

**PERIODIC FEES (2006/2007) INSTRUMENT 2006**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 72 (The competent authority);
  - (2) section 74(4) (The official list);
  - (3) section 99(1) (Fees);
  - (4) section 101 (Listing rules: general provisions);
  - (5) section 138 (General rule-making power);
  - (6) section 156 (General supplementary powers);
  - (7) section 157(1) and (4) (Guidance);
  - (8) section 234 (Industry funding);
  - (9) paragraph 17(1) of Schedule 1 (Fees) and
  - (10) paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 June 2006.

**Amendments to the Handbook**

- D. The Fees manual (FEES) is amended in accordance with Annex A to this instrument.
- E. The Supervision manual (SUP) is amended in accordance with Annex B to this instrument.

**Citation**

- F. This instrument may be cited as the Periodic Fees (2006/2007) Instrument 2006.

By order of the Board  
25 May 2006

## Annex A

### Amendments to the Fees manual

In this Annex, underlining indicates new text and striking through indicates deleted text, save that where an entire new section is being inserted or deleted, the instructions are described and the text is not underlined or struck through.

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#### 3.2.7 R Table of application, notification and vetting fees

(1) Fee payer	(2) fee payable	Due date
(a) Any applicant for <i>Part IV permission</i> (including an <i>incoming firm</i> applying for <i>top-up permission</i> )	<p><u>(1) Unless (2) applies, in respect of a particular application, the highest of the tariffs set out in FEES 3 Annex 1R part 1 which apply to that application</u></p> <p><u>(2) In respect of a particular application which is:</u></p> <p><u>(i) a straightforward or moderately complex case for the purposes of FEES 3 Annex 1R part 1, and</u></p> <p><u>(ii) only involves a simple change of legal status as set out in FEES 3 Annex 1R part 6,</u></p> <p><u>the fee payable is 50% of the tariff that would otherwise be payable in FEES 3 Annex 1R part 1</u></p>	On or before the application is made
...		
(o) A <i>firm</i> applying for <del>guidance on the availability of</del> a <i>waiver</i> or concession <u>(or guidance on the availability of either)</u> in connection with <del>future rules</del> <u>(or future rules)</u> implementing ...	<p><u>(2) (a) Unless (b) applies A a firm submitting a second application for a waiver or concession or guidance ...</u></p> <p><u>(b) No fee is payable by a firm in relation to a successful application for a waiver or a concession based on a minded to grant decision in respect of the same matter following a complete application for guidance in accordance with prescribed</u></p>	

	<u>submission requirements.</u>	
(p) A <i>firm</i> applying for a variation of its <i>Part IV permission</i>	<p>(1) Unless (2) applies, if the <u>proposed new</u> business of the <i>firm</i> <del>will</del><u>would</u> fall within one or more activity groups specified in Part 1 of <i>FEES</i> 4 Annex 1R not applicable before the <u>application</u> <del>grant of the variation (if the variation is granted)</del>, the fee is 50% of the highest of the tariffs set out in <i>FEES</i> 3 Annex 1R which apply to that application</p> <p>(2) If the <u>only change is that the</u> A.12 activity group tariff applied to the <i>firm's</i> business before the variation and the A.13 activity group will apply after variation, no fee is payable.</p> <p>(3) <u>In all other cases, other than applications by credit unions, the fee payable is £250, unless the variation involves only the reduction (and no other increases) in the scope of a Part IV permission in which case no fee is payable.</u></p>	On or before the date the application is made

FEES 3 Annex 1R  
Authorisation fees payable

...

Part 5 – Activity Groupings R

The activity group definitions are set out in ~~SUP 20~~ FEES 4 Ann 1R.

Part 6 - ~~Application for a certificate under article 54 of the Regulated Activities Order~~  
~~The amount payable in relation to each application is £2,000.~~Change of legal status

An application involving only a simple change of legal status for the purposes of FEES 3.2.7R(a) is from an applicant:

- (1) which is a new legal entity intending to carry on the business, using the same business plan, of an existing firm with no outstanding regulatory obligations cancelling its Part IV permission, and  
(2) which is to:

- (a) have the same or narrower permission, and the same branches (if any), as the firm;  
(b) assume all of the rights and obligations in connection with the regulated activities carried on by the firm;

(c) continue the same compliance arrangements and compliant client asset and *client money* procedures, as the *firm*, subject to any changes required only as a result of the change of legal status;

(d) continue with a risk profile and arrangements for controlling and monitoring risk which will not be materially different from those of the *firm*; and

(e) have the individuals within the *firm* that are responsible for *insurance mediation activity* perform the same role for the applicant.

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#### FEES 3 Annex 6R

Fees payable for ~~guidance on the availability of a waiver (or concession) or guidance on the availability of either~~ in connection with rules implementing Basel Capital Accord

##### Part 1

Fees payable other than applications for ~~guidance on the availability of a waiver (or concession) or guidance on the availability of either~~ to allow a firm to use the ~~Effective Expected Potential Exposure estimates~~ counterparty credit risk internal model method.

For *firms* falling into a group ...

...

##### Part 2

Fees payable for applications for ~~guidance on the availability of a waiver (or concession) or guidance on the availability of either~~ to allow a firm to use the ~~Effective Expected Potential Exposure estimates~~ counterparty credit risk internal model method.

£50,000

...

#### Method of payment

- 4.2.4 R (1) Unless (2) applies, a periodic fee must be paid using either direct debit, credit transfer (BACS/CHAPS), cheque, switch or by credit card (Visa/Mastercard only). Any payment by permitted credit card must include an additional 2% of the sum paid. one of the payment methods specified in the table below and must include the additional amounts or apply the discounts set out in that table.

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/Mastercard only)	Additional 2% of sum paid
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(2) The FSA does not specify a method of payment for a *recognised body* or a *designated professional body*.

...

4.2.7 R ...

4.2.7A G Projected valuations for a *firm's* first year will be collected for the 12 month period beginning with the date a *firm* becomes authorised, or the date *permission* is extended. That information will be used to calculate the periodic fee for the remainder of the financial year in which the firm was authorised or its *permission* was extended (adjusted in accordance with FEES 4.2.7R) and to calculate the periodic fee for the following financial year.

...

#### FEES 4 Annex 1R

Activity groups, tariff bases and valuation dates applicable

##### Part 1

...	
A12 ...	<ul style="list-style-type: none"> <li>• ...regulated collective investment scheme;</li> <li>• a <i>firm</i> activities;</li> </ul>
...	

##### Part 2

...

A2	<p>...</p> <p>The number of mortgage contracts being administered, multiplied by <u>0.05 for mortgage outsourcing <i>firms</i></u> and by <u>0.5 for all other firms</u>.</p> <p><b>Notes:</b></p> <p>(1) <del>For 2004/05 and 2005/06 <i>firms</i> have supplied this data on their 'HSF1' or 'variation of permission' application form. Mortgage outsourcing <i>firms</i> are <i>firms</i> with <i>permission</i> for administering regulated mortgage contracts, but not to enter the contract as lender.</del></p> <p>...</p>
...	
A4	<p>...</p> <p>For each of the above, business transacted through independent practitioners <u>or tied agents (either single or multi-tie)</u> will be divided by two in calculating the</p>

	adjusted gross premium income;
...	
A18	<p><b>ANNUAL INCOME</b></p> <p>...</p> <p><b>Plus</b></p> <p>(c) if the <i>firm</i> is a <i>mortgage lender</i>, the value of all new mortgage advances which are or would be <i>regulated mortgage contracts</i> if they had been made after 30 October 2004 (other than those made as a result of <i>mortgage mediation activity</i> by another <i>firm</i>), multiplied by 0.004.</p> <p><u>For mortgage outsourcing firms whose permission does not include <i>advising on regulated mortgage contracts</i> the relevant amounts are multiplied by 0.15.</u></p> <p>...</p> <p>(4) Reference to a "<i>firm</i>" above also includes reference to any <i>person</i> who carried out activities which would be <i>mortgage mediation activity</i> if they had been carried out after 30 October 2004.</p> <p><u>(5) Mortgage outsourcing firms are firms whose permission includes <i>administering regulated mortgage contracts</i>, but not <i>entering into a regulated mortgage contract</i>.</u></p>

In the following sections existing text is deleted in its entirety and is not struck through and replacement text is entirely new and is not underlined.

FEES 4 Annex 2R

Delete existing annex save the above heading and replace with the following text:

4 Annex 2R Fee tariff rates, permitted deductions and EEA/Treaty firm modifications for the period from 1 April 2006 to 31 March 2007

R	Part 1	
	This table shows the tariff rates applicable to each fee block.	
	(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 <i>firm's</i> business, calculated as follows:
	(a)	the relevant minimum fee; plus
	(b)	an additional fee calculated by multiplying the <i>firm's</i> tariff base by the appropriate rates applying to each tranche of the tariff base, as indicated.
(2)	A <i>firm</i> may apply the relevant tariff bases and rates to non-UK business, as well as to its UK business, if:	

	(a)	it has reasonable grounds for believing that the costs of identifying the <i>firm's UK</i> business separately from its non-UK business in the way described in Part 2 of <i>FEES</i> 4 Annex 1R are disproportionate to the difference in fees payable; and
	(b)	it notifies the <i>FSA</i> in writing at the same time as it provides the information concerned under <i>FEES</i> 4.4 (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.
(3)	For a <i>firm</i> which has not complied with <i>FEES</i> 4.4.2 R (Information on which fees are calculated) for this period:	
	(a)	the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10;
	(b)	an additional administrative fee of £250 is payable; and
	(c)	the minimum total fee (including the administrative fee in (b)) is £400.
Activity group	Fee payable	
A.1	Minimum fee (£)	150
	£ million of Modified Eligible Liabilities (MELs)	Fee (£/£m or part £m of MELs)
	0 - 0.5	0
	>0.5 - 2	additional flat fee of £360
	>2 - 10	additional flat fee of £510
	>10 - 200	30.96
	>200 - 2,000	30.93
	>2,000 - 10,000	30.88
	>10,000 - 20,000	30.76
	>20,000	30.52
	For a <i>firm</i> in A.1 which has a limitation on its <i>permission</i> to the effect that it may <i>accept deposits</i> from <i>wholesale depositors</i> only, the fee is calculated as above less 30%. In addition, the fee specified below is payable by <i>UK banks</i> and <i>building societies</i> . The <i>wholesale depositors</i> discount and permitted deductions in Part 2 of <i>FEES</i> 4 Annex 2 do not apply to this fee.	
Minimum fee (£m of MELs)	Fee (£)	
if 0 - 2,000	0	

	if >2,000	2,000
	£ million of MELs	Fee (£/£m or part £m of MELs)
	0 - 5,000	0
	>5,000 - 10,000	0.69
	>10,000 - 20,000	0.63
	>20,000	0.59
A.2	Minimum fee (£)	450
	No. of mortgages	Fee (£/mortgage)
	0 - 50	0
	51 - 500	4.36
	501 - 1,000	1.75
	1,001 - 50,000	1.32
	50,001 - 500,000	0.44
	>500,000	0.09
A.3	Gross premium income (GPI)	
	Minimum fee (£)	410
	£ million of GPI	Fee (£/£m or part £m of GPI)
	0 - 0.5	0
	>0.5 - 2	1,778.54
	>2 - 5	1,652.58
	>5 - 20	1,550.19
	>20 - 75	493.49
	>75 - 150	432.61
	>150	60.98
	PLUS	
	Gross technical liabilities (GTL)	
	Minimum fee (£)	0
	£ million of GTL	Fee (£/£m or part £m of GTL)
	0 - 1	0



	>1 - 5	43.55
	>5 - 50	40.36
	>50 - 100	37.46
	>100 - 1,000	11.80
	>1,000	4.73
A.4	Adjusted annual gross premium income (AGPI)	
	Minimum fee (£)	205
	£ million of AGPI	Fee (£/£m or part £m of AGPI)
	0 - 1	0
	>1 - 50	756.42
	>50 - 1,000	705.19
	>1,000 - 2,000	484.07
	>2,000	332.35
	PLUS	
	Mathematical reserves (MR)	
	Minimum fee (£)	205
	£ million of MR	Fee (£/£m or part £m of MR)
	0 - 1	0
	>1 - 10	37.70
	>10 - 100	34.51
	>100 - 1,000	23.37
	>1,000 - 5,000	16.43
	>5,000 - 15,000	12.78
	>15,000	9.93
A.5	Minimum fee (£)	550
	£ million of Active Capacity (AC)	Fee (£/£m or part £m of AC)
	0 - 50	0
	>50 - 150	99.36
	>150 - 250	83.62
	>250	24.53
A.6		£1,068,000
A.7	For class 1(C), (2) and (3) <i>firms</i> :	
	Minimum fee (£)	1,150

	£ million of Funds under Management (FuM)	Fee (£/£m or part £m of FuM)
	0 - 10	0
	>10 - 100	52.68
	>100 - 2,500	16.94
	>2,500 - 10,000	9.43
	>10,000	1.06
	<p>For class 1(B) <i>firms</i>: the fee calculated as for class 1(C) <i>firms</i> above, less 15%.</p> <p>For class 1(A) <i>firms</i>: the fee calculated as for class 1(C) <i>firms</i> above, less 50%.</p>	
A.8	This activity group does not apply for this period.	
A.9	Minimum fee (£)	1,800
	£ million of Gross Income (GI)	Fee (£/£m or part £m of GI)
	0 – 1	0
	>1 – 5	1,074.59
	>5 - 15	1,056.41
	>15 – 40	1,045.94
	>40	1,031.68
A.10	Minimum fee (£)	2,200
	No. of traders	Fee (£/trader)
	0 - 2	0
	3 - 5	2,069
	6 - 10	1,495
	11 - 50	1,382
	51 - 200	1,196
	>200	965
	<p>In addition, the fee specified below is payable by <i>UK domestic firms</i>. The permitted deductions in Part 2 of <i>FEES 4 Annex 2</i> do not apply to this fee.</p>	
	Minimum fee (No. of traders)	Fee (£)
	if 0 - 100	0
	if >100	1,000
	No. of traders	Fee (£/trader)

	0 -125	0
	126 - 250	72.71
	>250	52.84
A.11	This activity group does not apply for this period.	
A.12	Minimum fee (£)	1,715
	No. of persons	Fee (£/person)
	0 – 1	0
	2 - 4	1,018
	5 - 10	515
	11 – 25	377
	26 – 150	205
	151 – 1,500	156
	>1,500	104
	For a <i>professional firm</i> in A.12 the fee is calculated as above less 10%.	
A.13	For class (2) <i>firms</i> :	
	Minimum fee (£)	1,605
	No. of persons	Fee (£/person)
	0 - 1	0
	2 - 4	878
	5 – 10	856
	11 – 25	821
	26 – 500	757
	501 – 4,000	696
	>4000	657
For class (1) <i>firms</i> : £1,605		
For a <i>professional firm</i> in A.13 the fee is calculated as above less 10%.		
A.14	Minimum fee (£)	1,220
	No. of persons	Fee (£/person)
	0 - 1	0
	2	1,101
	3 - 4	1,030
	5 - 10	947
	11 - 100	899
	101 - 200	629
	>200	378
A.15	This activity group does not apply for this period.	
A.16	0	

A.17	This activity group does not apply for this period.	
A.18	Minimum fee (£)	635
	£ thousands of Annual Income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	0 - 100	0
	>100 - 1,000	5.38
	>1,000 - 5,000	4.48
	>5,000 - 10,000	3.59
	>10,000 - 20,000	2.69
	>20,000	2.25
A.19	Minimum fee (£)	400
	£ thousands of Annual Income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	0 - 100	0
	>100 - 1,000	3.80
	>1,000 - 5,000	3.32
	>5,000 - 15,000	2.40
	>15,000 - 100,000	0.96
	>100,000	0.39
B. Market operators	£20,000	
B. Service companies	Bloomberg LP	£31,500
	EMX Co Ltd	£21,000
	LIFFE Services Ltd	£21,000
	Ofex plc	£70,000
	OMGEO Ltd	£21,000
	Reuters Ltd	£31,500
	Swapswire Ltd	£21,000
	Thomson Financial Ltd	£21,000

Part 2		
This table shows the permitted deductions that apply:		
Activity group	Nature of deduction	Amount of deduction
A.3	Financial penalties received	1.2% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
A.4	Financial penalties received	3.1% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
A.5	Financial penalties received	1.2% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
A.6	Financial penalties received	1.2% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
A.10	Financial penalties received	100% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
A.12	Financial penalties received	5.6% of the fee payable by the <i>firm</i> for then activity group (see Part 1)
A.13	Financial penalties received	0.9% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
A.14	Financial penalties received	1.8% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
E.	Financial penalties received	3% of the fee payable by the <i>firm</i> for the activity group (see Part 1)
Part 3		
This table shows the modifications to fee tariffs that apply to <i>incoming EEA firms</i> and <i>incoming Treaty firms</i> .		
Activity group	Percentage of tariff payable under Part 1 applicable to the firm subject to a minimum amount payable of £100 (unless specified below)	
A.1	20% (for a <i>firm</i> 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 and A.9	95%	

A.10, A.12, A.13 and A.19	90%
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FEES 4 Annex 3R

Delete existing annex save the above heading and replace with the following text:

4 Annex Transaction reporting fees  
3R

R Transaction reporting fees for the period from 1 April 2006 to 31 March 2007

This table shows the fees payable for transaction reporting.

Fee type	Fee amount (including VAT)	
Transaction charge	Number of transactions per annum	Fee per transaction (inc. VAT)
	For the first 1,000	0p
	1,001 - 1,000,000	3p
	1,000,001 - 4,000,000	2.75p
	4,000,001 - 8,000,000	2.5p
	8,000,001 - 13,000,000	2.25p
	13,000,001 - 20,000,000	2p
	>20,000,000	1.75p
Firms using the Direct Reporting System software or the Transaction Reporting System will be additionally invoiced for:		
(a)	an initial software licence fee of £587.50 (including VAT) for users of the Direct Reporting System;	
(b)	an annual enrolment fee of £235 (including VAT) per licence held on 1 April each year for users of the Direct Reporting System; and	
(c)	an annual enrolment fee of £235 (including VAT) per registration held on 1 April each year for users of the Transaction Reporting System.	

FEES 4 Annex 4R

Delete existing annex save the above heading and replace with the following text:

4 Annex 4R Periodic fees in relation to collective investment schemes payable for the period 1 April 2006 to 31 March 2007

R Part 1 - Periodic fees payable

Scheme type	Basic fee (£)	Total funds/sub-funds aggregate	Fund factor	Fee (£)
ICVC AUT Section 264 of the <i>Act</i> Section 270 of the <i>Act</i>	620	1-2	1	620
		3-6	2.5	1,550
		7-15	5	3,100
		16-50	11	6,820
		>50	22	13,640
Section 272 of the <i>Act</i>	2,540	1-2	1	2,540
		3-6	2.5	6,350
		7-15	5	12,700
		16-50	11	27,940
		>50	22	55,880

Fees are charged according to the number of funds or sub-funds operated by a *firm* as at 31 March 2006. Where a new *collective investment scheme* becomes authorised during a year, fees are charged according to the number of funds or sub-funds operated by a firm as at the date of authorisation. Where more than one fund or sub-fund is operated the number of funds (not including the umbrella or parent fund) produces a 'fund factor' in accordance with the table above which is then applied to a basic fee to produce one total fee per operator. Fund factors are applied per operator rather than per scheme so that the fees relate to the number of funds rather than the number of schemes. This means that, for example, an authorised fund manager of three schemes pays the same as an operator or authorised fund manager of one scheme with three sub-funds (as only the sub-funds are counted).

Delete existing annex save the above heading and replace with the following text:

4 Annex Periodic fees for designated professional bodies payable in relation to the period 1  
5R April 2006 to 31 March 2007

R Table. Fees payable by Designated Professional Bodies

Name of Designated Professional Body	Amount payable	Due date
The Law Society of England & Wales	£62,860	30 April 2006
	£38,500	1 September 2006
The Law Society of Scotland	£16,090	1 July 2006
The Law Society of Northern Ireland	£14,500	1 July 2006
The Institute of Actuaries	£10,190	1 July 2006
The Institute of Chartered Accountants in England and Wales	£36,150	1 July 2006
The Institute of Chartered Accountants of Scotland	£12,290	1 July 2006
The Institute of Chartered Accountants in Ireland	£11,050	1 July 2006
The Association of Chartered Certified Accountants	£21,160	1 July 2006
The Council for Licensed Conveyancers	£11,890	1 July 2006
Royal Institution of Chartered Surveyors	£12,320	1 July 2006

#### Notes

(1) The *FSA register* includes details of *exempt professional firms* carrying out *insurance mediation activity*.

(2) In addition to the periodic fees shown above, the sum of £31,400 will be due from the *designated professional bodies*, divided between the bodies in proportion to the number of *exempt professional firms* each has on the *FSA register* on 14 January 2006. This is a contribution towards the costs of developing this part of the *FSA register*.

(3) Each of the *designated professional bodies* will be invoiced for the appropriate amount in January 2006. The invoices must be paid on or before 28 February 2006.



FEES 4 Annex 6R

Delete existing annex save the above heading and replace with the following text:

4 Annex 6R Periodic fees for recognised investment exchanges and recognised clearing houses payable in relation to the period 1 April 2006 to 31 March 2007

R	<p>In this Annex:</p> <p>- the term <i>recognised body</i> includes a body which was a recognised investment exchange or a recognised clearing house recognised under the Financial Services Act 1986 and which is a <i>recognised body</i> as a result of Regulation 9 of the <i>Recognition Requirements Regulations</i>; and</p> <p>- the term recognition order includes a recognition order made by the <i>FSA</i> 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.</p>
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Part 1 - Periodic fees for UK recognised bodies

Name of UK recognised body	Amount payable	Due date
CRESTCo Limited	£282,500	30 April 2006
	£175,500	1 September 2006
The International Petroleum Exchange of London Limited	£162,500	30 April 2006
	£134,500	1 September 2006
LIFFE Administration and Management	£400,000	30 April 2006
	£105,000	1 September 2006
LCH.Clearnet Limited	£352,500	30 April 2006
	£228,500	1 September 2006
The London Metal Exchange Limited	£230,000	30 April 2006
	£103,000	1 September 2006
London Stock Exchange plc	£367,500	30 April 2006
	£296,500	1 September 2006
virt-x Exchange Ltd	£105,000	30 April 2006
	(£25,000)	1 September

		2006
EDX London Ltd	£80,000	30 April 2006
	(£16,000)	1 September 2006
NYMEX Europe Limited	£75,000	30 April 2006
	£60,000	1 September 2006
Any other <i>UK recognised investment exchange</i> recognised as such by a <i>recognition order</i> made in the period	£150,000	30 days after the date on which the <i>recognition order</i> is made
Any other <i>UK recognised clearing house</i> recognised as such by a <i>recognition order</i> made in the period	£250,000	30 days after the date on which the <i>recognition order</i> is made

Part 2 - Periodic fees for overseas recognised bodies

Name of overseas recognised body	Amount payable	Due date
Cantor Financial Futures Exchange	£11,000	1 July 2006
The Chicago Mercantile Exchange	£11,000	1 July 2006
Chicago Board of Trade	£11,000	1 July 2006
EUREX (Zurich)	£11,000	1 July 2006
National Association of Securities and Dealers Automated Quotations (NASDAQ)	£11,000	1 July 2006
NQLX LLC	£11,000	1 July 2006
New York Mercantile Exchange Inc.	£11,000	1 July 2006
The Swiss Stock Exchange	£11,000	1 July 2006
Sydney Futures Exchange Limited	£11,000	1 July 2006
Warenterminbourse Hannover	£11,000	1 July 2006
US Futures Exchange LLC	£11,000	1 July 2006
SIS x-clear AG	£37,000	1 July 2006

Any other <i>overseas investment exchange</i> recognised as such by a <i>recognition order</i> made in the period	£11,000	30 days after the date on which the <i>recognition order</i> is made
Any other <i>overseas clearing house</i> recognised as such by a <i>recognition order</i> made in the period	£37,000	30 days after the date on which the <i>recognition order</i> is made

FEES 4 Annex 7R

Delete existing annex save the above heading and replace with the following text:

4 Annex 7R Periodic fees in relation to the Listing Rules for the period 1 April 2006 to 31 March 2007

Fee type	Fee amount
Annual fees for the period 1 April 2006 to 31 March 2007	
Annual Issuer Fees - all <i>listed issuers</i> of <i>shares</i> , <i>depository receipts</i> and <i>securitised derivatives</i> . This fee represents the total annual fee for a <i>listed issuer</i> - no additional annual fee is due under the <i>disclosure rules</i> .	<p>(1) For all <i>issuers</i> of <i>securitised derivatives</i>, <i>depository receipts</i> and <i>global depository receipts</i> the fees payable are set out in Table 1.</p> <p>(2) For all other <i>issuers</i>, fees to be determined according to market capitalisation as set out in Table 2. The fee is calculated as follows:</p> <p>(a) the relevant minimum fee; plus</p> <p>(b) the cumulative total of the sums payable for each of the bands calculated by multiplying each relevant tranche of the <i>firm's</i> market capitalisation by the rate indicated for that tranche. Where <i>issuers</i> have more than one type of <i>share</i> in issue, the highest market capitalisation of all of its securities in issue is used.</p> <p>(3) Notwithstanding (2), <i>overseas issuers</i> with a <i>listing of equity securities</i> which is not a <i>primary listing</i> will only pay 80% of</p>

	the fee otherwise payable under (2).
Annual fees are charged in annual cycles beginning on 1 April of a year and ending on 31 March of the following year. For fees purposes <i>issuers</i> should take into account only equity ordinary <i>shares</i> , including those issued by suspended <i>issuers</i> .	

Table 1  
Annual fees for issuers of *securitised derivatives*, depositary receipts and global depositary receipts

Issuer	Fee amount
<i>Issuers of securitised derivatives</i>	£3,075
Issuers of depositary receipts and global depositary receipts	£3,690

Table 2  
Tiered annual fees for all other issuers

Fee payable	
Minimum fee (£)	3,075
£ million of Market Capitalisation	Fee (£/£m or part £m of Market Capitalisation)
0 – 100	0
>100 – 250	12.40
>250 – 1,000	4.96
>1,000 – 5,000	1.65
>5,000 – 25,000	0.031
>25,000	0.0083

Delete existing annex save the above heading and replace with the following text:

4 Annex 8R Periodic fees in relation to the disclosure rules for the period 1 April 2006 to 31 March 2007

Annual fees for the period 1 April 2006 to 31 March 2007	
All non-listed <i>issuers</i> of <i>shares</i> , depositary receipts and securitised derivatives. Annual fees for listed <i>issuers</i> in respect of Disclosure Rules obligations are incorporated in the annual fee for listed <i>issuers</i> under the Listing Rules.	(1) For all non-listed <i>issuers</i> of securitised derivatives, depositary receipts and global depositary receipts the fees payable are set out in Table 1.
	(2) For all other non-listed <i>issuers</i> , fees to be determined according to market capitalisation as set out in Table 2. The fee is calculated as follows:
	(a) the relevant minimum fee; plus
	(b) the cumulative total of the sums payable for each of the bands calculated by multiplying each relevant tranche of the <i>firm's</i> market capitalisation by the rate indicated for that tranche.
Fees from other fee schedules contained in other sections of the sourcebook may be applicable to a single submission.	

Table 1

Annual fees for non-listed issuers of securitised derivatives, depositary receipts and global depositary receipts

Issuer	Fee amount
<i>Issuers of securitised derivatives</i>	£2,460
<i>Issuers of depositary receipts and global depositary receipts</i>	£2,952

Table 2

Fee payable	
Minimum fee (£)	2,460
£ million of Market Capitalisation	Fee (£/£m or part £m of Market Capitalisation)
0 – 100	0
>100 – 250	9.92

>250 – 1,000	3.968
>1,000 – 5,000	1.32
>5,000 – 25,000	0.0248
>25,000	0.00664

FEES 5 Annex 1R

Delete the Introduction and Parts 1 and 2 of existing annex and replace with the following text:

5 Annex Annual Fees Payable in Relation to 2006/07

1R

R

Introduction: annual budget		
1.	The <i>annual budget</i> for 2006/07 approved by the <i>FSA</i> is £59.2m.	
Part 1: General levy and supplementary levy		
2.	The total amount expected to be raised through the <i>general levy</i> in 2006/07 will be £15.8m.	
Part 2: Fee tariffs for general levy and supplementary levy		
3.	No <i>establishment costs</i> will be raised in 2006/07 by the <i>supplementary levy</i> .	
Industry block	Tariff base	General levy payable by firm
1-Deposit acceptors, <i>mortgage lenders</i> and <i>administrators</i> (excluding <i>firms</i> in block 14)	Number of accounts relevant to the activities in DISP 2.6.1 R	£0.0059 per relevant account, subject to a minimum levy of £100
2-Insurers - general (excluding <i>firms</i> in blocks 13 & 15)	Relevant annual gross premium income	£0.055 per £1,000 of relevant annual gross premium income, subject to a minimum levy of £100
3-The <i>Society</i> (of Lloyd's)	Not applicable	£28,000 to be allocated by the <i>Society</i>
4-Insurers - life (excluding <i>firms</i> in block 15)	Relevant adjusted annual gross premium income	£0.124 per £1,000 of relevant adjusted annual gross premium income, subject to a minimum levy of £100

5-Fund managers (including those holding <i>client money/assets</i> and not holding <i>client money/assets</i> )	Relevant funds under management	£0.0007 per £1,000 of relevant funds under management, subject to a minimum levy of £100
6-Operators, trustees and depositaries of collective investment schemes	Flat fee	Levy of £75
7-Dealers as principal	Flat fee	Levy of £50
8-Advisory arrangers, dealers or brokers holding and controlling <i>client money</i> and/or assets	Number of relevant approved persons ( <i>controlled functions</i> 21, 22, 24, 25, 26)	£160 per relevant approved person ( <i>controlled functions</i> 21, 22, 24, 25, 26), subject to a minimum levy of £160
9-Advisory arrangers, dealers or brokers not holding and controlling <i>client money</i> and/or assets	Number of relevant approved persons ( <i>controlled functions</i> 21, 22, 24, 25, 26)	£45 per relevant approved person ( <i>controlled functions</i> 21, 22, 24, 25, 26), subject to a minimum levy of £50
10-Corporate finance advisers	Flat fee	Levy of £50
11-	N/A for 2006/07	
12-	N/A for 2006/07	
13-Cash plan health providers	Flat fee	Levy of £50
14-Credit unions	Flat fee	Levy of £50
15-Friendly societies whose tax-exempt business represents 95% or more of their total relevant business	Flat fee	Levy of £50
16 - Mortgage	Flat fee	Levy of £50

lenders, advisers and <i>arrangers</i> (excluding <i>firms</i> in blocks 13, 14 & 15)		
17 - General insurance mediation (excluding <i>firms</i> in blocks 13, 14 & 15)	Flat fee	Levy of £50
4	[not used]	
5	The <i>industry blocks</i> in the table are based on the equivalent activity groups set out in Part 1 of <i>FEES 4 Annex 1R</i> .	
6	Where the tariff base in the table is defined in similar terms as that for the equivalent activity group in Part 2 of <i>FEES 4 Annex 1R</i> , it must be calculated in the same way as that tariff base - taking into account only the <i>firm's relevant business</i> .	



## Annex B

### Amendments to the Supervision manual

In this Annex underlining indicates new text.

16.3.14 R (1) If a *firm* does not submit a complete report by the date on which it is due in accordance with the *rules in, or referred to in, this chapter or the provisions of relevant legislation* and any prescribed submission procedures, the *firm* must pay an administrative fee of £250.

...

16.3.14A G Failure to submit a report in accordance with the *rules in, or referred to in, this chapter or the provisions of relevant legislation* may also lead to the imposition of a financial penalty and other disciplinary sanctions (see *ENF* 13.5). *A firm may be subject to reporting requirements under relevant legislation other than the Act, not referred to in this chapter. An example of this is reporting to the FSA by building societies under those parts of the Building Societies Act 1986 which have not been repealed (see SUP 16.1.4G).* 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 (see *FEES* 2.3).

SUP 16 Ann 18BG Notes for completion of the Retail Mediation Activities Return ('RMAR')

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#### **Section J: data required for calculation of fees**

*Firms* with an *accounting reference date* of between 1 February and 31 August (inclusive) must report the information required in this section solely in their half year end *RMAR*. All other *firms* must report the information in their year end *RMAR*. *Firms which do not yet have data for a full 12 months ending on their accounting reference date (for example if they have not traded for a complete financial year by the time of the accounting reference date) should complete Section J with an 'annualised' figure based on the actual income up to their accounting reference date. That is, such firms should pro-rate the actual figure as if the firm had been trading for 12 months up to the accounting reference date. So for a firm with 2 months of actual income of £5000 as at its accounting reference date, the 'annualised' figure that the firm should report is £30,000.*

...

SUP 16 Ann 19BG Notes for completion of the Mortgage Lending and Administration Return ('MLAR')

...

## **SECTION J: FEE TARIFF MEASURES**

### **J1 Introduction**

...

\* Refer to *FEES 4* Annex 1R of the *FSA Handbook* for the *FSA* fee tariff\*

\*Refer to *FEES 5* Annex 1R of the *FSA Handbook* for the *FOS* fee tariff\*

To the extent that the *FOS* fee tariff measure requires other relevant activities that the *firm* carries out to be taken into account, these should be included in J1.3.