

Chapter 4

Periodic fees

4.2 Obligation to pay periodic fees

General

- 4.2.1** **R** 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** **G** 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** **G** 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** **G** 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** **R**
- (1) A periodic fee must be paid using either direct debit, credit transfer (BACS/CHAPS), cheque, Maestro, Visa Debit or by credit card (Visa/Mastercard only).
 - (2) [deleted]

4.2.4A **R** The *FCA* does not specify a method of payment for a *recognised body* or a *designated professional body*.

4.2.5 **G** 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

4.2.6 **R** [deleted]

4.2.7 **R** [deleted]

4.2.7A **G** [deleted]

4.2.7B **R** [deleted]

4.2.7C **G** [deleted]

4.2.7D **R** [deleted]

4.2.7E **R**

- (1) (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

4.2.7F **R**

- (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
- (2) apply the formula (A+B+C) x 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* ÷ 12.

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

4.2.7G **R** 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

4.2.7H **R** 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.

4.2.7I **R** 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 = 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 = the number of *months* in the period referred to in A.

4.2.7J

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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.

4.2.7K

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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

Fee-block	Tariff base	Calculation where trading data are not available
A1. Deposit acceptors	Average MELS for October - December	Use data available at 31 December or, if trading has not commenced by 31 December, use nil.
A2. Home finance providers and administrators	Number of relevant contracts entered into or being administered in the twelve months up to 31 December	Apply the formula $(A \div B) \times 12$ to arrive at an annualised figure.
A3. Insurers - general	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	GWP – apply the formula $(A \div B) \times 12$ to arrive at an annualised figure. BEL – use data at valuation date or, if trading has not commenced by then, use nil.
A4. Insurers - life	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	
A5. Managing agents at Lloyd's	Active capacity in respect of the underwriting year at the beginning of the period to which the fee relates	Not applicable.
A6. The Society of Lloyd's	Bespoke fee	Not applicable.
A7. Portfolio managers	Funds under management valued at 31 December	Use data as at 31 December or, if trading has not commenced by 31 December, use nil.
A9. Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	Annual gross income for the financial year ended in the calendar year ending 31 December	Apply the formula $(A \div B) \times 12$ to arrive at an annualised figure.
A10. Firms dealing as principal	Number of traders as at 31 December	Use data as at 31 December or, if trading has not commenced by 31 December, use nil.
A13. Advisors, arrangers, dealers or brokers	Annual income for the financial year ended in the calendar year ending 31 December	Apply the formula $(A \div B) \times 12$ to arrive at the annualised figure
A14. Corporate finance advisers		
A18. Home finance providers, advisers and arrangers		
A19. General insurance distribution		
A21. Firms holding client money or assets, or both	The highest amount of client money and the highest amount of <i>custody assets</i> held over the 12 months ending 31 December	The highest amount of client money and/or <i>custody assets</i> over the period between the date of <i>authorisation</i> and 31 December or, if trading has not started, use nil.
B. Market operators, MTF operators and OTF operators	Flat fee	Not applicable.
B. Service companies	Annual income for the financial year ended in the calendar year ending 31 December	Apply the formula $(A \div B) \times 12$ to arrive at the annualised figure.
B. Regulated benchmark administrators	Annual income for the financial year ended in the calendar year ending 31 December	Apply the formula $(A \div B) \times 12$ to arrive at the annualised figure.

B. Recognised investment exchanges	Annual income for the financial year ended in the calendar year ending 31 December	Apply the formula $(A \div B) \times 12$ to arrive at the annualised figure.
B. Recognised auction platforms	Flat fee	Not applicable.
B. Recognised overseas investment exchanges	Flat fee	Not applicable.
CC1. Credit-related regulated activities with limited permission	Annual income for the financial year ended in the calendar year ending 31 December	Apply the formula $(A \div B) \times 12$ to arrive at an annualised figure.
CC2. Credit related regulated activities		
G.2 Payment services institutions – deposit acceptors	See A1 deposit acceptors	
G.3. Large payment services institutions	Relevant income	Apply the formula $(A \div B) \times 12$ to arrive at an annualised figure.
G.4 Small payment institutions	Flat fee	Not applicable.
G.5 Other payment institutions	Relevant income	Apply the formula $(A \div B) \times 12$ to arrive at an annualised figure.
G.10 Large electronic money institutions	Average outstanding e-money over 12 months ending 31 December	Average over the period from authorisation to 31 December.
G.11 Small electronic money institutions	Flat fee	Not applicable.
G.15 Issuer of regulated covered bonds	Value as at 31 December	Not applicable.
G.20 Consumer buy-to-let (CBTL) lender	Flat fee	Not applicable.
G.21 CBTL adviser and arranger		

4.2.8

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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 *passport 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.....

4.2.9

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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

4.2.10

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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.

4.2.11

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Table of periodic fees payable to the *FCA*

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
Any <i>firm</i> (except an <i>AIFM qualifier</i> , <i>ICVC</i> or a <i>UC-ITS qualifier</i>)	<p>(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.</p> <p>(2) Where a <i>firm</i> is paying a <i>ring-fencing implementation fee</i>, as specified in FEES 4 Annex 2BR.</p>	<p>(1) Unless (2) or (3) apply, on or before the relevant dates specified in FEES 4.3.6 R.</p> <p>(2) Unless (3) applies, if an event specified in column 4 occurs during the course of a <i>fee year</i>, 30 <i>days</i> after the occurrence of that event, or if later the dates specified in FEES 4.3.6 R.</p> <p>(3) Where the <i>permission</i> is for operating a <i>multilateral trading facility</i> or operating an <i>organised trading facility</i>,</p>	<i>Firm</i> receives <i>permission</i> , or becomes authorised or registered under the <i>Payment Services Regulations</i> , article 8 of the <i>MCD Order</i> , the <i>DRS Regulations</i> or the <i>Electronic Money Regulations</i> ; or <i>firm</i> extends <i>permission</i> or its <i>payment service</i> activities

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
<p>Persons who hold a certificate issued by the FCA under article 54 of the Regulated Activities Order (Advice given in newspapers etc.)</p>	<p>£1,128</p>	<p>the date specified in FEES 4 Annex 10R (Periodic fees for MTF and OTF operators).</p>	<p>4 Events occurring during the period leading to modified periodic fee</p>
<p>Any manager of an AUT;</p>	<p>In relation to each unit trust the amount specified in part 1 of FEES 4 Annex 4</p>	<p>(1) Unless (2) applies, on or before 1 August or, if later, within 30 days of the date of the invoice</p>	<p>Certificate issued to person by FCA under article 54 of the Regulated Activities Order</p>
<p>Any authorised fund manager of an authorised contractual scheme;</p>	<p>In relation to each authorised contractual scheme the amount specified in part 1 of FEES 4 Annex 4</p>	<p>(2) If an event in column 4 occurs during the course of a fee year, 30 days after the occurrence of that event</p>	<p>Authorisation order is made in relation to the relevant scheme</p>
<p>Any ACD of an ICVC; and</p>	<p>In relation to each ICVC, the amount specified in part 1 of FEES 4 Annex 4</p>		
<p>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;</p>	<p>In relation to each recognised scheme the amount specified in part 1 of FEES 4 Annex 4</p>	<p>The relevant scheme becomes a recognised scheme</p>	<p>Not applicable</p>
<p>AIFM of a UK ELTIF</p>	<p>In relation to each ELTIF the amount specified in part 1 of FEES 4 Annex 4</p>	<p>(1) Unless (2) applies, on or before 1 August or, if later, within 30 days of the date of the invoice.</p> <p>(2) If an event in column 4 occurs during the course of a fee</p>	<p>The ELTIF is authorised by the FCA under the ELTIF regulation</p>

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
<i>Designated professional body</i>	FEES 4 Annex 5	year, 30 days after the occurrence of that event. On or before the relevant dates specified in FEES 4.3.6 R	Not applicable
<i>UK recognised body</i>	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	(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	<i>Recognition order</i> 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.
<i>ROIE</i>	FEES 4 Annex 6, part 2	(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.	<i>Recognition order</i> is made. The modified periodic fee is specified in FEES 4 Annex 6, Part 2.
<i>A listed issuer (in LR) of shares and certificates representing certain securities.</i>	FEES 4 Annex 14R	Within 30 days of the date of the invoice	<i>Listed issuer (in LR)</i> becomes subject to <i>listing rules</i>
<i>A sponsor</i>	FEES 4 Annex 14R	Within 30 days of the date of the invoice	Approval of a <i>sponsor</i>
<i>All non-listed issuers (in DTR) of shares and certificates representing certain securities.</i>	FEES 4 Annex 14R	Within 30 days of the date of the invoice	Non-listed <i>issuer (in DTR)</i> becomes subject to <i>disclosure requirements</i> and <i>transparency rules</i>
<i>Any primary information provider</i>	FEES 4 Annex 14R	Within 30 days of the date of the invoice	A <i>person</i> is approved as a <i>primary information provider</i>

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
All firms reporting transactions in <i>securities derivatives</i> to the FCA in accordance with SUP 17, and market operators who provide facilities for trading in <i>securities derivatives</i> .	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 (2) 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	A person becomes registered as an issuer of a regulated covered bond
(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	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 FCA receives a notification to market in the UK

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
59 of the <i>AIFMD UK regulation</i> and which has not ceased to market that <i>AIF</i> in the <i>UK</i> as at 1 April of the current fee year.			
<i>A small registered UK AIFM</i>	The basic fee contained in part 3 of FEES 4 Annex 4		The <i>AIFM</i> is registered by the <i>FCA</i> under regulation 10 of the <i>AIFMD UK regulation</i> . [deleted]
<i>A third country legal representative</i>	The tariff specified in FEES 4 Annex 15R	Payable in accordance with FEES 4.3.6R	Not applicable
<i>A benchmark endorser</i>	The tariff specified in FEES 4 Annex 15R	Payable in accordance with FEES 4.3.6R	Not applicable

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.

4.2.11A R