

Chapter 4

Periodic fees

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*.

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

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 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.10 Firms dealing as principal

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 *depository 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

the firm is carrying on corporate finance business PROVIDED the fee-payer is NOT a venture capital firm.

A.18 Home finance providers, advisers and arrangers

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 mediation

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;*

holding client money or assets, or both	<p>AND EITHER OR BOTH:</p> <p>(2A) It is a <i>firm</i> to which the <i>client money rules</i> apply</p> <p>AND/OR</p> <p>(2B) Its <i>permissions</i> includes <i>safeguarding and administration of assets (without arranging)</i></p> <p>UNLESS</p> <p>CASS does not apply to that firm in accordance with CASS 1.2</p>
B. Service companies	it is a <i>service company</i> .
B. MTF and OTF operators	its <i>permission</i> includes <i>operating a multilateral trading facility</i> or operating an organised trading facility.
B. Regulated benchmark administrators	it has a <i>Part 4A permission</i> to carry on the <i>regulated activity</i> of <i>administering a benchmark</i> .
B. Recognised investment exchanges	it is a <i>recognised investment exchange</i> .
B. Recognised auction platforms	it is a <i>recognised auction platform</i> .
B. Recognised overseas investment exchanges	it is a <i>recognised overseas investment exchange</i> .
CC1. Credit-related regulated activities with limited permission	<p>it carries on <i>credit-related regulated activities</i>; and</p> <p>it has a <i>limited permission</i>; and</p> <p>it is not a <i>not-for-profit debt advice body</i>; and</p> <p>it is not a <i>credit union</i> or <i>community finance organisation</i> with annual income as defined in FEES 4 Annex 11B R of less than £250,000.</p>
CC2. Credit-related regulated activities	<p>it carries on <i>credit-related regulated activities</i>; and</p> <p>it does not have a <i>limited permission</i>; and</p> <p>it is not a <i>not-for-profit debt advice body</i>; and</p> <p>it is not a <i>credit union</i> or <i>community finance organisation</i> with annual income as defined in FEES 4 Annex 11B R of less than £250,000.</p>
CMC.	it is a <i>claims management company</i> .

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.

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 <i>UK ISPV</i> ; or (b) a <i>firm</i> whose only <i>permission</i> is operating a dormant fund account; or (c) a <i>firm</i> exclusively carrying on <i>credit-related regulated activities</i> .
AP.0 FCA prudential fee	(1) it is an <i>FCA authorised person</i> other than an <i>FCA authorised person</i> exclusively carrying on <i>credit-related regulated activities</i> ; and (2) the periodic fee it pays to the <i>FCA</i> is not limited to the A.0 <i>FCA</i> 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*.

Activity group	Tariff base
A.1	<p>MODIFIED ELIGIBLE LIABILITIES</p> <p>For <i>banks</i> and <i>building societies</i>:</p> <p>Item B of Form ELS (Note (1)):</p> $(1 + 2 + 3 + 4 + 0.6*5 + 6 - 8 - 9A - 9B - 10A - 10B - 10C - 11A - 11B - 0.6*12) + (1/3)*(F1 + F2 + F3 + F4 + 0.6*F5 + F6 - F8 - F9A - F9B - F10A - F10B - F10C - F11A - F11B - 0.6*F12)$ <p>- 13M</p> <p>Notes:</p> <p>(1) All references in the above formula are to entries on Form ELS (that is, the Eligible Liabilities Return completed to provide information by <i>banks</i> and <i>building societies</i> to the Bank of England as required by the Bank of England Act 1998).</p> <p>(2) The figures reported on the Form ELS relate to business conducted out of offices in the <i>United Kingdom</i>.</p> <p>For <i>credit unions</i>:</p> <p>Deposits with the <i>credit union</i> (share capital)</p> <p>LESS</p> <p>the <i>credit union's</i> bank deposits (investments + cash at bank)</p> <p>Note:</p> <p>Only <i>United Kingdom</i> business is relevant for calculating <i>credit unions'</i> MELs.</p> <p>Note:</p> <p>For a <i>dormant account fund operator</i> the tariff base is not relevant and the flat fee in FEES 4 Annex 2A R is payable.</p>
A.2	<p>NUMBER OF HOME FINANCE TRANSACTIONS ENTERED INTO AND ADMINISTERED</p> <p>The number of <i>newhome finance transactions</i> entered into;</p> <p>AND</p> <p>The number of <i>home finance transactions</i> being administered:</p> <p>(a) multiplied by 0.05 for <i>firms</i> with <i>permission</i> for administering a <i>home finance transaction</i> but not <i>permission</i> for entering into a <i>home finance transaction</i>; or</p>

(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, R0030, 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; plus the sum of items entered under row codes R0010, R0030, column codes C0090, C0140 and C0190, of the annual quantitative reporting template S12.01.01 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 sheet entry C3 'claims outstanding' where this entry is required under the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983); and otherwise zero.

'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.3 fee-block will be weighted:

- (a) 90% from gross written premium for fees purposes; and
- (b) 10% from best estimate liabilities for fees purposes.

(2) This tariff base (A.3 fee-block) does not include gross written premium for fees purposes and best estimate liabilities for fees purposes on which a *composite firm* reports data relevant for fee-block A.4.

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

(4) For *UK ISPVs* this tariff base is not relevant and a flat fee set out in FEES 4 Annex 2AR is payable.

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) 75% from gross written premium for fees purposes; and
- (b) 25% 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 consent 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 *depositories* (including *trustees of collective investment schemes* and *ICVC* or *ACS depositories*):

The amount of the annual charge levied on investments in *funds* for which they act as *depository* (typically a % of the total funds for which they act as *depository*). (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.

NUMBER OF TRADERS

A.10

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 11AR.

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 11AR.

B. Recognised investment exchanges

Annual income as defined in FEES 4 Annex 11AR.

B. Recognised auction platforms

Not applicable.

B. Recognised overseas

Not applicable.

investment exchanges

CC1. Credit-related regulated activities with limited permission Annual income as defined in FEES 4 Annex 11B R.

CC2. Credit-related regulated activities Annual income as defined in FEES 4 Annex 11B R.

CMC. Annual turnover as defined in FEES 4 Annex 11AR.

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*.

Activity Group	Tariff base
A.0	Not applicable because the minimum fee is a specified amount.
AP.0	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 <i>operating a dormant fund account</i> .

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.

Activity group	Valuation date
<p>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.</p> <p>Where a <i>firm's</i> 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.</p>	
A.1	<p>For banks:</p> <p>Modified eligible liabilities (MELs), valued at:</p> <p>for a <i>firm</i> which reports monthly, the average of the MELs for October, November and December;</p> <p>for a <i>firm</i> which reports quarterly, the MELs for December. For credit unions:</p> <p>For credit unions:</p> <p>MELs, valued at December or as disclosed by the most recent annual return made prior to that date.</p> <p>For building societies:</p> <p>MELs, valued at the average of the MELs for October, November and December.</p>

A.2	Number of mortgages, <i>home purchase plans</i> , <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> entered into in the twelve months ending 31 December.
	AND
	Number of mortgages, <i>home purchase plans</i> , <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> being administered on 31 December.
A.3	The <i>firm's</i> gross written premium for fees purposes and its best estimate liabilities for fees purposes for the <i>firm's</i> financial year which ends in the calendar year to 31 December prior to commencement of the <i>fee year</i> .
A.4	For UK Solvency II firms, including <i>composite</i> UK Solvency II <i>firms</i> to the extent that they are required to report data used for this tariff base, the <i>firm's</i> gross written premium for fees purposes and its best estimate liabilities for fees purposes, for the <i>firm's</i> financial year which ends in the calendar year to 31 December prior to commencement of the <i>fee year</i> .
A.5	Active capacity (AC), in respect of the Underwriting Year (as reported to the <i>Society of Lloyd's</i>) 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 <i>client money</i> , the highest amount of <i>client money</i> held over the 12 months ending 31 December before the relevant <i>fee year</i> . In respect of <i>safe custody assets</i> , the highest amount of <i>safe custody assets</i> held over the 12 months ending 31 December before the relevant <i>fee year</i> .
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 <i>fee year</i> .
B. Regulated benchmark administrators	Annual income for the financial year ended in the calendar year ending 31 December.
B. Recognised investment exchanges	Annual income for the financial year ended in the calendar year ending 31 December.
B. Recognised auction platforms	Not applicable.

B. Recognised overseas investment exchanges	Not applicable.
CC1. Credit-related regulated activities with limited permission	Annual income for the financial year ended in the calendar year ending 31 December.
CC2. Credit-related regulated activities	Annual income for the financial year ended in the calendar year ending 31 December.
CMC.	Annual turnover for the financial year ended in the calendar year ending 31 December.