

**FEES (No 3) INSTRUMENT 2002**

**Powers exercised**

- A. The Financial Services Authority makes the rules and gives the guidance in this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the "Act"):

Section 156 of the Act (General supplementary powers);

Section 157(1) of the Act (Guidance);

Paragraph 17(1) of Schedule 1 to the Act (Fees).

- B. The provisions of the Act relevant to making rules and listed above are specified for the purpose of section 153(2) of the Act (Rule-making instruments).

**Commencement**

- C. This instrument shall come into force immediately except as follows:

- (i) SUP 20.2.8R to SUP 20.2.11G inclusive (Groups of firms) (inserted under paragraph E) comes into force on 1 April 2003; and
- (ii) SUP 20.4.1G to SUP 20.4.5R inclusive (Modifications for firms with new or extended permissions) (inserted by paragraph E) comes into force on 1 April 2002.

**Amendment of GEN**

- D. GEN is amended by inserting after GEN 2 the provisions in Annex A to this instrument.

**Amendment of AUTH**

- E. AUTH 4 Annex 1R is amended by deleting paragraphs 9 and 10 under "Part 5 - Activity Groupings" and replacing them with "9. The activity group definitions are set out in SUP 20 Annex 1R".

**Amendment of SUP**

- F. SUP is amended as follows:

- (i) insert after SUP 19 the provisions in Annex B to this instrument; and
- (ii) in SUP 6.3.22R (1) delete "Part 5 of AUTH 4" and replace with "Part 7 of SUP 20".

**Amendment of PROF**

- G. PROF is amended by:

- (i) inserting at the end of PROF 1.1.1R "; and (3) PROF 6 applies to every *designated professional body* and to any *person* who requests the Treasury to make an order under section 326(1) of the *Act* (Designation of professional bodies)."; and
- (ii) inserting after PROF 5 the provisions in Annex C to this instrument.

### **Amendment of CIS**

H. CIS is amended by:

- (i) inserting CIS 1.2.17G the following, and renumbering the remainder of CIS 1.2:  
"1.2.18 G CIS 18 (Fees) sets out the application and periodic fees payable for the authorisation or recognition of *regulated schemes*."; and
- (ii) deleting CIS 18 (including CIS 18 Ann 1R) and replacing it with the provisions in Annex D to this instrument.

### **Amendment of REC**

I. REC is amended by deleting REC 7 (including REC 7 Ann 1R) and replacing it with the provisions in Annex E to this instrument.

### **Citation**

J. This instrument may be cited as the Fees (No 3) Instrument 2002.

By order of the Board  
17 January 2002

## ANNEX A

General Provisions

## Chapter 3

# FSA Fees: General Provisions

3

PAGE  
1





## 3.1 Introduction

### Application

- 3.1.1** **R**  
17.01.02/001 This chapter applies to every *person* who is required to pay a fee to the *FSA* by a provision of the *Handbook*.
- 3.1.2** **R**  
17.01.02/001 ■ GEN 3.2.1 R and ■ GEN 3.3.1 R do not apply in respect of any fee payable under ■ AUTH 4 (Authorisation fees), ■ REC 7 (Recognised bodies fees), ■ SUP 6.3.22 R (Application fee for variation of permission) or ■ CIS 18 (Collective investment schemes fees) on the making of an application or a notification.
- 3.1.3** **G**  
17.01.02/001 The chapters referred to in ■ GEN 3.1.2 R treat applications as incomplete until the relevant fee is paid.

### Purpose

- 3.1.4** **G**  
17.01.02/001 The purpose of this chapter is to set out the general provisions applicable to those who are required to pay fees to the *FSA*. The requirements themselves are set out in the parts of the *Handbook* to which the fees concerned relate.

### Background

- 3.1.5** **G**  
17.01.02/001 Paragraph 17 of Schedule 1 to the *Act* enables the *FSA* to charge fees to cover its costs and expenses in carrying out its functions.
- 3.1.6** **G**  
17.01.02/001 The provisions of this chapter set out the general provisions applicable to the fees regime. Most of the detail of what fees are payable, and the related requirements, will appear in the part of the *Handbook* to which they relate. If a sourcebook or manual contains requirements which impose fees or other payments, a schedule of those fees or other payments is included in that sourcebook or manual.
- 3.1.7** **G**  
17.01.02/001 The fees payable will vary from one financial year to another, and will reflect the *FSA*'s funding requirement for that period and the other key components, as described in ■ GEN 3.1.8 G. Periodic fees, which will normally be payable on an annual basis, will provide the majority of the funding required to enable the *FSA* to undertake its statutory functions.
- 3.1.8** **G**  
17.01.02/001 For periodic fees, the key components of the fee mechanism are:

- (1) a funding requirement derived from:
  - (a) the *FSA*'s financial management and reporting framework;
  - (b) the *FSA*'s budget;
  - (c) adjustments for audited variances between budgeted and actual expenditure in the previous accounting year, and reserves movements (in accordance with the *FSA*'s reserves policy);
- (2) mechanisms for applying penalties received during previous financial years for the benefit of fee payers;
- (3) fee-blocks, which are broad groupings of fee payers offering similar products and services and presenting broadly similar risks to the *FSA*'s regulatory objectives;
- (4) a costing system to allocate an appropriate part of the funding requirement to each fee-block; and
- (5) tariff bases, which, when combined with fee tariffs, allow the calculation of fees.

**3.1.9**

**G**  
17.01.02/001

The amount payable by each fee payer will depend upon the category (or categories) of regulated activity or exemption applicable to that *person* (fee-blocks). It will, in most cases, also depend on the amount of the business that *person* conducts in each category (fee tariffs).

**3.1.10**

**G**  
17.01.02/001

By basing fee-blocks on categories of business, the *FSA* aims to minimise cross-sector subsidies. The membership of the fee-blocks is identified in the *Handbook* provisions relating to the type of fees concerned.

**3.1.11**

**G**  
17.01.02/001

Paragraph 17(2) of Schedule 1 to the *Act* prohibits the *FSA* from taking account of penalties received when setting its periodic and other fees. Accordingly periodic fees are specified without reference to the penalties received. However, the *FSA* normally expects to allocate those penalties to the fee-blocks within which the penalty payers fall, by way of a deduction from the periodic fee. Any deductions of this sort are set out in the relevant fees provisions.



## 3.2 Late Payments and Recovery of Unpaid Fees

### Late Payments

3.2.1 **R**  
17.01.02/001

If a *person* does not pay the total amount of a fee on the date on which it is due under the relevant provision in the *Handbook*, that *person* 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) if the fee was not paid in full before the end of 15 *days* after the due date, interest on any unpaid part of the fee at the rate of 5% per annum above the Bank of England's repo rate from time to time in force, accruing on a daily basis from the date on which the amount concerned became due.

3.2.2 **G**  
17.01.02/001

The *FSA* expects to issue invoices for periodic fees at least 30 days before the date on which they fall due. Accordingly it will generally be the case that a *person* will have at least 30 *days* from the issue of the invoice before an administrative fee becomes payable, and at least 45 *days* before any interest becomes payable.

3.2.3 **G**  
17.01.02/001

■ GEN 3.2.1 R relates only to periodic fees.

### Recovery of Fees

3.2.4 **G**  
17.01.02/001

Paragraph 17(4) of Schedule 1 to the *Act* permits the *FSA* to recover fees as a debt owed to the *FSA* and the *FSA* will consider taking action for recovery through the civil courts.

3.2.5 **G**  
17.01.02/001

In addition, the *FSA* may be entitled to take regulatory action. What action (if any) that is taken by the *FSA* will be decided upon in the light of the particular circumstances of the case.



### 3.3 Relieving Provisions

#### Extension of Time

3.3.1 **R**  
17.01.02/001

A *person* need not pay a fee on the date on which it is due under the relevant provision in the *Handbook*, if:

- (1) that date falls during a period during which circumstances of the sort set out in ■ GEN 1.3.2 R (Emergencies) exist, and that *person* has reasonable grounds to believe that those circumstances impair its ability to pay the fee, in which case he must pay on or before the fifth *business day* after the end of that period; or
- (2) that date would otherwise fall on or before the 30th *day* after the date on which the *FSA* has sent written notification to that *person* of the fee payable on that date, in which case he must pay on or before the 30th *day* after the date on which the *FSA* sends the notification.

3.3.2 **G**  
17.01.02/001

■ GEN 3.3.1 R relates only to periodic fees.

#### Remission of Fees

3.3.3 **R**  
17.01.02/001

If it appears to the *FSA* that, in the exceptional circumstances of a particular case, the payment of any fee would be inequitable, the *FSA* may reduce or remit all or part of the fee in question which would otherwise be payable.

3.3.4 **R**  
17.01.02/001

If it appears to the *FSA* that, in the exceptional circumstances of a particular case to which ■ GEN 3.3.3 R does not apply, the retention by the *FSA* of a fee which has been paid would be inequitable, the *FSA* may refund all or part of the fee.



## **ANNEX B**

Supervision

# Chapter 20

## Fees Rules

20

PAGE  
1



## 20.1 Introduction

### Application

- 20.1.1** **R** 01.02.02/001 This chapter (other than **■ SUP 20.6 (Periodic fees for certificates granted under article 54 of the *Regulated Activities Order*)**) applies to every *firm* except:
- (1) an *ICVC*;
  - (2) a *UCITS qualifier*.






- 20.1.2** **R** 01.02.02/001 **■ SUP 20.6 (Periodic fees for certificates granted under article 54 of the Regulated Activities Order)** applies to every *person* who holds a certificate issued by the *FSA* under article 54 of the *Regulated Activities Order* (Advice given in newspapers etc.).

### Purpose

- 20.1.3** **G** 01.02.02/001 The purpose of this chapter is to set out the requirements on *firms* and others to pay periodic fees which provide the funding for the *FSA*'s functions. It also sets out the requirement to pay transaction reporting fees in certain circumstances.

### Background

- 20.1.4** **G** 01.02.02/001 **■ GEN 3(FSA Fees: General Provisions)** applies to the fees required under this chapter, and gives further detail about how the *FSA* sets periodic fees.
- 20.1.5** **G** 01.02.02/001 Most of the detail of what periodic fees are payable by *firms* is set out in *SUP 20 Ann 1R*. The provisions of the annex will vary from one financial year to another. Accordingly a fresh *SUP 20 Ann 1R* will come into force, following consultation, for each financial year.
- 20.1.6** **G** 01.02.02/001 These fees, which will normally be payable on an annual basis, will provide the majority of the funding required to enable the *FSA* to undertake its statutory functions. The amount payable by each *firm* will depend upon the category (or categories) of *regulated activities* it is engaged in (fee-blocks), and on the amount of business it conducts in each category (tariff base).

- 20.1.7**  By basing fee blocks on categories of *regulated activities*, the *FSA* aims to minimise cross-sectoral subsidies. The fee-blocks and tariffs are identified in *SUP 20 Ann 1R*, which also sets out the fees calculation for the relevant financial year.  
01.02.02/001
- 20.1.8**  The *Society of Lloyd's*, which has *permission* under section 315(2) of the *Act* (The Society: authorisation and permission), has its own fee block.  
01.02.02/001
- 20.1.9**  *Incoming EEA firms* and *incoming Treaty firms* receive a discount to reflect the reduced scope of the *FSA's* responsibilities in respect of them. The level of the discount varies from fee-block to fee-block, according to the division of responsibilities between the *FSA* and *Home state regulators* for *firms* in each fee-block – see ■ *SUP 20.4*(Modifications).  
01.02.02/001
- 20.1.10**  Paragraph 17(2) of Schedule 1 to the *Act* prohibits the *FSA* from taking account of penalties received when setting its periodic and other fees. Accordingly each *SUP 20 Ann 1R* will set the periodic fee without reference to the penalties received. The *FSA* will allocate the penalties by way of a permitted deduction specified in *SUP 20 Ann 1R* for the relevant year. The *FSA* normally expects to allocate those deductions so that they apply to the fee blocks within which the *firms* paying penalties fall.  
01.02.02/001
- 20.1.11**  Fees are calculated individually for each *firm*, but they may be paid on a *group* basis, if the *group* so wishes.  
01.02.02/001

## 20.2 Obligation to Pay Periodic Fees

### Amount payable

- 20.2.1** **R** **A firm must pay to the FSA an amount equal to:**  
01.02.02/001
- (1) each periodic fee applicable to it; less
  - (2) any deductions from the periodic fee specified in part 3 of SUP 20 Ann 1R.
- 20.2.2** **R** **A firm must not make any other deduction from the amount required under ■ SUP 20.2.1R.**  
01.02.02/001
- 20.2.3** **G** **A firm will be required to pay a periodic fee for every year during which it has a permission subject to any reductions or exemptions applicable under this chapter. The FSA will issue invoices to firms and expects to do so at least 30 days before the dates on which payments will fall due under SUP 20 Ann 1R.**  
01.02.02/001

### Calculation of periodic fee

- 20.2.4** **R** **The periodic fee referred to in ■ SUP 20.2.1R is (except in relation to the Society) calculated as follows:**  
01.02.02/001
- (1) identify each of the tariffs set out in part 2 of SUP 20 Ann 1R which apply to the business of the *firm* for the period specified in that annex;
  - (2) for each of those tariffs, calculate the sum payable in relation to the business of the *firm* for that period;
  - (3) add together the amounts calculated under (2);
  - (4) apply any applicable payment charge or discount specified in part 1 of SUP 20 Ann 1R.
- 20.2.5** **G** **For a firm which becomes authorised or extends its permission during the course of a financial year this periodic fee is modified (see ■ SUP 20.4 (Modifications)). The periodic fee is also modified for incoming EEA firms and for incoming Treaty firms (see ■ SUP 20.4.7R).**  
01.02.02/001

**Amount payable by the Society of Lloyd’s**

**20.2.6** R  
01.02.02/001 The periodic fee referred to in ■ SUP 20.2.1R in relation to the *Society* is specified against its name in SUP 20 Ann 1R.

**Time and method for payment**

**20.2.7** R  
01.02.02/001 The *firm* must pay the total amount due under ■ SUP 20.2.1R:

- (1) on or before the due date or dates specified in Part 1 of SUP 20 Ann 1R; and
- (2) using one of the payment methods specified in Part 1 of SUP 20 Ann 1R.

**Groups of firms**

**20.2.8** R  
01.04.03/001 A *firm* which is a member of a *group* may pay all of the amounts due from other *firms* in the same *group* under ■ SUP 20.2.1R, if:

- (1) it notifies the *FSA* in writing the name of each other *firm* within the *group* for which it will pay; and
- (2) it pays the fees, in accordance with this chapter, as a single amount as if that were the amount required under ■ SUP 20.2.1R from the *firm*.

**20.2.9** G  
01.04.03/001 A notification under ■ SUP 20.2.8R(1) should be made in accordance with ■ SUP 15.7 (Form and method of notification).

**20.2.10** G  
01.04.03/001 If the payment made does not satisfy in full the periodic fees payable by all of the members of the *group* notified to the *FSA* under ■ SUP 20.2.8R, the *FSA* will apply the sum received among the *firms* which have been identified in the notification given under ■ SUP 20.2.8R(1) in proportion to the amounts due from them. Each *firm* will remain responsible for the payment of the outstanding balance attributable to it.

**20.2.11** G  
01.04.03/001 If a *firm* pays its fees through an agent outside the scope of ■ SUP 20.2.8R, it should ensure that the *FSA* is informed that the sum being paid is for that *firm’s* periodic fees.

## 20.3 Information on which Fees are calculated

- 20.3.1** **R** 01.02.02/001 A *firm* (other than the *Society*) must notify to the *FSA* the value (as at the valuation date specified in Part 2 of *SUP 20 Ann 1R*) of each element of business on which the periodic fee payable by the *firm* is to be calculated.
- 20.3.2** **R** 01.02.02/001 A *firm* (other than the *Society*) must send to the *FSA* in writing the information required under **■ SUP 20.3.1R** as soon as reasonably practicable, and in any event within two months, after the date specified as the valuation date in Part 2 of *SUP 20 Ann 1R*.
- 20.3.3** **R** 01.02.02/001 To the extent that a *firm* has provided the information required by this section to the *FSA* as part of its compliance with another provision of the *Handbook*, it is deemed to have complied with the provisions of this section.
- 20.3.4** **G** 01.02.02/001 In most cases a *firm* will provide the information required by this section as part of its compliance with other provisions of *SUP*. To the extent that *the FSA* does not obtain sufficient, or sufficiently detailed, information it may seek this by using its general information gathering powers (see **■ SUP 2** (Information gathering by the *FSA* on its own initiative)).
- 20.3.5** **G** 01.02.02/001 These information requirements are modified for *incoming EEA firms* and for *incoming Treaty firms* (see **■ SUP 20.4.8R**).



## 20.4 Modifications

### Modification for firms with new or extended permissions

**20.4.1** G  
01.04.02/001

A *firm* which becomes authorised during the course of a financial year will be required to pay a proportion of the periodic fee which reflects the proportion of the year for which it will have a *permission*.

**20.4.2** G  
01.04.02/001

Similarly a *firm* which extends its *permission* so that its business then falls within additional fee blocks will be required to pay a further periodic fee under this section for those additional fee blocks, but discounted to reflect the proportion of the year for which the *firm* has the extended *permission*.

**20.4.3** G  
01.04.02/001

These provisions apply (with some changes) to *incoming EEA firms* and *incoming Treaty firms* - see ■ SUP 20.4.10R.

**20.4.4** R  
01.04.02/001

A *firm* which becomes authorised, or whose *permission* is extended, during the course of the financial year must pay a fee equal to:

- (1) the total of the sums calculated in accordance with each of the tariffs set out in Part 4 of SUP 20 Ann 1R for the relevant year which are only applicable to the *firm* after the *permission* is received or extended;
- (2) modified as indicated by ■ SUP 20.4.6R.

**20.4.5** R  
01.04.02/001

A *firm* must pay any sum required under ■ SUP 20.4.4R within 30 days of the receipt or extension of the *permission*, or if later the due date specified under ■ SUP 20.2.7R.

**20.4.6** R  
01.02.02/001

Table Table: Modification for additional fee  
This table belongs to ■ SUP 20.4.4R

Quarter in which the permission is received or extended	Proportion payable
1 April to 30 June inclusive	100%
1 July to 30 September inclusive	75%
1 October to 31 December inclusive	50%
1 January to 31 March inclusive	25%



### Modifications for incoming EEA firms and incoming Treaty firms

**20.4.7** G  
01.02.02/001  
The FSA recognises that its responsibilities in respect of an *incoming EEA firm* or of an *incoming Treaty firm* are reduced compared with a *firm* which is incorporated in the *United Kingdom*. Accordingly the periodic fees which would otherwise be applicable to *incoming EEA firms* and *incoming Treaty firms* are reduced.

**20.4.8** R  
01.02.02/001  
For an *incoming EEA firm* or an *incoming Treaty firm*, the calculation required by ■ SUP 20.2.4R is modified as follows:

- (1) the tariffs set out in Part 2 of SUP 20 Ann 1R are applied only to the *regulated activities* of the *firm* which are carried on in the *United Kingdom*; and
- (2) those tariffs are modified in accordance with Part 5 of SUP 20 Ann 1R.

**20.4.9** R  
01.02.02/001  
For an *incoming EEA firm* or an *incoming Treaty firm*, the information required under ■ SUP 20.3 (Information on which fees calculated) is limited to the *regulated activities* of the *firm* which are carried on in the *United Kingdom*.

**20.4.10** R  
01.02.02/001  
In relation to an *incoming EEA firm* or an *incoming Treaty firm* the modification provisions of ■ SUP 20.4.1G to ■ SUP 20.4.6R inclusive apply only in relation to the relevant *regulated activities* of the *firm* which are *passported activities* or *Treaty activities* and which are carried on in the *United Kingdom*.

### Firms cancelling or reducing the scope of their permission

**20.4.11** G  
01.02.02/001  
The FSA will not refund periodic fees if a *firm* cancels its *permission*, or reduces its *permission* so that it then falls outside a fee-block previously applied to it (but see ■ GEN 3 (Relieving Provisions)).

## 20.5 Transaction reporting fees

- 20.5.1** **G** 01.02.02/001 *Firms* which are required to report transactions under ■ SUP 17 (Transaction reporting) may, in certain circumstances, use the FSA's Direct Reporting System (see ■ SUP 17).
- 20.5.2** **G** 01.02.02/001 The provision of this facility by the FSA incurs costs to it. Those costs depend upon the amount which the facility is used. Accordingly the income which the FSA receives from these transaction reporting fees will be set and accounted for separately from the fee block tariffs set out in SUP 20 Ann 1R.
- 20.5.3** **R** 01.02.02/001 *A firm* which reports its *reportable transactions* to the FSA using the FSA's Direct Reporting System (see ■ SUP 17) must pay the fees specified in Part 6 of SUP 20 Ann 1 R.



## 20.6 Periodic fees for certificates under article 54 of the Regulated Activities Order

**20.6.1** **R** A person who holds a certificate under article 54 of the *Regulated Activities Order* must pay to the *FSA* each periodic fee specified in Part 8 of *SUP 20 Annex 1R* applicable to him.  
01.02.02/001

**20.6.2** **R** A person must not make any deductions from the amount required under *SUP 20.6.1R*.  
01.02.02/001

**20.6.3** **R** The periodic fee is payable in respect of each period of one year (or any part of such period) during which the person holds the certificate.  
01.02.02/001

### Modifications for new holders

**20.6.4** **R** If a certificate is issued to a person under article 54 of the *Regulated Activities Order* during the course of a year, the periodic fee payable under 20.6.3R for that year is the amount specified in Part 8 of *SUP 20 Annex 1R* modified in accordance with Table *SUP 20.6.5R*.  
01.02.02/001

**20.6.5** **R** Table Table: Modification of periodic fees for certificates This table belongs to  
01.02.02/001 ■ *SUP 20.6.4R*.

Quarter in which the certificate is granted or extended	Proportion payable
1 April to 30 June inclusive	100%
1 July to 30 September inclusive	75%
1 October to 31 December inclusive	50%
1 January to 31 March inclusive	25%

### Time and method for payment

**20.6.6** **R** Each periodic fee must be paid to the *FSA* on or before:  
01.02.02/001

- (1) 30 April in that year; or
- (2) If the certificate is issued during that year, the earlier of 30 days after the certificate is granted and the following 30 April.

20.6.7 **R**  
01.02.02/001

**1. The amount due must be paid using one of the payment methods specified in Part 1 of SUP 20 Annex 1R.**

20.6.8 **G**  
01.02.02/001

The FSA will issue invoices to the holders of certificates and expects to do so at least 30 days before the dates on which payments fall due.

## Periodic fees payable in relation to the period from 1 December 2001 to 31 March 2002

The activity groups and tariff bases applicable to Parts 1 to 5 are defined in Part 7.

Part 1 – Date on which payment is required (see also GEN 3.3.1R) and payment methods

- (1) Every *firm* must pay its periodic fees for this period on or before the earliest of:
- when its periodic fees for the next financial year fall due; or
  - in relation to an *authorised professional firm, commencement*; or
  - (in relation to any new or extended *permission* granted or extended during this period) 30 days after the receipt or extension of the *permission*; or
  - the date on which its *permission* is cancelled.
- (2) Every *firm* must pay using one of the following methods:

Payment Method	Additional Amount or Discount Applicable
Direct debit	Discount of £20
Credit transfer (BACS, CHAPS)	Discount of £10
Cheque	None
Switch	None
Credit card (Visa or Mastercard only)	Additional 2% of sum paid

Part 2 – Fee tariffs

- (1) For each activity group specified in the table below, the fee is the total of the sums payable for each of the tariff bands applicable to the *firm's* business, calculated as follows
- the relevant minimum fee; plus
  - an additional fee calculated by multiplying the *firm's* tariff base by the appropriate rates applying to each tranche of the tariff base, as indicated.
- (2) A *firm* may apply the relevant tariff bases and rates to non-UK business, as well as to its UK business, if
- 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 7 are disproportionate to the difference in fees payable; and
  - it notifies the *FSA* in writing at the same time as it provides the information concerned under SUP 20.3 (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.

Activity group (defined in Part 7)	Valuation date for tariff bases (defined in Part 7)	Fee payable (tariff bases defined in Part 7)	
<p><b>A.1</b> Deposit acceptors</p>	<p><b>For banks:</b> Modified eligible liabilities, valued at:</p> <ul style="list-style-type: none"> <li>for a bank which reports monthly, the average of the modified eligible liabilities for October, November and December 2000</li> <li>for a bank which reports quarterly, the modified eligible liabilities for December 2000.</li> </ul> <p><b>For building societies:</b> Modified eligible liabilities, valued at the average of the modified eligible liabilities for October, November and December 2000</p> <p>[Note: not applicable to credit unions for this period]</p>	<p><b>Minimum fee (£m of MELs)</b></p> <p>if 0 – 0.5 fee is if &gt;0.5 – 10 fee is</p> <p><b>£ million of MELs</b></p> <p>0 – 10 &gt;10 – 200 &gt;200 – 2,000 &gt;2,000– 10,000 &gt;10,000–20,000 &gt; 20,000</p> <p>The lower of: a) the fee calculated for banks above; and b) 40% of the General Charge paid by the building society to the Building Societies Commission in 2001/2 under SI 2001 No.815.</p>	<p><b>Fee</b></p> <p>£50 £334</p> <p><b>Fee (£/£m or part £m of MELs)</b></p> <p>0.00 16.23 16.16 16.09 15.99 15.82</p>
<p><b>A.2</b> Mortgage lenders and administrators</p>	<p>This block does not apply for this period</p>		
<p><b>A.3</b> Firms conducting insurance activities subject only to prudential regulation</p>	<p>Annual gross premium income, valued at the period to which the most recent annual return relates [Note: for most <i>firms</i> this will be the 12 months ended 31 December 2000]</p>	<p><b>£ million of GPI</b></p> <p>Minimum fee</p> <p>0 – 0.5 &gt;0.5 – 2 &gt;2 – 5 &gt;5 – 20 &gt;20 – 75 &gt;75 – 150 &gt; 150</p>	<p><b>Fee</b></p> <p>£125</p> <p><b>Fee (£/£m or part £m of GPI)</b></p> <p>0.00 516.00 476.24 436.55 138.90 119.06 16.87</p>

<b>A.4</b> Firms conducting insurance activities subject to both prudential and conduct of business regulation	Adjusted annual gross premium income valued at the financial year ended in the calendar year ending 31 December 2000	<b><u>£ million of AGPI</u></b>	<b><u>Fee</u></b>
		Minimum fee	£135
		<b><u>Fee (£/£m or part £m of AGPI)</u></b>	
		0 – 1	0.00
		>1 – 50	215.60
		>50 – 1,000	194.04
<b>A.5</b> Managing Agents at Lloyd's	Active capacity, in respect of the 2001 Underwriting Year (as reported to the Society of <i>Lloyd's</i> )	<b><u>£ million of active capacity</u></b>	<b><u>Fee</u></b>
		Minimum fee	£167
		<b><u>Fee (£/£m or part £m of active capacity)</u></b>	
		0 – 50	0
		>50 – 150	17.34
		>150 – 250	14.67
<b>A.6</b> The Society of Lloyd's	Not applicable		4.17
			£356,000
<b>A.7</b> Fund managers (holding or controlling client money and/or assets)	Funds under management, valued at 31 December 2000	<b><u>Minimum fee (£m FuM)</u></b>	<b><u>Fee</u></b>
		Exactly 0 the fee is	£0
		>0 the fee is	£334
		<b><u>£ million of FuM</u></b>	<b><u>Fee (£/£m or part £m of FuM)</u></b>
		>0 – 10	0.00
		>10 – 100	17.10
<b>A.8</b> Fund managers (not holding or controlling client money and/or assets)	Funds under management, valued at 31 December 2000	<b><u>Minimum fee (£m FuM)</u></b>	<b><u>Fee</u></b>
		Exactly 0 the fee is	£0
		>0 the fee is	£334
		<b><u>£ million of FuM</u></b>	<b><u>Fee (£/£m or part £m of FuM)</u></b>
		>0 – 10	0.00
		>10 – 100	16.74
	>100 – 2,500	5.30	
	>2,500 – 10,000	3.83	
	>10,000	2.08	

<b>A.9</b> Operators, Trustees and Depositaries of collective investment schemes	Annual gross income, valued at the most recent financial year ended before commencement	<b>Minimum fee (£m GI)</b>	<b>Fee</b>
		Exactly 0 the fee is	£0
		>0 the fee is	£834
		<b>£ million of GI</b>	<b>Fee (£/£m or part £m of GI)</b>
		>0 – 1	0.00
		>1 – 20	252.00
<b>A.10</b> Firms dealing as principal in investments	Number of traders as at commencement	<b>No. of traders</b>	<b>Fee</b>
		Minimum fee	£1,500
		<b>Fee (£/trader)</b>	
		0 – 3	0
		4 – 10	301
		11 – 50	273
<b>A.11</b> Execution-only arrangers, dealers or brokers	Annual commission or fee income, valued at the most recent financial year ended before commencement	<b>£ million of income</b>	<b>Fee</b>
		Minimum fee	£5,000
		<b>Fee (£/£m or part £m of income)</b>	
		0 – 1	0.00
		>1 – 25	1,154.13
		>25 – 50	961.78
<b>A.12</b> Advisory arrangers, dealers, or brokers (holding or controlling client money and/or assets)	Relevant <i>approved persons</i> as at commencement	<b>Minimum fee (No. of persons)</b>	<b>Fee</b>
		Exactly 0 the fee is	£0
		>0 the fee is	£450
		<b>No. of persons</b>	<b>Fee (£/person)</b>
		>0 – 1	0
		2 – 4	279
		5 – 10	139
		11 – 25	97
		26 – 100	52
		101 – 1,000	39
> 1,000	26		



<p><b>A.13</b> Advisory arrangers, dealers, or brokers (not holding or controlling client money and/or assets)</p>	<p>Relevant <i>approved persons</i> as at commencement</p>	<p><b><u>Minimum fee (No. of persons)</u></b>                      Exactly 0 the fee is £0                      BUT if the firm is A.13 Category (1)(a) – the fee is £434                      OR if no. of persons &gt;0 the fee is £434</p> <p><b><u>No. of persons</u></b>                      &gt;0 – 1 0                      2 – 4 208                      5 – 10 199                      11 – 25 190                      26 – 100 174                      101 – 2,000 156                      &gt; 2,000 142</p>	<p><b><u>Fee</u></b></p>
<p><b>A.14</b> Corporate finance advisers</p>	<p>Relevant <i>approved persons</i> as at commencement</p>	<p><b><u>Minimum fee (No. of persons)</u></b>                      Exactly 0 the fee is £0                      &gt;0 the fee is £434</p> <p><b><u>No. of persons</u></b>                      &gt;0 – 1 0                      2 400                      3 – 4 360                      5 – 10 324                      11 – 100 292                      101 – 200 205                      &gt; 200 123</p>	<p><b><u>Fee</u></b></p>
<p><b>A.15</b> Advisory only firms</p>	<p>Relevant <i>approved persons</i> as at commencement</p>	<p><b><u>Minimum fee (No. of persons)</u></b>                      Exactly 0 the fee is £0                      &gt;0 the fee is £684</p> <p><b><u>No. of persons</u></b>                      &gt;0 – 1 0                      2 – 3 675                      4 – 10 608                      11 – 50 547                      51 – 100 493                      101 – 150 394                      &gt; 150 276</p>	<p><b><u>Fee</u></b></p>
<p><b>A.16</b> Pensions review levy firms</p>	<p>Percentage share of the amount paid towards the PIA's 2001/2 pensions review levy, valued at the date the levy is raised</p>	<p></p>	<p>The firm's percentage share of the amount paid towards the PIA's 2001/2 pensions review Levy by fee-payers in fee-block A.16.</p>

<p><b>B</b> Firms that have been designated as an operator of a prescribed market under the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001, SI 2001/996</p>	<p>Not applicable</p>		<p>£7,500</p>
<p>A firm which does not comply with SUP 20.3.2R</p>	<p>The relevant valuation or valuations of business applicable to the previous year, multiplied by a factor of 1.10</p>		<p>The tariffs above applicable to the firm plus an administration fee of £250, subject to a minimum total fee of £350 (inclusive of the administration fee)</p>

(3) The following table provides an example fee calculation for a fee-payer in the A.4 activity group, for the period from 1 December 2001 to 31 March 2002.

Fee calculation example: A.4 Tariff	Calculation of Fee	£ Fee
<p>UK incorporated firm with adjusted gross premium income of £1,550,500,000 (none of which is transacted through independent practitioners) £ million of AGPI</p>		
<p>0 – 1</p>	<p>Minimum fee</p>	<p>£135</p>
<p>&gt;1 – 50</p>	<p>£0/£m</p>	<p>£0.00</p>
<p>&gt;50 – 1,000</p>	<p>£49m x £215.60/£m</p>	<p>£10,564.40</p>
<p>&gt;1,000 – 1,550.5</p>	<p>£950m x £194.04/£m</p>	<p>£184,338.00</p>
<p>Total fee payable</p>	<p>£550.5m x £129.36/£m</p>	<p>£71,212.68</p>
		<p>£266,250.08</p>

Part 3 – Permitted deductions

(1) There are no permitted deductions in relation to this period.

Part 4 – Fee tariffs applicable to firms with new or extended permissions

(1) The provisions of Part 2 apply, except that the amount payable for each additional activity grouping is the greater of:

- (a) the minimum fee specified for the activity grouping; or

- (b) the fee calculated in accordance with Part 2 for that activity grouping using the relevant information supplied by the *firm* to the *FSA* in the course of its application for the projected valuation of the first year of the business to which the tariff applies.
- (2) The table of reductions at SUP 20.4.5R does not apply to this period because it does not come into force until 1 April 2002.

Part 5 – Modification of fee tariffs for incoming EEA firms and incoming Treaty firms

Activity group (see Part 2 for descriptions)	Percentage of tariff payable under Part 2 applicable to the firm subject to a minimum amount payable of £100 (unless specified below)
A.1	20% (for a firm operating on cross-border services basis only, 0% and the minimum sum is not applicable)
A.3	0% and the minimum sum is not applicable
A.4	75%
A.7, A.8 and A.9	95%
A.10, A.11, A.12 and A.13	90%

Part 6 – Transaction reporting fees

Fee per transaction	Date payable	Method of payment
2 pence (including VAT)	First working day of each month	As specified in Part 1

Part 7 – Activity groups and tariff bases

Activity group	Fee-payer falls in the activity group if	Tariff-base
----------------	--	-------------

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.1 Deposit acceptors</b></p>	<p>its <i>permission</i> includes <i>accepting deposits</i>;</p> <p><b>BUT DOES NOT</b> include any of the following:</p> <ul style="list-style-type: none"> <li>• effecting contracts of insurance;</li> <li>• carrying out contracts of insurance.</li> </ul>	<p><b>MODIFIED ELIGIBLE LIABILITIES</b></p> <p><b>For Banks:</b></p> <p><b><u>Part 1:</u></b></p> <p><b>Liabilities</b></p> <p>In sterling:  <math>\pounds 2 + \pounds 3 + \pounds 4 + \pounds 5A + \pounds 5B + \pounds 6B + \pounds 6C + \pounds 6D + \pounds 6E + \pounds 6F + \pounds 6G + \pounds 6H + \pounds 6J + \pounds 7B + \pounds 7C + \pounds 7D + \pounds 7E + \pounds 7F + \pounds 7G + \pounds 7H + \pounds 7J + \pounds 8 + \pounds 10 + 60\% \text{ of } \pounds 11A + \pounds 44</math>                      plus                      In foreign currency, one-third of:  <math>E2 + E3 + E4 + E5A + E5B + E6B + E6C + E6D + E6E + E6F + E6G + E6H + E6J + E7B + E7C + E7D + E7E + E7F + E7G + E7H + E7J + E8 + E10 + 60\% \text{ of } E11A + E44 + C2 + C3 + C4 + C5A + C5B + C6B + C6C + C6D + C6E + C6F + C6G + C6H + C6J + C7B + C7C + C7D + C7E + C7F + C7G + C7H + C7J + C8 + C10 + 60\% \text{ of } C11A: \text{ less}</math></p> <p><b>Assets</b></p> <p>In sterling:  <math>\pounds 21B + 60\% \text{ of } \pounds 22A + \pounds 23D + \pounds 23E + \pounds 23F + \pounds 30A + \pounds 30B + \pounds 31A + \pounds 31B + \pounds 32AA</math>                      plus                      In foreign currency, one-third of:  <math>E21B + 60\% \text{ of } E22A + E23D + E23E + E23F + E30A + E30B + E31A + E31B + E32AA + C21B + 60\% \text{ of } C22A + C23D + C23E + C23F + C30A + C30B + C31A + C31B + C32AA</math></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.1 Deposit acceptors</b></p> <p><b>Continued...</b></p>		<p><b><u>Part 2: Non-resident office offset</u></b></p> <p>Provided that the conditions and criteria (including those relating to the time by which a Non-Resident Office Offset Form must have been received by the <i>FSA</i>) set out by the <i>FSA</i> in the Non-Resident Office Offset Form (and accompanying letter) were duly satisfied, the fee base of a bank that has submitted a Non-Resident Office Offset Form to the <i>FSA</i> in January 2001 is adjusted by deducting from the amount calculated in accordance with part 1 above, the amount obtained by deducting from item 'c' in the Non-Resident Office Offset Form the sum of £1,000 million. Non-Resident Offset Forms must have been completed in accordance with the instructions therein and the accompanying letter and, so far as applicable, in accordance with the requirements for completing Forms BT. Each item in line 45D of a Non-Resident Office Offset Form shall, if it would otherwise have been a negative number, be zero.</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.1 Deposit acceptors</b></p> <p>Continued...</p>		<p><b>Notes:</b></p> <p>1 All references in the above formula are to entries on Form BT (i.e. the Balance Sheet Form completed to provide information required following the Banking Statistics Review 1997 and returned by banks to the Bank of England as required by the Banking of England Act 1998).</p> <p>2 ‘E’ refers to assets and liabilities denominated in euro (as referred to in column 2 of Form BT) and ‘C’ refers to assets and liabilities denominated in currencies other than sterling and euro (as referred to in column 3 of Form BT). In accordance with Form BT, assets and liabilities in currencies other than sterling are to be recorded in sterling.</p> <p>3 The figures reported on the Form BT relate to business conducted out of offices in the <i>United Kingdom</i>.</p> <p><b>For Credit Unions:</b></p> <p>Deposits with the <i>credit union</i> (share capital)  <b>LESS</b>                      The <i>credit union</i>’s bank deposits (investments + cash at bank)</p> <p><b>Note:</b>                      By definition all business done by <i>credit unions</i> is from offices in the <i>United Kingdom</i>.</p>
<p><b>A.1 Deposit acceptors</b></p> <p>Continued...</p>		<p><b>For Building Societies:</b></p> <ul style="list-style-type: none"> <li>• <b>Deposit liabilities</b> (including debt securities up to five years original maturity)                      (i.e. the amounts in sterling (in column 1) and</li> </ul>

Activity group	Fee-payer falls in the activity group if	Tariff-base
		<p><math>\frac{1}{3}</math> of foreign currency referenced amounts (in columns 2 and 3) for items B1.1+B1.2+B2.0a+B2.0b+B2.10+B2.13+ B2.14+B2.15+B2.16)</p> <p><b>LESS</b> amounts in respect of:</p> <ul style="list-style-type: none"> <li>• <b>sterling repo liabilities with the Bank of England</b> (i.e. ONLY the amounts in sterling (in column 5) for item B2.5a)</li> <li>• <b>balances held with the Bank of England</b> (excluding cash ratio deposits)</li> <li>• (i.e. the amounts in sterling (in column 1) and</li> </ul> <p><math>\frac{1}{3}</math> of foreign currency referenced amounts (in columns 2 and 3) for item B6.2a, less the amounts in sterling (in column 1) and</p> <p><math>\frac{1}{3}</math> of foreign currency referenced amounts (in columns 2 and 3) for item OW1.1</p> <ul style="list-style-type: none"> <li>• <b>market loans to banks, building societies</b> (balances with and loans to, plus CDs, Commercial paper) (i.e. the amounts in sterling (in column 1) and</li> </ul> <p><math>\frac{1}{3}</math> of foreign currency referenced amounts (in columns 2 and 3) for items B6.3.a+B6.4.a+B6.4b+B6.5a+B6.5b+ B6.12a)</p> <ul style="list-style-type: none"> <li>• <b>investments with banks and building societies</b> (bonds, notes and other debt instruments up to five years original maturity) (i.e. the amounts in sterling (in column 1) and</li> </ul>

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.2	<b>This activity group does not apply for this period.</b>	$\frac{1}{3}$ of foreign currency referenced amounts (in columns 2 and 3) for items B6.6a1+B6.6a2+B6.10a1+B6.10a2)  <b>Notes:</b> All references in the above definitions are to entries in the MFS1 which is submitted monthly by all building societies to the FSA.



Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.3 Firms conducting insurance activities subject only to prudential regulation</b></p>	<p>its <i>permission</i> includes one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>effecting contracts of insurance</i>;</li> <li>• <i>carrying out contracts of insurance</i>;</li> </ul> <p><b>BUT ONLY</b> in respect of <i>specified investments</i> that are:</p> <ul style="list-style-type: none"> <li>– <i>general insurance contracts</i>; or</li> <li>– <i>long-term insurance contracts</i> other than <i>life-policies</i>.</li> </ul>	<p><b>GROSS PREMIUM INCOME</b></p> <p><b>For Insurers:</b></p> <p>The amount of <i>premiums</i> receivable required to be included in the documents required to be deposited under section 22(1) of the Insurance Companies Act 1982 in relation to the financial year to which the documents relate (or, where by reason of an order made under section 68 of the Insurance Companies Act 1982 such amounts are not required to be included, the amount which would otherwise have been included).</p> <p>Less,</p> <p><i>Premiums</i> relating to <i>pension fund management</i> business where the firm owns the investments and there is no transfer of risk.</p> <p>However, in the case of either:</p> <ul style="list-style-type: none"> <li>a) a pure reinsurer carrying on <i>general insurance business</i> through a branch in the <i>United Kingdom</i>; or</li> <li>b) an <i>insurer</i> whose head office is not in an <i>EEA State</i> carrying on <i>general insurance business</i> through a branch in the <i>United Kingdom</i>; or</li> <li>c) a Community deposit company (i.e. an insurance company (other than a pure reinsurer) whose head office is not in a Member State and which has made a deposit in a Member State other than the <i>United Kingdom</i> in accordance with section 9(1)(c) of the Insurance Companies Act 1982 as it has effect in pursuance to section 9(2)(b) of that Act), the amount only includes <i>premiums</i> receivable in respect of its <i>United Kingdom branch</i> business; and</li> </ul>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.3 Firms conducting insurance activities subject only to prudential regulation</b></p> <p>Continued...</p>		<p>d) for <i>Swiss general insurance companies</i>, premiums include those relevant to the operations of the company's <i>United Kingdom branch</i>.</p> <p><b>For Friendly Societies:</b> Either:</p> <p>a) the value of "contributions" as income under Schedule 7: Part I item 1(a) of the regulations for a <i>non-directive friendly society</i>, included within the income and expenditure account, or</p> <p>b) the value of "gross premiums written" under Schedule 1: Part I items I.1(a) and II.1.(a) of the regulations for a <i>directive friendly society</i> included within the income and expenditure account.</p> <p><b>Notes:</b></p> <p>1 The references above are to the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983).</p> <p>2 In both a) and b) above only <i>premiums</i> receivable in respect of <i>United Kingdom branch</i> business are relevant.</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.4 Firms conducting insurance activities subject to both prudential and conduct of business regulation</b></p>	<p>its <i>permission</i> includes one or more of:</p> <ul style="list-style-type: none"> <li>• <i>effecting contracts of insurance</i>;</li> <li>• <i>carrying out contracts of insurance</i>;</li> </ul> <p>both in respect of <i>specified investments</i> including <i>life policies</i>;</p> <ul style="list-style-type: none"> <li>• <i>entering as provider into a funeral plan contract</i>.</li> </ul>	<p><b>ADJUSTED GROSS PREMIUM INCOME</b></p> <p>Amount of new regular <i>premium</i> business (yearly <i>premiums</i> including reassurances ceded but excluding cancellations and reassurances accepted), times ten</p> <p><b>Plus,</b></p> <p>Amounts of new single <i>premium</i> business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included.</p> <p><b>Less,</b></p> <p><i>Premiums</i> relating to <i>pension fund management</i> business where the firm owns the investments and there is no transfer of risk.</p> <p>For each of the above, business transacted through independent practitioners will be divided by two in calculating the adjusted gross premium income.</p> <p><b>Notes:</b></p> <p>1 Business conducted through a <i>marketing associate</i> should be excluded in reporting the <i>product provider's premium</i> income.</p> <p>2 Only <i>premiums</i> receivable in respect of <i>United Kingdom branch</i> business are relevant.</p>
<p><b>A.5 Managing agents at Lloyd's</b></p>	<p>its <i>permission</i> includes <i>managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's</i>.</p>	<p><b>ACTIVE CAPACITY</b></p> <p>The capacity of the <i>syndicate(s)</i> under management in the year in question. This includes the capacity for <i>syndicate(s)</i> that are not writing new business, but have not been closed off in the year in question.</p>
<p><b>A.6 The Society of Lloyd's</b></p>	<p>it is the <i>Society of Lloyd's</i>.</p>	<p>Not applicable</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>GENERALLY, FOR FEE-BLOCKS A.7 TO A.15 BELOW, ONLY THOSE REGULATED ACTIVITIES THAT ARE NOT LIMITED TO NON-MAINSTREAM ACTIVITIES SHOULD BE TAKEN INTO ACCOUNT IN DETERMINING WHICH FEE-BLOCK(S) FEE-PAYERS BELONG TO.</b></p>		
<p><b>HOWEVER, IN THE CASE THAT ALL THE REGULATED ACTIVITIES WITHIN A FIRM'S PERMISSION ARE LIMITED TO NON-MAINSTREAM REGULATED ACTIVITIES, THEN THAT FIRM SHALL BE ALLOCATED TO FEE-BLOCK A.13 ALONE.</b></p>		
<p><b>A.7 Fund Managers (holding or controlling client money and/or assets)</b></p>	<p>its permission includes <i>managing investments</i>;</p> <p><b>AND</b> one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>safeguarding and administering of investments (without arranging)</i>;</li> <li>• <i>arranging safeguarding and administration of assets</i>;</li> <li>• the ability to hold and/or control <i>client money</i>:                             <ul style="list-style-type: none"> <li>– that is, there is no <i>requirement</i> which prohibits the <i>firm</i> from doing this;</li> <li>– and provided that the <i>client money</i> in question does not <b>only</b> arise from an agreement under which <i>commission</i> is rebated to a <i>client</i>.</li> </ul> </li> </ul>	<p><b>FUNDS UNDER MANAGEMENT</b></p> <p>The total value, in £ pounds, of all assets (see note (a) below) in portfolios which the <i>firm</i> manages, on a discretionary basis (see note (b) below), in accordance with its terms of business, <b>less</b>:</p> <ul style="list-style-type: none"> <li>a) funds covered by the exclusion contained in article 38 (Attorneys) of the <i>Regulated Activities Order</i>;</li> <li>b) funds covered by the exclusion contained in article 66(3) (Trustees, nominees and personal representatives) of the <i>Regulated Activities Order</i>;</li> <li>c) funds covered by the exclusion contained in article 68(6) (Sale of goods or supply of services) of the <i>Regulated Activities Order</i>;</li> <li>d) funds covered by the exclusion contained in article 69(5) (Groups and joint enterprises) of the <i>Regulated Activities Order</i>; and</li> </ul> <p>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 <i>firm</i> (and which <i>firm</i> will include the value of the assets in question in its own FuM total); any such deduction should identify the <i>firm</i> to which management responsibility has been delegated.</p>

**A.7 Fund Managers (holding or controlling client money and/or assets)**

Continued...

**Notes on FuM**

- a) 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.
- b) 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 NOT included as this activity is covered in those charged to fees in activity groups A.12 and 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 schemes 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.

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.8 Fund Managers (not holding or controlling client money and/or assets)</b></p>	<p>its <i>permission</i> includes <i>managing investments</i>;</p> <p><b>BUT NEITHER</b> of the following:</p> <ul style="list-style-type: none"> <li>• <i>safeguarding and administration of assets (without arranging)</i>;</li> <li>• <i>arranging safeguarding and administration of assets</i>;</li> </ul> <p><b>AND</b> if it <b>EITHER</b>:</p> <ul style="list-style-type: none"> <li>• has a <i>requirement</i> that prohibits the <i>firm</i> from holding and/or controlling <i>client money</i>; <b>OR</b></li> <li>• if it does not have such a <i>requirement</i>, <b>only</b> holds/controls <i>client money</i> arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>.</li> </ul>	<p><b>FUNDS UNDER MANAGEMENT</b></p> <p>As per activity group A.7 above.</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.9 Operators, Trustees and Depositories of collective investment schemes</b></p>	<p>its <i>permission</i> includes one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>establishing, operating or winding up a regulated collective investment scheme;</i></li> <li>• <i>establishing, operating or winding up an unregulated collective investment scheme;</i></li> <li>• <i>acting as trustee of an authorised unit trust scheme;</i></li> <li>• <i>acting as the depository or sole director of an open-ended investment company;</i></li> </ul> <p><b>AND PROVIDED</b> the <i>firm</i> is <b>NOT</b> one of the following:</p> <ul style="list-style-type: none"> <li>• <i>a corporate finance advisory firm;</i></li> <li>• <i>a firm in which the above activities are limited to carrying out corporate finance business;</i></li> <li>• <i>a venture capital firm;</i></li> </ul> <p><b>OR</b></p> <p>if the fee-payer has none of the <i>regulated activities</i> above within its <i>permission</i>, but <b>ALL</b> the remaining <i>regulated activities</i> in its <i>permission</i> are limited to carrying out trustee activities.</p>	<p><b>GROSS INCOME</b></p> <p><b><u>For operators (including ACDs and managers of unit trusts):</u></b></p> <p>Gross income from the activity relating to fee-block A.9 is defined as: the amount of the annual charge on funds invested in regulated or unregulated <i>collective investment schemes</i> received or receivable in the latest accounting period ending on or before 31 December 2000 (this is calculated as a % of funds invested, typically 1% p.a.); <b>PLUS</b> the front-end or exit charge levied on sales or redemptions of <i>collective investment schemes</i> (typically 4–5% of sales/redemptions) in that same accounting period; <b>PLUS</b> any additional initial or management charges levied through a product wrapper such as a <i>PEP</i> or an <i>ISA</i>; <b>BUT EXCLUDING</b> box management profits.</p> <p><b><u>For depositaries (including trustees of collective investment schemes and ICVC depositaries):</u></b></p> <p>The amount of the annual charge levied on funds in regulated <i>collective investment schemes</i> for which they act as <i>depository</i> (typically a % of the total funds for which they act as <i>depository</i>).</p> <p><b>Note:</b> Only the gross income corresponding to <i>United Kingdom</i> business is relevant.</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.10 Firms dealing as principal</b></p>	<p>its <i>permission</i> includes <i>dealing in investments as principal</i>;</p> <p><b>BUT NOT</b> if one or more of the following apply:</p> <ul style="list-style-type: none"> <li>• the above activity is carried on exclusively in respect of <i>life policies</i>;</li> <li>• the <i>firm</i> is acting exclusively as a matched principal broker;</li> <li>• the above activity is limited either to acting as an operator of a <i>collective investment scheme</i>, or to carrying out trustee activities;</li> <li>• the <i>firm</i> is a <i>corporate finance advisory firm</i>;</li> <li>• the above activity is otherwise limited to carrying out <i>corporate finance business</i>.</li> <li>• the following limitation is applied to <i>dealing in investments as principal</i>; "The <i>firm</i> in carrying on this investment activity is limited to entering into a transaction relating to a <i>contractually based investment</i> – (a) with or through an <i>authorised person</i>, or an <i>exempt person</i> acting in the course of a business comprising a <i>regulated activity</i> in relation to which he is exempt; or (b) through an office outside the <i>United Kingdom</i> maintained by a party to the transaction, and with or through a person whose head office is situated outside the <i>United Kingdom</i> and whose ordinary business involves him in carrying on any <i>regulated activities</i> of the kind specified by any of Articles 14, 21, 25, 37, 40, 45, 51, 52 and 53 of the <i>Regulated Activities Order</i> or, so far as relevant to any of those activities, Article 64 (or would do so apart from any exclusion from any of those Articles made by that Order)."</li> </ul>	<p><b>NUMBER OF TRADERS</b></p> <p>Any <i>employee</i> or agent, who:</p> <ul style="list-style-type: none"> <li>• ordinarily acts within the <i>United Kingdom</i> on behalf of an <i>authorised person</i> liable to pay fees to the <i>FSA</i> in its fee-block A.10 (firms dealing as principal); and who,</li> <li>• as part of their duties in relation to those activities of the <i>authorised person</i>, commits the <i>firm</i> in market dealings or in transactions in <i>securities</i> or in other <i>specified investments</i> in the course of <i>regulated activities</i>.</li> </ul>



Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.11 Execution-only arrangers, dealers or brokers</b></p>	<p>its <i>permission</i> includes one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>dealing in investments as agent;</i></li> <li>• <i>arranging (bringing about) deals in investments;</i></li> <li>• <i>making arrangements with a view to transactions in investments;</i></li> <li>• <i>dealing as principal in investments where the activity is carried on exclusively in respect of <i>life policies</i> or where the <i>firm</i> acts as a matched principal broker;</i></li> </ul> <p><b>BUT NONE</b> of the following:</p> <ul style="list-style-type: none"> <li>• <i>effecting contracts of insurance;</i></li> <li>• <i>carrying out contracts of insurance;</i></li> <li>• <i>advising on investments (except pensions transfers and pension opt-outs); or</i></li> <li>• <i>advising on pension transfers and pension opt-outs; or</i></li> <li>• <i>accepting deposits;</i></li> </ul> <p><b>AND PROVIDED</b> the fee-payer is <b>NOT</b> any of the following:</p> <ul style="list-style-type: none"> <li>• <i>a corporate finance advisory firm;</i></li> <li>• <i>a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business;</i></li> <li>• <i>a firm whose activities are limited to carrying out venture capital business;</i></li> <li>• <i>a firm whose activities are limited to acting as an operator, depositary or trustee of a collective investment scheme, or trustee activities.</i></li> </ul>	<p><b>COMMISSION OR FEE INCOME</b></p> <ul style="list-style-type: none"> <li>• The commission or fee income derived from the activity (earned over the 12 months ending on the 31 December prior to the period to which the <i>FSA's</i> periodic fees relate).</li> </ul> <p>Income received would include:</p> <ul style="list-style-type: none"> <li>• Gross commission and brokerage fees: the total commission and brokerage earned by a firm in the conduct of agency broking before the deduction of commissions share or paid to third parties.</li> </ul> <p>But for <i>firms dealing in investments as principal</i> that are exclusively <i>life policies</i>, commission or fee income will be deemed to be half the gross margin reported in the period referred to above.</p> <p><b>Note:</b> Only the commission or fee income derived from <i>United Kingdom</i> business is relevant.</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.12 Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)</b></p>	<p>(1) its <i>permission</i> is entirely limited to non-mainstream <i>regulated activities</i>.</p> <p><b>OR</b></p> <p>its <i>permission</i> includes one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>dealing in investments as agent;</i></li> <li>• <i>arranging (bringing about) deals in investments;</i></li> <li>• <i>making arrangements with a view to transactions in investments ;</i></li> <li>• <i>dealing as principal in investments where the activity is carried on as a matched principal broker;</i></li> </ul> <p>(2) <b>AND AT LEAST</b> one of the following:</p> <ul style="list-style-type: none"> <li>• <i>advising on investments (except pension transfers and pension opt-outs);</i></li> <li>• <i>advising on pension transfers and pension opt-outs;</i></li> <li>• <i>advising on syndicate participation at Lloyd's;</i></li> </ul> <p><b>BUT NONE</b> of the following:</p> <ul style="list-style-type: none"> <li>• <i>effecting contracts of insurance; or</i></li> <li>• <i>carrying out contracts of insurance.</i></li> </ul>	<p><b>APPROVED PERSONS</b></p> <p>The number of <i>persons</i> approved to undertake one, or more, of the following <i>customer functions</i>:</p> <p><b>CF21</b> <i>Investment adviser function;</i>  <b>CF22</b> <i>Investment adviser (trainee) function;</i>  <b>CF24</b> <i>Pension transfer specialist function;</i>  <b>CF25</b> <i>Adviser on syndicate participation at Lloyd's function; or</i>  <b>CF26</b> <i>Customer trading function</i></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.12 Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)</b></p> <p><b>Continued ...</b></p>	<p>(3) <b>AND CAN HAVE</b> one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>safeguarding and administering of assets;</i></li> <li>• <i>arranging safeguarding and administration of assets;</i></li> <li>• the ability to hold and/or control <i>client money</i>:                             <ul style="list-style-type: none"> <li>– that is, there is no requirement which prohibits the <i>firm</i> from doing this;</li> <li>– and provided that the <i>client money</i> in question does not only arise from an agreement under which <i>commission</i> is rebated to a <i>client</i>;</li> </ul> </li> </ul> <p>(4) <b>AND PROVIDED</b> the fee-payer is NOT any of the following:</p> <ul style="list-style-type: none"> <li>• a <i>corporate finance advisory firm</i>;</li> <li>• a <i>firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business</i>;</li> <li>• a <i>firm</i> whose activities are limited to carrying out <i>venture capital business</i>;</li> <li>• a <i>firm</i> whose activities are limited to acting as an operator of a <i>collective investment scheme</i>;</li> <li>• a <i>firm</i> whose activities are limited to carrying out <i>trustee</i> activities.</li> </ul>	<p><i>Note: Territorial application of the Approved Persons tariff-base</i></p> <p>The requirements of SUP 10 (<i>Approved Persons</i>) do not apply to:</p> <ul style="list-style-type: none"> <li>• an <i>overseas firm</i> in relation to regulated activities carried out in the <i>United Kingdom</i> other than from an establishment maintained by it or its <i>appointed representative</i> in the <i>United Kingdom</i>; or</li> <li>• an <i>incoming EEA firm</i> (except if it is conducting <i>passport</i>ed activities through a <i>United Kingdom Branch</i>); or</li> <li>• an <i>incoming Treaty firm</i>.</li> </ul> <p>For these three classes of <i>firms</i>, there will be no <i>Approved Persons</i> to count.</p> <p>SUP 10.10 (the <i>customer functions</i>) applies only in relation to a <i>regulated activity</i> to which COB applies under COB 1.4. So, for <i>UK firms</i>, individuals working overseas will only fall to be approved under the <i>customer functions</i> if they undertake <i>regulated activities</i> to which COB 1.4 applies.</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)</b></p>	<p>(1)(a) <b>ALL</b> the <i>regulated activities</i> in its <i>permission</i> are limited to non-mainstream activities;</p> <p><b>OR</b></p> <p>(1)(b) its <i>permission</i> contains both:</p> <ul style="list-style-type: none"> <li>• <i>making arrangements with a view to transactions in investments</i>; and</li> <li>• <i>accepting deposits</i>.</li> </ul> <p><b>OR</b></p> <p>(1)(c) its <i>permission</i> includes one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>dealing in investments as agent</i>;</li> <li>• <i>arranging (bringing about) deals in investments</i>;</li> <li>• <i>making arrangements with a view to transactions in investments</i>;</li> <li>• <i>dealing as principal in investments</i> where the activity is carried on as a matched principal broker;</li> </ul> <p>(2) <b>AND AT LEAST</b> one of the following:</p> <ul style="list-style-type: none"> <li>• <i>advising on investments (except pension transfers and pension opt-outs)</i>;</li> <li>• <i>advising on pension transfers and pension opt-outs</i>;</li> </ul> <p><i>advising on syndicate participation at Lloyd's</i>;</p>	<p><b>APPROVED PERSONS</b></p> <p>The number of <i>persons</i> approved to undertake one, or more, of the following <i>customer functions</i>:</p> <p><b>CF21</b> <i>Investment adviser function</i>;</p> <p><b>CF22</b> <i>Investment adviser (trainee) function</i>;</p> <p><b>CF24</b> <i>Pension transfer specialist function</i>;</p> <p><b>CF25</b> <i>Adviser on syndicate participation at Lloyd's function</i>; or</p> <p><b>CF26</b> <i>Customer trading function</i></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)</b></p> <p><b>Continued...</b></p>	<p><b>BUT NONE</b> of the following:</p> <ul style="list-style-type: none"> <li>• <i>effecting contracts of insurance;</i></li> <li>• <i>carrying out contracts of insurance;</i></li> <li>• <i>safeguarding and administration of assets;</i></li> <li>• <i>arranging safeguarding and administration of assets;</i></li> </ul> <p><b>(3) AND MUST EITHER:</b></p> <ul style="list-style-type: none"> <li>• <i>have a requirement that prohibits the firm from holding and/or controlling client money; OR</i></li> <li>• <i>if it does not have such a requirement, only holds/controls client money arising from an agreement under which commission is rebated to a client;</i></li> </ul> <p><b>(4) AND PROVIDED</b> the fee-payer is <b>NOT</b> one of the following:</p> <ul style="list-style-type: none"> <li>• <i>a corporate finance advisory firm;</i></li> <li>• <i>a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business;</i></li> <li>• <i>a firm whose activities are limited to acting as an operator a collective investment scheme;</i></li> <li>• <i>a firm whose activities are limited to carrying out trustee activities.</i></li> </ul>	<p><i>Note: Territorial application of the Approved Persons tariff-base</i></p> <p>The requirements of SUP 10 (Approved Persons) do not apply to:</p> <ul style="list-style-type: none"> <li>• <i>an overseas firm in relation to regulated activities carried out in the United Kingdom other than from an establishment maintained by it or its appointed representative in the United Kingdom; or</i></li> <li>• <i>an incoming EEA firm (except if it is conducting passported activities through a United Kingdom Branch); or</i></li> <li>• <i>an incoming Treaty firm.</i></li> </ul> <p>For these three classes of firms, there will be no Approved Persons to count.</p> <p><i>SUP 10.10 (the customer functions) applies only in relation to a regulated activity to which COB applies under COB 1.4. So, for UK firms, individuals working overseas will only fall to be approved under the customer functions if they undertake regulated activities to which COB 1.4 applies.</i></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.14 Corporate finance advisers</b></p>	<p>the <i>firm</i> is carrying on <i>corporate finance business</i>.</p>	<p><b>APPROVED PERSONS</b></p> <p>The number of <i>persons</i> approved to undertake the following <i>controlled function</i>:</p> <p><b>CF23 Corporate finance adviser function</b></p> <p><i>Note: Territorial application of the Approved Persons tariff-base</i></p> <p>The requirements of <i>SUP 10 (Approved Persons)</i> do not apply to:</p> <ul style="list-style-type: none"> <li>• an <i>overseas firm</i> in relation to regulated activities carried out in the <i>United Kingdom</i> other than from an establishment maintained by it or its <i>appointed representative</i> in the <i>United Kingdom</i>; or</li> <li>• an <i>incoming EEA firm</i> (except if it is conducting <i>passported activities</i> through a <i>United Kingdom Branch</i>); or</li> <li>• an <i>incoming Treaty firm</i>.</li> </ul> <p>For these three classes of <i>firms</i>, there will be no <i>Approved Persons</i> to count.</p> <p><i>SUP 10.10 (the customer functions)</i> applies only in relation to a <i>regulated activity</i> to which <i>COB</i> applies under <i>COB 1.4</i>. So, for <i>UK firms</i>, individuals working overseas will only fall to be approved under the <i>customer functions</i> if they undertake <i>regulated activities</i> to which <i>COB 1.4</i> applies.</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p><b>A.15 Advisory only firms</b></p>	<p>its <i>permission</i> includes one or more of the following:</p> <ul style="list-style-type: none"> <li>• <i>advising on investments (except pension transfers and pension opt-outs);</i></li> <li>• <i>advising on pension transfers and pension opt-outs;</i></li> <li>• <i>advising on syndicate participation at Lloyd's;</i></li> </ul> <p><b>BUT MUST NOT</b> include:</p> <ul style="list-style-type: none"> <li>• <i>dealing in investments as agent;</i></li> <li>• <i>arranging (bringing about) deals in investments;</i></li> <li>• <i>making arrangements with a view to transactions in investments;</i></li> <li>• <i>dealing as principal in investments where the activity is carried on as a matched principal broker;</i></li> </ul> <p><b>AND PROVIDED</b> the fee-payer is <b>NOT</b> one of the following:</p> <ul style="list-style-type: none"> <li>• <i>a corporate finance advisory firm;</i></li> <li>• <i>a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business;</i></li> <li>• <i>a firm whose activities are limited to carrying out venture capital business;</i></li> <li>• <i>a firm whose activities are limited to acting as an operator of a collective investment scheme;</i></li> <li>• <i>a firm whose activities are limited to acting carrying out trustee activities.</i></li> </ul>	<p><b>APPROVED PERSONS</b></p> <p>The number of <i>persons</i> approved to undertake one, or more, of the following <i>customer functions</i>:</p> <p><b>CF21</b> <i>Investment adviser function;</i>  <b>CF22</b> <i>Investment adviser (trainee) function;</i>  <b>CF24</b> <i>Pension transfer specialist function;</i>  <b>CF25</b> <i>Adviser on syndicate participation at Lloyd's function;</i> or  <b>CF26</b> <i>Customer trading function</i></p> <p><i>Note: Territorial application of the Approved Persons tariff-base</i></p> <p>The requirements of SUP 10 (<i>Approved Persons</i>) do not apply to:</p> <ul style="list-style-type: none"> <li>• <i>an overseas firm in relation to regulated activities carried out in the United Kingdom other than from an establishment maintained by it or its appointed representative in the United Kingdom;</i> or</li> <li>• <i>an incoming EEA firm (except if it is conducting passported activities through a United Kingdom Branch);</i> or</li> <li>• <i>an incoming Treaty firm.</i></li> </ul> <p>For these three classes of <i>firms</i>, there will be no <i>Approved Persons</i> to count.</p> <p><i>SUP 10.10 (the customer functions) applies only in relation to a regulated activity to which COB applies under COB 1.4. So, for UK firms, individuals working overseas will only fall to be approved under the customer functions if they undertake regulated activities to which COB 1.4 applies.</i></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<b>A.16 Pensions review levy firms</b>	it was liable to pay the Pensions Levy to the <i>PIA</i> in 2001/2002.	Percentage share of the amount paid towards the <i>PIA</i> 's 2001/2002 pensions review Levy by fee-payers in fee-block A.16.
<b>B</b>	Firms that have been designated as an operator of a prescribed market under the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001, SI 2001/996.	Not applicable.

Part 8 – Periodic fees for certificates under article 54 of the Regulated Activities Order

(1) The amount of the periodic fee payable under SUP 20.6.1R is £1,000.



## ANNEX C

Professional firms

# Chapter 6

## Fees

6

PAGE  
1



## 6.1 Introduction

### Application

#### 6.1.1

**R**

17.01.02/001

This chapter applies as follows:

- (1) ■ PROF 6.1 and ■ PROF 6.2 apply to every *designated professional body*; and
- (2) ■ PROF 6.3 applies to every *person* seeking to become a *designated professional body*.

### Purpose

#### 6.1.2

**G**

17.01.02/001

The purpose of this chapter is to set out the requirements on *designated professional bodies* to pay fees which (with other fee requirements in the *Handbook*) provide the funding for the *FSA's* functions.

### Background

#### 6.1.3

**G**

17.01.02/001

Most of the detail of the fees payable by *designated professional bodies* is set out in the tables in *PROF 6 Ann 1R*. The provisions of the Annex will vary from one financial year to another. Accordingly a new annex will come into force, following consultation, for each financial year.

#### 6.1.4

**G**

17.01.02/001

Fees are set for *designated professional bodies* on an individual basis. The fee applicable to a *designated professional body* reflects an estimate of its proportion of the population of *exempt professional firms* conducting financial services business.

#### 6.1.5

**G**

17.01.02/001

■ GEN 3 (FSA Fees: General Provisions) applies to fees required by this chapter and explains how the *FSA* sets its fees.

## 6.2 Obligation to pay periodic fees

### General

- 6.2.1** **R** *A designated professional body must pay to the FSA, in full and without deduction, each periodic fee (or instalment) applicable to it under PROF 6 Ann 1R for a period during which or part of which the designated professional body is designated.*

17.01.02/001

### Amount

- 6.2.2** **R** *The amount of the periodic fee (or an instalment) referred to in PROF 6.2.1R for a designated professional body is specified in PROF 6 Ann 1R for the relevant year against the name or description of that body.*

17.01.02/001

### Due date

- 6.2.3** **R** *The designated professional body must pay a periodic fee (or any instalment) on or before the due date for payment specified in PROF 6 Ann 1R for the relevant year against the name or description of that body.*

17.01.02/001

### Payment methods

- 6.2.4** **G** *The FSA does not specify a method of payment for designated professional bodies. However the FSA expects that a designated professional body will generally pay its fee by electronic credit transfer.*

17.01.02/001



**6.3 Persons seeking to become designated professional bodies**

**6.3.1**

**R**

17.01.02/001

Any *person* who requests the Treasury to make an order under section 326(1) of the *Act* (Designation of professional bodies) must pay to the *FSA* the sum specified in *PROF 6 Ann 1 R* within 30 days after the order is granted.

## Fees payable in relation to the period from 1 December 2001 to 31 March 2002

1 Table Fees payable by designated professional bodies

Name of designated professional body	Amount Payable	Due Date
The Law Society	£74,000	1 February 2002
The Law Society of Scotland	£7,500	1 February 2002
The Law Society of Northern Ireland	£9,500	1 February 2002
The Institute of Actuaries	£3,500	1 February 2002
The Institute of Chartered Accountants in England and Wales	£46,500	1 February 2002
The Institute of Chartered Accountants of Scotland	£7,300	1 February 2002
The Institute of Chartered Accountants in Ireland	£5,800	1 February 2002
The Association of Chartered Certified Accountants	£10,900	1 February 2002
Any person seeking an order under section 326(1) of the Act (Designation of professional bodies)	£5,000	30 days after the order is granted

## ANNEX D

# Chapter 18

## Fees





## 18.1 Introduction

### Application

18.1.1 **R**  
03.09.01/001

This chapter applies to:

- (1) every *person* seeking an *authorisation order* for, or recognition of, a *collective investment scheme*;
- (2) every *manager* of an *authorised unit trust*;
- (3) every *ACD* of an *ICVC*; and
- (4) every *person* who, under the constitution or founding arrangements of a *recognised scheme*, is responsible for the management of the property held for or within the *scheme*.

### Purpose

18.1.2 **G**  
03.09.01/001

The purpose of this chapter is to set out the requirements for the payment of fees relating to *collective investment schemes*.

### Background

18.1.3 **G**  
03.09.01/001

GEN 3 (FSA Fees – General Provisions) applies to fees required by this chapter and explains how the *FSA* sets fees.

18.1.4 **G**  
03.09.01/001

Most of the detail of the fees payable in relation to a *collective investment scheme* is set out in ■ CIS 18 Annex 1R. The provisions of the Annex may vary from one financial year to another. Accordingly a fresh ■ CIS 18 Annex 1R will come into force, following consultation, for each financial year.

18.1.5 **G**  
03.09.01/001

The fees for *collective investment schemes* reflect the estimated costs to the *FSA* of assessing applications and notifications, considering proposals to change *regulated collective investment schemes* and maintain up to date records about them.

18.1.6 **G**  
03.09.01/001

The level of fees payable in respect of an application or a notification will vary depending upon the provision of the *Act* under which it is made. This fee is adjusted when the *scheme* concerned is an *umbrella scheme*.

## 18.2 Obligation to pay periodic fees

### General

**18.2.1** **R** *A person identified in part B of CIS 18 Annex 1R as the "relevant fee payer" for a regulated collective investment scheme must pay each "periodic fee" applicable to it in full and without deduction.*

17.01.02/001

**18.2.2** **G** *A relevant fee payer will be required to pay a periodic fee for every year during which a regulated collective investment scheme has that status. If that person is the relevant fee payer for more than one regulated collective investment scheme, he will be required to pay a fee in relation to each.*

17.01.02/001

### Due date

**18.2.3** **R** *The relevant fee payer must pay the amount due on or before 30 April.*

17.01.02/001

### Method of payment

**18.2.4** **R** *A periodic fee must be paid using one of the payment methods specified in part 1 of SUP 20 Annex 1R.*

17.01.02/001

### Modifications for newly authorised or recognised schemes

**18.2.5** **R** *If an authorisation order is made in relation to a scheme, or a scheme becomes a recognised collective investment scheme during the course of a financial year to which a CIS 18 Annex 1R applies:*

17.01.02/001

- (1) *the periodic fee required under CIS 18.4 is modified in accordance with Table CIS 18.2.6R; and*
- (2) *the due date for payment is 30 days after:*
  - (a) *the making of the authorisation order for the scheme; or*
  - (b) *the scheme becomes recognised.*

18.2.6

**R**

17.01.02/001

Table Modified fees for newly authorised or recognised schemes  
This table belongs to CIS 18.2.5R

<b>Period in which authorisation or recognition is granted</b>	<b><i>a. Proportion of periodic fee payable</i></b>
1 April to 30 June inclusive	100%
1 July to 30 September inclusive	75%
1 October to 31 December inclusive	50%
1 January to 31 March inclusive	25%

## 18.3 Obligation to pay notification and application fees

### General

- 18.3.1** **R** 03.09.01/001 The *person* identified in Part A of ■ CIS 18 Annex 1R as the "relevant fee payer" must pay each fee applicable to any application or notification as specified in part A of ■ CIS 18 Annex 1R.

### Due date

- 18.3.2** **R** 03.09.01/001 The relevant fee payer must pay a fee identified in Part A of ■ CIS 18 Annex 1R on or before the date on which the relevant application or notification is made.

- 18.3.3** **G** 03.09.01/001 Any application or notification, for which a fee is payable under this section, will be treated as incomplete until that *fee* is paid.

### Method of payment

- 18.3.4** **R** 03.09.01/001 A fee identified in Part A of ■ CIS 18 Annex 1R must be paid by bankers draft, cheque or other payable order.

## R Fees payable in relation to the period up to 31 March 2002

1 Table Part A – Application and notification fees payable in relation to the period from 3 September 2001 to 31 March 2002.

Section of the Act etc	Nature and purpose of fee	Payable by	Amount of fee	Umbrella scheme factor (Note 5)
Regulation 85 of the <i>OEIC Regulations</i>	On application for an order declaring a <i>scheme</i> to be an <i>ICVC</i>	An applicant (Note 3)	£1,200	2
Section 242	On application for an order declaring a <i>scheme</i> to be an <i>AUT</i>	An applicant (Note 3)	£1,200	2
Section 264	On giving notice under section 264 of the <i>Act</i>	The <i>operator</i> (Note 4)	£600	2
Section 270	On giving a notice under section 270 of the <i>Act</i>	The <i>operator</i> (Note 4)	£600	2
Section 272	On application for an order declaring a <i>scheme</i> to be an individually recognised overseas <i>scheme</i>	An applicant (Note 3)	£14,000	2

2 Table Part B – Periodic fees payable in relation to the period from 1 December 2001 to 31 March 2002

Nature and purpose of fee	Payable by	Amount of fee	Umbrella scheme factor (Note 5)
Periodic fee for an <i>ICVC</i>	The <i>authorised corporate director</i>	£200	2
Periodic fee for an <i>AUT</i>	The <i>manager</i>	£200	2
Periodic fee for a <i>scheme</i> recognised under section 264 of the <i>Act</i>	The <i>operator</i>	£200	2

Periodic <i>fee</i> for a <i>scheme</i> recognised under section 270 of the <i>Act</i>	The <i>operator</i>	£200	2
Periodic <i>fee</i> for a <i>scheme</i> recognised under section 272 of the <i>Act</i>	The <i>operator</i>	£1,167	2

**Notes**

- 3 The *fee* must accompany the application
- 4 The *fee* must accompany the notice
- 5 For an *umbrella scheme* the fee is multiplied by the factor shown in the final column of the above tables.
- 6 The table of reductions at CIS 18.2.6R does not apply to this period because it does not come into force until 1 April 2002

## ANNEX E

# Chapter 7

## Fees





## 7.1 Introduction

### Application

- 7.1.1** **R** 01.12.01/001 This chapter applies to every *recognised body* and to every applicant for recognition as a *recognised body* under Part XVIII of the *Act* (Recognised investment exchanges and clearing houses).

### Purpose

- 7.1.2** **G** 01.12.01/001 The purpose of this chapter is to set out the requirements on *recognised bodies* and applicants for recognition as *recognised bodies* to pay fees which (with other fee requirements in the *Handbook*) provide the funding for the *FSA*'s functions.

### Background

- 7.1.3** **G** 01.12.01/001 *GEN 3* (FSA Fees – General Provisions) applies to fees required by this chapter, and explains how the *FSA* sets its fees.
- 7.1.4** **G** 01.12.01/001 Most of the detail of the fees payable by *recognised bodies* and applicants is set out in *REC 7 Annex 1R*. The provisions of the annex will vary from one financial year to another. Accordingly a new annex will come into force, following consultation, for each financial year.
- 7.1.5** **G** 01.12.01/001 The fee applicable to a *recognised body* reflects the estimated cost to the *FSA* of discharging its functions in relation to that *recognised body*. Fees are set for *UK recognised bodies* on an individual basis.
- 7.1.6** **G** 01.12.01/001 Application fees are calculated from a tariff structure intended to reflect the estimated cost of processing an application of that type and complexity.
- 7.1.7** **G** 01.12.01/001 A *recognised body* may also have obligations to pay fees to the *FSA* under other *rules* or arising from legislation other than the *Act*. For example, a *recognised body* may have an obligation to pay a fee as an approved operator of a relevant system under the Uncertificated Securities Regulations 1995.
- 7.1.8** **G** 01.12.01/001 The *FSA* does not specify a method of payment for *recognised bodies* or applicants. However the *FSA* expects that a *recognised body* or an applicant will generally pay its fee by electronic credit transfer.



## 7.2 Periodic fees

### General

---

7.2.1

**R**

17.01.02/001

A *recognised body* must pay to the FSA, in full and without deduction, each periodic fee (or instalment) applicable to it under a REC 7 Annex 1R for a period during which or part of which the *recognised body* is recognised.

### Amount

---

7.2.2

**R**

17.01.02/001

The amount of the periodic fee (or each instalment) referred to in REC 7.2.1R for a *recognised body* is specified in Parts 1 and 2 of REC 7 Annex 1R for the relevant year against the name or description of that body.

### Due dates

---

7.2.3

**R**

17.01.02/001

The *recognised body* must pay a periodic fee (or any instalment) on or before each due date for payment specified in Parts 1 and 2 of REC 7 Annex 1R for the relevant year against the name or description of that body.

## 7.3 Application fees

### Amount

**7.3.1** **R** An applicant for recognition as a *UK recognised body* under section 287 or section 288 of the *Act* must pay to the *FSA* in full and without any deduction the application fee specified for that type of application in part 3 of *REC 7 Annex 1R* for the year in which the application is made.

01.12.01/001

**7.3.2** **R** An applicant for recognition as an *overseas recognised body* under section 287 or section 288 and section 292 of the *Act* must pay to the *FSA* in full and without any deduction the application fee specified in part 4 of *REC 7 Annex 1R* for the year in which the application is made.

01.12.01/001

### Due dates

**7.3.3** **R** An applicant must pay the application fee on or before the date on which the application is made.

01.12.01/001

**7.3.4** **G** The *FSA* will not consider an application for recognition until the application fee has been paid.

01.12.01/001

## Fees payable in relation to the period from 1 December 2001 to 31 March 2002

R

### 1 Table Fees payable in relation to the period from 1 December 2001 to 31 March 2002

#### In this table:

the term *recognised body* includes a recognised investment exchange or a recognised clearing house recognised under the Financial Services Act 1986 and which is a *recognised body* under Regulation 9 of the *Recognition Requirements Regulations*; and

the term *recognition order* includes a recognition order made by the FSA under section 37 or section 39 of the Financial Services Act 1986 or a recognition order made by the Treasury under section 40 of the Financial Services Act 1986.

#### Part 1 – Periodic fees for UK *recognised bodies* in relation to the period from 1 December 2001 to 31 March 2002

Name of UK <i>recognised body</i>	Amount payable	Due date
COREDEAL Limited	£61,000	1 February 2002
CRESTCo Limited	£163,000	1 February 2002
ECCP	£35,000	1 February 2002
The International Petroleum Exchange of London Limited	£132,000	1 February 2002
Jiway Limited	£67,000	1 February 2002
LIFFE Administration and Management	£153,000	1 February 2002
The London Clearing House Limited	£164,000	1 February 2002
The London Metal Exchange Limited	£160,000	1 February 2002
The London Stock Exchange Limited	£280,000	1 February 2002
OM London Exchange Limited	£123,000	1 February 2002
virt-x Exchange Limited	£87,000	1 February 2002
Any other UK recognised investment exchange recognised as such by a recognition order made between 1 December 2001 and 31 March 2002	£50,000	Later of: 1 February 2002 and 30 days after the date on which the recognition order is made.

Any other UK recognised clearing house recognised as such by a recognition order made between 1 December 2001 and 31 March 2002	£84,000	Later of: 1 February 2002 and 30 days after the date on which the recognition order is made.
---	---------	---

**Part 2 – Periodic fees for recognised overseas bodies in relation to the period from 1 December 2001 to 31 March 2002**

Name of recognised overseas body	Amount payable	Due date
Cantor Financial Futures Exchange	£3,000	1 February 2002
Chicago Mercantile Exchange	£3,000	1 February 2002
Chicago Board of Trade	£3,000	1 February 2002
Eurex Zurich	£3,000	1 February 2002
NASDAQ	£3,000	1 February 2002
NASDAQ LIFFE, LLC Futures Exchange	£3,000	1 February 2002
New York Mercantile Exchange	£3,000	1 February 2002
New Zealand Futures and Options Exchange	£3,000	1 February 2002
Swiss Exchange	£3,000	1 February 2002
Sydney Futures Exchange	£3,000	1 February 2002
Wareterminbörse Hannover	£3,000	1 February 2002
Any other overseas recognised body recognised as such by a recognition order made between 1 December 2001 and 31 March 2002	£3,000	Later of: 1 February 2002 and 30 days after the date on which the recognition order is made

**Part 3 – Application fees for applicants for recognition as a *UK recognised body* for the period from 3 September 2001 up to 31 March 2002**

Description of applicant	Amount payable	Due date
Applicant for recognition as a <i>UK RIE</i>	£ 75,000	Date application is made
Applicant for recognition as a <i>UK RCH</i>	£ 75,000	
Additional fees for applicant who proposes to:		
– act as a central counterparty	£ 25,000	
– offer safeguarding and administration services	£ 25,000	
– use substantially new and untested information technology systems in the performance of its relevant functions	£ 25,000	

**Part 4 – Application fees for applicants for recognition as an overseas recognised body for the period from 3 September 2001 up to 31 March 2002**

<b>Description of applicant</b>	<b>Amount payable</b>	<b>Due date</b>
<b>Applicant for recognition as an recognised overseas body</b>	<b>£ 35,000</b>	<b>Date application is made</b>