

Chapter 4

Periodic fees

Periodic fees in respect of payment services, electronic money issuance, regulated covered bonds, CBTL business, data reporting services, third party verifiers and proxy advisers in relation to the period 1 April 2023 to 31 March 2024

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* 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.

- (3) For a *fee-paying electronic money issuer* which is required to comply with FEES 4.4 (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 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.

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

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.

Activity group	Fee payer falls into this activity group if:
G.10 Large <i>electronic money institutions</i>	it is a <i>fee-paying electronic money issuer</i> (except if it is a <i>small electronic money institution</i>)
G.11 <i>Small electronic money institutions</i>	it is a <i>small electronic money institution</i>

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

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

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

Activity Group	Fee payer falls into this group if:
G.25 <i>DRSP</i>	it is a <i>data reporting services provider</i> .
G.50	it is a <i>proxy adviser</i>

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

Activity Group	Fee payer falls into this group if:
G.26 TPV	it is a <i>third party verifier</i> .

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*, *firms* registered under the *Money Laundering Regulations*, *issuers of regulated covered bonds* and *third party verifiers*.

Activity Group	Tariff base
G.2	MODIFIED ELIGIBLE LIABILITIES These are determined in the same manner as the tariff-base for relevant <i>firms</i> in the A.1 fee-block set out in FEES 4 Annex 1AR Part 3 .
G.3	RELEVANT INCOME This is the sum of the following elements of the <i>firm's UK</i> business: Interest income Interest expenses Gross commissions and fees received Gross other operating income calculated in the same manner as the relevant indicator referred to in paragraph 10(3) of Schedule 3 to the <i>Payment Services Regulations</i> . For the Post Office Limited only, Relevant Income relates only to its <i>payment services</i> business.
G.4	Not applicable.
G.5	As in G.3 and Relevant Income only relates to <i>payment services</i> business.
G.10	Average outstanding electronic money as defined under regulation 2(1) of the <i>Electronic Money Regulations</i> . This is the average total amount of financial liabilities related to <i>electronic money</i> 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	<i>Regulated covered bonds</i> 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	APPLICABLE TURNOVER This is the sum of revenues generated from: (1) <i>UK ARM</i> services; (2) <i>UK APA</i> services; PLUS: where the same legal entity provides the registered <i>DRSP</i> service: (3) <i>ancillary service</i> to <i>UK ARM</i> services; and (4) <i>ancillary service</i> to <i>UK APA</i> services.
G.26 TPV	Not applicable
G.50	Not applicable

Part 4 - Valuation period

This table indicates the valuation date for each fee-block. A *fee-paying payment service provider*, a *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.

Activity group

Valuation date

In this table, reference to specific dates or months are references to the latest one occurring before the start of the period to which the fee applies e.g. for 2010/11 fees (1 April 2010 to 31 March 2011), a reference to December means December 2009.

Where the tariff data of a *fee-paying payment service provider* or a *fee-paying electronic money issuer* is in a currency other than sterling, it must be converted into sterling at the exchange rate prevailing on the relevant valuation date.

G.2	For <i>banks</i> and <i>building societies</i> as in FEES 4 Annex 1AR Part 5 .
G.3	Relevant income for the financial year ended in the calendar year ending 31 December.
G.4	Not relevant.
G.5	Relevant income for the twelve months ending 31 December.
G.10	31 December.
G.11	Not relevant.
G.15	(1) The last day of the financial quarter during which the <i>issuer</i> became registered as an <i>issuer</i> in the <i>FCA</i> financial year (the 12 <i>months</i> ending 31 March). (2) For subsequent <i>FCA</i> financial years, 31 December unless (3) applies.

	(3) If the issuer became registered as an <i>issuer</i> between 1 January and 31 March inclusive, 31 March in respect of the <i>FCA</i> financial year immediately following the <i>FCA</i> financial year during which it became registered and 31 December in respect of all further <i>FCA</i> financial years.
	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.
G.25	Applicable turnover for the financial year ended in the calendar year ending 31 December.
G.26 TPV	Not relevant
G.50	Not relevant

Part 5 - Tariff rates

Activity group	Fee payable in relation to 2023/24	
G.2	Minimum fee (£)	558
	£ million or part £m of Modified Eligible Liabilities (MELS)	Fee (£/£m or part £m of MELS)
	> 0.1	0.360
G.3	Minimum fee (£)	558
	£ thousands or part thousand of Relevant Income	Fee (£/£thousand or part £thousand of Relevant Income)
	> 100	0.419
G.4	Flat fee (£)	579
G.5	As in G.3	
G.10	Minimum fee (£)	1,833
	£million or part m of average outstanding electronic money (AOEM)	Fee (£/£m, or part £m of AOEM)
	>5.0	14.90
G.11	Flat fee (£)	1,272
G.15	Minimum fee for the first registered <i>programme</i> (£)	114,073
	Minimum fee for all subsequent registered <i>programmes</i>	75% of minimum fee for first registered <i>programme</i>
	£million or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date.	Fee (£/£m or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date)
	>0.00	11.64
For the purposes of calculating fees, any <i>regulated covered bonds</i> denominated in a currency other than sterling must be converted into sterling at the applicable exchange rate set out below.		
Where an exchange rate hedging agreement was entered into in connection with the issuance of <i>regulated covered bonds</i> denominated in a currency other than sterling, the applicable exchange rate for those <i>regulated cover bonds</i> 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.

G.20	Flat fee (£)	469
G.21	Flat fee (£)	234
G.25	<i>Data reporting services providers.</i>	£2.37 per £1,000 or part-£1,000, subject to a minimum payment of £25,197
G.26 TPV	Flat fee (£)	281
G.50	Flat fee (£)	5,000

Part 7 [deleted]