 4.4.2AR applies.

4.4.2A If a firm is a UK Solvency II firm, an incoming EEA firm or an incoming Treaty firm in activity group A.3 or A.4 and the PRA or the FCA has either:

(1) not received the necessary tariff data on a timely basis in line with Part 3 and 5 of FEES 4 Annex 1AR; or

(2) deemed the tariff data received to be incomplete or insufficiently reliable, by reference to a specific firm or across all or part of the activity group,

the FCA may use tariff data from the previous reporting period for the periodic fees calculation.

4.4.2B For firms in activity group A.3 and A.4, if the data source specified in the applicable tariff base in Part 3 of FEES 4 Annex 1AR is not available to the PRA or FCA for any reason and the same data is available to the PRA or FCA from an alternative source, the FCA may use that alternative source to calculate the tariff rates under FEES 4 Annex 2AR.

4.4.3 To the extent that a firm has provided the information required by this section as part of its compliance with another provision of the Handbook, it is deemed to have complied with the provisions of this section.

4.4.4 In most cases a firm will provide the information required by this section as part of its compliance with the provisions of SUP. To the extent that the FCA does not obtain sufficient, or sufficiently detailed, information it may seek...
this by using the general information gathering powers (see SUP 2 (Information gathering by the FCA or PRA on its own initiative)).

4.4.5  R

For an incoming EEA firm or an incoming Treaty firm, the information required under FEES 4.4 is limited to the regulated activities of the firm which are carried on in the United Kingdom, except those provided on a cross border services basis.

4.4.6  R

The obligations of a firm to supply information as set out in FEES 4.4.1 R and FEES 4.4.2 R do not apply in respect of any of its payment services business.

Information relating to payment services and the issuance of electronic money

4.4.7  D

A fee-paying payment service provider and a fee-paying electronic money issuer must notify to the FCA the value (as at the valuation date specified in Part 4 of FEES 4 Annex 11) of each element of business on which the periodic fee (other than a flat fee) payable by the firm under 1 R is to be calculated, including any payment services carried on by its agents from an establishment in the United Kingdom.

4.4.8  D

A firm must send to the FCA in writing the information required under FEES 4.4.7 D as soon as reasonably practicable, and in any event within two months, after the date specified as the valuation date in Part 4 of FEES 4 Annex 11.

4.4.9  D

To the extent that a firm has provided the information required by FEES 4.4.7 D to the FCA as part of its compliance with another provision of the Handbook, it is deemed to have complied with the provisions of that direction.
Section 4.4: Information on which fees are calculated
### FCA activity groups, tariff bases and valuation dates

#### Part 1

This table shows how the FCA links the regulated activities for which a firm has permission to activity groups (fee-blocks). A firm can use the table to identify which fee-blocks it falls into based on its permission.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payer falls in the activity group if:</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1 Deposit acceptors</td>
<td>its permission includes accepting deposits or operating a dormant account fund BUT DOES NOT include either of the following: effecting contracts of insurance; carrying out contracts of insurance.</td>
</tr>
<tr>
<td>A.2 Home finance providers and administrators</td>
<td>its permission includes a regulated activity within one or more of the following: entering into a home finance transaction; or administering a home finance transaction; or agreeing to carry on a regulated activity which is within either of the above.</td>
</tr>
<tr>
<td>A.3 Insurers - general and UK ISPVs</td>
<td>its permission includes one or more of the following: - effecting contracts of insurance; - carrying out contracts of insurance; in respect of specified investments that are: - general insurance contracts; or - long-term insurance contracts other than life policies</td>
</tr>
<tr>
<td></td>
<td>OR</td>
</tr>
<tr>
<td></td>
<td>it has permission to carry on insurance risk transformation.</td>
</tr>
<tr>
<td>A.4 Insurers - life</td>
<td>its permission includes one or more of the following: - effecting contracts of insurance; - carrying out contracts of insurance; in respect of specified investments including life policies; - entering as provider into a funeral plan contract.</td>
</tr>
<tr>
<td>A.5 Managing agents at Lloyd's</td>
<td>its permission includes managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's.</td>
</tr>
<tr>
<td>A.6 The Society of Lloyd's</td>
<td>it is the Society of Lloyd's</td>
</tr>
</tbody>
</table>

**Note for authorised professional firms:**

Generally, for fee-blocks A.7 to A.19 below, only those regulated activities that are not limited to non-mainstream regulated activities should be taken into account in determining which fee-block(s) fee-payers belong to for the purpose of charging periodic fees. However, in the case that all the regulated activity within a firm permission are limited to non-mainstream regulated activities, then...
that *firms* will be allocated to fee-block A.13 alone. This does not prevent a fee being payable by an *authorised professional firm* under FEES 3.2.7 R and/or FEES 3.2.7A R(c) where it applies to vary its *Part 4A permission* such that it would normally be allocated to fee-block(s) other than A.13 if the variation was granted.

A.7 Portfolio managers

(1) its *permission* includes managing investments (a *firm* falling within this category is a class (1) *firm*); OR

(2) its *permission* includes

ONLY either one or both of:

* safeguarding and administering of investments (without arranging); and
* arranging safeguarding and administration of assets (a *firm* falling within this category is a class (2) *firm*); OR

(3) the *firm* is a venture capital *firm* (a *firm* falling within this category is a class (3) *firm* if it is not a class (1) or (2) *firm*). OR

(4) its *permission* includes managing an *AIF* or managing a *UCITS* (a class 4 *firm*)

Note:

Class (1) *firms* are subdivided into three classes:

- class (1)A, where the funds managed by the *firm* belong to one or more occupational pension schemes;
- class (1)B, where:
  (a) the *firm* is not a class (1)A *firm*; and
  (b) the *firm* permission includes NEITHER of the following:
  * safeguarding and administering of investments (without arranging);*
  * arranging safeguarding and administration of assets;* and (c) the *firm* EITHER:
  has a *requirement* that prohibits the *firm* from holding or controlling client money, or both; OR
  if it does not have such a *requirement*, only holds or controls client money (or both), arising from an agreement under which commission is rebated to a client; and
- class (1)C, where the *firm* is not within class (1)A or class (1)B.

A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes

(1) its *permission*:

(a) includes one or more of the following:
* managing an *AIF*;
* managing a *UCITS*;
* acting as trustee or depositary of an AIF;
* acting as trustee or depositary of a UCITS; establishing, operating or winding up a collective investment scheme;
* establishing, operating or winding up a personal pension scheme or a stakeholder pension scheme (but only if the *firm* does not fall within activity group A1 or A4); AND

(b) PROVIDED the *firm* is NOT one of the following:

OR

a corporate finance advisory *firm*;
A firm in which the above activities are limited to carrying out corporate finance business;

a venture capital firm;

a firm which would be a venture capital firm but for the inclusion of managing an AIF on its permission; but only where the firm is managing an AIF exclusively in respect of AIFs which only invest in venture capital investments.

OR

(2) if the fee-payer has none of the regulated activities above within its permission, but ALL the remaining regulated activities in its permission are limited to carrying out trustee activities.

its permission includes:

(a) dealing in investments as principal; and/or

(b) bidding in emissions auctions;

BUT NOT if one or more of the following apply:

the firm is acting exclusively as a matched principal broker;

the above activity is limited either to establishing, operating or winding up a collective investment scheme, establishing, operating or winding up a personal pension scheme or a stakeholder pension scheme, or to carrying out depositary activities;

the firm is a corporate finance advisory firm;

the above activity is otherwise limited to carrying out corporate finance business;

the firm is subject to a limitation to the effect that the firm, in carrying on this regulated activity, is limited to entering into transactions in a manner which, if the firm was an unauthorised person, would come within [article 16] of the Regulated Activities Order (Dealing in contractually based investments);

the above activity is limited to not acting as a market maker;

the firm is an oil market participant, energy market participant or a local (except where the firm is bidding in emissions auctions);

its permission includes either:

- effecting contracts of insurance; or

- carrying out contracts of insurance.

A.13 Advisors, arrangers, dealers or brokers

(1) it is an authorised professional firm and ALL the regulated activities in its permission are limited to non-mainstream regulated activities (a firm falling within this category is a class (1) firm);

OR

(2) its permission:

(a) includes one or more of the following:

(i) in relation to one or more designated investments:

dealing in investments as agent;

arranging (bringing about) deals in investments;

making arrangements with a view to transactions in investments;

dealing as principal in investments where the activity is carried on as a matched principal broker, oil market participant, energy market participant or local;

advising on investments (except P2P agreements)

(except pension transfers and pension opt-outs);

giving basic advice on a stakeholder product;
advising on pension transfers and pension opt-outs;
advising on syndicate participation at Lloyd's;
(ii) advising on P2P agreements;
(iii) in relation to a structured deposit:
dealing in investments as agent; or
arranging (bringing about deals) in investments;
or making arrangements with a view to transactions in investments; or
advising on investments (except P2P agreements); or
advising on investments (except pension transfers and pension opt-outs);
(b) BUT NONE of the following:
effecting contracts of insurance; or
carrying out contracts of insurance;
AND (c) PROVIDED the fee-payer is NOT any of the following:
a corporate finance advisory firm;
a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business;
a firm for whom all the applicable activities above are limited to carrying out venture capital business;
a firm for whom all the applicable activities above are limited to acting as a residual CIS operator;
a firm for whom all the applicable activities above are limited to acting as trustee or depositary of an AIF and/or acting as trustee or depositary of a UCITS;
a service company.
A firm falling within (2) and not (1) is a class 2 firm.

A.14 Corporate finance advisers
its permission includes a regulated activity within one or more of the following:
entering into a home finance transaction; or
arranging (bringing about) a home finance transaction; or
making arrangements with a view to a home finance transaction; or
advising on a home finance transaction; or
agreeing to carry on a regulated activity which is within any of the above.

A.19 General insurance distribution
its permission includes one or more of the following in relation to a non-investment insurance contract:
dealing in investments as agent; or
arranging (bringing about) deals in investments; or
making arrangements with a view to transactions in investments; or
assisting in the administration and performance of a contract of insurance; or
advising on investments; or
agreeing to carry on a regulated activity which is within any of the above.

A.21 Firms
(1) It is a firm carrying on a regulated activity defined in fee-block A.13;
<table>
<thead>
<tr>
<th>holding client money or assets, or both</th>
<th>AND EITHER OR BOTH:</th>
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<tbody>
<tr>
<td>(2A) It is a firm to which the client money rules apply</td>
<td></td>
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<tr>
<td>AND/OR</td>
<td></td>
</tr>
<tr>
<td>(2B) Its permissions includes safeguarding and administration of assets (without arranging)</td>
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<tr>
<td>UNLESS</td>
<td></td>
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<tr>
<td>CASS does not apply to that firm in accordance with CASS 1.2</td>
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</tbody>
</table>

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<tr>
<th>B. Service companies</th>
<th>it is a service company.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>B. MTF and OTF operators</th>
<th>its permission includes operating a multilateral trading facility or operating an organised trading facility.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>B. Regulated benchmark administrators</th>
<th>it has a Part 4A permission to carry on the regulated activity of administering a benchmark.</th>
</tr>
</thead>
</table>

<table>
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<tr>
<th>B. Recognised investment exchanges</th>
<th>it is a recognised investment exchange.</th>
</tr>
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<tr>
<th>B. Recognised auction platforms</th>
<th>it is a recognised auction platform.</th>
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<table>
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<tr>
<th>B. Recognised overseas investment exchanges</th>
<th>it is a recognised overseas investment exchange.</th>
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</table>

<table>
<thead>
<tr>
<th>CC1. Credit-related regulated activities with limited permission</th>
<th>it carries on credit-related regulated activities; and</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>it has a limited permission; and</td>
</tr>
<tr>
<td></td>
<td>it is not a not-for-profit debt advice body; and</td>
</tr>
<tr>
<td></td>
<td>it is not a credit union or community finance organisation.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>CC2. Credit-related regulated activities</th>
<th>it carries on credit-related regulated activities; and</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>it does not have a limited permission; and</td>
</tr>
<tr>
<td></td>
<td>it is not a not-for-profit debt advice body; and</td>
</tr>
<tr>
<td></td>
<td>it is not a credit union or community finance organisation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CMC.</th>
<th>it is a claims management company.</th>
</tr>
</thead>
</table>

**Part 2**

This table sets out the activity groups (fee blocks) in relation to (i) the minimum fees payable to the FCA and (ii) the prudential fee payable to the FCA.
Fees 4: Periodic fees

Annex 1A

Activity group | Fee payer falls into the fee-block if
--- | ---
A.0 FCA minimum fee | (1) it is in at least one of the fee blocks under Part 1; and
(2) it is not:
(a) a UK ISPV; or
(b) a firm whose only permission is operating a dormant fund account; or
(c) a firm exclusively carrying on credit-related regulated activities.

AP.0 FCA prudential fee | (1) it is an FCA authorised person other than an FCA authorised person exclusively carrying on credit-related regulated activities; and
(2) the periodic fee it pays to the FCA is not limited to the A.0 FCA minimum fee.

Part 3

This table indicates the tariff base for each fee-block set out in Part 1.

The tariff base in this Part is the means by which the FCA measures the amount of business conducted by a firm for the purposes of calculating the annual periodic fees payable to the FCA by that firm.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Tariff base</th>
</tr>
</thead>
</table>
| A.1 | **MODIFIED ELIGIBLE LIABILITIES**
For banks and building societies:
Item B of Form ELS (Note (1)):
\[
(1 + 2 + 3 + 4 + 0.6 \times 5 + 6 - 8 - 9A - 9B - 10A - 10B - 10C - 11A - 11B - 0.6 \times 12) + \left(\frac{1}{3}\right) \times (F1 + F2 + F3 + F4 + 0.6 \times F5 + F6 - F8 - F9A - F9B - F10A - F10B - F10C - F11A - F11B - 0.6 \times F12)
\]
- 13M

Notes:
(1) All references in the above formula are to entries on Form ELS (that is, the Eligible Liabilities Return completed to provide information by banks and building societies to the Bank of England as required by the Bank of England Act 1998).
(2) The figures reported on the Form ELS relate to business conducted out of offices in the United Kingdom.

For credit unions:
Deposits with the credit union (share capital)
LESS
the credit union’s bank deposits (investments + cash at bank)

Note:
Only United Kingdom business is relevant for calculating credit unions’ MELs.

Note:
For a dormant account fund operator the tariff base is not relevant and the flat fee in FEES 4 Annex 2A R is payable.
A.2 NUMBER OF HOME FINANCE TRANSACTIONS ENTERED INTO AND ADMINISTERED
The number of new home finance transactions entered into;

AND

The number of home finance transactions being administered:

(a) multiplied by 0.05 for firms with permission for administering a home finance transaction but not permission for entering into a home finance transaction; or

(b) by 0.5 for all other firms.

Notes:

(1)[deleted]

(2) For the measure of the number of contracts being administered, each charge counts as one contract, irrespective of the number of loans involved.

(3) Home finance transactions administered include those that the firm administers on behalf of other firms.

A.3 GROSS WRITTEN PREMIUM FOR FEES PURPOSES AND BEST ESTIMATE LIABILITIES FOR FEES PURPOSES
Gross written premium for fees purposes means:

(1) for UK Solvency II firms, a firm’s gross written premium as reported to the PRA, being the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes of the annual quantitative reporting template S.05.01.01;

(2) for incoming EEA firms or incoming Treaty firms, a firm’s gross written premium as reported to their Home State regulator, being the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes, of the annual quantitative reporting template S.05.01.01 but only in relation to the regulated activities of the firm which are carried on in the United Kingdom, (except those provided on a cross border services basis); and

(3) for non-directive firms, a firm’s gross premium written as reported to the PRA under item 11 of form 11, or where this is not reported because the firm is a Swiss general insurer or holds a relevant waiver given by the PRA under the PRA Rulebook, the entry at sheet 1, line 1, column 1, of form 20A, or where the firm is a friendly society, the income and expenditure account entry for gross premium written or contributions as income receivable, as appropriate under the Friendly Societies (Accounts and Related Provisions) Regulation 1994 (SI 1994/1983)

AND

Best estimate liabilities for fees purposes means:

(1) for UK Solvency II firms, a firm’s best estimate liabilities as reported to the PRA, being the sum of items entered under row codes R0010, R0370, R0380, R0410 and R0420, column code C0180, of the annual quantitative reporting template S17.01.01; plus the sum of items entered under row codes R0010, R0300, column codes C0090, C0140 and C0190, of the annual quantitative reporting template S12.01.01;

(2) for incoming EEA firms or incoming Treaty firms, a firm’s best estimate liabilities as reported to their Home State regulator, being the sum of items entered under row codes R0010, R0370, R0380, R0410 and R0420, column code C0180, of the annual quantitative reporting template S17.01.01 but only in relation to the regulated activities of the firm which are carried on in the United Kingdom, except those provided on a cross border services basis; and

(3) for non-directive firms, a firm’s total gross technical provisions as reported to the PRA under item 19 of form 15, or where this is not reported because the firm is a marine mutual, item 29 of form M2, or where the firm is a friendly society, the balance
A.4 GROSS WRITTEN PREMIUM FOR FEES PURPOSES AND BEST ESTIMATE LIABILITIES FOR FEES PURPOSES (see FEES 4 Annex 12 G)

Gross written premium for fees purposes means:

(1) for UK Solvency II firms, a firm’s gross written premium as reported to the PRA, being the item entered under row code R1410, column code C0300 of the annual quantitative reporting template S05.01.01 minus corporate pension business as reported to the PRA under the annual quantitative reporting template S14.01.01; and

(2) for incoming EEA firms or incoming Treaty firms, a firm’s gross written premium as reported to their Home State regulator, being the item entered under row code R1410, column code C0300 of the annual quantitative reporting template S05.01.01 minus corporate pension business as reported to the PRA under the annual quantitative reporting template S14.01.01 but only in relation to the regulated activities of the firm which are carried on in the United Kingdom, except those provided on a cross border services basis.

AND

Best estimate liabilities for fees purposes means:

(1) for UK Solvency II firms, a firm’s best estimate liabilities as reported to the PRA, being the sum of items entered under row codes R0010 and R0030, column codes C0150 and C0210 minus the sum of items entered under row codes R0010 and R0030, column codes C0090, C0140 and C0190 of the annual quantitative reporting template S12.01.01; minus corporate pension business reported under the annual quantitative reporting template S14.01.01; and

(2) for incoming EEA firms or incoming Treaty firms, a firm’s best estimate liabilities as reported to their Home State regulator, being the sum of items entered under row codes R0010 and R0030, column codes C0150 and C0210 minus the sum of items entered under row codes R0010 and R0030, column codes C0090, C0140 and C0190 of the annual quantitative reporting template S12.01.01; minus corporate pension business reported under the annual quantitative reporting template S14.01.01 but only in relation to the regulated activities of the firm which are carried on in the United Kingdom, except those provided on a cross border services basis.
‘Annual quantitative reporting template’ has the meaning given in Fees Chapter 1 Application and Definitions of the PRA Rulebook.

‘Corporate pension business’ has the meaning given in Fees Chapter 1 Application and Definitions of the PRA Rulebook.

‘UK Solvency II firm’ has the meaning given in Insurance General Application 2 of the PRA Rulebook.

Notes:
(1) The recovery of the FCA’s annual funding requirement allocated to the A.4 fee-block will be weighted:
   (a) 60% from gross written premium for fees purposes; and
   (b) 40% from best estimate liabilities for fees purposes.

(2) For non-directive firms, including non-directive composite firms to the extent that they come within the A.4 fee block, the tariff base is not relevant to the level of fees due and only the minimum fee as specified in Part 2(b) of FEES 4 Annex 2AR is payable.

(3) Where any figure used in the calculation of this tariff base is a negative number, it shall instead be deemed to be zero.

A.5 ACTIVE CAPACITY

The capacity of the syndicate(s) under management in the year in question. This includes the capacity for syndicate(s) that are not writing new business, but have not been closed off in the year in question.

A.6 Not applicable.

A.7 FUNDS UNDER MANAGEMENT (FuM)

The total value, in pounds sterling, of all assets (see note (a) below) in portfolios which the firm manages, on a discretionary basis (see note (b) below), in accordance with its terms of business, less:

a) funds covered by the exclusion contained in article 38 (Attorneys) of the Regulated Activities Order;

b) funds covered by the exclusion contained in article 66(3) (Trustees, nominees and personal representatives) of the Regulated Activities Order;

c) funds covered by the exclusion contained in article 68(6) (Sale of goods or supply of services) of the Regulated Activities Order;

d) funds covered by the exclusion contained in article 69(5) (Groups and joint enterprises) of the Regulated Activities Order; and

e) the value of those parts of the managed portfolios in respect of which the responsibility for the discretionary management has been formally delegated to another firm (and which firm will include the value of the assets in question in its own FuM total); any such deduction should identify the firm to which management responsibility has been delegated.

Notes on FuM

(a) Except for funds under management where the fund is an AIF, for the purposes of calculating the value of funds under management, assets means all assets that consist of or include any investment which is a designated investment or those assets in respect of which the arrangements for their management are such that the assets may consist of or include such investments, and either the assets have at any time since 29 April 1988 done so or the arrangements have at any time (whether before or after that date) been held out as arrangements under which the assets would do so.

(aa) for funds under management, where the fund is an AIF, assets means all assets or property of any description of the fund.

(b) Assets managed by the firm on a discretionary basis exclude the firm’s own assets. Assets managed on a non-discretionary basis, being assets that the firm has a contractual duty to keep under continuous review but in respect of which prior specific con-
sent of the client must be obtained for proposed transactions, are also excluded as this activity is covered in those charged to fees in activity group A.13.

(c) In respect of collective investment schemes, assets means the total value of the assets of the scheme.

(d) For an OPS firm, the FuM should also be reduced by the value of the assets held as a result of a decision taken in accordance with article 4(6) of The Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (investments in collective investment scheme or bodies corporate which have as their primary purpose the acquisition, directly, or indirectly, of relevant investments, as defined in that article).

(e) Only assets that are managed from an establishment maintained by the firm in the United Kingdom are relevant.

(f) If the firm is managing an overlay portfolio of derivative instruments and the underlying assets are managed by itself or a firm within the same group that has not reported them separately to the FCA, or by a firm outside its group, then it should calculate the value of the derivatives and other assets as prescribed in the guidance in FSA038 in SUP 16 Annex 25.

If the underlying assets are managed by another firm within the same group who has reported their value separately to the FCA, then to avoid double-counting within the group, the calculation must be restricted to the exposure of the overlay.

A.9 GROSS INCOME

(1) For AIFMs (excluding internally managed AIFs), management companies, operators (including ACDs and authorised fund managers of unit trusts or authorised contractual schemes but excluding operators of a personal pension scheme or a stakeholder pension scheme) and residual CIS operators
gross income from the activity relating to fee-block A.9 is defined as:
the amount of the annual charge on investments in the fund received or receivable in the latest accounting period (this is calculated as a % of funds invested, typically 1% p.a.);
PLUS (a)
the front-end or exit charge levied on sales or redemptions of collective investment schemes (typically 4-5% of sales/redemptions) in that same accounting period; and
(b) any amount the firm would have levied as such a charge but for a business decision to waive, discount or rebate etc. that charge;
PLUS
any additional initial or management charges levied through a product wrapper such as an ISA;
BUT EXCLUDING box management profits.

(2) For depositaries (including trustees of collective investment schemes and ICVC or ACS depositaries):
The amount of the annual charge levied on investments in funds for which they act as depositary (typically a % of the total funds for which they act as depositary).
(3) For operators of a personal pension scheme or a stakeholder pension scheme gross income from the activity relating to fee block A.9 is defined as:
The amount of the charges levied on the personal pension scheme or stakeholder pension scheme for which they act as operator:
including up-front charges, fund related charges, transaction related charges and periodic charges; but
excluding charges made to an investor in respect of third party suppliers; for example, charges for stock broking, borrowing, banking services and charges for arranging third party legal services, surveys or environmental screening in connection with property.

**Note:**

Only the gross income corresponding to *United Kingdom* business is relevant.

(4) *Internally managed AIFs* must use a proxy for gross income for the activities relating to fee block A.9. This is the total value of funds under management (as defined in fee block A.7) multiplied by 0.01.

**A.10 NUMBER OF TRADERS**

Any employee or agent, who:

- ordinarily acts within the *United Kingdom* on behalf of an *authorised person* liable to pay fees to the FCA in its fee-block A.10 (firms dealing as principal); and who,

- as part of their duties in relation to those activities of the *authorised person*, commits the *firm* in market dealings or in transactions in *securities* or in other *specified investments* in the course of *regulated activities*.

But not any *employees* or agents who work solely in the *firm’s MTF* operation.

A *firm* may, as an option, report *employees* or agents as full-time equivalents (FTE), taking account of any part-time staff. In calculating the FTE, *firms* must take into account the total hours *employees* or agents have contracted to work for the *firm* and not the time *employees* or agents devote to the *dealing in investments as principal* and *bidding in emissions auctions* functions set out in fee-block A.10. Any figures using the FTE calculation to be recorded to one decimal place, rounded down to the nearest decimal place.

**A.13 ANNUAL INCOME**

Annual income as defined in *FEES 4 Annex 11A R*.

**A.14 ANNUAL INCOME**

Annual income as defined in *FEES 4 Annex 11A R*.

**A.18**

Annual income as defined in *FEES 4 Annex 11A*.

**A.19**

Annual income as defined in *FEES 4 Annex 11A*.

**A.21 CLIENT MONEY/ASSETS HELD:**

A value in pound sterling equal to:

Highest total amount of *client money* held by the *firm* during the 12 months ending 31 December before the relevant *fee year*  
PLUS  
Highest total value of *safe custody assets* held by the *firm* during the 12 months ending 31 December before the relevant *fee year*.

**B. Service companies**

**ANNUAL INCOME**

Annual income as defined in *FEES 4 Annex 11A R*.

**B. MTF and OTF operators**

**SUPERVISORY CATEGORY**

The general supervisory category to which the *MTF* or *OTF* operator was assigned as at the start of the relevant *fee year*.

**B. Regulated benchmark administrators**

Annual income as defined in *FEES 4 Annex 11A R*.

**B. Recognised in-**
### Part 4

This table indicates the tariff base for each fee block set out in Part 2.

The tariff base in this Part is the means by which the FCA measures the amount of business conducted by a firm for the purposes of calculating the annual periodic fees payable to the FCA by that firm.

<table>
<thead>
<tr>
<th>Activity Group</th>
<th>Tariff base</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.0</td>
<td>Not applicable because the minimum fee is a specified amount.</td>
</tr>
<tr>
<td>AP.0</td>
<td>The total periodic fees payable as a result of fee blocks A.2 and A.7 to A.19 in Part 1 of FEES 4 Annex 2A R excluding any periodic fee for operating a dormant fund account.</td>
</tr>
</tbody>
</table>

### Part 5

This table indicates the valuation date for each fee-block. A firm can calculate its tariff data in respect of fees payable to the FCA by applying the tariff bases set out in Part 3 with reference to the valuation dates shown in this table.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Valuation date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td>For banks: Modified eligible liabilities (MELs), valued at: for a firm which reports monthly, the average of the MELs for October, November and December; for a firm which reports quarterly, the MELs for December. For credit unions:</td>
</tr>
</tbody>
</table>

IN THIS TABLE, REFERENCES TO SPECIFIC DATES OR MONTHS ARE REFERENCES TO THE LATEST ONE OCCURRING BEFORE THE START OF THE PERIOD TO WHICH THE FEE APPLIES, UNLESS OTHERWISE SPECIFIED - E.G. FOR 2013/14 FEES (1 APRIL 2013 TO 31 MARCH 2014), A REFERENCE TO DECEMBER MEANS DECEMBER 2012.

Where a firm’s tariff data is in a currency other than sterling, it should be converted into sterling at the exchange rate prevailing on the relevant valuation date.
### A.1

**For credit unions:**

MELs, valued at December or as disclosed by the most recent annual return made prior to that date.

**For building societies:**

MELs, valued at the average of the MELs for October, November and December.

**A.2**

Number of mortgages, *home purchase plans, home reversion plans and regulated sale and rent back agreements* entered into in the twelve months ending 31 December.

**AND**

Number of mortgages, *home purchase plans, home reversion plans and regulated sale and rent back agreements* entered into in the twelve months ending 31 December.

**A.3**

The firm’s gross written premium for fees purposes and its best estimate liabilities for fees purposes for the firm’s financial year which ends in the calendar year to 31 December prior to commencement of the fee year.

**A.4**

For UK Solvency II firms, including composite UK Solvency II firms to the extent that they are required to report data used for this tariff base, the firm’s gross written premium for fees purposes and its best estimate liabilities for fees purposes, for the firm’s financial year which ends in the calendar year to 31 December prior to commencement of the fee year.

**A.5**

Active capacity (AC), in respect of the Underwriting Year (as reported to the Society of Lloyd’s) which is current at the beginning of the period to which the fee relates.

**Note:** this is the Underwriting Year which is already in progress at the start of the fee period - e.g. for 2013/14 fees, the fee period will begin on 1 April 2013, which is in the 2013 Underwriting Year, so the AC for that Underwriting Year is the relevant measure.

**A.6**

Not applicable.

**A.7**

Funds under management (FuM), valued at 31 December.

**A.9**

Annual gross income (GI) for the financial year ended in the calendar year ending 31 December.

**A.10**

Number of traders as at 31 December.

**A.13**

Annual income for the financial year ended in the calendar year ending 31 December.

**A.14**

Annual income for the financial year ended in the calendar year ending 31 December.

**A.18**

Annual income (AI) for the financial year ended in the calendar year ending 31 December.

**A.19**

Annual income (AI) for the financial year ended in the calendar year ending 31 December.

**A.21**

In respect of *client money*, the highest amount of *client money* held over the 12 months ending 31 December before the relevant fee year.

In respect of *safe custody assets*, the highest amount of *safe custody assets* held over the 12 months ending 31 December before the relevant fee year.

**B. Service companies**

Annual income for the financial year ended in the calendar year ending 31 December.

**B. MTF and OTF operators**

The start of the relevant fee year.

**B. Regulated benchmark administrators**

Annual income for the financial year ended in the calendar year ending 31 December.

**B. Recognised in-**

Annual income for the financial year ended in the calendar year ending 31 December.
<table>
<thead>
<tr>
<th>Vestment exchanges</th>
<th>Not applicable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Recognised auction platforms</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>B. Recognised overseas investment exchanges</td>
<td></td>
</tr>
<tr>
<td>CC1. Credit-related regulated activities with limited permission</td>
<td>Annual income for the financial year ended in the calendar year ending 31 December.</td>
</tr>
<tr>
<td>CC2. Credit-related regulated activities</td>
<td>Annual income for the financial year ended in the calendar year ending 31 December.</td>
</tr>
<tr>
<td>CMC.</td>
<td>Annual turnover for the financial year ended in the calendar year ending 31 December.</td>
</tr>
</tbody>
</table>
# FCA Fee rates and EEA/Treaty firm modifications for the period from 1 April 2019 to 31 March 2020

---

**Part 1**

This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of FEES 4 Annex 1A R.

(1) For each activity group specified in the table below, the fee is the total of the sums payable for each of the tariff bands applicable to the firm’s business, calculated by multiplying the value of the firm’s tariff base by the rate applicable to each tranche of the tariff base, as indicated.

(2) A firm may apply the relevant tariff bases and rates to 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 Part 3 of FEES 4 Annex 1A R 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.

(3) For a firm which has not complied with FEES 4.4.2R (Information on which fees are calculated) for this period:

   (a) the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10; and

   (b) an additional fee of £250 is payable, unless the firm is a PRA-authorised person in which case an additional fee of £125 is payable instead.

(c) [deleted]

---

### Activity Fee payable

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td></td>
</tr>
<tr>
<td>Band width (£million of Modified Eligible Liabilities (MELs))</td>
<td>Fee (£/£m or part £m of MELs)</td>
</tr>
<tr>
<td>&gt;10 - 140</td>
<td>14.89</td>
</tr>
<tr>
<td>&gt;140 - 630</td>
<td>14.89</td>
</tr>
<tr>
<td>&gt;630 - 1,580</td>
<td>14.89</td>
</tr>
<tr>
<td>&gt;1,580 - 13,400</td>
<td>18.613</td>
</tr>
<tr>
<td>&gt;13,400</td>
<td>24.569</td>
</tr>
</tbody>
</table>

The tariff rates in A.1 are not relevant for the permissions relating to operating a dormant account fund. Instead a flat fee of £6,367 is payable in respect of these permissions.

### A.2

Band width (No. of mortgages and/or home finance transactions)  
**Fee (£/mortgage)**  
>50  
2.594

### A.3

Gross written premium for fees purposes (GWP)  
**Periodic fee**  
Band Width ( £million of GWP)  
**Fee (£/m or part £m of GWP)**
## FEES 4: Periodic fees

### Annex 2A

<table>
<thead>
<tr>
<th>A.4</th>
<th>Gross written premium for fees purposes (GWP)</th>
<th>General Periodic fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band Width (£million of GWP)</td>
<td>Fee (£/£m or part £m of GWP)</td>
<td>194.80</td>
</tr>
</tbody>
</table>

### A.5

<table>
<thead>
<tr>
<th>A.5</th>
<th>Band Width (£million of Active Capacity (AC))</th>
<th>Fee (£/£m or part £m of AC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;50</td>
<td>7.58</td>
<td></td>
</tr>
</tbody>
</table>

### A.6

| A.6 | Flat fee (£) | 353,834 |

### A.7

<table>
<thead>
<tr>
<th>A.7</th>
<th>For class 1(C), (2), (3) and (4) firms:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band Width (£million of Funds under Management (FuM))</td>
<td>Fee (£/£m or part £m of FuM)</td>
</tr>
<tr>
<td>&gt;10</td>
<td>5.44</td>
</tr>
</tbody>
</table>

### A.9

<table>
<thead>
<tr>
<th>A.9</th>
<th>Band Width (£million of Gross Income (GI))</th>
<th>Fee (£/£m or part £m of GI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;10</td>
<td>800.49</td>
<td></td>
</tr>
</tbody>
</table>

### A.10

<table>
<thead>
<tr>
<th>A.10</th>
<th>Band Width (No. of traders)</th>
<th>Fee (£/person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;100</td>
<td>6,126.94</td>
<td></td>
</tr>
</tbody>
</table>

For firms carrying on auction regulation bidding, the fee in A.10 is calculated as above less 20% for each trader that carries on auction regulation bidding but not MiFID business bidding or dealing in investments as principal.

### A.13

<table>
<thead>
<tr>
<th>A.13</th>
<th>Band Width (£ thousands of annual income (AI))</th>
<th>Fee (£/£ thousand or part £ thousand of AI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;100</td>
<td>2.558</td>
<td></td>
</tr>
</tbody>
</table>

### A.14

<table>
<thead>
<tr>
<th>A.14</th>
<th>Band Width (£ thousands of annual income (AI))</th>
<th>Fee (£/£ thousand or part £ thousand of AI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;100</td>
<td>1.62</td>
<td></td>
</tr>
</tbody>
</table>

### A.18

<table>
<thead>
<tr>
<th>A.18</th>
<th>Band Width (£ thousands of Annual Income (AI))</th>
<th>Fee (£/£ thousand or part £ thousand of AI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;100</td>
<td>10.764</td>
<td></td>
</tr>
</tbody>
</table>

### A.19

<table>
<thead>
<tr>
<th>A.19</th>
<th>Band Width (£ thousands of Annual Income (AI))</th>
<th>Fee (£/£ thousand or part £ thousand of AI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;100</td>
<td>1.668</td>
<td></td>
</tr>
</tbody>
</table>

### A.21

<table>
<thead>
<tr>
<th>A.21</th>
<th>Client money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band Width (£ client money) (CM) held</td>
<td>Fee (£/£ millions or part £ million of CM)</td>
</tr>
</tbody>
</table>

---

For UK ISPVs the tariff rates are not relevant and a flat fee of £495 is payable in respect of each FCA financial year (the 12 months ending 31 March).
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Fee (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEES 4</strong></td>
<td>Periodic fees</td>
<td></td>
</tr>
<tr>
<td><strong>Annex 2A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>less than £1 million</td>
<td>119.00</td>
</tr>
<tr>
<td></td>
<td>an amount equal to or greater than £1 million but less than or equal to £1 billion</td>
<td>89.25</td>
</tr>
<tr>
<td></td>
<td>more than £1 billion</td>
<td>59.50</td>
</tr>
<tr>
<td><strong>PLUS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Safe custody assets</strong></td>
<td>Band Width (£ safe custody assets) (CA) held</td>
<td></td>
</tr>
<tr>
<td></td>
<td>less than £10 million</td>
<td>0.45</td>
</tr>
<tr>
<td></td>
<td>an amount equal to or greater than £10 million and less than or equal to £100 billion</td>
<td>0.338</td>
</tr>
<tr>
<td></td>
<td>more than £100 billion</td>
<td>0.225</td>
</tr>
<tr>
<td><strong>B. Service Companies</strong></td>
<td>Band Width</td>
<td>Fee (£)</td>
</tr>
<tr>
<td></td>
<td>Annual income up to and including £100,000</td>
<td>1,132</td>
</tr>
<tr>
<td></td>
<td><strong>PLUS:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Band width</td>
<td>Fee (£/£thousand or part £ thousand of income)</td>
</tr>
<tr>
<td></td>
<td>Annual income over £100,000</td>
<td>2.76</td>
</tr>
<tr>
<td><strong>B. Regulated benchmark administrators</strong></td>
<td>Band width</td>
<td>Fee (£)</td>
</tr>
<tr>
<td></td>
<td>Annual income up to and including 100,000</td>
<td>1,151</td>
</tr>
<tr>
<td></td>
<td><strong>PLUS:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Band width</td>
<td>Fee (£/£ thousand or part £ thousand of income)</td>
</tr>
<tr>
<td></td>
<td>Annual income over 100,000</td>
<td>1.59</td>
</tr>
<tr>
<td><strong>B. Recognised investment exchanges</strong></td>
<td>Band width</td>
<td>Fee (£)</td>
</tr>
<tr>
<td></td>
<td>Annual income up to and including £10,000,000</td>
<td>105,060</td>
</tr>
<tr>
<td></td>
<td><strong>PLUS:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Band width</td>
<td>Fee (£/£ thousand or part £ thousand of income)</td>
</tr>
<tr>
<td></td>
<td>Annual income over £10,000,000</td>
<td>4.11</td>
</tr>
<tr>
<td><strong>B. Recognised auction platforms</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>56,004</td>
<td></td>
</tr>
<tr>
<td><strong>B. Recognised overseas investment exchanges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60,000, except as provided below</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Recognised overseas investment exchanges that are EEA market operators before IP completion day</strong></td>
<td>No fee is payable in respect of any complete fee year beginning on or after 1 April 2018 and ending before IP completion day. For the fee year in which IP completion day occurs the fee payable is in accordance with the formula set out below.</td>
</tr>
</tbody>
</table>
### B. MTF and OTF operators

As set out in FEES 4 Annex 10R (Periodic fees for MTF and OTF operators).

<table>
<thead>
<tr>
<th>Credit-related regulated activities with limited permission</th>
<th>Fee (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0 - 10</strong></td>
<td>106</td>
</tr>
<tr>
<td><strong>&gt;10 - 50</strong></td>
<td>266</td>
</tr>
<tr>
<td><strong>&gt;50 - 100</strong></td>
<td>424</td>
</tr>
<tr>
<td><strong>&gt;100</strong></td>
<td>530</td>
</tr>
<tr>
<td><strong>PLUS:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>&gt;250</strong></td>
<td>0.40</td>
</tr>
</tbody>
</table>

### CC1. Credit-related regulated activities with limited permission

Band Width (£ thousands of annual income (AI)) Fee (£)

| 0 - 10 | 106 |
| >10 - 50 | 266 |
| >50 - 100 | 424 |
| >100 | 530 |

### CC2. Credit-related regulated activities

Band Width (£ thousands of annual income (AI)) Fee (£)

| 0 - 50 | 318 |
| >50 - 100 | 530 |
| >100 | 1,061 |

### PLUS:

Fee (£/£ thousand or part £ thousand of AI)

| 0 - 50 | 318 |
| >50 - 100 | 530 |
| >100 | 1,061 |

### Notes

1. For the purposes of this table, “IP completion day” has the same meaning as in the European Union (Withdrawal Agreement) Act 2020 (see section 39(1) to (5) of that Act) and regulations made under that section.

---

**Part 2**

The tables below show the tariff rates (minimum fees) applicable to each of the fee blocks set out in Part 2 of FEES 4 Annex 1A R.

Part 2(a) shows the tariff rates (minimum fees) payable to the FCA by FCA-authorised persons and Part 2(b) shows the tariff rates (minimum fees) payable to the FCA by PRA-authorised persons.
[Note: PRA-authorised persons will also pay minimum fees to the PRA as set out in Chapter 3 of the Fees Part of the PRA Rulebook.]

Part 2(a) tariff rates (minimum fees) payable to the FCA by FCA-authorised persons

A.0 (1) £1,151 unless it is a community finance organisation with a tariff base of:
   (a) up to and including 3 mortgages and/or home finance transactions, in which case a minimum fee of £176 is payable; or
   (b) more than 3 but no more than 10 mortgages and/or home finance transactions, in which case a minimum fee of £597 is payable; or
   (c) more than 10 but no more than 50 mortgages and/or home finance transactions, in which case a minimum fee of £1,106 is payable.

(2)
[deleted]

(3)
[deleted]

[deleted]

(4) [deleted]

AP.0 Periodic fees payable under fee blocks A.2, A.7 to A.19 and A.21 in Part 1 multiplied by rate £0.1091.

Part 2(b) tariff rates (minimum fees) payable to the FCA by PRA-authorised persons

A.0 (1) £574 unless:
   (a) It is a credit union that meets the conditions in (2), in which case the minimum fee payable is as set out in (2);
   (b) it is a non-directive friendly society that falls into the A.3 activity group but not the A.4 activity group and has, for that activity, 0.5 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less, in which case the minimum fee payable is £247 or
   (c) it is a non-directive friendly society that falls into the A.4 activity group but not the A.3 activity group and has, for that activity, written 1.0 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less, in which case the minimum fee payable is £247 or
(d) it is a non-directive friendly society that falls into the A.3 and A.4 activity groups and meets the conditions in (3)(a) and (3)(b), in which case the minimum fee payable is £247.

(2) The conditions referred to in (1)(a) are that the credit union has a tariff base (Modified Eligible Liabilities) of:

(a) 0 to 0.5 million, in which case a minimum fee of £92 is payable; or

(b) greater than 0.5 million but less than 2.0 million, in which case a minimum fee of £310 is payable.

(3) The conditions referred to in (1)(d) are that:

(a) the non-directive friendly society falls into the A.3 activity group and has, for that activity, 0.5 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less;

(b) the non-directive friendly society falls into the A.4 activity group and has, for that activity, written 1.0 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less.

The figures for gross written premium for fees purposes and best estimate liabilities for fees purposes are the same as used for Part 1 of this Annex.

Part 3

This table shows the modifications to fee tariffs that apply in respect of the FCA to incoming EEA firms and incoming Treaty firms which have established branches in the UK.

<table>
<thead>
<tr>
<th>Activity Group</th>
<th>Percentage deducted from the tariff payable under Part 1 applicable to the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td>10%</td>
</tr>
<tr>
<td>A.3</td>
<td>10%</td>
</tr>
<tr>
<td>A.4</td>
<td>10%</td>
</tr>
<tr>
<td>A.7</td>
<td>10%</td>
</tr>
<tr>
<td>A.9</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>A.10</td>
<td>In relation to each trader that carries on <em>auction regulation bidding</em> but not <em>MiFID business bidding</em> or dealing in investments as principal, 100%. In relation to all other traders, 10%.</td>
</tr>
<tr>
<td>A.13</td>
<td>10%</td>
</tr>
<tr>
<td>A.18</td>
<td>10%</td>
</tr>
<tr>
<td>A.19</td>
<td>50%</td>
</tr>
<tr>
<td>B. MTF and OTF operators</td>
<td>Not applicable</td>
</tr>
<tr>
<td>AP.0</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Note 1** The modifications to fee tariffs payable by an *incoming EEA firm* or an *incoming Treaty firm* which has established a branch in the UK apply only in relation to the relevant regulated activities of the firm which are passported activities or Treaty activities and which are carried on in the UK.

**Note 2** The FCA minimum fee described in Part 2 of FEES 4 Annex 2A R applies in full and the modifications in this Part do not apply to it.
PRA fee rates and EEA/Treaty firm modifications for the period from 1 March 2014 to 28 February 2015
Ring-Fencing Implementation Fee [deleted]
Fees relating to the direct reporting of transactions to the FCA under SUP 17A for the period 1 April 2017 to 31 March 2018 [deleted]
Periodic fees in relation to collective investment schemes, AIFs marketed in the UK, small registered UK AIFMs and money market funds payable for the period 1 April 2019 to 31 March 2020

Part 1 - Periodic fees payable

<table>
<thead>
<tr>
<th>Scheme type</th>
<th>Basic fee (£)</th>
<th>Total funds/sub-funds aggregate</th>
<th>Fund factor</th>
<th>Fee (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICVC, 350</td>
<td>1-2</td>
<td>1</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>AUT, 3-6</td>
<td>2.5</td>
<td>875</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACS, 7-15</td>
<td>5</td>
<td>1,750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK ELTIFs, 16-50</td>
<td>11</td>
<td>3,850</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds with effect from 21 July 2018</td>
<td>&gt;50</td>
<td>22</td>
<td>7,700</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,425</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 264 of the Act, schemes other than non-EEA AIFs recognised under section 272 of the Act

<table>
<thead>
<tr>
<th>Non-EEA AIFs recognised under section 272 of the Act</th>
<th>1,425</th>
<th>1</th>
<th>1,425</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>1</td>
<td>1,425</td>
<td></td>
</tr>
<tr>
<td>3-6</td>
<td>2.5</td>
<td>3,562.50</td>
<td></td>
</tr>
<tr>
<td>7-15</td>
<td>5</td>
<td>7,125</td>
<td></td>
</tr>
<tr>
<td>16-50</td>
<td>11</td>
<td>15,675</td>
<td></td>
</tr>
<tr>
<td>&gt;50</td>
<td>22</td>
<td>31,350</td>
<td></td>
</tr>
</tbody>
</table>

Fees are charged according to the number of funds or sub-funds operated by a firm as at 31 March preceding the relevant fee year. Where a new collective investment scheme becomes authorised during a fee year, fees are charged according to the number of funds or sub-funds operated by a firm as at the date of authorisation. Where more than one fund or sub-fund is operated, the number of funds (not including the umbrella or parent fund) produces a ‘fund factor’ in accordance with the table above, which is then applied to a basic fee to produce one total fee per operator. Fund factors are applied per operator rather than per scheme so that the fees relate to the number of funds rather than the number of schemes. This means that, for example, an authorised fund manager of three schemes pays the same as an operator or authorised fund manager of one scheme with three sub-funds (as only the sub-funds are counted).

Schemes set up under section 264 of the Act are charged according to the number of funds or sub-funds which a firm is operating and marketing into the UK as at 31 March immediately before the start of the period to which the fee applies. For example, for 2010/11 fees a reference to 31 March means 31 March 2010.

Part 2 - Periodic fees for AIFs marketed in the UK, following a notification to the FCA under regulation 57, 58 or 59 of the AIFMD UK regulation

<table>
<thead>
<tr>
<th>Kind of notification</th>
<th>Fee per AIF (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification under regulation 57 of the AIFMD UK regulation</td>
<td>330</td>
</tr>
</tbody>
</table>
### Kind of notification

<table>
<thead>
<tr>
<th>Kind of notification</th>
<th>Fee per AIF (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification under regulation 58 of the <em>AIFMD UK regulation</em></td>
<td>230</td>
</tr>
<tr>
<td>Notification under regulation 59 of the <em>AIFMD UK regulation</em></td>
<td>330</td>
</tr>
</tbody>
</table>

#### Part 3 - Periodic fees paid by *small registered UK AIFMs*

The annual fee for *small registered UK AIFMs* is £650
Periodic fees for designated professional bodies payable in relation to the period 1 April 2019 to 31 March 2020

Table of fees payable by Designated Professional Bodies

<table>
<thead>
<tr>
<th>Name of Designated Professional Body</th>
<th>Amount payable (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Law Society of England &amp; Wales</td>
<td>81,110</td>
</tr>
<tr>
<td>The Law Society of Scotland</td>
<td>15,030</td>
</tr>
<tr>
<td>The Law Society of Northern Ireland</td>
<td>15,140</td>
</tr>
<tr>
<td>The Institute of Actuaries</td>
<td>10,170</td>
</tr>
<tr>
<td>The Institute of Chartered Accountants in England and Wales</td>
<td>43,700</td>
</tr>
<tr>
<td>The Institute of Chartered Accountants of Scotland</td>
<td>11,770</td>
</tr>
<tr>
<td>The Institute of Chartered Accountants in Ireland</td>
<td>16,580</td>
</tr>
<tr>
<td>The Association of Chartered Certified Accountants</td>
<td>21,400</td>
</tr>
<tr>
<td>The Council for Licensed Conveyancers</td>
<td>12,400</td>
</tr>
<tr>
<td>Royal Institution of Chartered Surveyors</td>
<td>16,950</td>
</tr>
</tbody>
</table>

Note

The Financial Services Register includes details of exempt professional firms carrying out insurance distribution activity.
Periodic fees for recognised investment exchanges, and recognised auction platforms payable in relation to the period 1 April 2016 to 31 March 2017

[deleted]
Periodic fees in relation to the Listing Rules for the period 1 April 2015 to 31 March 2016 [deleted]
Periodic fees in relation to the Disclosure and Transparency Rules for the period 1 April 2015 to 31 March 2016 [deleted]
Periodic fees for MTF operators payable in relation to the period 1 April 2019 to 31 March 2020

<table>
<thead>
<tr>
<th>General supervisory category of MTF or OTF operator (see Note below)</th>
<th>Fee payable (£)</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MTF or OTF operator has a named individual fixed portfolio supervisor</strong></td>
<td>343,358</td>
<td>(i) 1 August 2019; or (ii) 30 days from the date of the invoice in the case of a firm which receives permission to be operating a multilateral trading facility or to be operating an organised trading facility or whose permission is extended to include either activity in the course of the relevant financial year.</td>
</tr>
<tr>
<td><strong>All other MTF or OTF operators (i.e. those supervised by a team of flexible portfolio supervisors)</strong></td>
<td>32,380</td>
<td></td>
</tr>
<tr>
<td><strong>[deleted]</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>an EEA firm</strong></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Note: subject to FEES 4.3.13 R, this table applies to all MTF or OTF operators with permission to operate an MTF or OTF as at 1 April of the applicable fee year; irrespective of whether, and if so when, their permission to operate an MTF or OTF was subsequently cancelled during that fee year.
This Annex sets out the periodic fees in respect of payment services carried on by fee-paying payment service providers under the Payment Services Regulations and electronic money issuance by fee-paying electronic money issuers under the Electronic Money Regulations and issuance of regulated covered bonds by issuers and CBTL business carried on by CBTL firms under the MCD Order and data reporting services providers (other than incoming data reporting services providers) under the DRS Regulations.

Part 1 - Method for calculating the fee for fee-paying payment service providers

(1) The periodic fee for fee-paying payment service providers is calculated by identifying the relevant activity group under Part 2 and then adding the minimum fee to an additional fee calculated by multiplying the tariff base identified in Part 3 of FEES 4 Annex 11 by the appropriate rates applying to each tranche of the tariff base as indicated in the table at Part 5. For small payment institutions and small electronic money institutions the tariff rates are not relevant and a flat fee is payable.

(2) A fee-paying payment service provider may apply the relevant tariff bases and rates to 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 Part 3 of FEES 4 Annex 11 is 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.

(3) For a fee-paying payment service provider which is required to comply with FEES 4.4.9 D (Information on which fees are calculated) and has not done so for this period:
   (a) the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10; and
   (b) an additional administrative fee of £250 is payable.

(c) [deleted]

Part 1A - Method for calculating the fee for fee-paying electronic money issuers

(1) The periodic fee for fee-paying electronic money issuers is calculated by identifying the relevant activity group under Part 2A and then multiplying the tariff base identified in Part 3 of 1 R by the appropriate rates applying to each tranche of the tariff base as indicated in the table at Part 5. For small electronic money institutions, the tariff rates are not relevant and a flat fee is payable.

(2) A fee-paying electronic money issuer may apply the relevant tariff bases and rates to 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 Part 3 of 1 R is 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.
### Part 1B - Method for calculating the periodic fee where the firm is both a fee-paying payment service provider and a fee-paying electronic money issuer

Add the fee calculated under Part 1 to the fee calculated under Part 1A.

### Part 1C - Method for calculating the fee for an issuer of a regulated covered bond

The issuance of *regulated covered bonds by issuers* is linked to activity group G.15 in this annex. The periodic fees for *issuers of regulated covered bonds* is calculated by multiplying the tariff base relevant to G.15 in Part 3 of 1 R by the appropriate rates applying to each tranche of the tariff base as indicated in the table at Part 5.

### Part 2 - Activity groups relevant to fee-paying payment service providers

This table shows how the payment services performed by fee-paying payment service providers are linked to activity groups (fee-blocks). A fee-paying payment service provider can use the table to identify which fee-blocks it falls into based on its authorisation or registration.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payer falls into this activity group if:</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2 Certain deposit acceptors</td>
<td>it is a fee-paying payment service provider not falling within any of the other fee-blocks in this table</td>
</tr>
<tr>
<td>G.3 Large payment institutions and registered account information service providers</td>
<td>it is a fee-paying payment service provider that is an authorised payment institution, an EEA authorised payment institution, a registered account information service provider, an EEA registered account information service provider, the Post Office Limited or a fee-paying electronic money issuer (except if it is a small electronic money institution)</td>
</tr>
<tr>
<td>G.4 Small payment institutions</td>
<td>it is a fee-paying payment service provider that is a small payment institution or a small electronic money institution</td>
</tr>
<tr>
<td>G.5 - Other institutions</td>
<td>it is the Bank of England or a government department or local authority that provides payment services other than when carrying out functions of a public nature</td>
</tr>
</tbody>
</table>

### Part 2A - Activity groups relevant to fee-paying electronic money issuers

This table shows how the electronic money issuance by fee-paying electronic money issuers is linked to activity groups (‘fee-blocks’). A fee-paying electronic money issuer can use the table to identify which fee-blocks it falls into based on its authorisation, registration or permission, as applicable.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payer falls into this activity group if:</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.10 Large electronic money institutions</td>
<td>it is a fee-paying electronic money issuer (except if it is a small electronic money institution)</td>
</tr>
</tbody>
</table>
### Part 2B – Activity groups relevant to CBTL firms

This table shows how CBTL business carried on by CBTL firms is linked to activity groups ('fee-blocks'). A CBTL firm can use the table to identify which fee-blocks it falls into based on its registration.

<table>
<thead>
<tr>
<th>Activity Group</th>
<th>Fee payer falls into this activity group if</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.20 CBTL lender</td>
<td>It is a CBTL lender and does not have permission to carry out any regulated activities</td>
</tr>
<tr>
<td>G.21 CBTL arranger and CBTL adviser</td>
<td>it is a CBTL arranger or a CBTL adviser and does not have permission to carry out any regulated activities</td>
</tr>
</tbody>
</table>

### Part 2C – Activity group relevant to data reporting services providers

<table>
<thead>
<tr>
<th>Activity Group</th>
<th>Fee payer falls into this group if:</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.25 DRSP</td>
<td>it is a data reporting services provider (other than an incoming data reporting services provider).</td>
</tr>
</tbody>
</table>

### Part 2D – Activity group relevant to third party verifiers

<table>
<thead>
<tr>
<th>Activity Group</th>
<th>Fee payer falls into this group if:</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.26 TPV</td>
<td>it is a third party verifier.</td>
</tr>
</tbody>
</table>

### Part 3

This table indicates the tariff base for each fee-block. The tariff base is the means by which the FCA measures the amount of business conducted by fee-paying payment service providers, fee-paying electronic money issuers, CBTL firms, data reporting services providers (other than incoming data reporting services providers), firms registered under the Money Laundering Regulations, issuers of regulated covered bonds and third party verifiers.

<table>
<thead>
<tr>
<th>Activity Group</th>
<th>Tariff base</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2</td>
<td><strong>MODIFIED ELIGIBLE LIABILITIES</strong></td>
</tr>
<tr>
<td></td>
<td>These are determined in the same manner as the tariff-base for relevant firms in the A.1 fee-block set out in FEES 4 Annex 1 Part 2 R.</td>
</tr>
<tr>
<td>G.3</td>
<td><strong>RELEVANT INCOME</strong></td>
</tr>
<tr>
<td></td>
<td>This is the sum of the following elements of the firm’s UK business:</td>
</tr>
<tr>
<td></td>
<td>Interest income</td>
</tr>
<tr>
<td></td>
<td>Interest expenses</td>
</tr>
<tr>
<td></td>
<td>Gross commissions and fees received</td>
</tr>
<tr>
<td></td>
<td>Gross other operating income</td>
</tr>
<tr>
<td></td>
<td>calculated in the same manner as the relevant indicator referred to in paragraph 10(3) of Schedule 3 to the Payment Services Regulations.</td>
</tr>
<tr>
<td></td>
<td>For the Post Office Limited only, Relevant Income relates only to its payment services business.</td>
</tr>
<tr>
<td>G.4</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>G.5</td>
<td>As in G.3 and Relevant Income only relates to payment services business.</td>
</tr>
</tbody>
</table>
### G.10 Average outstanding electronic money as defined under regulation 2(1) of the Electronic Money Regulations.

This is the average total amount of financial liabilities related to electronic money in issue at the end of each calendar day over the preceding twelve calendar months (which is the period ending on the date set out under Part 4), calculated on the first calendar day of each calendar month and applied for that calendar month (£million).

### G.11 Not applicable.

### G.15 Regulated covered bonds issued in the 12 months ending on the valuation date and valued as at the valuation date.

### G.20 Not applicable.

### G.21 Not applicable.

### G.25 Not applicable.

### G.26 TPV Not applicable.

## Part 4 - Valuation period

This table indicates the valuation date for each fee-block. A fee-paying payment service provider, fee-paying electronic money issuer, a regulated covered bond issuer and a third party verifier can calculate tariff data by applying the tariff bases set out in Part 3 with reference to the valuation dates shown in this table.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Valuation date</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2</td>
<td>For banks and building societies as in FEES 4 Annex 1 Part 3.</td>
</tr>
<tr>
<td>G.3</td>
<td>Relevant income for the financial year ended in the calendar year ending 31 December.</td>
</tr>
<tr>
<td>G.4</td>
<td>Not relevant.</td>
</tr>
<tr>
<td>G.5</td>
<td>Relevant income for the twelve months ending 31 December.</td>
</tr>
<tr>
<td>G.10</td>
<td>31 December.</td>
</tr>
<tr>
<td>G.11</td>
<td>Not relevant.</td>
</tr>
<tr>
<td>G.15</td>
<td>(1) The last day of the financial quarter during which the issuer became registered as an issuer in the FCA financial year (the 12 months ending 31 March).</td>
</tr>
<tr>
<td></td>
<td>(2) For subsequent FCA financial years, 31 December unless (3) applies.</td>
</tr>
<tr>
<td></td>
<td>(3) If the issuer became registered as an issuer between 1 January and 31 March inclusive, 31 March in respect of the FCA financial year immediately following the FCA financial year during which it became registered and 31 December in respect of all further FCA financial years.</td>
</tr>
</tbody>
</table>
### Part 5 - Tariff rates

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payable in relation to 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2</td>
<td>Minimum fee (£)</td>
</tr>
<tr>
<td>G.3</td>
<td>Minimum fee (£)</td>
</tr>
<tr>
<td>G.4</td>
<td>Flat fee (£)</td>
</tr>
<tr>
<td>G.5</td>
<td>As in G.3</td>
</tr>
<tr>
<td>G.10</td>
<td>Minimum fee (£)</td>
</tr>
<tr>
<td>G.11</td>
<td>Flat fee (£)</td>
</tr>
<tr>
<td>G.15</td>
<td>Minimum fee for the first registered programme (£)</td>
</tr>
</tbody>
</table>

#### G.26 TPV

A reference to a financial quarter in this box means any of the following periods: 1 April to 30 June inclusive, 1 July to 30 September inclusive, 1 October to 31 December inclusive or 1 January to 31 March inclusive.

Where an exchange rate hedging agreement was entered into in connection with the issuance of regulated covered bonds denominated in a currency other than sterling, the applicable exchange rate for those regulated covered bonds is the exchange rate stipulated in the exchange rate hedging agreement.

An exchange rate hedging agreement is any agreement entered into to hedge the market risk relating to fluctuations in exchange rates.

In all other cases, the applicable exchange rate is the daily spot rate available on the Bank of England’s Statistical Interactive Database (the Bank of England exchange rate) applying on the valuation date. If the valuation date is not a business day, then the applicable exchange rate is the Bank of England exchange rate applying on the first business day following the valuation date.
### FEES 4 : Periodic fees

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Flat fee (£)</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.20</td>
<td>Flat fee (£)</td>
<td>424</td>
</tr>
<tr>
<td>G.21</td>
<td>Flat fee (£)</td>
<td>212</td>
</tr>
<tr>
<td>G.25</td>
<td>Flat fee (£) for first data reporting service plus 50% flat fee for each additional data reporting service for which the data reporting services provider (other than an incoming data reporting services provider) has authorisation.</td>
<td>26,265</td>
</tr>
<tr>
<td>G.26 TPV</td>
<td></td>
<td>255</td>
</tr>
</tbody>
</table>

**Part 7 -** This table shows the modifications to fee tariffs that apply to *EEA authorised payment institutions*, *EEA authorised electronic money institutions*, and *full credit institutions* that are *EEA firms*.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Percentage deducted from the tariff payable under Part 5 applicable to the firm</th>
<th>Minimum amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>G.3</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>G.10</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>
Definition of annual income for the purposes of calculating fees in fee blocks A.13, A.14, A.18, A.19 and B. Service Companies, Recognised Investment Exchanges, Regulated Benchmark Administrators and Claims Management Companies

### Annual income definition

General definition for all relevant fee-blocks (other than where the firm is an operator of a Recognised Investment Exchange, a Benchmark Administrator or a Claims Management Company)

"Annual income" for a particular fee block (the “relevant fee block”) is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the firm's accounts during the reporting year in respect of, or in relation to, the provision in the UK of the regulated activities specified in FEES 4 Annex 1A R Part 1 as belonging to the relevant fee block.

The figure should be reported for the relevant fee block without netting off the operating costs or business expenses, but including:

(a) all brokerages, commissions, fees, and other related income (for example, administration charges, overrides, profit shares etc) due to the firm in respect of, or in relation to, the provision in the UK of the regulated activities specified in FEES 4 Annex 1A R Part 1 as belonging to the relevant fee block and which the firm has not rebated to clients or passed on to other authorised firms (for example, where there is a commission chain).

PLUS:

(b) any ongoing commission from previous business received by the firm during the reporting year.

PLUS:

(c) the “fair value” of any goods or services the firm provided to clients. This is the commission equivalent or an estimate of the amount the firm would otherwise have received for any regulated activity under (a) above, but for which it has made a business decision to waive or discount its charges.

### Definition for Recognised Investment Exchanges

“Annual income” for a recognised investment exchange is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the firm's accounts during the reporting year in respect of, or in relation to activities that comprise a necessary part of an exchange's business as an investment exchange. This should include all revenues the firm derives from operating multilateral trading facilities and organised trading facilities.

For the purposes of calculating annual income of the recognised investment exchange include amounts received in relation to the operation of its markets; access to those markets; the submission, management and execution of orders; quotes or transactions on those markets; the supply of pre-and post-trade transparency information about those markets; fees for admission to trading or listing; membership of connectivity charges; fees for order execution or management; trade reporting; market data and any other relevant revenue streams.

### Where the firm is a Regulated Benchmark Administrator

“Annual income” for a regulated benchmark administrator is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the firm's accounts during the reporting year in respect of, or in relation to activities in the UK that comprise a necessary part of its business as a regulated benchmark administrator.

Where the sales and marketing of a benchmark are undertaken by a separate legal entity, the regulated benchmark administrator is responsible for identifying the relevant income and reporting it to
Annual income definition

us as its own income. To avoid double counting, the regulated benchmark administrator should report only the income from sales and exclude any amount paid to it from that income to pay for its expenses as a regulated benchmark administrator.

Where the firm’s regulated activities are carried on by an appointed representative of the firm

The firm’s annual income must include income received by an appointed representative carrying a regulated activity in a relevant fee block on behalf of the firm.

The appointed representative’s annual income must be calculated in the same way as the firm’s. However, to avoid double counting, the appointed representative’s annual income must not include any income also recognised in the firm’s accounts, including income recognised as a result of a commission sharing arrangement with the appointed representative.

Where the relevant fee-block is fee-block A.18

For the purposes of calculating annual income for fee-block A.18, also include the following:

(d) for any home finance mediation activity carried out by the firm for which it receives payment from the lender or provider on a basis other than that in (a), the value of all new mortgage advances and amounts provided under other home finance transactions resulting from that activity multiplied by 0.004;

PLUS:

(e) if the firm is a home finance provider, the value of all new mortgage advances and amounts provided under other home finance transactions which are regulated mortgage contracts, home purchase plans, home reversion plans or regulated sale and rent back mediation activity, multiplied by 0.004m, excluding mortgage advances and home finance transactions which result from home finance mediation activity carried on by another firm, where payment has been made by the home finance provider to that other firm under (a);

PLUS:

(f) for firms whose permission includes administering regulated mortgage contracts, but not entering into a regulated mortgage contract and firms whose permission includes administering a home finance transaction but not entering into a home finance transaction, and in either case whose permission does not include advising on a home finance transaction, the relevant amounts are multiplied by 0.15.

Where the relevant fee-block is fee-block A.19

For the purposes of calculating annual income for fee-block A.19, also include the following:

(g) in relation to any activities in (a), for any insurance distribution activity carried out by the firm for which it receives payment from the insurer on a basis other than that in (a), the amount of premiums receivable on its contracts of insurance multiplied by 0.07;

PLUS:

(h) if the firm is an insurer in relation to the activities in (a), the amount of premiums receivable on its contracts of insurance multiplied by 0.07, excluding those contracts of insurance which:

- result from insurance distribution activity by another firm, where payment has been made by the insurer to the firm under (a); or

- are not general insurance contracts or pure protection contracts.

AND

(i) for the purposes of calculating annual income for fee-block A.19:

- the provision in the UK of the regulated activities specified in FEES 4 Annex 1A Part 1 as belonging to the relevant fee block includes the provision of activities that would have been insurance distribution activity in relation to general insurance contracts or pure protection contracts if they had been carried on after 13 January 2005 or, in relation to connected travel insurance contracts, from 1 January 2009; - a reference to a “firm” includes a reference to any person, including a connected travel
Annual income definition

*insurance intermediary*, who carried on activities which would be *insurance distribution activity* (in respect of *general insurance contracts* or *pure protection contracts*) if they had been carried on after 13 January 2005 or, in relation to *connected travel insurance contracts*, from 1 January 2009. Guidance on the interpretation of this definition is presented in FEES 4 Annex 13 G.

**Where the firm is a Claims Management Company (fee-block claims management company)**

Income is defined as turnover.

“Turnover” means the sum of the amounts paid to, or received by, an authorised *claims management company* in respect of *regulated claims management activities* in Great Britain, including:

(j) charges, commission, the share of any compensation, fees and subscriptions;

(k) the monetary value of any services received by the *claims management company* where it makes no payment for those services or where the payment received is worth less than the monetary value of the services; and

(l) the monetary value of any advertising in respect of the *claims management company* that it has not paid for out of funds referred to in sub-paragraphs (j) and (k).
Definition of annual income for the purposes of calculating fees in fee blocks CC1 and CC2

(1) Annual income definition for credit related regulated activities

“Annual income” is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the firm’s accounts during the reporting year in respect of, or in relation to, the provision in the UK of the regulated activities specified in FEES 4 Annex 1AR Part 1 as belonging to fee-blocks CC1 or CC2 as applicable.

The figure should be reported without netting off the operating costs or business expenses, but including:

(a) all interest received on loans, brokerages, commissions, fees, and other related income (for example, administration charges, overrides, profit shares etc) due to the firm in respect of, or in relation to, the provision in the UK of the credit-related regulated activities specified in FEES 4 Annex 1AR Part 1 as belonging to fee-blocks CC1 and CC2 and which the firm has not rebated to clients or passed on to other authorised firms (for example, where there is a commission chain).

(aa) In the case of consumer hire agreements, interest should be calculated as the total revenue over the period of the lease minus depreciation of the asset over the same period. Where depreciation is not recorded in the accounts and a firm uses its own internal conventions for calculating depreciation, it must be ready on request to demonstrate that its methodology uses straight-line depreciation or an alternative depreciation method in line with the UK Financial Reporting Standard (FRS 102) or International Accounting Standards (IAS). In the absence of internal conventions for calculating depreciation, the assumption should be made that the asset depreciates to zero over the period (or minimum period) of the lease, or (if no period is specified) over a reasonable period.

Plus:

(b) any ongoing commission from previous business received by the firm during the reporting year.

(ba) any vouchers, reward cards or other benefits staff have received from other firms as recompense for making introductions as a credit broker.

Plus:

(c) the “fair value” of any goods or services the firm provided to clients. This is an estimate of the amount the firm would otherwise have received for any regulated activity under (a) above, but for which it has made a business decision to waive or discount its charges.

Plus:

(d) [deleted]

Or

(e) The figure must be reported using the proxy measure of annual income if the firm receives no annual income of the type in 1(a) to (c) and meets the criteria in (2).

(2) Proxy measure of annual income

(a) A firm that receives no annual income of the type in 1(a) to (c) must report its annual income using the proxy measure in (b) if:
(i) its main business is to sell goods or supply services, and is not to carry on a credit activity in 2(a)(ii) or 2(a)(iii);

and

(ii) it carries on:

(aa) credit broking in relation to credit agreements, except for credit broking in relation to buy-to-let mortgages; or

(bb) entering into a regulated credit agreement as lender;

or

(iii) it carries on:

(aa) credit broking in relation to consumer hire agreements; or

(bb) entering into a regulated consumer hire agreement as owner.

(b) The proxy measure for annual income is calculated:

(i) for activities in 2(a)(ii), by multiplying the gross loan amount under all agreements falling within the activity by the percentage value at (b)(iii);

(ii) for activities in 2(a)(iii), by multiplying the gross value of all goods under all agreements falling within the activity by the percentage value at (b)(iii);

(iii) the percentage value is 5% plus the Bank of England base rate on the final day of the firm’s accounting reference date.

(iv) any proxy income should be calculated on the basis of the Bank of England base rate in force at the time of submission.

(3) Where the firm’s regulated activities are being carried on by an appointed representative of the firm

The firm’s annual income must include income received by an appointed representative carrying a regulated activity in a relevant fee block on behalf of the firm.

The appointed representative’s annual income must be calculated in the same way as the firm’s. However, to avoid double counting, the appointed representative’s annual income must not include any income also recognised in the firm’s accounts, including income recognised as a result of a commission sharing arrangement with the appointed representative.

Guidance on the interpretation of this definition is presented in Table 2 of FEES 4 Annex 13 G.
Guidance on the calculation of tariffs set out in FEES 4 Annex 1AR Part 3

The following table sets out guidance on how a firm should calculate tariffs for fee-block A.4.

<table>
<thead>
<tr>
<th>Gross written premium for fees purposes (GWP) and Best estimate liabilities for fees purposes (BEL) - calculation of new regular premium business</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) If any business is transferred to a firm (A) from another firm (B) under the procedure set out at Part VII of the Act and that business would have been included in B’s tariff base in the absence of such a transfer, this business should be included in either A’s or B’s tariff base, depending on the date of transfer. FEES 4.3.17R explains in whose tariff base it should be included.</td>
</tr>
<tr>
<td>(2) Best estimate liabilities for fees purposes should take account of all of A’s business, including all new business transferred from B.</td>
</tr>
</tbody>
</table>
Guidance on the calculation of tariffs set out in FEES 4 Annex 1AR Part 3

Table 1
The following table sets out guidance on how a firm should calculate tariffs for fee blocks A.13, A.14, A.18, A.19 and B. Service Companies, Recognised Investment Exchanges, Regulated Benchmark Administrators and Claims Management Companies.

Calculating and apportioning annual income - FEES 4 Annex 11AR

Calculating annual income
Defining relevant income streams

(1) The firm should refer to the fee-block definitions in FEES 4 Annex 1AR, Part 1 to decide which particular income streams should be taken into account when calculating its annual income for the purposes of fee-blocks A.13, A.14, A.18, A.19 and B. Service Companies, Recognised Investment Exchanges and Benchmark Administrators.

(2) For the avoidance of doubt, the only income streams reportable for a relevant fee-block are those income streams which relate to a regulated activity listed in that fee-block. Income streams that do not relate to a regulated activity listed in the relevant fee-block should not be reported. Service companies, operators of recognised investment exchanges and regulated benchmark administrators should report the income relating to each of these activities, excluding income from any other activities in the B fee-block on which they pay FCA fees. Operators of recognised investment exchanges should include all income derived from operating multi-lateral trading facilities and organised trading facilities.

Under FEES 4 Annex 11AR, where the sales and marketing of a benchmark are undertaken by a separate legal entity within the same group, the income generated as a result is also deemed to relate to the regulated activity carried on by the benchmark administrator and so should be reported to the FCA by the benchmark administrator as its own income (for fees setting purposes).

Firms should exclude from the calculation of their annual income for any particular fee-block all income directly derived from the performance of regulated activities belonging to other fee-blocks. For example:

(a)interest from loans made in the course of providing or administering home finance (A.2) should be excluded from commission earned from arranging home finance agreements (A18);

(b) premium interest from carrying out or effecting life insurance contracts (A.3), income from managing the underwriting capacity of a Lloyd’s syndicate as a managing agent at Lloyds (A.5) should be excluded from commissions for arranging general insurance (A.19);

(c) income from managing investments, collective investment schemes or pensions schemes (A.7 or A.9) or income from operating multi-lateral trading facilities (FEES 4 Annex 10R) should be ex-
### (3) Firms should only include revenue streams that relate to regulated activities which are carried on ‘in the United Kingdom’. In many cases, it will be quite straightforward to identify where an activity is carried on. But when there is a cross-border element, for example because a client is outside the United Kingdom or because some other element of the activity happens outside the United Kingdom, the question may arise as to where the activity is carried on. PERG 2.4 generally and PERG 4.11 regarding activities relating to regulated mortgage contracts, PERG 5.12 regarding activities relating to insurance distribution activities and PERG 14.6 regarding home reversion plans and home purchase plans describe the legislation that is relevant to this question and gives the FCA’s views on various scenarios.

### Reporting period

(4) Except for claims management companies, the “reporting year” is the firm’s financial year end during the calendar year prior to the FCA fee year. This fee year starts on 1 April. This is specified in part 5 of FEES 4 Annex 1A.

(5) The income that should be included is the income that was recognised in the accounts of the relevant reporting year. This means that some income due may not be reported until the following year because it has not yet been recognised in the accounts, while other income may be carried forward from previous years.

### Fair value

(6) Except in relation to fee-block A.18 and A.19 where one or more of paragraphs (d) to (f) or (g) to (i) of FEES 4 Annex 11A apply, the firm should report a “fair value” price for any services for which it has made a business decision not to charge to clients.

We consider fair value to refer to the amount at which goods or services could be exchanged in an arm’s length transaction between informed and willing parties, other than in a forced or liquidation sale.

For example, where a firm has forgone or discounted the commission or fee would actually have charged but for the business decision to grant a discount in a particular case or on a temporary basis, it should report the amount it would have otherwise have charged for providing equivalent activities.

In the case of home finance mediation in fee-block A.18 and general insurance intermediation in fee-block A.19 where one or more of paragraphs (e) to (f) or (g) to (i) of FEES 4 Annex 11A apply, instead of asking for firms to estimate fair value, certain ratios are prescribed in FEES 4 Annex 11BR where the client is not charged directly for the service provided.

### Inclusions

(7) Annual income should include:

(a) all amounts due to the firm arising out of the regulated activities referred to in the relevant fee block for which the firm holds permission, including regular charges and instalments due to the firm during the reporting year;
(b) any payment from a parent to facilitate the discounting or forgoing of any amounts that would otherwise be charged in full to a client, to the extent that the payment exceeds the “fair value” price reported in accordance with paragraph (6) above;

(c) (i) amounts earned by a firm’s appointed representative when carrying on a regulated activity for the firm to which FEES 4 Annex 11A applies; and

(ii) amounts earned by a person who will become the firm’s appointed representative immediately after authorisation;

(d) administrative charges and any interest from income related to the regulated activities specified in the relevant fee block.

(8) Additional inclusions in respect of fee-block A.18:

(a) a firm must include in paragraph (a) any survey and booking fees due to it in respect of home finance mediation activity.

Prohibited deductions

(9) Deductions should not be made for:

(a) bad debts;

(b) customer benefits such as cash rewards, complimentary travel insurance, air miles vouchers etc.;

(c) items such as general business expenses (e.g. employees’ salaries and overheads);

(d) fines or penalties levied against the firm;

(e) commission a firm pays another party to arrange a transaction with a client unless it receives a fee in respect of the same transaction;

(f) the difference (if positive) between the fee payable by a firm to another party for arranging a transaction and the amount payable to the firm by the end client in respect of that transaction (here, the firm must net any excess payable by the end client to zero);

(g) payments made to clients by way of redress.
Exclusions
(10) The following should be excluded from the calculation of annual income:

(a) To avoid double-counting, amounts which have been passed on to other firms may be excluded from the calculation of annual income, for example, where there is a commission chain. Transfers of income to other firms may be especially common within groups where, to present a single interface to clients, all amounts due to the group may be collected by one firm for subsequent redistribution to other firms within the group. It is for groups themselves to decide the most convenient way to report such annual income - i.e. whether the firm which receives the full amount should declare that full amount, or whether each firm in the group should report its separate distribution.

(b) Any payment from a parent to facilitate the discounting or forgoing of any amount that would otherwise be charged in full to a client should be excluded to the extent that the payment does not exceed or equal the “fair value” price reported in accordance with paragraph (6) above.

(c) Rebates to customers and fees or commissions passed onto other firms should be excluded.

(d) Authorised professional firms should exclude the income from non-mainstream regulated activities. They may estimate the proportion of their business that is derived from those activities and split the income from individual invoices accordingly.

(e) For the avoidance of doubt, income relating to or in respect of an activity is not part of annual income for the purposes of the definition in FEES 4 Annex 11A to the extent that the activity benefits from the exclusion in Article 69 of the Financial Services and Markets Act 2000 (Regulated Activities Order) 2001 (Groups and joint enterprises). Firms should refer to the guidance on the application
Apportioning annual income

Where a firm cannot separate its income on the basis of activities, it may apportion the income on the basis of the proportionate split of business that the firm otherwise undertakes. For instance:

(1) If a firm receives annual income from a platform-based business it may report this in line with a wider breakdown of its activities.

(2) A firm providing corporate finance advice which does not maintain records of the split between regulated activities and non-regulated activities for individual cases may calculate that regulated business accounts for a certain proportion of its business overall and apply that as a multiplier across its income.

(3) A firm may allocate ongoing commission from previous business on the basis of the type of firm it receives the commission from. This avoids tracking back legacy business which may no longer match the provider’s current business model.

(4) An authorised professional firm may estimate the proportion of its business that is derived from regulated activity and split its income for individual invoices accordingly.

(5) If a firm has invested income from regulated activities, then any interest received should be reported as income, in proportion to the volume of regulated business it undertakes to avoid tracking back old payments.

(6) Firms’ systems ought to be able to distinguish UK from non-UK business to establish which conduct of business regime it was conducted under. If, however, they do not relate the figures back to income streams for the specific regulated activities in a particular fee-block then the firm may make a proportionate split as described above, calculating its regulated UK income on the basis of the overall split between UK and overseas income.

(7) It is for individual firms to determine how they should calculate the appropriate split of income. The FCA is not prescriptive about the methodology. It requires only that:

(a) the approach should be proportionate - the FCA is looking for firms to make their best efforts to estimate the split;

(b) the firm must be able on request to provide a sound and clearly expressed rationale for its approach - for example, if all invoices were analysed over a particular period, the firm should be able to justify the period as representative of its business across the year;

(c) the methodology should be objective - for example, based on random sampling of invoices or random stratified sampling;

(d) the firm must on request be able to provide an audit trail which demonstrates that the choice of methodology was properly considered at an appropriate level or in the appropriate forums within the firm,
and the decision periodically reviewed at the same level or in an equivalent forum.

Table 2
The following table sets out guidance on how a firm should calculate tariffs for fee blocks CC.1 and CC.2.

Calculating and apportioning annual income - FEES 4 Annex 11BR
Calculating annual income

Defining relevant income streams

1. Firms should report the total income from the credit-related regulated activities for which they have permission.

2. Firms should only include revenue streams that relate to regulated activities which are carried on ‘in the United Kingdom’. In many cases, it will be quite straightforward to identify where an activity is carried on. But when there is a cross-border element, for example because a client is outside the United Kingdom or because some other element of the activity happens outside the United Kingdom, the question may arise as to where the activity is carried on. PERG 2.4 describes the legislation that is relevant to this question.

Reporting period

3. The “reporting year” is the firm’s financial year end during the calendar year prior to the FCA fee year. This fee year starts on 1 April. This is specified in part 5 of FEES 4 Annex 1A.

4. The income that should be included is the income that was recognised in the accounts of the relevant reporting year. This means that some income due may not be reported until the following year because it has not yet been recognised in the accounts, while other income may be carried forward from previous years.

Fair value

5. The firm should report a “fair value” price for any services for which it has made a business decision not to charge to clients. We consider fair value to refer to the amount at which goods or services could be exchanged in an arm’s length transaction between informed and willing parties, other than in a forced or liquidation sale.

Some examples where fair value may be relevant in the context of consumer credit are:

(a) “Imputed interest”: where a loan has been provided interest-free or at a discounted rate, the charge should be rounded up to the prevailing rate normally chargeable to a client with a similar credit rating;

(b) “Commission-equivalent” or “fee-equivalent”: where a firm has foregone or discounted the commission or fee it would actually have charged but for the business decision to grant a discount in a particular case or on a temporary basis, it should report the amount it would otherwise have charged for providing equivalent credit-related regulated activity.

6. Firms should not estimate a fair value where:

(a) there is a statutory prohibition on charging interest (such as bankruptcy debts); or

(b) they have reduced or suspended their normal charging structure because the debtor is unable to meet contractual repayments
and an alternative repayment arrangement has been agreed with the creditor; or
(c) they have made a “borrower-lender-supplier” agreement to allow a customer to pay the cash price of goods or services in instalments - any penalties or interest charged where the customer is in default should be declared as income.

FEES 4 Annex 11BR(2) sets out the proxy measure of annual income for a firm defined in FEES 4 Annex 11BR(1)(e). An example of what a firm would report as a proxy measure of annual income is provided below:

If a firm enters into a regulated credit agreement as lender:

(a) providing a gross loan amount of £1,000;

(b) to enable a customer to purchase goods from it priced at £1,000; and

(c) the Bank of England base rate on the final day of the firm’s accounting reference date is 0.5%;

the firm should report: (5% + 0.5%) x (£1000) = £55

(Historic Bank of England base rates (currently known as the Official Bank Rate) are available here: http://www.bankofengland.co.uk/statistics/Documents/rates/baserate.pdf)

Inclusions

Annual income should include:

(a) all amounts due to the firm arising out of credit-related regulated activities for which the firm holds permission, including regular charges and instalments due to the firm during the reporting year;

(b) income received in relation to the provision of current account overdrafts interest charges, arrangement fees and credit cards charges;

(c) any payment from a parent to facilitate the discounting or forgoing of any amounts that would otherwise be charged in full to a client, to the extent that the payment exceeds the “fair value” price reported in accordance with paragraph (5) above;

(d) (i) amounts earned by the firm’s appointed representatives when carrying on a regulated activity for the firm to which FEES 4 Annex 11B R applies; and
(ii) amounts earned by a person who will become the firm’s appointed representative immediately after authorisation; and administrative charges and any interest from income related to its credit-related regulated activity.

### Prohibited deductions

(8) Deductions should not be made for:

| (a)          | bad debts;                             |
| (b)          | customer benefits such as cash rewards, complimentary travel insurance, air miles vouchers etc; |
| (c)          | items such as general business expenses (eg, employees’ salaries and overheads); |
| (d)          | fines or penalties levied against the firm; |
| (e)          | commission a firm pays to another party to arrange a transaction with a client unless it receives a fee in respect of the same transaction; |
| (f)          | the difference (if positive) between the fee payable by a firm to another party for arranging a transaction and the amount payable to the firm by the end client in respect of that transaction (here, the firm must net any excess payable by the end client to zero); |
| (g)          | payments to clients made by way of redress; and |
| (h)          | commission or fees clawed back by a third party firm in subsequent years, for example because a client introduced by a credit broker to a lender repays a loan early or defaults. |

### Exclusions

(9) The following should be excluded from the calculation of annual income:

| (a)          | Any income arising from business which is not a credit-related regulated activity. |
| (b)          | (i) Repayments of principal lent by the firm in the course of it carrying on a credit-related regulated activity and (ii) sums received by the firm in exchange for the rights to principal owed to the firm where the principal was lent by the |
Annex 13

(c) On the same principle, the income on debt purchase is the difference between the price paid for the purchased book and the amount collected.

(d) To avoid double-counting, amounts which have been passed on to other firms carrying on credit-related regulated activity may be excluded from the calculation of annual income, for example where there is a commission chain. Transfers of income to other firms may be particularly common within groups where, to present a single interface to clients, all amounts due to the group may be collected by one firm for subsequent redistribution to other firms within the group. It is for groups themselves to decide the most convenient way to report such annual income, ie whether the firm which receives the full amount should declare that full amount or whether each firm in the group should report its separate distribution.

(e) Any payment from a parent to facilitate the discounting or forgoing of any amount that would otherwise be charged in full to a client should be excluded to the extent that the payment does not exceed or equal the “fair value” price reported in accordance with paragraph (6) above.

(f) Rebates to customers and fees or commissions passed onto other firms should be excluded.

(g) The costs of wholesale funding should be excluded from the calculation - ie interest payments
on money borrowed in order to lend on to customers.

(h) If the total income a firm reports to us in one year includes an estimate for potential income which had been recognised in the accounts but not in practice received, and which has subsequently been written off as a bad debt, the amount may be deducted from the following year’s reported income.

(i) Any debit backs deducted from an intermediary by a lender where a customer settles the loan early or defaults.

(j) Authorised professional firms should exclude the income from non-mainstream regulated activities. They may estimate the proportion of their business that is derived from those activities and split the income from individual invoices accordingly.

(k) For the avoidance of doubt, income relating to operating current accounts and debit card transactions should be excluded except where the income relates to the provision of overdrafts (see paragraph (6)(c) above).

(l) For the avoidance of doubt, income relating to or in respect of an activity is not part of annual income to the extent that the activity benefits from the exclusion in article 69 of the Financial Services and Markets Act 2000 (Regulated Activities Order) 2001 (Groups and joint enterprises). Firms should refer to the guidance on the application of this exclusion is contained in PERG 2.9.

(m) Where a consumer hire agreement is open ended, its term should be taken as the period over which depreciation is calculated to zero. If the agreement is in practice terminated before depreciation reaches zero, the residual value may not be subtracted from the revenue. Where an agreement ends before depreciation reaches zero, but is subsequently renewed, the residual value of the asset should determine its cost at the beginning of the new agree
ment and depreciation recalculated accordingly. For example, if the cost of the asset at the start of the original agreement was £500 and depreciation was 80%, then its residual value carried forward to the new agreement would be £100. If the asset was assumed to depreciate to zero during the original agreement, then there is no residual value to carry forward and the income for the second agreement would be the total revenue from the lease.

Apportioning annual income

Where a firm cannot separate its income on the basis of credit-related regulated activities, it may apportion the income on the basis of the proportionate split of business that the firm otherwise undertakes. Examples are outlined below.

1. If a firm receives annual income from a platform-based business it may report this in line with a wider breakdown of its activities.

2. A firm may allocate ongoing commission from previous business on the basis of the type of firm it receives the commission from. This avoids tracking back legacy business which may no longer match the provider’s current business model.

3. If a firm has invested income from credit-related regulated activities, then any interest received should be reported as income, in proportion to the volume of business relating to credit-related regulated activities it undertakes to avoid tracking back old payments.

4. Firms’ systems ought to be able to distinguish UK from non-UK business to establish which conduct of business regime it was conducted under. However, if, a firm has a mix of business and its systems do not relate the figures back to the income streams from credit-related regulated activities, then it may make a proportionate split as described above, calculating its regulated UK income on the basis of the overall split between UK and non-UK income.

5. An authorised professional firm may estimate the proportion of its business that is derived from regulated activity and split its income for individual invoices accordingly.

6. It is for individual firms to determine how they should calculate the appropriate split of income. The FCA is not prescriptive about the methodology. It requires only that:

   (a) the approach should be proportionate - the FCA is looking for firms to make their best efforts to estimate the split;

   (b) the firm must be able on request to provide a sound and clearly expressed rationale for its approach - for example, if all invoices were analysed over a particular period, the firm should be able to justify the period as representative of its business across the year;
| (c) | the methodology should be objective - for example, based on random sampling of invoices or random stratified sampling; and |
| (d) | the firm must on request be able to provide an audit trail which demonstrates that the choice of methodology was properly considered at an appropriate level or in the appropriate forums within the firm, and the decision periodically reviewed at the same level or in an equivalent forum. |
```markdown
# UKLA periodic fees for the period from 1 April 2019 to 31 March 2020

## Part 1 Base fee

<table>
<thead>
<tr>
<th>Activity group or invoice code (Note 1)</th>
<th>Description</th>
<th>Base fee payable (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.1 Discontinued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E.2 Premium listed issuer</td>
<td>A listed issuer of equity shares and certificates representing shares with a premium listing (see Note 2)</td>
<td>5,465</td>
</tr>
<tr>
<td>E.3 Standard listed issuer</td>
<td>A listed issuer of shares and certificates representing certain securities with a standard listing and not with a premium listing (see Note 2)</td>
<td>20,700</td>
</tr>
<tr>
<td>E.4 Discontinued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E.5 Discontinued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E.6 Non-listed issuer (in DTR)</td>
<td>A non-listed issuer (in DTR)</td>
<td>0</td>
</tr>
<tr>
<td>E.7 Primary information provider</td>
<td>A primary information provider</td>
<td>17,275</td>
</tr>
<tr>
<td>ES.01 Sponsor</td>
<td>A sponsor (see Note 3)</td>
<td>28,775</td>
</tr>
</tbody>
</table>

### Notes

**Note 1**
The ‘E’ activity groups are codes that appear on FCA invoices for periodic fees.

**Note 2**
A listed issuer of shares and certificates representing certain securities need not pay periodic fees if the following conditions apply:

1. the listed issuer, or a related entity, has already paid a periodic fee in respect of the period concerned; or
2. the listed issuer is subject to listing rules as a result of a reverse takeover; or
3. the listed issuer is a newly formed entity, created as a result of a restructuring.

**Note 3**
In the case of approval of a sponsor following a change of legal status in accordance with FEES 3 Annex 1R Part 7, the balance of the fees otherwise due from the original sponsor is due from the sponsor that is a result of the change of legal status.

## Part 2 Variable fee additional to base fee

<table>
<thead>
<tr>
<th>Activity Group</th>
<th>Description</th>
<th>Fee payable in £per £million or £part million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Market capitalisation as at the last business day of the November prior to the fee-year in which the fee is payable in £million</td>
<td></td>
</tr>
</tbody>
</table>
```
### E.2 Premium listed issuer (as described in Part 1)

<table>
<thead>
<tr>
<th>Range</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 100</td>
<td>0</td>
</tr>
<tr>
<td>&gt; 100 - 250</td>
<td>28.803154</td>
</tr>
<tr>
<td>&gt; 250 – 1,000</td>
<td>11.113106</td>
</tr>
<tr>
<td>&gt; 1,000 – 5,000</td>
<td>6.840573</td>
</tr>
<tr>
<td>&gt; 5,000 – 25,000</td>
<td>0.166862</td>
</tr>
<tr>
<td>&gt; 25,000</td>
<td>0.053909</td>
</tr>
</tbody>
</table>
Fees relating to the recognition of benchmark administrators and the endorsement of benchmarks for the period 1 April 2019 to 31 March 2020

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A third country legal representative</td>
<td>£12,750</td>
</tr>
<tr>
<td>A benchmark endorser</td>
<td>£7,650</td>
</tr>
</tbody>
</table>