

FEES (SINGLE FINANCIAL GUIDANCE BODY LEVY) INSTRUMENT 2018**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) section 137SA (Rules to recover expenses relating to the single financial guidance body).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.
- C. As required by section 137SA(5) of the Act, the Secretary of State has consented to rules made under that section.

Commencement

- D. This instrument comes into force on 2 July 2018.

Amendments to the Handbook

- E. The modules of the FCA Handbook listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Fees manual (FEES)	Annex B
Credit Unions sourcebook (CREDS)	Annex C

Citation

- F This instrument may be cited as the Fees (Single Financial Guidance Body Levy) Instrument 2018.

By order of the Board
28 June 2018

Annex A

Amendment to the Glossary of definitions

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

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

<i>SFGB</i>	the single financial guidance body established under section 1 (Establishment of the single financial guidance body) of the Financial Guidance and Claims Act 2018.
<i>SFGB debt advice levy</i>	the amount payable to the <i>FCA</i> by a <i>firm</i> to which <i>FEES 7A.3</i> (The SFGB money advice levy and debt advice levy) and <i>FEES 7A Annex 2R</i> apply.
<i>SFGB levy</i>	the levy payable to the <i>FCA</i> pursuant to <i>FEES 7A.2.1R</i> by the <i>persons</i> listed in: <ul style="list-style-type: none"> (1) <i>FEES 1.1.2R(5)</i> in relation to the <i>SFGB money advice levy</i> and <i>SFGB debt advice levy</i>; and (2) <i>FEES 7A.1.2R</i> in relation to the <i>SFGB pensions guidance levy</i>.
<i>SFGB money advice levy</i>	the amount payable to the <i>FCA</i> by a <i>firm</i> to which <i>FEES 7A.3</i> (The SFGB money advice levy and debt advice levy) and <i>FEES 7A Annex 1R</i> apply.
<i>SFGB pensions guidance levy</i>	the amount payable to the <i>FCA</i> by a <i>firm</i> to which <i>FEES 7A.4</i> (The SFGB Pensions guidance levy) applies.

Amend the following definitions as shown.

<i>electronic money issuer</i>	(1) (except in <i>DISP</i> , <i>FEES 5.5A</i> and <i>FEES 7A</i>) any of the following <i>persons</i> when they issue <i>electronic money</i> : <ul style="list-style-type: none"> ... (3) <u>(in <i>FEES 7A</i>) as in (1) but excluding:</u> <ul style="list-style-type: none"> (a) <u>the Bank of England, the European Central Bank and the national central banks of <i>EEA States</i> other than the <i>United Kingdom</i>, when not acting in their capacity as a monetary authority or other public authority; and</u> (b) <u>government departments and local authorities when acting in their capacity as public authorities.</u>
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firm

...

- (5) (in *FEES 3, FEES 4, FEES 5, and FEES 7 and FEES 7A*) includes a *fee-paying payment service provider* and a *fee-paying electronic money issuer* in accordance with *FEES 3.1.1AR, FEES 4.1.1AR, FEES 5.1.1AR, and FEES 7.1.1R and FEES 7A1.1R(1)*.

...

*payment
service
provider*

- (1) (except in *DISP and FEES 7A*) (in accordance with regulation 2(1) of the *Payment Services Regulations*) any of the following *persons* when they carry out a *payment service*:

...

- (5) (in *FEES 7A*) as in (1) but excluding (1)(g) and (h).

Annex B

Amendments to the Fees manual (FEES)

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

1 Fees Manual

1.1 Application and Purpose

1.1.1 G ...

(8) FEES 7A relates to the SFGB levy.

...

1.1.2 R This manual applies in the following way:

...

(5) FEES 1, 2, ~~and 7~~ and 7A (in relation to the SFGB money advice levy and SFGB debt advice levy only) apply to:

...

...

(7) FEES 7A (in relation to the SFGB pensions guidance levy only) applies to firms referred to in FEES 7A.1.2R.

FEES 1, 2, ~~and 7~~ and 7A do not apply to an *incoming EEA firm* or an *incoming Treaty firm* that has not established a *branch* in the *United Kingdom*.

...

...

2 General Provisions

...

2.2 Late Payments and Recovery of Unpaid Fees

Late Payments

2.2.1 R If a *person* does not pay the total amount of a periodic fee, *FOS* levy, or share of the *FSCS* levy, ~~or~~ CFEB levy or SFGB levy, before the end of the date on which it is due, under the relevant provision in FEES 4, 5, 6, ~~or 7~~ or 7A, that *person* must pay an additional amount as follows:

...

- 2.2.2 G The *FCA*, (for *FCA* and *PRA* periodic fees, *FOS* and *FSCS* levies, ~~and~~ *CFEB* levies and *SFGB* levies), expects to issue invoices at least 30 days before the date on which the relevant amounts 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.

Recovery of Fees

- 2.2.3 G (1) Paragraph 23(8) of Schedule 1ZA of the *Act* permits the *FCA* to recover fees (including fees relating to *payment services*, the issuance of *electronic money*, *CBTL firms*, *data reporting services providers*, *designated credit reference agencies*, *designated finance platforms* and, where relevant, *FOS* levies, ~~and~~ *CFEB* levies and *SFGB* levies).

...

- 2.2.4 G In addition, the *FCA* may be entitled to take regulatory action in relation to the non-payment of fees, *FOS* levies, ~~and~~ *CFEB* levies and *SFGB* levies. The *FCA* may also take regulatory action in relation to the non-payment of a share of the *FSCS* levy, after reference of the matter to the *FCA* by the *FSCS*. What action (if any) that is taken by the *FCA* will be decided upon in the light of the particular circumstances of the case.

2.3 Relieving Provisions

Remission of Fees and levies

- 2.3.1 R If it appears to the *FCA* or the *FSCS* (in relation to any *FSCS* levy only) that in the exceptional circumstances of a particular case, the payment of any fee, *FSCS* levy, *FOS* levy, ~~or~~ *CFEB* levy or *SFGB* levy would be inequitable, the *FCA* or the *FSCS* as relevant, may (unless *FEES* 2.3.2BR applies) reduce or remit all or part of the fee or levy in question which would otherwise be payable.
- 2.3.2 R If it appears to the *FCA* or the *FSCS* (in relation to any *FSCS* levy only) that in the exceptional circumstances of a particular case to which *FEES* 2.3.1R does not apply, the retention by the *FCA*, the *FSCS*, or the *CFEB*, as relevant, of a fee, *FSCS* levy, *FOS* levy, ~~or~~ *CFEB* levy or *SFGB* levy which has been paid would be inequitable, the *FCA*, the *FSCS* or the *CFEB*, may (unless *FEES* 2.3.2BR applies) refund all or part of that fee or levy.

...

- 2.3.2C R For *FEES* 7A, the *FCA* is entitled not to consider a claim under *FEES* 2.3.1R or *FEES* 2.3.2R to refund any overpaid amounts due to a mistake of fact or law by the fee-paying *firm* if the claim is made more than two years

after the beginning of the period to which the *SFGB* levy subject to the claim relates.

2.4 VAT

- 2.4.1 R All fees payable or any stated hourly rate under *FEES* 3 (Application, notification and vetting fees), *FEES* 4 (Periodic fees), ~~and~~ *FEES* 7 (The CFEB levy) and *FEES* 7A (The *SFGB* levy) are stated net of VAT. Where VAT is applicable this must also be included.

After *FEES* 7 (CFEB levies) insert the following new chapter *FEES* 7A. The text is not underlined.

7A *SFGB* levies

7A.1 Application and purpose

Application

- 7A.1.1 R This chapter applies to the *persons* listed in:
- (1) *FEES* 1.1.2R(5) in relation to the *SFGB* money advice levy and *SFGB* debt advice levy; and
 - (2) *FEES* 7A.1.2R in relation to the *SFGB* pensions guidance levy.
- 7A.1.2 R The *SFGB* pensions guidance levy applies to a *firm* that:
- (1)
 - (a) has a *Part 4A* Permission; or
 - (b) is an *incoming EEA* firm with a branch in the *United Kingdom*; or
 - (c) is an *incoming Treaty* firm with a branch in the *United Kingdom*; and
 - (2) falls within one or more of the following activity groups listed in Part 1 of *FEES* 4 Annex 1AR:
 - (a) A.1 Deposit acceptors;
 - (b) A.4 Insurers – life;
 - (c) A.7 Portfolio managers except Class (1)A firms;

- (d) A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes; and
- (e) A.13 Advisors, arrangers, dealers or brokers.

Purpose

- 7A.1.3 G The purpose of this chapter is to set out the requirements on the *persons* listed in *FEES* 7A.1.1R to fund the Secretary of State costs relating to the *SFGB*, and the related *FCA* collection costs.

Background

- 7A.1.4 G Under section 137SA(1) (Rules to recover expenses relating to the single financial guidance body) of the *Act*, the Secretary of State may, from time to time, notify the *FCA* of the expenses incurred, or expected to be incurred, in connection with the operation of the *SFGB* or under section 12 of the Financial Guidance and Claims Act 2018. Expenses arise under section 12 when the Secretary of State:
- (1) pays grants or makes loans, or gives any other form of financial assistance, to meet expenditure in connection with the establishment of the *SFGB*; and
 - (2) pays grants or makes loans, or gives any other form of financial assistance, to the *SFGB* for the purpose of enabling the *SFGB* to carry out its functions.
- 7A.1.5 G When the Secretary of State has notified the *FCA* under section 137SA(1) , under subsections (2) and (3) the *FCA* must make rules requiring *authorised persons, electronic money issuers or payment service providers* (or any specified class of the same) to pay specified sums, or sums calculated in a specified way to the *FCA* with a view to recovering:
- (1) the amount notified by the Secretary of State; and
 - (2) expenses incurred by the *FCA* in connection with its functions under section 137SA of the *Act*.
- 7A.1.6 G This chapter contains the *rules* referred to in *FEES* 7A.1.4G(2).
- 7A.1.7 G Under section 137SA(8) of the *Act*, the *FCA* must pay to the Secretary of State the amounts that it receives pursuant to the *rules* in this chapter, apart from amounts covering its collection costs (which the *FCA* may keep).
- 7A.1.8 G The total amount raised by the *SFGB* levy may vary from year to year depending on the amount notified to the *FCA* by the Secretary of State.

Exemption

- 7A.1.9 R A *firm* is not liable to pay a *SFGB levy* in relation to *payment services* or *electronic money* issuance if it is the Bank of England, a government department, a local authority, a municipal bank or the National Savings Bank.

7A.2 The SFGB levy

- 7A.2.1 R The *SFGB levy* is made up of:
- (1) the *SFGB money advice levy*, as set out in *FEES 7A.3*;
 - (2) the *SFGB debt advice levy*, as set out in *FEES 7A.3*; and
 - (3) the *SFGB pensions guidance levy*, as set out in *FEES 7A.4*.

7A.3 The SFGB money advice levy and debt advice levy

Obligation to pay money advice levy or debt advice levy

- 7A.3.1 R A *firm* must pay the *SFGB money advice levy* or *SFGB debt advice levy* applicable to it:
- (1) in full and without deduction (unless permitted or required by a provision in *FEES*); and
 - (2) in accordance with the provisions of *FEES 4.3.6R* as modified by *FEES 7A.3.2R*.
- 7A.3.2 R (1) For the purposes of *FEES 7A.3.1R(2)*, *FEES 4.3.6R(1C)* to (1E) is modified so that if a *firm's* periodic fee for the previous *financial year* were at least £50,000, the *firm* must pay:
- (a) an amount equal to 50% of the *SFGB money advice* or *SFGB debt advice levy* payable for the previous year, by 1 April in the *financial year* to which the sum due under *FEES 7A.3.1R* relates; and
 - (b) the balance of the *SFGB money advice levy* or *SFGB debt advice levy* due for the current *financial year* by 1 September in the *financial year* to which that sum relates.
- (2) For the purposes of *FEES 7A.3.1R(2)*, *FEES 4.3.6R(2)* is modified so that if the *firm's* periodic fee for the previous *financial year* was less than £50,000, the *firm* must pay its *SFGB money advice levy* or *SFGB debt advice levy* in full by 1 July in the *financial year* to which that sum relates.

Calculation of the money advice levy and debt advice levy

7A.3.3 R The *SFGB money advice levy* and *SFGB debt advice levy* are each calculated as follows:

- (1) identify each of the activity groups set out in Part 1 of *FEES 7A Annex 1R* and Part 1 of *FEES 7A Annex 2R* that apply to the business of the *firm* for the relevant period (for this purpose, the activity groups under *FEES 7A Annex 1R* are defined in accordance with Part 1 of *FEES 4 Annex 1AR* and the activity groups under *FEES 7A Annex 2R* are defined in accordance with Part 1 of that Annex);
- (2) calculate, for each of those activity groups identified in (1), the amount payable in the way set out in *FEES 7A.3.4R*;
- (3) add each of the amounts calculated under (2);
- (4) work out whether a minimum fee is payable under Part 2 of *FEES 7A Annex 1R* and if so how much;
- (5) add together the amounts calculated under (3) and (4);
- (6) modify the result as indicated by (if applicable) *FEES 4.2.7ER*, *FEES 4.2.7FR*, *FEES 4.2.7GR*, *FEES 4.2.7HR*, *FEES 4.2.7IR*, *FEES 4.2.7JG* and *FEES 4.2.7KR*;
- (7) apply any applicable payment charge specified in *FEES 4.2.4R* to the amount in (6), provided that:
 - (a) for payment by direct debit, successful collection of the amount due is made at the first attempt by the *FCA*; or
 - (b) for payment by credit transfer, the amount due is received by the *FCA* on or before the due date; and
- (8) make the calculations using information obtained in accordance with *FEES 4.4* in the case of *FEES 7A Annex 1R* and Part 3 of *FEES 7A Annex 2R* in the case of Part 2 of that Annex.

7A.3.4 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 1AR*, Part 3 of *FEES 4 Annex 11* and Part 2 of *FEES 7A Annex 2R*; and

- (b) the valuation date requirements in Part 5 of *FEES 4 Annex 1AR*, Part 3 of *FEES 4 Annex 11R* and Part 3 of *FEES 7A Annex 2*;
- (2) use the figure in (1) to calculate which of the bands set out in the table in Part 1 of *FEES 7A Annex 1R* and Part 4 of *FEES 7A Annex 2R* the *firm* falls into;
- (3) add together the fixed sums, as set out in the table in Part 1 of *FEES 7A Annex 1R* and Part 4 of *FEES 7A Annex 2R*, 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.
- 7A.3.5 R For the purposes of *FEES 7A.3.4R*:
- (1) a *firm* may apply the relevant tariff bases and rates to its 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 1AR* and Part 1 of *FEES 4 Annex 11R* are disproportionate to the difference in fees payable; and
- (b) it notifies the *FCA* 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;
- (2) for a *firm* which has not complied with *FEES 4.4.2R* (information on which fees are calculated) or *FEES 4.4.8D* (Information relating to payment services and the issuance of electronic money) for this period, the *SFGB money advice levy* and *SFGB debt advice levy* is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10.
- 7A.3.6 R The modifications in Part 3 of *FEES 4 Annex 2AR* and Part 7 of *FEES 4 Annex 11R* apply.
- Amount payable by the Society of Lloyds
- 7A.3.7 R The *SFGB money advice levy* in relation to the *Society* is specified against its activity group in Part 1 of *FEES 7A Annex 1R*.
- FEES 4 rules incorporated into FEES 7A by cross-reference
- 7A.3.8 G The *FCA Handbook* provisions relating to the *SFGB money advice levy* and *SFGB debt advice levy* are meant to follow closely the provisions relating to

the payment of periodic fees under *FEES* 4.3.1R. For brevity, not all of these provisions are set out again in *FEES* 7A. In some cases, certain *FEES* 4 rules are applied to the payment of the *SFGB money advice levy* and *SFGB debt advice levy* by individual rules in *FEES* 7A. The rest are set out in the table in *FEES* 7A.3.10R.

- 7A.3.9 R The *rules* set out in the table in *FEES* 7A.3.10R and any other *rules* in *FEES* 4 included in *FEES* 7A by cross-reference apply to the *SFGB money advice levy* and *SFGB debt advice levy* in the same way as they apply to periodic fees payable under *FEES* 4.3.1R.
- 7A.3.10 R Table of rules in *FEES* 4 that also apply to *FEES* 7A to the extent that in *FEES* 4 they apply to fees payable to the FCA

FEES 4 rules incorporated into FEES 7A	Description
<i>FEES</i> 4.2.4R	Method of payment
<i>FEES</i> 4.2.7ER	Modifications for persons becoming subject to periodic fees during the course of a <i>fee year</i>
<i>FEES</i> 4.2.7FR	Calculating the fee in the firm's first year of authorisation
<i>FEES</i> 4.2.7GR	Calculating fees in the second fee-year where the firm received permission between 1 January and 31 March in its first fee year
<i>FEES</i> 4.2.7HR to <i>FEES</i> 4.2.7KR	Calculating all other fees in the second and subsequent years of authorisation where a full year of tariff data is not available
<i>FEES</i> 4.2.8R	How <i>FEES</i> 4.2.7R applies in relation to an incoming EEA firm or an incoming Treaty firm
<i>FEES</i> 4.2.10R	Extension of time
<i>FEES</i> 4.2.11R (first entry only)	Due date and changes in permission for periodic fees
<i>FEES</i> 4.3.7R	Groups of firms
<i>FEES</i> 4.3.13R	Firms applying to cancel or vary permission before start of period
<i>FEES</i> 4.3.17R	Firms acquiring businesses from other firms
<i>FEES</i> 4.4.1R to <i>FEES</i> 4.4.6R	Information on which fees are calculated

- 7A.3.11 D *FEES* 4.4.7D to *FEES* 4.4.9D (Information relating to payment services and the issuance of electronic money) also apply to *FEES* 7A.
- 7A.3.12 R References in a *FEES* 4 rule incorporated into *FEES* 7A by cross-reference to a periodic fee should be read as being to the *SFGB money advice levy* and *SFGB debt advice levy*. References in a *FEES* 4 rule incorporated into *FEES* 7A to *market operators*, *service companies*, *MTF operators*, *investment exchanges*, or *designated professional bodies* should be disregarded.
- 7A.3.13 G In some cases, a *FEES* 4 rule incorporated into *FEES* 7A in the manner set out in *FEES* 7A.3.8G will refer to another rule in *FEES* 4 that has not been individually incorporated into *FEES* 7A. Such a reference should be read as being to the corresponding provision in *FEES* 7A. The main examples are set out in *FEES* 7A.3.14G.
- 7A.3.14 G Table of *FEES* 4 rules that correspond to *FEES* 7A rules

FEES 4 rules	Corresponding FEES 7A rules
<i>FEES</i> 4.2.1R	<i>FEES</i> 7A.3.1R
<i>FEES</i> 4.3.1R	<i>FEES</i> 7A.3.3R
<i>FEES</i> 4.3.3R	<i>FEES</i> 7A.3.3R
<i>FEES</i> 4.3.3AR	<i>FEES</i> 7A.3.3R
<i>FEES</i> 4.3.12R	<i>FEES</i> 7A.3.6R
<i>FEES</i> 4.3.12AR	<i>FEES</i> 7A.3.6R
Part 1 of <i>FEES</i> 4 Annex 2AR	Part 1 of <i>FEES</i> 7A Annex 1R
Part 2 of <i>FEES</i> 4 Annex 11R	Part 1 of <i>FEES</i> 7A Annex 1R
Part 5 of <i>FEES</i> 4 Annex 11R	Part 1 of <i>FEES</i> 7A Annex 1R

7A.4 The SFGB pensions guidance advice levy

Obligation to pay SFGB pensions guidance levy

- 7A.4.1 R A firm must pay the *SFGB pensions guidance levy* applicable to it:
- (1) in full and without deduction; and
 - (2) in accordance with the *rules* in this section.

Calculation of SFGB pensions guidance levy

- 7A.4.2 R The *SFGB pensions guidance levy* applicable to a particular *firm* is calculated as follows:
- (1) identify each of the activity groups in *FEES* 7A.1.2R(2) that apply to the business of the *firm* for the relevant period;
 - (2) calculate the amount payable under *FEES* 7A.4.3R for each of those activity groups;
 - (3) modify the result in accordance with, if applicable, *FEES* 7A.4.4R; and
 - (4) apply any payment charge in *FEES* 4.2.4R.
- 7A.4.3 R The amount payable for a particular activity group is calculated as follows:
- (1) (a) calculate the size of the *firm's* tariff base for the activity group using:
 - (i) the tariff base calculations in Part 3 of *FEES* 4 Annex 1AR; and
 - (ii) the valuation date requirements in Part 5 of *FEES* 4 Annex 1AR;
 - (b) exclude best estimate liabilities for fees purposes in the calculation for fee-block A4;
 - (2) use the figure in (1) to calculate the levy applicable for each band in *FEES* 7A Annex 3R;
 - (3) add together the sums for each applicable band under (2);
 - (4) the amount in (3) is the amount payable by the *firm* for that activity group.
- 7A.4.4 R For the first *fee year* during which *FEES* 7A.4.2R applies to a *firm's* *permission* to carry on a *regulated activity*, the *SFGB pensions guidance levy* applicable to that *permission* must be modified using the formula in *FEES* 4.2.6R.
- 7A.4.5 R For *FEES* 7A.4.3R, a *firm* may apply the relevant tariff bases and rates to its non-UK business, as well as to its UK business, if:
- (1) it has reasonable grounds for believing that the cost of identifying the *firm's* UK business separately from its non-UK business is disproportionate to the difference in the *SFGB pensions guidance levy* payable by it; and

- (2) it notifies the *FCA* in writing:
- (a) at the same time as it provides the information concerned under *FEES* 4.4 (Information on which fees are calculated); or
 - (b) if earlier, at the time it pays the *SFGB pensions guidance levy* applicable to it.

7A.4.6 R The *SFGB pensions guidance levy* is calculated using the same information that is used to calculate a *firm's* periodic fee under *FEES* 4.

7A.4.7 R Where a *firm* which has not complied with *FEES* 4.4.2R (information on which fees are calculated) in relation to a particular *fee year* the *SFGB pensions guidance levy* for that *firm* for that *fee year* is calculated using (where relevant) the valuation(s) of business used to calculate the *SFGB pensions guidance levy* for that *firm* for the previous *fee year*, multiplied by the factor of 1.10.

Application of FEES 4 to the SFGB pensions guidance levy

7A.4.8 G (1) The *FCA Handbook* provisions relating to the *SFGB pensions guidance levy* are meant to follow closely the provisions relating to the payment of periodic fees payable by an *authorised person* under *FEES* 4.

- (2) As such, the table in *FEES* 7A.4.11R lists *rules* in *FEES* 4 that also apply, in a modified form, to the *SFGB pensions guidance levy*.

7A.4.9 R The *rules* in the table in *FEES* 7A.4.11R and any other *rules* in *FEES* included in *FEES* 7A.4 by cross-reference apply to the *SFGB pensions guidance levy* in the same way as they apply to periodic fees payable under *FEES* 4.

7A.4.10 R A reference to a periodic fee in a *FEES* 4 *rule* incorporated into *FEES* 7A.4 must be read, for the purposes of applying that *rule* to the *SFGB pensions guidance levy*, as a reference to the *SFGB pensions guidance levy*.

7A.4.11 R Table of rules in *FEES* 4 that also apply in *FEES* 7A.4.

FEES 4 incorporated into FEES 10	Description	Modifications
<i>FEES</i> 4.2.4R	Method of payment	None
<i>FEES</i> 4.2.7ER	Modifications for persons becoming subject to periodic fees during the course of a fee year	None

<i>FEES 4.2.7FR</i>	Calculating the fee in the firm's first year of authorisation	None
<i>FEES 4.2.7GR</i>	Calculating fees in the second fee year where the firm received permission between 1 January and 31 March in its first fee year	None
<i>FEES 4.2.7HR</i> to <i>FEES 4.2.7KR</i>	Calculating all other fees in the second and subsequent years of authorisation where a full year of tariff data is not available	None
<i>FEES 4.2.8R</i>	How <i>FEES 4.2.7R</i> applies to an incoming EEA firm or an incoming Treaty firm	None
<i>FEES 4.2.9R</i>	Fee payers ceasing to hold relevant status or reducing the scope of their permission after start of relevant period	Reference to column (1) of the table in <i>FEES 4.2.11R</i> is a reference to <i>FEES 7A.1.3G</i>
<i>FEES 4.3.7R</i>	Groups of firms	Reference to <i>FEES 4.2.1R</i> is a reference to <i>FEES 7A.4.1R</i>
<i>FEES 4.3.13R</i>	Firms applying to cancel or vary permission before start of period	Reference to <i>FEES 4.2.1R</i> is a reference to <i>FEES 7A.4.1R</i>
<i>FEES 4.3.17R</i>	Firms acquiring businesses from other firms	Reference to <i>FEES 4.2.7ER</i> to <i>FEES 4.2.7KR</i> is a reference to <i>FEES 7A.4.4R</i> Reference to <i>FEES 4.2.1R</i> is a reference to <i>FEES 7A.4.1R</i>
<i>FEES 4.4.1R</i> to <i>FEES 4.4.6R</i>	Information on which fees are calculated	None

After FEES 7A (SFGB levies) insert the following new Annexes. The text is not underlined.

7A SFGB money advice levy for the period from 1 April 2018 to 31 March 2019
Annex
1R

Part 1

This table shows the *SFGB money advice levy* applicable to each activity group (fee-block).

Activity group	SFGB money advice levy payable	
A.1	Band Width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
	>10	0.0565
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)
	>50	0.0217
A.3	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>0.5	1.142
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	

	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
	>1	0.0626
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	0.748
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	0.0235
A.5	Band Width (£ million of Active Capacity (AC))	Fee (£/£m or part £m of AC)
	>50	0.0000
A.6	Flat levy	0.0000
A.7	For class 1(c),(2), (3) and (4) <i>firms</i> :	
	Band Width (£ million of Funds under Management (FuM))	Fee (£/£m of part £m of FuM)

	>10	0.0059
	For class 1(B) <i>firms</i> : the fee calculated as for class 1(C) firms above, less 15%.	
	For class 1(A) <i>firms</i> : the fee calculated as for class 1(C) firms above, less 50%.	
	Class 1(A), (B) and (C) firms are defined in FEES 4 Annex 1AR.	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m of part £m of GI)
	>1	3.376
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	5.418
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0027
	For a <i>professional firm</i> in A.13 the fee is calculated as above less 10%.	
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0012
A.18	Band Width (£ thousands of Annual Income (AI))	Fee ((£/£ thousand or part £ thousand of AI)
	>100	0.0077
A.19	Band Width (£ thousands of	Fee (£/£ thousand or part £ thousand of AI)

	Annual Income (AI)	
	>100	0.0014
A.21	Band Width (£ <i>client money</i>) (CM) held	Fee (£/£ millions or part £m of CM)
	less than £1 million	0.08
	an amount equal to or greater than £1 million but less than or equal to £1 billion	0.06
	more than £1 billion	0.04
	PLUS	
	<i>Safe custody assets</i>	
	Band Width (£ <i>safe custody assets</i>) (CA) held	Fee (£/£ millions or part £m of CA)
	less than £10 million	0.00029
	an amount equal to or greater than £10 million and less than or equal to £100 billion	0.00022
	more than £100 billion	0.00015
G.3	Minimum fee (£)	0

	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	0.0012
G.4	Flat fee (£)	0
G.10	Minimum fee (£)	0
	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	0.3000
G.11	Flat fee (£)	0
CC.1	Minimum fee (£)	0
	£ thousand of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0046
CC.2	Minimum fee (£)	0
	£ thousands of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0046
Notes		
(1) The definitions of fee-blocks G5 and G10 under Part 2 and Part 2A of <i>FEES</i> 4 Annex 11R are modified, for the purposes of <i>FEES</i> 7A 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 firms* and those which hold a *Part 4A permission*.

7 Annex 2R SFGB debt advice levy for the period from 1 April 2018 to 31 March 2019

Part 1

This table shows how the *FCA* links the *regulated activities* for which a *firm* has permission to activity groups (fee-blocks). A *firm* can use the table to identify which fee-blocks it falls into based on its *permission* for the purposes of the *SFGB debt advice levy* applicable to each activity group (fee-block).

Activity group	<i>SFGB debt advice levy</i> payer falls in the activity group if:
A.2 Home finance providers and administrators	It falls under activity group A.2 as defined in Part 1 of <i>FEES 4 Annex 1AR</i> .
CC.3 Consumer credit lending	<p>Its <i>permission</i> is in relation to the following regulated activities:</p> <ul style="list-style-type: none"> - <i>entering into a regulated credit agreement as lender</i> (article 60B(1) of the <i>Regulated Activities Order</i>); - <i>exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement</i> (article 60B(2) of the <i>Regulated Activities Order</i>); <p>which is carried on by way of business and relates to the following <i>specified investments</i>:</p> <ul style="list-style-type: none"> (a) a regulated credit agreement (excluding <i>high-cost short-term credit</i>, a <i>home credit loan agreement</i> and a <i>bill of sale loan agreement</i>); (b) <i>high-cost short-term credit</i>; (c) a <i>home credit loan agreement</i>; (d) a <i>bill of sale loan agreement</i>.

Part 2

This table indicates the tariff base for each fee-block set out in Part 1. The tariff base in this Part is the means by which the *FCA* measures the amount of business conducted by a *firm* for the purposes of calculating the *SFGB debt advice levy* payable to the *FCA* by that *firm*.

Activity group	Tariff base
A.2 Home finance providers and administrators	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 19BG.)
CC.3 Consumer credit lending	<p>Value of lending in column A of <i>data item</i> CCR003 reported by <i>firms</i> under SUP 16 Annex 38AR, being the sum of <i>data elements</i> entered in rows:</p> <ul style="list-style-type: none"> - 1 Debt purchasing; - 2 Hire purchase/conditional sale agreements; - 3 Home credit loan agreements; - 4 Bill of sale loan agreements; - 5 Pawnbroking; - 6 High-cost short-term credit; - 11 Overdrafts; - 12 Other running-account credit; and - 8 Other lending.
Notes	
<p>(1) The tariff base for <i>authorised professional firms</i> that do not submit <i>data item</i> CCR003 under SUP 16 Annex 38AR is the same as set out above and should be reported to the FCA as required by FEES 4.4.1R and FEES 4.4.2R. The valuation date is in accordance with the CC.3 valuation date in Part 3.</p> <p>(2) The tariff base for an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i> is the same as set out above but limited to the <i>regulated activities</i> of the <i>firm</i> which are carried out in the <i>United Kingdom</i>, except those provided on a <i>cross border services</i> basis, and should be reported to the FCA as required by FEES 4.4.1R and FEES 4.4.2R. The valuation date is in accordance with the CC.3 valuation date in Part 3.</p>	

Part 3

This table indicates the valuation date for each fee-block. A *firm* can calculate its tariff data in respect of the *SFGB debt advice levy* payable to the FCA by that *firm*.

Activity group	Valuation date
----------------	----------------

A.2 Home finance providers and administrators	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.
CC.3 Consumer credit lending	Value of lending under Part 2 valued at the <i>firm's accounting reference date</i> in the calendar year ending 31 December occurring before the start of the period to which the <i>SFGB debt advice levy</i> applies.

Part 4

This table shows the tariff rates applicable to each of the fee-blocks set out in Part 1.

Activity group	SFGB debt advice levy payable	
A.2 Home finance providers and administrators	Band width (£million of secured debt) >0	Fee (£/£m or part £m of secured debt) 0.766
CC.3 Consumer credit lending	Band width (£million of value of lending) >0 (Note 1)	Fee (£/£m or part £m of value of lending) 3.985
Note		
(1) <i>Credit unions</i> and <i>community finance organisations</i> do not pay any <i>SFGB debt advice levy</i> on the first £2,000,000 of value of lending.		

7A
Annex
3R

SFGB pensions guidance levy for the period 1 April 2018 to 31 March 2019

Activity group	SFGB pensions guidance levy payable	
A.1	Band width (£ million of modified eligible liabilities (MELs)) >10	Fee (£/£m or part £m of MELS) 0.0456
A.4	Band width (£ million of gross	Fee (£/£m or part £m of GWP)

	written premium for fees purposes (GWP) >1	1.1920
A.7	For class 1(B), 1 (C), (2) and (3) firms: Band width (£ million of funds under management (FuM)) >10	Fee (£/£m or part £m of FuM) 0.0175
A.9	Band width (£ million of gross income (GI)) >1	Fee (£/£m or part £m of GI) 6.9225
A.13	Band width (£ thousands of annual income (AI)) >100	Fee (£/£ thousand or part of £ thousand of AI) 0.0025

Annex C**Amendments to the Credit Unions sourcebook (CREDS)**

In this Annex, underlining indicates new text.

Sch 3 Fees and other required payments

Sch
3.2G

Description of fee	Reference
...	...
<i>CFEB levy</i>	<i>FEES 7</i>
<u><i>SFGB levy</i></u>	<u><i>FEES 7A</i></u>
...	