

Chapter 7C

Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) - Single Financial Guidance Body levy



7C.1 Application and purpose

Application

7C.1.1 **R** This chapter applies to the *persons* listed in:

- (1) ■ FEES 1.1.2R(8) in relation to the *TPR SFGB money advice levy* and *TPR SFGB debt advice levy*; and
- (2) ■ FEES 7C.1.2R in relation to the *TPR SFGB pensions guidance levy*.

7C.1.2 **R** The *TPR SFGB pensions guidance levy* applies to a *TP firm* that falls within one or more of the following activity groups listed in Part 1 of ■ FEES 4 Annex 1AR:

- (1) A.1 Deposit acceptors;
- (2) A.4 Insurers - life;
- (3) A.7 Portfolio managers except Class (1)A firms;
- (4) A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes; and
- (5) A.13 Advisors, arrangers, dealers or brokers.

Purpose

7C.1.3 **G** The purpose of this chapter is to set out the requirements on the *persons* listed in FEES CB.1.1R to fund the Secretary of State costs relating to the *SFGB*, and the related *FCA* collection costs. For the avoidance of doubt, such *persons* also include *supervised run-off firms*.

Background

7C.1.4 **G** Under section 137SA(1) (Rules to recover expenses relating to the single financial guidance body) of the *Act*, the Secretary of State may, from time to time, notify the *FCA* of the expenses incurred, or expected to be incurred, in connection with the operation of the *SFGB* or under section 11 of the Financial Guidance and Claims Act 2018. Expenses arise under section 11 when the Secretary of State:

- (1) pays grants or makes loans, or gives any other form of financial assistance, to meet expenditure in connection with the establishment of the *SFGB*; and

- (2) pays grants or makes loans, or gives any other form of financial assistance, to the *SFGB* for the purpose of enabling the *SFGB* to carry out its functions.

7C.1.5 G When the Secretary of State has notified the *FCA* under section 137SA(1), under subsections (2) and (3) the *FCA* must make rules requiring *authorised persons, electronic money issuers or payment service providers* (or any specified class of the same) to pay specified sums, or sums calculated in a specified way to the *FCA* with a view to recovering:

- (1) the amount notified by the Secretary of State; and
- (2) expenses incurred by the *FCA* in connection with its functions under section 137SA of the *Act*.

Regulations 28 and 34 of the *EU Exit Passport Regulations* provide that *supervised run-off firms* are treated as having *Part 4A permission* or a variation to that *permission*.

7C.1.6 G This chapter contains the *rules* referred to in ■ FEES 7C.1.4G(2).

7C.1.7 G Under section 137SA(8) of the *Act*, the *FCA* must pay to the Secretary of State the amounts that it receives pursuant to the *rules* in this chapter, apart from amounts covering its collection costs (which the *FCA* may keep).

7C.1.8 G The total amount raised by the *TPR SFGB levy* may vary from year to year depending on the amount notified to the *FCA* by the Secretary of State.



7C.2 The TPR SFGB levy

- 7C.2.1

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- The *TPR SFGB* levy is made up of:

 - (1) The *TPR SFGB money advice levy*, as set out in ■ FEES 7C.3;
 - (2) The *TPR SFGB debt advice levy*, as set out in ■ FEES 7C.3; and
 - (3) The *TPR SFGB pensions guidance levy*, as set out in ■ FEES 7C.4.
- 7C.2.2

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- Schedule 6A to the *Act* sets out a procedure to enable the *FCA* to cancel or vary the *Part 4A permission* of a *person* who it appears to the *FCA* is not carrying on a *regulated activity*. Paragraph 5 of that schedule sets out a procedure for annulment of cancellation or variation of *Part 4A permission* in specified circumstances. Where the *FCA* grants an application for annulment, paragraph 6 of Schedule 6A sets out its effect. In particular, the cancellation or variation of *Part 4A permission* is treated as if it had never taken place. As a result of the effect of annulment under Schedule 6A, any part of the *TPR SFGB* levy applicable to the *person*, in relation to the period during which the *person's Part 4A permission* was cancelled or varied, applies to the *person*.

7C.3 The TPR SFGB money advice levy and debt advice levy

Obligation to pay TPR SFGB money advice levy or debt advice levy

- 7C.3.1** **R** A firm must pay the *TPR SFGB money advice levy* or *TPR SFGB debt advice levy* applicable to it:
- (1) in full and without deduction by 1 August (or, if later, within 30 days of the date of the invoice) in the *financial year* to which the sum relates, unless modified by ■ FEES 7C.3.2R; and
 - (2) in accordance with the *rules* in this chapter.
- 7C.3.2** **R** If a firm's *TPR SFGB money advice levy* or *TPR SFGB debt advice levy* for the previous *financial year* was at least £50,000, the firm must pay:
- (1) an amount equal to 50% of the *TPR SFGB money advice levy* or *TPR SFGB debt advice levy* payable for the previous year, by 1 April (or if later, within 30 days of the date of the invoice) in the *financial year* to which the sum due under ■ FEES 7C.3.1R relates; and
 - (2) the balance of the *TPR SFGB money advice levy* or *TPR SFGB debt advice levy* due for the current *financial year* by 1 September (or if later, within 30 days of the date of the invoice) in the *financial year* to which that sum relates.
- 7C.3.2A** **R** Where the FCA grants a 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 7C.3.1R and the annulment takes effect after 1 August or after the invoice referred to in ■ FEES 7C.3.1R(1), then the date for payment referred to in ■ FEES 7C.3.1R(1) does not apply, but the person must pay the *TPR SFGB money advice levy* or *TPR SFGB debt advice levy* applicable to it in full and without deduction, on the date on which the annulment takes effect.
- 7C.3.2B** **R** Where the FCA grants a 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 7C.3.2R and:
- (1) the annulment takes effect after 1 April or after the invoice referred to in ■ FEES 7C.3.2R(1) has been issued, then the date for payment referred to in ■ FEES 7C.3.2R(1) does not apply, but the person must,

where the annulment takes effect after 1 April but before 1 September, pay:

- (a) an amount equal to 50% of the *TPR SFGB money advice levy* or *TPR debt advice levy* payable for the previous year on the date on which the annulment takes effect; and
 - (b) the balance of the *TPR SFGB money advice levy* or *TPR debt advice levy* due for the current financial year by 1 September or, if later, within 30 days of the date of the invoice, in the *financial year* to which that sum relates; or
- (2) the annulment takes effect after 1 September or after the invoice referred to in ■ FEES 7C.3.2(2) has been issued, then the date for payment referred to in ■ FEES 7C.3.2R(2) does not apply, but the *person* must pay the total *TPR SFGB money advice levy* or *TPR debt advice levy* due for the current *financial year*, on the date on which the annulment takes effect.

Calculation of the TPR SFGB money advice levy and debt advice levy

7C.3.3

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The *TPR SFGB money advice levy* and *TPR SFGB debt advice levy* are each calculated as follows:

- (1) identify each of the activity groups set out in Parts 1 to 3 of ■ FEES 7C Annex 1R and Part 1 of ■ FEES 7C Annex 2R that apply to the business of the *firm* for the relevant period (for this purpose, the activity groups under ■ FEES 7C Annex 1R are defined in accordance with Part 1 of ■ FEES 4 Annex 1AR and Parts 2 and 2A of ■ FEES 4 Annex 11R, and the activity groups under ■ FEES 7C Annex 2R are defined in accordance with Part 1 of that Annex);
- (2) calculate, for each of those activity groups identified in (1), the amount payable in the way set out in ■ FEES 7C.3.4R;
- (3) add each of the amounts calculated under (2);
- (4) work out whether a minimum fee is payable under Parts 2 to 4 of ■ FEES 7C Annex 1R and if so how much; and
- (5) add together the amounts calculated under (3) and (4).

7C.3.4

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The amount payable by a *firm* with respect to a particular activity group is calculated as follows:

- (1) calculate the size of the *firm's* tariff base for that activity group using:
 - (a) the tariff base calculations in Part 3 of ■ FEES 4 Annex 1AR, Part 3 of ■ FEES 4 Annex 11R and Part 2 of ■ FEES 7C Annex 2R (including only business undertaken from a *branch* in the *UK*); and
 - (b) the valuation date requirements in Part 5 of ■ FEES 4 Annex 1AR, Part 4 of ■ FEES 4 Annex 11R and Part 3 of ■ FEES 7C Annex 2R;
- (2) use the figure in (1) to calculate which of the bands set out in the tables in Parts 1 to 3 of ■ FEES 7C Annex 1R and Part 4 of ■ FEES 7C Annex 2R the *firm* falls into;

- (3) add together the fixed sums, as set out in the tables in Parts 1 to 3 of ■ FEES 7C Annex 1R and Part 4 of ■ FEES 7C Annex 2R, applicable to each band identified under (2);
- (4) the amount in (3) is the amount payable by the *firm* with respect to that activity group.

7C.3.5 **R** For the purposes of ■ FEES 7C.3.4R:

- (1) a *firm* may apply the relevant tariff bases and rates to its non-UK business, as well as to its UK business, if:
 - (a) it has reasonable grounds for believing that the costs of identifying its UK business separately from its non-UK business in the way described in Part 3 of ■ FEES 4 Annex 1AR, Part 3 of ■ FEES 4 Annex 11R and Part 2 of ■ FEES 7C Annex 2R 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 7C.3.4R(1), or, if earlier, at the time it pays the TPR SFGB money advice levy or TPR SFGB debt advice levy applicable to it.
- (2) for a *firm* which has not complied with ■ FEES 4A.2.6R for this period, the TPR SFGB money advice levy and TPR SFGB debt advice levy are calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10.

**TPR SFGB money advice levy and TPR SFGB debt advice levy
commencement**

7C.3.6 **R** The TPR SFGB money advice levy and TPR SFGB debt advice levy under ■ FEES 7C relate to the whole of any fee year and are due for payment from the commencement of the fee year. Any payment made under ■ FEES 7C.3.1R is not refundable.

7C



7C.4 The TPR SFGB pensions guidance
advice levy

Obligation to pay TPR SFGB pensions guidance levy

- 7C.4.1 **R** A firm must pay the *TPR SFGB pensions guidance levy* applicable to it:
- (1) in full and without deduction by 1 August (or, if later, within 30 days of the date of the invoice) in the *financial year* to which the sum relates; and
 - (2) in accordance with the *rules* in this section.

- 7C.4.1A **R** Where the *FCA* grants a *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 7C.4.1R and the annulment takes effect after 1 August or after the invoice referred to in ■ FEES 7C.4.1R(1), then the date for payment referred to in ■ FEES 7C.4.1R(1) does not apply, but the *person* must pay the *TPR SFGB pensions guidance levy* applicable to it in full and without deduction, on the date on which the annulment takes effect.

Calculation of TPR SFGB pensions guidance levy

- 7C.4.2 **R** The *TPR SFGB pensions guidance levy* applicable to a particular *firm* is calculated as follows:
- (1) identify each of the activity groups in ■ FEES 7C.1.2R(2) that apply to the business of the *firm* for the relevant period;
 - (2) calculate the amount payable under ■ FEES 7C.4.3R for each of those activity groups;
 - (3) add together each of the amounts calculated under (2).
- 7C.4.3 **R** The amount payable for a particular activity group is calculated as follows:
- (1) (a) calculate the size of the *firm's* tariff base for the activity group using:
 - (i) the tariff base calculations in Part 3 of ■ FEES 4 Annex 1R (including only business undertaken from a *branch* in the *UK*); and
 - (ii) the valuation date requirements in Part 5 of ■ FEES 4 Annex 1AR;

- (b) exclude best estimate liabilities for fees purposes in the calculation for fee-block A4;
- (2) use the figure in (1) to calculate the levy applicable for each band in ■ FEES 7C Annex 3R;
- (3) add together the sums for each applicable band under (2);
- (4) the amount in (3) is the amount payable by the *firm* for that activity group.

7C.4.4 **R** For the purposes of ■ FEES 7C.4.3R:

- (1) a *firm* may apply the relevant tariff bases and rates to its non-UK business, as well as to its UK business, if:
 - (a) it has reasonable grounds for believing that the costs of identifying its UK business separately from its non-UK business in the way described in Part 3 of ■ FEES 4 Annex 1AR 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 7C.4.4R(1), or, if earlier, at the time it pays the TPR SFGB pensions guidance levy applicable to it.
- (2) for a *firm* which has not complied with ■ FEES 7C.4.3R(1) for this period, the TPR SFGB pensions guidance levy is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10.

7C.4.5 **R** The TPR SFGB pensions guidance levy is calculated using the same information that is used to calculate a *firm's* periodic fee under ■ FEES 4.

TPR SFGB pensions guidance levy commencement

7C.4.6 **R** The TPR SFGB pensions guidance levy under ■ FEES 7C relates to the whole of any fee year and is due for payment from the commencement of the fee year. Any payment made under ■ FEES 7C.4.1R is not refundable.

7C



7C.5 FEES 4 rules incorporated into
FEES 7C by cross-reference

7C.5.1 **R** The *Handbook* provisions relating to **FEES 7C** are meant to follow closely the provisions relating to the payment of the periodic fees in **FEES 4**. In the interests of brevity, not all of these provisions are set out again in **FEES 7C**. In some cases, certain **FEES 4 rules** are applied to the payment of the *TPR SFGB money advice levy*, *TPR SFGB debt advice levy* and *TPR SFGB pensions guidance levy* by individual rules in **FEES 7C**. The rest are set out in the table in **FEES 7C.5.3R**.

7C.5.2 **R** The *rules* set out in the table in **FEES 7C.5.3R** and any other *rules* in **FEES 4** included in **FEES 7C** by cross-reference apply to the *TPR SFGB money advice levy*, *TPR SFGB debt advice levy* and *TPR SFGB pensions guidance levy* in the same way as they apply to periodic fees payable under **FEES 4**.

7C.5.3 **R** Table of rules in **FEES 4** that also apply to **FEES 7C** to the extent that in **FEES 4** they apply to fees payable to the *FCA*

FEES 4 rules incorporated into FEES 7C		Description
FEES 4.2.10R		Extension of time
FEES 4.3.7R		Groups of firms
FEES 4.3.17R		Firms acquiring businesses from other firms

TPR SFGB money advice levy for the period from 1 April 2023 to 31 March 2024

This table shows the *TPR SFGB money advice levy* applicable to each activity group (fee-block).

Activity group		TPR SFGB money advice levy payable
Part 1 <i>TP firms</i>		
A.1	Band Width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
	>10	0.897
A.2	Band Width (no. of mortgages and/or home finance transactions)	Fee (£/mortgage)
	>50	0.446
A.3	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>0.5	17.48
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	1.15
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	11.64
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	0.775
A.7	For class 1(C), (2), (3) and (4) <i>firms</i> :	
	Band Width (£ million of Funds under Management (FuM))	Fee (£/£m or part £m of FuM)
	>10	0.084
	Class 1(A), (B) and (C) <i>firms</i> are defined in FEES 4 Annex 1A .	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m or part £m of GI)
	>1	81.04
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	128.36

Activity group		TPR SFGB money advice levy payable
A.13	For class (2) firms Band Width (£ thousands of annual income (AI)) >100	Fee (£/£ thousand or part £ thousand of AI) 0.0482
	For a <i>professional firm</i> in A.13 the fee is calculated as above less 10%.	
A.14	Band Width (£ thousands of annual income (AI)) >100	Fee (£/£ thousand or part £ thousand of AI) 0.0174
A.18	Band Width (£ thousands of Annual Income (AI)) >100	Fee (£/£ thousand or part £ thousand of AI) 0.116
A.19	Band Width (£ thousands of Annual Income (AI)) >100	Fee (£/£ thousand or part £ thousand of AI) 0.0196
CC.2	Minimum fee (£) £ thousands of annual income (AI) >250	10 Fee (£/£ thousand or part £ thousand of AI) 0.0872
Part 2 TA PI firms and TA RAISP firms		
G.3	Minimum fee (£) £ thousands or part £ thousand of Relevant Income >100	10 Fee (£/£thousand or part £ thousand of Relevant Income) 0.0209
Part 3 TA EMI firms		
G.10	Minimum fee (£) £ million or part £m of average outstanding electronic money (AOEM) >5.0	10 Fee (£/£m or part £m of AOEM) 1.630
Part 4		
(1) This Part sets out the minimum <i>TPR SFGB money advice levy</i> applicable to the <i>TPR firms</i> specified in (3) below.		
(2) The minimum <i>TPR SFGB money advice levy</i> payable by any <i>firm</i> referred to in (3) is £10.		
(3) A <i>TP firm</i> is referred to in this paragraph if it falls within the following activity groups: A.1; A.2; A.3; A.4; A.7; A.9; A.10; A.13; A.14; A.18; and A.19.		

TPR SFGB debt advice levy for the period from 1 April 2023 to 31 March 2024

This table shows the *TPR SFGB debt advice levy* applicable to each activity group (fee-block).

Part 1

Activity group	A TP firm falls in the activity group if:
A.2 Home finance providers and administrators	It falls under activity group A.2 as defined in Part 1 of FEES 4 Annex 1AR.
CC.3 Consumer credit lending	<p>Its permission is in relation to the following regulated activities:</p> <ul style="list-style-type: none">- entering into a regulated credit agreement as lender (article 60B(1) of the Regulated Activities Order);- exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement (article 60B(2) of the Regulated Activities Order); <p>which is carried on by way of business and relates to the following specified investments:</p> <ul style="list-style-type: none">(a) a regulated credit agreement (excluding high-cost short-term credit, a home credit loan agreement and a bill of sale loan agreement);(b) high-cost short-term credit;(c) a home credit loan agreement;(d) a bill of sale loan agreement.

Part 2

Activity group	Tariff base
A.2 Home finance providers and administrators	The sterling value of any residential loans to individuals being the sum of gross unsecuritised and securitised balances (applying the definitions of Unsecuritised balances and Securitised balances set out in Section A: Balance Sheet of SUP 16 Annex 19BG.)
CC.3 Consumer credit lending	<p>Value of lending in column A of data item CCR003 reported by firms under SUP 16 Annex 38AR, being the sum of data elements entered in rows:</p> <ul style="list-style-type: none">- 1 Debt purchasing;- 2 Hire purchase/conditional sale agreements;- 3 Home credit loan agreements;- 4 Bill of sale loan agreements;- 5 Pawnbroking;

Activity group	Tariff base
	- 6 High-cost short-term credit; - 11 Overdrafts; - 12 Other running-account credit; and - 8 Other lending.

Part 3

This table indicates the valuation date for each fee-block. A *firm* can calculate its tariff data in respect of the *TPR SFGB debt advice levy* payable to the *FCA* by that *firm*.

Activity group	Valuation date
A.2 Home finance providers and administrators	The 31 December before the start of the period to which the fee applies or, if earlier, the date of the valuation as disclosed by the annual return made in the calendar year prior to the 31 December.
CC.3 Consumer credit lending	Value of lending under Part 2 valued at the <i>firm's accounting reference date</i> in the calendar year ending 31 December occurring before the start of the period to which the <i>TPR SFGB debt advice levy</i> applies.

Part 4

This table shows the tariff rates applicable to each of the fee-blocks set out in Part 1.

Activity group	TPR SFGB debt advice levy payable	
A.2 Home finance providers and administrators	Band width (£ million of secured debt)	Fee (£/£m or part £m of secured debt)
	>0	27.05
CC.3 Consumer credit lending	Band width (£ million of value of lending)	Fee (£/£m or part £m of value of lending)
	>0 (Note 1)	173.01
Note		
(1) Credit unions and community finance organisations do not pay any TPR SFGB debt advice levy on the first £2,000,000 of value of lending.		

TPR SFGB pensions guidance levy for the period 1 April 2023 to 31 March 2024

This table shows the *TPR SFGB pensions guidance levy* applicable to each activity group (fee-block).

Activity group		TPR SFGB pensions guidance levy payable
<i>TP firms</i>		
A.1	Band width (£ million of modified eligible liabilities (MELs))	Fee (£/£m or part £m of MELS)
	>10	2.393
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	69.99
A.7	For class 1(B), 1(C), (2) and (3) firms:	
	Band width (£ million of funds under management (FuM))	Fee (£/£m or part £m of FuM)
	>10	0.833
A.9	Band width (£ million of gross income (GI))	Fee (£/£m or part £m of GI)
	>1	433.81
A.13	Band width (£ thousands of annual income (AI))	Fee (£/£ thousand or part of £ thousand of AI)
	>100	0.1226

