

FINANCIAL SERVICES COMPENSATION SCHEME (AMENDMENT OF FEES PROVISIONS (NO 3)) INSTRUMENT 2008

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 138 (General rule making power);
 - (2) section 156 (General supplementary powers);
 - (3) section 213 (The compensation scheme);
 - (4) section 214 (General);
 - (5) section 223 (Management expenses); and
 - (6) paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)
- B. The rule-making powers listed above are specified for the purposes of section 153(2) (Rule-making instruments) of the Act.

Commencement

- B. This instrument comes into force on 7 October 2008.

Amendments to the Handbook

- C. The Fees manual (FEES) is amended in accordance with Annex A to this instrument.
- D. The Compensation sourcebook (COMP) is amended in accordance with Annex B to this instrument.

Citation

- E. This instrument may be cited as the Financial Services Compensation Scheme (Amendment of Fees Provisions (No 3)) Instrument 2008.

By order of the Board
6 October 2008

Annex A

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 6.7.6 R If a *firm* ceases to be a *participant firm* part way through a *financial year* of the *compensation scheme*:
- (1) it will remain liable for any unpaid levies which the *FSCS* has already made on the *firm*;
 - (2) the *FSCS* may make a levy upon it (which may be before or after the firm has ceased to be a *participant firm*, but must be before it ceases to be an *authorised person*) for the costs which it would have been liable to pay had the *FSCS* made a levy on all *participant firms* at the time of the levy on the *firm*;
 - (3) the *FSCS* may make a levy upon the *firm* (which may be before or after the firm has ceased to be a *participant firm*, but must be before it ceases to be an *authorised person*) for the purpose of meeting its expenses expected to be incurred at any time in the future in respect of defaults which have already occurred ~~arising from the declaration by the FSA on 27 September 2008 that Bradford & Bingley plc is in default~~;
 - (4) the *FSCS* may estimate any costs referred to in (3) by any method or approach it considers appropriate, and adjust them to reflect the time value of money based on the funding arrangements in place in relation to the default; and
 - (5) paragraphs (3) and (4) apply notwithstanding any other provision in this chapter.

...

FEES 6 Annex 1R

Financial Services Compensation Scheme - Management Expenses Levy Limit

This table belongs to FEES 6.4.2R

Period	Limit on total of all management expenses levies attributable to that period (£)
...	...
1 April 2008 to 31 March 2009	£ 30,240,000 1,000,000,000 provided that only £ 30,240,000 600,000,000 may be used to meet <i>management expenses other than the</i> <u>recovered in respect of specific costs</u> relating to the declaration by the FSA on 27 September 2008 that Bradford & Bingley plc is <i>in default</i> <u>only</u> .

Annex B

Amendments to the Compensation sourcebook (COMP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3.2.2 R The *FSCS* may also pay compensation (and any recovery or other amount payable by the *FSCS* to the claimant) to a *person* who makes a *claim* on behalf of another *person* if the *FSCS* is satisfied that the *person* on whose behalf the *claim* is made:

...

...

11.2.1 R If the *FSCS* determines that compensation is payable (or any recovery or other amount is payable by the *FSCS* to the claimant), it must pay it to the claimant, or as directed by the claimant, unless:

...

11.2.2 R Where a claimant has a *protected claim* arising out of the circumstances described in *COMP* 12.4.5R, the *FSCS* must pay any compensation (and any recovery or other amount payable by the *FSCS* to the claimant) to:

...

...

12.6.6 R Where any of the provisions of *COMP* 12.6.1R to *COMP* 12.6.5R apply, the *FSCS* must try to ensure that any ~~compensation~~ amount paid to:

...