

FEES (CONSUMER FINANCIAL EDUCATION BODY LEVY) INSTRUMENT 2017

Powers exercised

- A. The Financial Conduct 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 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 139A (Power of the FCA to give guidance);
 - (4) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority); and
 - (5) paragraph 12 in Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body).
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 8 December 2017.

Amendments to the Handbook

- D. The Fees manual (FEES) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Fees (Consumer Financial Education Body Levy) Instrument 2017.

By order of the Board
7 December 2017

Annex

Amendments to the Fees manual (FEES)

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

7 CFEB levies

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7.2 The CFEB levy

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7.2.3 R The amount payable by a *firm* with respect to a particular activity group is calculated as follows:

- (1) calculate the size of the *firm's* tariff base for that activity group using:
 - (a) the tariff base calculations in Part 3 of *FEES 4 Annex 1A* ~~and~~, Part 3 of *FEES 4 Annex 11* and Part 3 of *FEES 7 Annex 1*; and
 - (b) the valuation date requirements in Part 5 of *FEES 4 Annex 1A* ~~and~~, Part 3 of *FEES 4 Annex 11* and Part 3 of *FEES 7 Annex 1*;
- (2) use the figure in (1) to calculate which of the bands set out in column 1 and 2 of the table in Part 1 of *FEES 7 Annex 1* the *firm* falls into;
- (3) add together the fixed sums, as set out in columns ~~3~~ 1 and 2 of the table in Part 1 of *FEES 7 Annex 1*, applicable to each band identified under (2);
- (4) the amount in (3) is the amount payable by the *firm* with respect to that activity group.

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7 Annex CFEB levies for the period from 1 April 2017 to 31 March 2018

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| Part 1 | | |
|---|--------------------------|-----------------|
| This table shows the <i>CFEB levies</i> applicable to each activity group (fee-block) | | |
| Activity Group | <i>CFEB levy payable</i> | |
| | <u>Column 1</u> | <u>Column 2</u> |

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|---|---|------------------------------------|---|--|
| | | | | |
| A.1 | Column 1 Money advice levy | | Column 2 Debt advice levy (Notes 3–6) (see Part 3 A and B) | |
| | Band Width (£ million of Modified Eligible Liabilities (MELs)) | Fee (£/£m or part m of MELs) | Bandwidth (£ million of unsecured debt) | Fee (£/£m or part £m of unsecured debt) |
| | ... | ... | >0 | ... |
| | | | For a <i>credit union</i> no levy is payable on the first £250,000 of the tariff base calculated in accordance with Part 3 A and B of this Annex. | |
| A.2 | Column 1 General levy Money advice levy | | Column 2 Debt advice levy (Notes 5–6) (see Part 3 C and D) | |
| | Band Width (no. of mortgages and/or <i>home finance transactions</i>) | Fee (£/mortgage) | Band width (£million of secured debt) | Fee (£/£m or part £m of secured debt) |
| | ... | ... | ... | ... |
| ... | ... | | ... | |
| Notes | | | | |
| (1) The definitions of fee-blocks G5 and G10 under Part 2 and Part 2A of <i>FEES 4</i> Annex 11 are modified, for the purposes of <i>FEES 7</i> , so that they exclude the Bank of England, government departments, local authorities, municipal banks and the National Savings Bank. | | | | |
| (2) The definitions of those fee-blocks are further amended to exclude EEA <u>EEA</u> | | | | |

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| <u>firms</u> and those which hold a <u>Part 4A permission</u> . | |
| <p>(3) The tariff base for column 2 in activity group A.1: for <i>credit unions</i>: the total sterling value of all loans LESS total sterling value of any residential loans. for <i>banks and building societies</i>: the sterling value of all outstanding loans to individuals in the <i>UK</i>, excluding bridging loans and loans secured on dwellings and land. The <i>firm</i> must include: (a) any credit card lending; (b) any charge card lending, even if the outstanding balance has to be paid off in full at the end of each charging period; (c) any other loans and advances to individuals that are not bridging loans or secured on dwellings or land; provided that the <i>firm</i> only includes data that it is required to include in entries 29DB3A3 and 29DB3A4 of Form BE (that is, the Additional Sectoral Details Return that is completed to provide information by banks and building societies to the Bank of England).</p> | |
| <p>(4) The valuation date for column 2 in activity group A.1 is the 31 December before the start of the period to which the fee applies or, if earlier, the date of the valuation as disclosed by the Form BE or other annual return made in the calendar year prior to the 31 December.</p> | |
| <p>(5) The tariff base for column 2 in activity group A.2 is the sterling value of any residential loans to individuals being the sum of gross unsecuritised and securitised balances (applying the definitions of Unsecuritised balances and Securitised balances set out in SECTION A: BALANCE SHEET of SUP 16 Annex 19B).</p> | |
| <p>(6) The valuation date for column 2 in activity group A.2 is the 31 December before the start of the period to which the fee applies or, if earlier, the date of the valuation as disclosed by the annual return made in the calendar year prior to the 31 December.</p> | |
| Part 2 | |
| ... | ... |
| Part 3 | |
| <u>A.</u> | <p><u>The tariff base for column 2 in activity group A.1:</u> <u>for credit unions:</u> <u>the total sterling value of all loans LESS total sterling value of any residential loans.</u></p> |

| | |
|-----------|---|
| | <p><u>for banks and building societies:</u></p> <p><u>the sterling value of all outstanding loans to individuals in the UK, excluding bridging loans and loans secured on dwellings and land.</u></p> <p><u>The firm must include:</u></p> <p><u>(a) any credit card lending;</u></p> <p><u>(b) any charge card lending, even if the outstanding balance has to be paid off in full at the end of each charging period;</u> <u>and</u></p> <p><u>(c) any other loans and advances to individuals that are not bridging loans or secured on dwellings or land;</u></p> <p><u>provided that the firm only includes data that it is required to include in entries 29DB3A3 and 29DB3A4 of Form BE (that is, the Additional Sectoral Details Return that is completed to provide information by banks and building societies to the Bank of England).</u></p> |
| <u>B.</u> | <p><u>The valuation date for column 2 in activity group A.1 is the 31 December before the start of the period to which the fee applies or, if earlier, the date of the valuation as disclosed by the Form BE or other annual return made in the calendar year prior to the 31 December.</u></p> |
| <u>C.</u> | <p><u>The tariff base for column 2 in activity group A.2 is the sterling value of any residential loans to individuals being the sum of gross unsecuritised and securitised balances (applying the definitions of unsecuritised balances and securitised balances set out in SECTION A: BALANCE SHEET of SUP 16 Annex 19B).</u></p> |
| <u>D.</u> | <p><u>The valuation date for column 2 in activity group A.2 is the 31 December before the start of the period to which the fee applies or, if earlier, the date of the valuation as disclosed by the annual return made in the calendar year prior to the 31 December.</u></p> |