Powers exercised

A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in or under:

   (1) the following provisions of the Payment Services Regulations 2009 (SI 2009/209) (“the Regulations”):

      (a) regulation 82 (Reporting requirements);
      (b) regulation 92 (Costs of supervision); and
      (c) regulation 93 (Guidance);

   (2) the following provisions of the Financial Services and Markets Act 2000 (“the Act”):

      (a) section 156 (General supplementary powers);
      (b) section 234 (Industry Funding); and
      (c) 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

C. This instrument comes into force on 1 November 2009.

Amendments to the Handbook

D. The Glossary of definitions is amended in accordance with Annex A to this instrument.

E. The Fees manual (FEES) is amended in accordance with Annex B to this instrument.

Citation

F. This instrument may be cited as the Fees (Payment Services) (No 2) Instrument 2009.

By order of the Board

28 May 2009
Annex A

Amendments to the Glossary of definitions

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

fee-paying payment service provider

a payment institution, a full credit institution or an e-money issuer, any of the following when they provide payment services:

(a) a payment institution;
(b) a full credit institution;
(c) an e-money issuer;
(d) the Post Office Limited;
(e) the Bank of England, other than when acting in its capacity as a monetary authority or carrying out functions of a public nature; and
(f) government departments and local authorities, other than when carrying out functions of a public nature.

A full credit institution or an e-money issuer that is an EEA firm is only a fee-paying payment service provider if it is exercising an EEA right in accordance with Part 2 of Schedule 3 to the Act (exercise of passport rights) to provide payment services in the United Kingdom. An EEA authorised payment institution is only a fee-paying payment service provider if it is exercising a right under Article 25 of the Payment Services Directive to provide payment services in the United Kingdom.

firm

…

(5) (in FEES 3 to 5) includes a fee-paying payment service provider in accordance with FEES 3.1.1AR, FEES 4.1.1AR and FEES 5.1.1AR.

relevant business

(1) (in DISP and FEES) that part of a firm’s business which it conducts with private individuals consumers and which is subject to the jurisdiction of the Financial Ombudsman Service as provided for in DISP 2.3 (To which activities does the Compulsory Jurisdiction apply?), DISP 2.4 (To which activities does the Consumer Credit Jurisdiction apply?) and DISP 2.5 (To which activities does the Voluntary Jurisdiction apply?), measured by reference to the appropriate tariff-base for each industry block.

…
Annex B

Amendments to the Fees manual (FEES)

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

Application

1.1.2 R This manual applies in the following way:

…

(2) FEES 1, 2 and 4 apply to:

…

(h) under the Listing Rules (LR) every sponsor; and

(i) under the Disclosure Rules and Transparency Rules (DTR) every issuer of shares, depositary receipts and securitised derivatives; and

(ii) every fee-paying payment service provider.

(3) FEES 1, 2 and 5 apply to:

(a) every firm and fee-paying payment service provider which is subject to the Compulsory Jurisdiction of the Financial Ombudsman Service; and

…

…

…

Purpose

…

2.1.5 G Paragraph 17 of Schedule 1 to and section 99 of the Act and regulation 92 of the Payment Services Regulations enable the FSA to charge fees to cover its costs and expenses in carrying out its functions. The corresponding provisions for the FSCS levy and FOS levies and case fees are set out in FEES 6.1 and FEES 5.2 respectively. Fee-paying payment service providers are not required to pay the FSCS levy but are liable for FOS levies.
Application

4.1.1 R ... 

4.1.1A R A reference to “firm” in this chapter includes a reference to a fee-paying payment service provider.

... 

4.1.3 G Most of the detail of the periodic fees that are payable by firms is set out in FEES 4 Annexes 1 to 11. Most of the provisions of the Annexes will vary from one financial year to another. Accordingly fresh FEES 4 Annexes will come into force, following consultation, for each financial year.

4.1.4 G ... 

(3) The periodic fees for fee-paying payment service providers are set out in FEES 4 Annex 11R. This annex sets out the activity groups, tariff base, valuation dates and, where applicable, the flat fees due for these firms.

... 

4.1.6 G The FSA will allocate penalties received for the benefit of relevant fee payers by way of a permitted deduction specified in FEES 4 Annex 2R or FEES 4 Annex 11R as applicable, or in the case of listed issuers, as notified to issuers annually, for the relevant year.

... 

4.2.7 R A firm (other than an ICVC or UCITS qualifier) which becomes authorised, or whose permission is and/or payment service activities are extended, during the course of the financial year must pay a fee which is calculated by:

(1) identifying each of the tariffs set out in Part 1 of FEES 4 Annex 2R and/or FEES 4 Annex 11R as appropriate for the relevant financial year that apply to the firm only after the permission is received or extended or payment service activities are authorised or extended, but ignoring:

... 

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 its permission is and/or payment service activities are 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 and/or payment service activities were extended (adjusted in accordance
with FEES 4.2.7R) and to calculate the periodic fee for the following financial year. Projected valuations are not relevant for those fee payers that are only required to pay fixed fees.

4.2.7B R (1) This rule deals with the calculation of:

(a) a firm’s fees for the FSA financial year following the FSA financial year in which the firm obtained permission or had its permission extended (“the second financial year”); a firm’s fees for its second financial year. This is the FSA financial year following the FSA financial year in which it was given permission or was authorised under the Payment Services Regulations or had its permission and/or payment services activities extended (“the relevant permissions”); and

(b) the tariff base for the fee block or fee blocks that relate to that permission or extension, as the case may be, each of the relevant permissions.

The rest of this rule only applies to a firm that becomes authorised, or extends its permission and/or payment services activities, on or after 1 April 2009.

(a) If a firm’s tariff base is calculated using data from a period that begins on or after the date that the firm receives its permission or extension of permission, as the case may be, it must use that data.

(b) Unless (a) applies, if a firm:

(i) receives its permission or extension of permission, as the case may be, a relevant permission between 1 April and 31 December inclusive; and

(ii) is, but for this rule, required to calculate its tariff base for that relevant permission by reference to the average of its modified eligible liabilities for October, November and December; it must calculate that tariff base as at the December before the start of the FSA financial year.

(c) If a firm satisfies the following conditions it must calculate its tariff base under (d):

(i) the firm receives its permission or extension of permission, as the case may be, a relevant permission between 1 April and 31 December
inclusive; and

(ii) the firm’s tariff base for that relevant permission is, but for this rule, is calculated by reference to the firm’s financial year ended in the calendar year ending on the 31 December prior to before the start of the FSA financial year or the twelve months ending 31 December prior to before the start of the FSA financial year.

(d) If a firm satisfies the conditions in (c) it must calculate its tariff base as follows:

(i) it must use actual data in relation to the business to which the tariff relates rather than projected valuations;

(ii) the tariff is calculated by reference to the period beginning on the date it acquired permission, or had its permission extended, the relevant permission relating to the tariff, and ending on the 31 December before the start of the FSA financial year; and

(iii) the figures are annualised by increasing them by the same proportion as the period of 12 months bears to the period starting from when the firm received its relevant permission or extension to the 31 December, as the case may be.

…

(f) Where a firm is required to use actual data under this rule FEES 4 Annex 1R Part 3 and FEES 4 Annex 11R Part 4 are modified in relation to the calculation of that firm’s valuation date in its second financial year.

…

4.2.8 R In relation to an incoming EEA firm or an incoming Treaty firm the modification provisions of FEES 4.2.7R 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, and which are not provided on a cross border services basis. For payment services the adjustment only applies to the business to which the calculation made in FEES 4.3.12A relates.

4.2.9 G The FSA will not refund periodic fees if, after the start of the period to which they relate:
(2) a firm reduces its permission or payment services activities so that it then falls out of the fee-block previously applied to it;

…

4.2.10 R A person need not pay a periodic fee on the date on which it is due under the relevant provision in FEES 4.2.1R, if:

…

(2) unless FEES 4.3.6R(3) or FEES 4.3.6R(4) or FEES 4.3.6R(4A) (Time and method for payment) applies, 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.

4.2.11 R Table of periodic fees

<table>
<thead>
<tr>
<th>1 Fee payer</th>
<th>2 Fee payable</th>
<th>3 Due date</th>
<th>4 Events occurring during the period leading to modified periodic fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any firm (except an ICVC or a UCITS qualifier)</td>
<td>…</td>
<td>…</td>
<td>Firm receives permission, or becomes authorised or registered under the Payment Services Regulations; or Firm extends permission or its payment services activities</td>
</tr>
</tbody>
</table>

…

4.3.1 R The periodic fee payable by a firm (except an ICVC or a UCITS qualifier) is:

(1) each periodic fee applicable to it calculated in accordance with FEES 4.3.3R, using information obtained in accordance with FEES 4.4; less plus

(1A) any periodic fee applicable to it calculated in accordance with FEES 4.3.3AR using information relating to its UK business obtained in accordance with FEES 4.4 (or by other means in the case of the Bank of England); less
(2) any deductions from the periodic fee specified in Part 2 of FEES Annex 2R or Parts 6 and/or 7 of FEES 4 Annex 11R. For the purposes of this deduction, any deduction available in Part 2 of FEES 4 Annex 2R shall not be applied to any fee calculated in accordance with FEES 4.3.3AR and any deduction available in Part 6 and/or 7 of FEES 4 Annex 11R shall not be applied to any fees calculated in accordance with FEES 4.3.3R.

4.3.2 G (1) The amount payable by each firm will depend upon the category (or categories) of regulated activities or payment services it is engaged in (fee-blocks), and on the amount of business it conducts in each category (tariff base). The fee-blocks and tariffs are identified in FEES 4 Annex 1R, while FEES 4 Annex 2R sets out the tariff rates for the relevant financial year. In the case of firms that provide payment services, the relevant fee blocks, tariffs and rates are set out in FEES 4 Annex 11R.

(2) Incoming EEA firms, and incoming Treaty firms and EEA authorised payment institutions 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 FEES 4.3.11G, FEES 4.3.12R and FEES 4.3.12AR).

Calculation of periodic fee (excluding fee-paying payment service providers)

4.3.3 R The periodic fee referred to in FEES 4.3.1R is (except in relation to the Society and fee-paying payment service providers) calculated as follows:

... 

Calculation of periodic fee for fee-paying payments service providers

4.3.3A R The periodic fee referred to in FEES 4.3.1R in relation to fee-paying payment service providers is calculated in accordance with FEES 4 Annex 11R.

Modification for firms with new or extended permissions

4.3.4 G (1) A firm which becomes authorised or registered 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 or the right to provide particular payment services - see FEES 4.2.5G and FEES 4.2.6R.

(2) Similarly a firm which extends its permission or its right to provide particular payment services 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 or payment services activity - see FEES 4.2.6R and FEES 4.2.7R.

... 

... 

Time of payment

4.3.6 R ... 

(3) If a firm has applied to cancel its Part IV permission in the way set out in SUP 6.4.5D (Cancellation of permission), or its status as a payment institution under regulation 10 of the Payment Services Regulations (Cancellation of authorisation) or as regulation 10 is applied by regulation 14 of the Payment Services Regulations (Supplementary provisions), then (1) and (2) do not apply but it must pay the total amount due when the application is made.

(4) ... 

(4A) If the FSA has cancelled a firm’s authorisation or registration under regulation 10 of the Payment Services Regulations or its registration under regulation 10 as applied by regulation 14 of the Payment Services Regulations, then (1) and (2) do not apply but the firm must pay the total amount due immediately before the cancellation becomes effective.

... 

Incoming EEA firms, and incoming Treaty firms and EEA authorised payment institutions 

4.3.11 G The FSA recognises that its responsibilities in respect of an incoming EEA firm, or of an incoming Treaty firm or an EEA authorised payment institution 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 and EEA authorised payment institutions are reduced.

4.3.12 ... 

4.3.12A R For a full credit institution or an e-money issuer which is a fee-paying payment service provider and an EEA firm, or for an EEA authorised payment institution, the calculation required by FEES 4.3.3AR is modified as follows:

(1) the tariffs set out in Part 5 of FEES 4 Annex 11R are only applied to the payment services of the firm which are carried on from an establishment in the United Kingdom, including payment services
provided through any of its agents established in the United Kingdom; and

(2) those tariffs are modified in accordance with Part 7 of FEES 4 Annex 11R.

Firms Applying to Cancel or Vary Permission Before Start of Period

4.3.13 R (1) If:

(a) a firm makes an application to vary its permission (by reducing its scope), or cancel it, in the way set out in SUP 6.3.15D(3) (Variation of permission) and SUP 6.4.5D (Cancellation of permission), or applies to vary (by reducing its scope) or cancel its authorisation or registration (regulation 8 and 10(1) of the Payment Services Regulations including as applied by regulation 14 of the Payment Services Regulations); an issuer makes an application for de-listing; or a sponsor notifies the FSA of its intention to be removed from the list of approved sponsors; and

(b) the firm, issuer or sponsor makes the application or notification referred to in (a) before the start of the period to which the fee relates;

FEES 4.2.1R applies to the firm as if the relevant variation or cancellation of the firm’s permission or authorisation or registration under the Payment Services Regulations, de-listing or removal from the list of approved sponsors, took effect immediately before the start of the period to which the fee relates.

...
(b) A became authorised or registered as a result of B’s simple change of legal status (as defined in Part 6).

…

(3) If the acquisition occurs after the valuation date applicable to the business (as set out in FEES 4 Annex 1R and FEES 4 Annex 11R) which A acquired from B, for the period following that in which the acquisition occurred, applies to A, in relation to that following period, as if the acquisition had occurred immediately before the relevant valuation date.

…

4.4 Information on which Fees are calculated

…

4.4.6 R The obligations of a firm to supply information as set out in FEES 4.4.1R and FEES 4.4.2R do not apply in respect of any of its payment services business.

Information relating to payment services

4.4.7 D An authorised payment institution, the Post Office Limited, government departments and local authorities or an EEA authorised payment institution must notify to the FSA the value (as at the valuation date specified in Part 4 of FEES 4 Annex 11R) of each element of business on which the periodic fee payable by the firm is to be calculated, including any payment services carried on by its agents from an establishment in the United Kingdom.

4.4.8 D An authorised payment institution, the Post Office Limited, government departments and local authorities, or an EEA authorised payment institution must send to the FSA in writing the information required under FEES 4.4.7D as soon as reasonably practicable, and in any event within two months, after the date specified as the valuation date in Part 4 of FEES 4 Annex 11R.

4.4.9 D To the extent that an authorised payment institution or an EEA authorised payment institution has provided the information required by FEES 4.4.7D 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.

…
After FEES 4 Annex 10R, insert the following new Annex. The text is not underlined.

4 Annex 11R  Periodic fees in respect of payment services carried on by fee-paying payment service providers under the Payment Services Regulations

Part 1 – Method for calculating the fee

(1) The periodic fee for *fee-paying payment service providers* is calculated by adding the minimum fee to an additional fee calculated by multiplying the tariff base identified in Part 3 of FEES 4 Annex 11R by the appropriate rates applying to each tranche of the tariff base as indicated in the table at Part 5. For *small payment institutions* and *small e-money issuers* the tariff rates are not relevant and a flat fee is payable.

(2) A *fee-paying payment service provider* 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 firm’s UK business separately from its non-UK business in the way described in Part 3 of FEES 4 Annex 11R is disproportionate to the difference in fees payable; and

   (b) it notifies the FSA in writing at the same time as it provides the information concerned under FEES 4.4 (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.

(3) For a *fee-paying payment service provider* which is required to comply with FEES 4.4.9D (Information on which fees are calculated) and has not done so 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 £650.

Part 2 – Activity groups

This table shows how the payment services performed by *fee-paying payment service providers* are linked to activity groups (‘fee-blocks’). A *fee-paying payment service provider* can use the table to identify which fee-blocks it falls into based on its authorisation or registration.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payer falls into this activity group if:</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2 Certain deposit</td>
<td>it is a <em>fee-paying payment service provider</em> not</td>
</tr>
<tr>
<td>acceptors and e-money issuers</td>
<td>falling within any of the other fee-blocks in this table</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>G.3 Large payment institutions</td>
<td>it is an <em>authorised payment institution</em>, an EEA <em>authorised payment institution</em> or the Post Office Limited</td>
</tr>
<tr>
<td>G.4 Small payment institutions</td>
<td>it is a <em>small payment institution</em> or a <em>small e-money issuer</em></td>
</tr>
<tr>
<td>G.5 – Other institutions</td>
<td>it is the Bank of England or a government department or local authority that provides <em>payment services</em> other than when carrying out functions of a public nature.</td>
</tr>
</tbody>
</table>

**Part 3**

This table indicates the tariff base for each fee-block. The tariff base is the means by which the FSA measures the ‘amount of business’ conducted by *fee-paying payment service providers*.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Tariff-base</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>G.2</strong></td>
<td><strong>MODIFIED ELIGIBLE LIABILITIES</strong></td>
</tr>
<tr>
<td></td>
<td>These are determined in the same manner as the tariff-base for relevant <em>firms</em> in the A.1 fee-block set out in <em>FEES 4 Annex 1 Part 2 R</em>.</td>
</tr>
<tr>
<td><strong>G.3</strong></td>
<td><strong>RELEVANT INCOME</strong></td>
</tr>
<tr>
<td></td>
<td>This is the sum of the following elements of the <em>firm’s UK</em> business:</td>
</tr>
<tr>
<td></td>
<td>- Interest income</td>
</tr>
<tr>
<td></td>
<td>- Interest expenses</td>
</tr>
<tr>
<td></td>
<td>- Gross commissions and fees received</td>
</tr>
<tr>
<td></td>
<td>- Gross other operating income</td>
</tr>
<tr>
<td></td>
<td>calculated in the same manner as the “relevant indicator” referred to in paragraph 18(3) of Schedule 3 to the <em>Payment Services Regulations</em>.</td>
</tr>
<tr>
<td></td>
<td>For the Post Office Limited only, Relevant Income relates only to its <em>payment services</em> business.</td>
</tr>
<tr>
<td><strong>G.4</strong></td>
<td>Not applicable.</td>
</tr>
<tr>
<td><strong>G.5</strong></td>
<td>As in G.3 and Relevant Income only relates to <em>payment services</em> business.</td>
</tr>
</tbody>
</table>
Part 4 – Valuation period

This table indicates the valuation date for each fee-block. A fee-paying payment service provider can calculate its tariff data by applying the tariff bases set out in Part 2 with reference to the valuation dates shown in this table.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Valuation date</th>
</tr>
</thead>
<tbody>
<tr>
<td>In this table, reference to specific dates or months are references to the latest one occurring before the start of the period to which the fee applies e.g. for 2010/11 fees (1 April 2010 to 31 March 2011), a reference to December means December 2009.</td>
<td></td>
</tr>
<tr>
<td>Where a fee-paying payment service provider’s tariff data is in a currency other than sterling, it must be converted into sterling at the exchange rate prevailing on the relevant valuation date.</td>
<td></td>
</tr>
<tr>
<td>G.2</td>
<td>For banks, e-money issuers and building societies as in FEES 4 Annex 1R Part 3.</td>
</tr>
<tr>
<td>G.3</td>
<td>Relevant income for the financial year ended in the calendar year ending 31 December.</td>
</tr>
<tr>
<td>G.4</td>
<td>Not relevant.</td>
</tr>
<tr>
<td>G.5</td>
<td>Relevant income for the twelve months ending 31 December.</td>
</tr>
</tbody>
</table>

Part 5 – Tariff rates

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payable in relation to 2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2 Minimum fee (£)</td>
<td>400</td>
</tr>
<tr>
<td>£ million of Modified Eligible Liabilities (MELS) Fee (£/£m or part £m of MELS)</td>
<td></td>
</tr>
<tr>
<td>[tariff band to follow] [tariff rate to follow]</td>
<td></td>
</tr>
<tr>
<td>G.3 Minimum fee (£)</td>
<td>400</td>
</tr>
<tr>
<td>£ thousands or part £ thousand of Relevant Income Fee (£/£thousand or part £ thousand of Relevant Income)</td>
<td></td>
</tr>
</tbody>
</table>
Part 6 – Permitted deductions for financial penalties

*Fee-paying payment service providers* may make deductions as provided in this Part.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Nature of deduction</th>
<th>Amount of deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2</td>
<td>Financial penalties received</td>
<td>[to follow]</td>
</tr>
<tr>
<td>G.3</td>
<td>Financial penalties received</td>
<td>[to follow]</td>
</tr>
<tr>
<td>G.4</td>
<td>Financial penalties received</td>
<td>[to follow]</td>
</tr>
<tr>
<td>G.5</td>
<td>Financial penalties received</td>
<td>[to follow]</td>
</tr>
</tbody>
</table>

Part 7 – Permitted deductions for *EEA authorised payment institutions, full credit institutions and e-money issuers* that are *EEA firms*

*Fee-paying payment service providers* may make deductions as provided in this Part.

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Percentage deducted from the tariff payable under Part 5 applicable to the firm</th>
<th>Minimum amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.2</td>
<td>[to follow]</td>
<td>[to follow]</td>
</tr>
<tr>
<td>G.3 excluding the Post Office Limited</td>
<td>[to follow]</td>
<td>[to follow]</td>
</tr>
</tbody>
</table>

...
Amend the following as shown.

5 Financial Ombudsman Service

...  

5.1.1A  R A reference to “firm” in this chapter includes a reference to a fee-paying payment service provider except in FEES 5.5 and where “firm” is used elsewhere in this chapter in connection with the obligation to pay case fees.

...  

5.4.1 R ...  

(2) Paragraph (1) does not apply if the firm pays a general levy on a flat fee basis only or if it is the Bank of England.

...  

5.4.4 G A firm should not provide a statement of relevant business if it deals only with eligible complainants who are not private individuals consumers. Relevant business is defined in the Glossary as business with private individuals consumers only. So FEES 5.4.1R does not apply in relation to business done with other types of eligible complainant described in DISP 2.7.3R(2), DISP 2.7.6R(12)(a) and DISP 2.7.6R(12)(a); the funding of FOS Ltd in relation to that business is by special case only (see FEES 5.5.6R).

...  

5.8.2 R (1) This rule deals with the calculation of:

(a) a firm’s general levy in the 12 months ending on the 31 March in which it obtains permission or was authorised under the Payment Services Regulations or had its permission and/or payment services activities extended (“relevant permissions”) or its permission is extended, and the following 12 months ending on the 31 March;

(b) the tariff base for the industry blocks that relate to that permission or extension, as the case may be each of the relevant permissions.

(2) Unless this rule says otherwise, the tariff base is calculated using the projected valuation for its first and second year of the business to which the tariff relates.

(3) The rest of this rule only applies to a firm that becomes authorised, or extends its permission and/or payment services activities, on or after 1 April 2009.
(a) If the tariff base is calculated using data from a period that begins on or after the date that the firm receives its permission or extension, as the case may be, obtains the relevant permission to which that tariff base relates, the firm must use that data.

(b) If a firm satisfies the following conditions it must calculate its tariff base under (c) for the FSA financial year following the FSA financial year it obtained permission a relevant permission:

(i) the firm receives its permission or extension of permission, as the case may be, a relevant permission between 1 April and 31 December inclusive; and

(ii) the firm’s tariff base for that relevant permission is, but for this rule, is calculated by reference to the firm’s financial year ended in the calendar year ending on the 31 December before the start of the FSA financial year or the twelve months ending 31 December prior to before the start of the FSA financial year.

(c) If a firm satisfies the conditions in (b) it must calculate its tariff base as follows:

... 

(ii) the tariff is calculated by reference to the period beginning on the date it acquired permission, or had its permission extended, the relevant permission relating to the tariff and ending on the 31 December before the start of the FSA financial year; and

(iii) the figures are annualised by increasing them by the same proportion as the period of 12 months bears to the period starting from when the firm received its permission or extension any relevant permissions to the 31 December, as the case may be.
5 Annex 1R  Annual Fees Payable in Relation to 2009/10

Introduction: annual budget

... 

<table>
<thead>
<tr>
<th>Industry block</th>
<th>Tariff base</th>
<th>General levy payable by firm</th>
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<tbody>
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</table>
| 11 - **fee-paying payment service providers** (but excluding **firms** in any other Industry block) | N/A for 2008/09  
For **authorised payment institutions**, the Post Office Limited, the Bank of England, government departments and local authorities, and **EEA authorised payment institutions** relevant income as described in FEES 4 Annex 11R Part 3 | [to follow] |
|               | For **small payment institutions** and **small e-money issuers** a flat fee | Levy of £75 as from 2010/11 |