

## Chapter 6

# Financial Services Compensation Scheme Funding

## 6.7 Payment of levies

### Payments on account by certain firms

6.7.-1

**R**

Where a *participant firm* must pay its periodic fees for a *fee year* in accordance with ■ FEES 4.3.6R(1C) to ■ (1E), it must pay its share of any *annual levy* imposed by the *FSCS* for the *financial year* of the *compensation scheme* as follows:

- (1) by 1 April an amount equal to 50%, or such lower percentage as the *FSCS* may determine, of the *participant firm's* share of the *annual levy* payable for the previous *financial year* of the *compensation scheme*; and
- (2) by 1 September the balance of the *annual levy* due from the *participant firm* for the current *financial year* of the *compensation scheme*.

6.7.-1A

**R**

Where the *FCA* grants the *person's* application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and the *person* falls within ■ FEES 6.7.-1R and:

- (1) the annulment takes effect after 1 April, then the date for payment referred to in ■ FEES 6.7.-1R(1) does not apply, but the *person* must, where the annulment takes effect after 1 April but before 1 September, pay:
  - (a) on the date on which the annulment takes effect, an amount equal to 50%, or such lower percentage as the *FSCS* may determine, of the *participant firm's* share of the *annual levy* payable for the previous *financial year* of the *compensation scheme*; and
  - (b) by 1 September, the balance of the *annual levy* due from the *participant firm* for the current *financial year* of the *compensation scheme* year; or
- (2) the annulment takes effect after 1 September, then the date for payment referred to in ■ FEES 6.7.-1R(2) does not apply, but the *person* must pay the total amount due on the date on which the annulment takes effect.

### Payments of levy by other firms

6.7.1

**R**

A *participant firm* that is not within ■ FEES 6.7.-1R, must pay its share of any levy made by the *FSCS* in one payment.

6.7.2	<b>G</b>	[deleted]
6.7.3	<b>R</b>	A <i>participant firm's</i> share of a levy to which <b>FEES 6.7.1R</b> applies is due on, and payable within 30 days of, the date when the invoice is issued.
		<b>Payments of interim levies</b>
6.7.3A	<b>R</b>	A <i>participant firm's</i> share of any <i>interim levy</i> is due on, and payable within 30 days of, the date when the invoice is issued.
6.7.4	<b>R</b>	[deleted]
		<b>Method of payment</b>
6.7.5	<b>R</b>	A <i>participant firm</i> liable to pay its share of the levy under <b>FEES 6.7.-1R</b> , <b>6.7.1R</b> and <b>6.7.3R</b> must do so using one of the methods set out in <b>FEES 2.1.12R</b> (unless <b>FEES 2.1.13R</b> applies) save that no additional amount or discount is applicable.
		<b>Firms ceasing to be a participant firm</b>
6.7.6	<b>R</b>	<p>If a <i>firm</i> ceases to be a <i>participant firm</i> or carry out activities within one or more <i>classes</i> part way through a <i>financial year</i> of the <i>compensation scheme</i>:</p> <ol style="list-style-type: none"> <li>(1) it will remain liable for any unpaid levies which the <i>FSCS</i> has already made on the <i>firm</i>; and</li> <li>(2) the <i>FSCS</i> may make one or more levies upon it (which may be before or after the <i>firm</i> has ceased to be a <i>participant firm</i> or carry out activities within one or more <i>classes</i>, but must be before it ceases to be an <i>authorised person</i>) for the costs which it would have been liable to pay had the <i>FSCS</i> made a levy on all <i>participant firms</i> or <i>firms</i> carrying out activities within that <i>class</i> in the <i>financial year</i> it ceased to be a <i>participant firm</i> or carry out activities within that <i>class</i>.</li> <li>(3) [deleted]</li> <li>(4) [deleted]</li> <li>(5) [deleted]</li> </ol>
6.7.7	<b>R</b>	<b>FEES 6.7.6R</b> does not apply in relation to a <i>person</i> to whom the <i>FCA</i> grants an annulment of a cancellation or variation of <i>Part 4A permission</i> under Schedule 6A to the <i>Act</i> .
6.7.8	<b>G</b>	The effect of annulment of a cancellation or variation of <i>Part 4A permission</i> under Schedule 6A to the <i>Act</i> is that the cancellation or variation of <i>Part 4A permission</i> is treated as if it had not taken place and the <i>person</i> is liable for any levies which relate to the period prior to the annulment. See further guidance in <b>FEES 4.3.19G</b> .

Extension of time

6.7.9

R

A *participant firm* or *person* (as the case may be) need not pay a share of any levy on the date on which it is due under the relevant provisions in this chapter, if that date falls during a period during which circumstances of the sort set out in ■ GEN 1.3.2R (Emergency) exist, and that *participant firm* or *person* has reasonable grounds to believe that those circumstances impair its ability to pay its due share of the levy, in which case it must be paid on or before the fifth *business day* after the end of that period.