

Appendix 4

Fees payable by cryptoasset businesses registered under the Money Laundering Regulations

4.3 Periodic fees

General

- App4.3.1** **R** (1) A *cryptoasset business* registered with the FCA under the *Money Laundering Regulations* must pay to the FCA the periodic fee applicable to it under ■ FEES Appendix 4 Annex 2.
- (2) The payment in (1) must be made:
- (a) in full and without deduction; and
 - (b) for every *fee year* during which, or part of which, it is registered with the FCA under the *Money Laundering Regulations*.
- (3) This provision is modified where ■ FEES Appendix 4.3.5 applies, as stated in ■ FEES Appendix 4.3.5.

[Note: Regulation 102 of the *Money Laundering Regulations*]

- App4.3.2** **G** The FCA will issue invoices at least 30 *days* before the dates on which payments fall due.

Method of payment

- App4.3.3** **R** A periodic fee payable under ■ FEES Appendix 4.3.1(1) must be paid in pounds sterling by a method specified in ■ FEES 2.1.12R unless ■ FEES 2.1.13R applies.

[Note: Regulation 102 of the *Money Laundering Regulations*]

Modifications for cryptoasset businesses becoming subject to periodic fees during the course of the fee year

- App4.3.4** **R** (1) A *cryptoasset business* which becomes registered with the FCA under the *Money Laundering Regulations* during the course of a *fee year* must pay a fee based on its projected valuation for the first twelve *months* of its new business.
- (2) This is the valuation provided by the *cryptoasset business* in the course of its application or if not provided at that time, the valuation provided subsequently.

[Note: Regulation 102 of the *Money Laundering Regulations*]

Calculating the fee in the first year

- App4.3.5** **R** To calculate its fee in its first year of registration a *cryptoasset business* must apply the formula $(A+B) \times C$, where:
- (1) A = the minimum fee set out in ■ FEES Appendix 4 Annex 2, unless already paid in which case this figure is 0;
- (2) B = the amount arrived at by applying the tariff rates to the *cryptoasset business's* projected valuation for the first twelve *months* of its new business, as provided by it in accordance with ■ FEES Appendix 4.3.4; and
- (3) C = the number of calendar *months* (inclusive) between the calendar *month* during which the *cryptoasset business* was registered with the FCA under the *Money Laundering Regulations* and the last *month* of that *fee year* ÷ 12.

[Note: Regulation 102 of the *Money Laundering Regulations*]

Calculating fees in the second fee-year where the cryptoasset business is registered between 1 January and 31 March in its first fee year

- App4.3.6** **R** When a *cryptoasset business* is registered with the FCA under the *Money Laundering Regulations* between 1 January and 31 March, its fee for the following *fee year* starting 1 April will be calculated from:
- (1) the projected valuation for the first twelve *months* of its new business that it provided in accordance with ■ FEES Appendix 4.3.4; or
- (2) an annualised figure based on actual data provided by 30 April in the *fee year* following obtaining its registration.

The annualised figure referred to in (2) is calculated by applying the formula $(A \div B) \times 12$, where:

A = the total income from the date of registration up to the *cryptoasset business's* financial year end or 31 March (whichever is sooner) of its first *fee year*; and

B = the number of *months* in the period referred to in A.

[Note: Regulation 102 of the *Money Laundering Regulations*]

Calculating all other fees in the second and subsequent years of registration where a full year of tariff data is not available

App4.3.7 **D** If it can, a *cryptoasset business* must provide data from a complete period that begins on or after the date that it was registered with the *FCA*.

[Note: Regulation 74A of the *Money Laundering Regulations*]

App4.3.8 **R** If a *cryptoasset business* does not have sufficient tariff data to enable the periodic fee to be calculated in respect of that *fee year*, it must calculate an annualised figure based on actual data where possible, applying the formula $(A \div B) \times 12$, where:

A = the total income from the date of registration with the *FCA* under the *Money Laundering Regulations* up to the *cryptoasset business's* financial year end or 31 December (whichever is sooner); and

B = the number of *months* in the period referred to in A.

[Note: Regulation 102 of the *Money Laundering Regulations*]

App4.3.9 **G** For example, the valuation date specified in ■ FEES Appendix 4 Annex 2 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. If the *cryptoasset business* is registered 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 *cryptoasset business* was registered in June and its financial year ended in October, the value of A would cover June to October and the value of B would be four i.e. July to October.

Time of payment

App4.3.10 **R** If a *cryptoasset business's* periodic fee paid under this appendix for the previous *fee year* was £50,000 or more, it must pay its periodic fee for the current *fee year* in two instalments as follows:

(1) an amount equal to 50% of the periodic fee payable for the previous *fee year* by:

(a) 1 April; or

(b) if the fee is payable after 1 April, within 30 *days* of the date of the invoice, in the *fee year* to which that sum relates; and

(2) the balance of the periodic fee due for the current *fee year* by:

(a) 1 September; or

(b) if the fee is payable after 1 September, within 30 *days* of the date of the invoice, in the *fee year* to which that sum relates.

[Note: Regulation 102 of the *Money Laundering Regulations*]

App4.3.11 R If a *cryptoasset business*' periodic fee paid under this appendix for the previous *fee year* was less than £50,000, it must pay the periodic fee within 30 days of the date of the invoice for the *fee year* to which that sum relates.

[Note: Regulation 102 of the *Money Laundering Regulations*]

Late payment

App4.3.12 R If a *cryptoasset business* registered with the *FCA* under the *Money Laundering Regulations* does not pay the total amount of the relevant periodic fee before the end of the date on which it is due, it must pay an additional amount as follows:

- (1) if the fee was not paid in full before the end of the due date, an administrative fee of £250; plus
- (2) interest on any unpaid part of the fee at the rate of 5% per annum above the Official Bank Rate from time to time in force, accruing on a daily basis from the date on which the amount concerned became due.

[Note: Regulation 102 of the *Money Laundering Regulations*]

Recovery of Fees

App4.3.13 R (1) Regulation 101 of the *Money Laundering Regulations* permits the *FCA* to recover charges imposed on *cryptoasset businesses* by the *FCA* under the *Money Laundering Regulations* as a debt owed to the *FCA*.

- (2) The *FCA* will consider taking action for recovery through the civil courts.

[Note: Regulation 101 of the *Money Laundering Regulations*]

Information on which fees are calculated

App4.3.14 D A registered *cryptoasset business* must submit to the *FCA* in writing the income information prescribed in ■ FEES Appendix 4 Annex 2 as soon as reasonably practicable, and in any event, within two months of the valuation date. The *FCA* will use this information to calculate the periodic fee payable by the *cryptoasset business*.

[Note: Regulation 74A of the *Money Laundering Regulations*]