

## FEES (TARIFF DATA FOR INSURERS FROM 2018/2019) INSTRUMENT 2018

### Powers exercised by the Financial Ombudsman Service

- A. The Financial Ombudsman Service Limited fixes and varies the standard terms for Voluntary Jurisdiction participants relating to the payment of fees under the Voluntary Jurisdiction in Annex B to this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 225 (The scheme and the scheme operator); and
  - (2) paragraph 18 (Terms of reference to the scheme) of Schedule 17.
- B. The fixing and variation of standard terms relating to the payment of fees by the Financial Ombudsman Service Limited is subject to the approval of the Financial Conduct Authority.

### Powers exercised by the Financial Conduct Authority

- C. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in 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) section 234 (Industry funding); and
  - (5) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- D. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.
- E. The Financial Conduct Authority approves the fixing and variation of the standard terms relating to the payment of fees by the Financial Conduct Ombudsman Service Limited.

### Commencement

- F. This instrument comes into force on 1 April 2018.

### Amendments to the Handbook

- G. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- H. The Fees manual (FEES) is amended in accordance with Annex B to this instrument.

### Citation

- I. This instrument may be cited as the Fees (Tariff Data for Insurers from 2018/2019) Instrument 2018.

By order of the Board of the Financial Ombudsman Service Limited  
7 March 2018

By order of the Board of the Financial Conduct Authority  
22 March 2018

## Annex A

### Amendment to the Glossary of definitions

In this Annex, underlining indicates new text.

Amend the following text as shown.

- non-directive firm* (1) (in *SUP* 11 (Controllers and close links) and *SUP* 16 (Reporting requirements)) (in accordance with the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009 (SI 2009/774)) a *UK domestic firm* other than:
- (a) a *credit institution* authorised under the *Banking Consolidation Directive*;
  - (b) an *investment firm* authorised under *MIFID*;
  - (c) a *management company* as defined in article 2(1)(b) of the *UCITS Directive*, authorised under that directive;
  - (d) a *Solvency II firm*.
- (2) (in *FEES* 4 Annex 1AR Part 3) has the meaning given to it in the Glossary of the *PRA Rulebook*.

Annex B

Amendments to the Fees manual (FEES)

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

4 Periodic fees

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4.2 Obligation to pay periodic fees

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- 4.2.7K R Where the measure is not cumulative (e.g. the number of traders for fee-block A10), the *firm* must use the figure relating to its annual reporting date (e.g. 31 December for A10) or, if that is not available, the projected figure used when it was authorised. Table A sets out the reporting requirements for the key fee-blocks when actual data is not available:

Table A: calculating tariff data for second and subsequent years of authorisation when full trading figures are not available

Fee-block	Tariff base	Calculation where trading data are not available
...		
A3. Insurers - general	<del>Annual gross premium income</del> <u>Gross written premium for fees purposes (GWP)</u> for the financial year ended in the calendar year ending 31 December and <del>gross technical liabilities</del> <u>best estimate liabilities for fees purposes (BEL)</u> valued at the end of the financial year	<del>Income GWP</del> – apply the formula $(A \div B) \times 12$ to arrive at an annualised figure. <del>Gross technical liabilities and mathematical reserves.</del> Use <u>BEL</u> – use data at valuation date or, if trading has not commenced by then, use projections provided at authorisation.
A4. Insurers - life	<del>Adjusted gross premium income</del> <u>Gross written premium for fees purposes (GWP)</u> for the financial year ended in the calendar year ending 31 December and <del>mathematical reserves</del> <u>best estimate liabilities for fees purposes (BEL)</u> valued at the end of the financial year	
...		

...

**4.4 Information on which fees are calculated**

...

4.4.2 R A *firm* (other than the *Society*) must send to the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) in writing the information required under *FEES* 4.4.1R as soon as reasonably practicable, and in any event within two *months*, after the date specified as the valuation date in Part 5 of *FEES* 4 Annex 1AR in relation to fees payable to the *FCA* (or *FEES* 4.2.7BR where applicable) unless *FEES* 4.4.2AR applies.

~~[Note: Transitional provisions apply to *FEES* 4.4.1R and *FEES* 4.4.2R for *firms* in activity groups A.3 and A.4—see *FEES* TP 13]~~

4.4.2A R If a *firm* is a UK Solvency II firm, an *incoming EEA firm* or an *incoming Treaty firm* in activity group A.3 or A.4 and the *PRA* or the *FCA* has either:

- (1) not received the necessary tariff data on a timely basis in line with Part 3 and 5 of *FEES* 4 Annex 1AR; or
- (2) deemed the tariff data received to be incomplete or insufficiently reliable, by reference to a specific *firm* or across all or part of the activity group.

the *FCA* may use tariff data from the previous reporting period for the periodic fees calculation.

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**4 Annex FCA activity groups, tariff bases and valuation date 1AR**

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Part 3

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 annual periodic fees payable to the *FCA* by that *firm*.

Activity group	Tariff base
...	
<b>A.3</b>	<b><u>GROSS PREMIUM INCOME GROSS WRITTEN PREMIUM FOR FEES PURPOSES AND GROSS TECHNICAL LIABILITIES BEST ESTIMATE</u></b>

	<p><b><u>LIABILITIES FOR FEES PURPOSES</u></b></p> <p><b>For insurers:</b></p> <p>The amount of <i>premium</i> receivable which must be included in the documents required to be deposited under IPRU(INS) (as defined in the Fees Part of the <i>PRA</i> Rulebook) 9.6 in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU(INS) (as defined in the Fees Part of the <i>PRA</i> Rulebook) under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p><u>Gross written premium for fees purposes means:</u></p> <p>(1) for UK Solvency II firms, a <i>firm's</i> gross written premium as reported to the <i>PRA</i>, being the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes of the annual quantitative reporting template S.05.01.01;</p> <p>(2) for <i>incoming EEA firms</i> or <i>incoming Treaty firms</i>, a <i>firm's</i> gross written premium as reported to their <i>Home State regulator</i>, being the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes, of the annual quantitative reporting template S.05.01.01 but only in relation to the <i>regulated activities</i> of the <i>firm</i> which are carried on in the <i>United Kingdom</i>, (except those provided on a <i>cross border services</i> basis); and</p> <p>(3) for <i>non-directive firms</i>, a <i>firm's</i> gross premium written as reported to the <i>PRA</i> under item 11 of form 11, or where this is not reported because the <i>firm</i> is a <i>Swiss general insurer</i>, the entry at sheet 1, line 1, column 1, of form 20A, or where the <i>firm</i> is a <i>friendly society</i>, the income and expenditure account entry for gross premium written or contributions as income receivable, as appropriate under the Friendly Societies (Accounts and Related Provisions) Regulation 1994 (SI 1994/1983).</p>
	<p><b>AND</b> the amount of gross technical liabilities IPRU(INS) (as defined in the Fees Part of the <i>PRA</i> Rulebook) Appendix 9.1 Form 15, line 19) which must be included in the documents required to be deposited under FUND 3.4.8G IPRU(INS) (as defined</p>

in the Fees Part of the *PRA* Rulebook) 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a *waiver* or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU(INS) (as defined in the Fees Part of the *PRA* Rulebook) under transitional provisions relating to written concessions in *SUP*.

Best estimate liabilities for fees purposes means:

(1) for UK Solvency II firms, a firm's best estimate liabilities as reported to the *PRA*, being the sum of items entered under row codes R0010, R0370, R0380, R0410 and R0420, column code C0180, of the annual quantitative reporting template S17.01.01; plus the sum of items entered under row codes R0010, R0030, column codes C0090, C0140 and C0190, of the annual quantitative reporting template S12.01.01;

(2) for incoming EEA firms or incoming Treaty firms, a firm's best estimate liabilities as reported to their Home State regulator, being the sum of items entered under row codes R0010, R0370, R0380, R0410 and R0420, column code C0180, of the annual quantitative reporting template S17.01.01; plus the sum of items entered under row codes R0010, R0030, column codes C0090, C0140 and C0190, of the annual quantitative reporting template S12.01.01 but only in relation to the regulated activities of the firm which are carried on in the United Kingdom, except those provided on a cross border services basis; and

(3) for non-directive firms, a firm's total gross technical provisions as reported to the *PRA* under item 19 of form 15, or where this is not reported because the firm is a marine mutual, item 29 of form M2, or where the firm is a friendly society, the balance sheet entry C3 'claims outstanding' where this entry is required under the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983); and otherwise zero.

'Annual quantitative reporting template' has the meaning given in Fees Chapter 1 Application and Definitions of the *PRA* Rulebook.

'Corporate pension business' has the meaning given in Fees Chapter 1 Application and Definitions of the *PRA* Rulebook.

'UK Solvency II firm' has the meaning given in Insurance General Application 2 of the *PRA*

	<p><u>Rulebook.</u></p>
	<p><b>Notes:</b></p> <p><del>(1) in the case of either:</del></p> <p><del>(a) a pure reinsurer carrying on general insurance business through a branch in the United Kingdom; or</del></p> <p><del>(b) an insurer whose head office is not in an EEA State carrying on general insurance business through a branch in the United Kingdom; or</del></p> <p><del>(c) an EEA deposit insurer;</del></p> <p><del>the amount only includes premiums received and gross technical liabilities held in respect of its United Kingdom business;</del></p> <p><del>(2) for a Swiss general insurance company, premiums and gross technical liabilities include those relevant to the operations of the company's United Kingdom branch; and</del></p> <p><del>(3) a firm need not include premiums and gross technical liabilities relating to pure protection contracts which it reports, and pays a fee on, in the A.4 activity group.</del></p>
	<p><del><b>For friendly societies:</b></del></p> <p><del>Either:</del></p> <p><del>(a) the value of contributions as income under Schedule 7: Part I item 1(a) to the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983) (the regulations) for a non-directive friendly society, included within the income and expenditure account; or</del></p> <p><del>(b) the value of gross premiums written under Schedule 1: Part I items I.1(a) and II.1.(a) of the regulations for a directive friendly society included within the income and expenditure account.</del></p>
	<p><b>Notes:</b></p> <p><del>(1) In both (a) and (b) above only premium receivable in respect of United Kingdom business are relevant.</del></p> <p><u>(1) The recovery of the FCA's annual funding requirement allocated to the A.3 fee-block will be weighted:</u></p> <p><u>(a) 90% from gross written premium for fees purposes; and</u></p> <p><u>(b) 10% from best estimate liabilities for fees</u></p>



	<p><u>purposes.</u></p> <p><u>(2) This tariff base (A.3 fee-block) does not include gross written premium for fees purposes and best estimate liabilities for fees purposes on which a composite firm reports data relevant for fee-block A.4.</u></p> <p><u>(3) Where any figure used in the calculation of this tariff base is a negative number, it shall instead be deemed to be zero.</u></p> <p><u>(2 4) For UK ISPVs the this tariff base is not relevant and a flat fee set out in FEES 4 Annex 2AR is payable.</u></p>
<p>A.4</p>	<p><b><u>ADJUSTED GROSS PREMIUM INCOME</u></b>  <b><u>GROSS WRITTEN PREMIUM FOR FEES</u></b>  <b><u>PURPOSES AND MATHEMATICAL</u></b>  <b><u>RESERVES BEST ESTIMATE LIABILITIES</u></b>  <b><u>FOR FEES PURPOSES</u></b> (see FEES 4 Annex 12G)</p> <p><del>Amount of new regular premium business (yearly premiums including reassurances ceded but excluding cancellations and reassurances accepted), times ten;</del></p> <p><b>Plus:</b></p> <p><del>amounts of new single premium business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included;</del></p> <p><b>Less:</b></p> <p><del>premiums relating to pension fund management;</del></p> <p><b>Less:</b></p> <p><del>premiums relating to Trustee Investment Plans.</del></p> <p><del>For each of the above, business transacted through independent practitioners or tied agents (either single or multi-tie) will be divided by two in calculating the adjusted gross premium income;</del></p> <p><u>Gross written premium for fees purposes means:</u></p> <p><u>(1) for UK Solvency II firms, a firm's gross written premium as reported to the PRA, being the item entered under row code R1410, column code C0300 of the annual quantitative reporting template S05.01.01 minus corporate pension business as reported to the PRA under the annual quantitative reporting template S14.01.01; and</u></p> <p><u>(2) for incoming EEA firms or incoming Treaty firms, a firm's gross written premium as reported to their</u></p>

	<p><u>Home State regulator, being the item entered under row code R1410, column code C0300 of the annual quantitative reporting template S05.01.01 minus corporate pension business as reported to the PRA under the annual quantitative reporting template S14.01.01 but only in relation to the regulated activities of the firm which are carried on in the United Kingdom, except those provided on a cross border services basis.</u></p>
	<p><b>AND</b></p> <p>the amount of mathematical reserves (IPRU (INS) (as defined in the Fees Part of the PRA Rulebook) Appendix 9.1R – Form 14 , Line 11 ) which must be included in the documents required to be deposited under IPRU (INS) (as defined in the Fees Part of the PRA Rulebook) 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU (INS) (as defined in the Fees Part of the PRA Rulebook) under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p><b>Less</b></p> <p>mathematical reserves relating to <i>pension fund management</i>.</p> <p><b>Less</b></p> <p>mathematical reserves relating to Trustee Investment Plans.</p> <p><u>Best estimate liabilities for fees purposes means:</u></p> <p>(1) for UK Solvency II firms, a <i>firm's</i> best estimate liabilities as reported to the PRA, being the sum of items entered under row codes R0010 and R0030, column codes C0150 and C0210 minus the sum of items entered under row codes R0010 and R0030, column codes C0090, C0140 and C0190 of the annual quantitative reporting template S12.01.01; minus corporate pension business reported under the annual quantitative reporting template S14.01.01; and</p> <p>(2) for <i>incoming EEA firms</i> or <i>incoming Treaty firms</i>, a <i>firm's</i> best estimate liabilities as reported to their <i>Home State regulator</i>, being the sum of items entered under row codes R0010 and R0030, column codes C0150 and C0210 minus the sum of items entered under row codes R0010 and R0030, column codes</p>

C0090, C0140 and C0190 of the annual quantitative reporting template S12.01.01; minus corporate pension business reported under the annual quantitative reporting template S14.01.01 but only in relation to the *regulated activities* of the *firm* which are carried on in the *United Kingdom*, except those provided on a *cross border services* basis.

'Annual quantitative reporting template' has the meaning given in Fees Chapter 1 Application and Definitions of the *PRA Rulebook*.

'Corporate pension business' has the meaning given in Fees Chapter 1 Application and Definitions of the *PRA Rulebook*.

'UK Solvency II firm' has the meaning given in Insurance General Application 2 of the *PRA Rulebook*.

**Notes:**

~~(1) Only *premiums* receivable and mathematical reserves held in respect of *United Kingdom* business are relevant.~~

~~(2) An *insurer* must include in its calculation of adjusted gross premium income (AGPI) and mathematical reserves (MR) the value of MR and AGPI relating to all risks ceded to *ISPVs*.~~

~~(3) Trustee Investment Plans are the class of *contract of insurance* specified in Class III of Part II of Schedule 1 to the *Regulated Activities Order* (Contracts of long term insurance) and which are invested in pooled funds beneficially owned by the *insurer* and not earmarked to individual beneficiaries by that *insurer*.~~

(1) The recovery of the *FCA*'s annual funding requirement allocated to the A.4 fee-block will be weighted:

(a) 75% from gross written premium for fees purposes; and

(b) 25% from best estimate liabilities for fees purposes.

(2) For *non-directive firms*, including *non-directive composite firms* to the extent that they come within the A.4 fee block, the tariff base is not relevant to the level of fees due and only the minimum fee as specified in Part 2(b) of *FEES 4 Annex 2AR* is payable.

(3) Where any figure used in the calculation of this

	tariff base is a negative number, it shall instead be deemed to be zero.
...	
<p>Part 5</p> <p>This table indicates the valuation date for each fee-block. A <i>firm</i> can calculate its tariff data in respect of fees payable to the <i>FCA</i> by applying the tariff bases set out in Part 3 with reference to the valuation dates shown in this table.</p>	
Activity group	Valuation date
...	
A.3	<p><del>Annual gross premium income (GPI), for the financial year ended in the calendar year ending 31 December.</del></p> <p><b>AND</b></p> <p><del>Gross technical liabilities (GTL) valued at the end of the financial year ended in the calendar year ending 31 December.</del></p> <p>[<del>Note: Transitional provisions apply—see FEES TP 13</del>]</p> <p><u>The firm’s gross written premium for fees purposes and its best estimate liabilities for fees purposes for the firm’s financial year which ends in the calendar year to 31 December prior to commencement of the fee year.</u></p>
A.4	<p><del>Adjusted annual gross premium income (AGPI) for the financial year ended in the calendar year ending 31 December.</del></p> <p><b>AND</b></p> <p><del>Mathematical reserves (MR) valued at the end of the financial year ended in the calendar year ending 31 December.</del></p> <p>[<del>Note: Transitional provisions apply—see FEES TP 13</del>]</p> <p><u>For UK Solvency II firms, including composite UK Solvency II firms to the extent that they are required to report data used for this tariff base, the firm’s gross written premium for fees purposes and its best estimate liabilities for fees purposes, for the firm’s financial year which ends in the calendar year to 31 December prior to commencement of the fee year.</u></p>

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**4 Annex 2AR FCA Fee rates and EEA/Treaty firm modifications for the period from 1 April 2017 2018 to 31 March 2018 2019**

Part 1  
This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of FEES 4 Annex 1AR.

...

Activity group	Fee payable	
...		
A.3	<del>Gross premium income (GPI) Gross written premium for fees purposes (GWP)</del>	Periodic fee
	Band width (£million of <del>GPI GWP</del> )	Fee (£/m or part £m of <del>GPI GWP</del> )
	>0.5	345.71 [tbc]
	PLUS	
	<del>Gross technical liabilities (GTL) Best estimate liabilities for fees purposes (BEL)</del>	General Periodic fee
	Band Width (£million of <del>GTL BEL</del> )	Fee (£/£m or part £m of <del>GTL BEL</del> )
	>1	18.53 [tbc]
	For UK ISPVs the tariff rates are not relevant and a flat fee of £471 [tbc] is payable in respect of each FCA financial year (the 12 months ending 31 March)	
A.4	<del>Adjusted annual gross premium income (AGPI) Gross written premium for fees purposes (GWP)</del>	General Periodic fee
	Band Width (£million of <del>AGPI GWP</del> )	Fee (£/£m or part £m of <del>AGPI GWP</del> )

	>1	525.91 [tbc]
	PLUS	
	<del>Mathematical reserves (MR) Best estimate liabilities for fees purposes (BEL)</del>	General Periodic fee
	Band Width (£million of MR BEL)	Fee (£/£m or part £m of MR BEL)
	>1	11.08 [tbc]
...		

Part 2

The tables below show the tariff rates (minimum fees) applicable to each of the fee blocks set out in Part 2 of FEES 4 Annex 1AR.

Part 2(a) shows the tariff rates (minimum fees) payable to the FCA by FCA-*authorised persons* and Part 2(b) shows the tariff rates (minimum fees) payable to the FCA by PRA-*authorised persons*.

[**Note:** PRA-*authorised persons* will also pay minimum fees to the PRA as set out in Chapter 3 of the Fees Part of the PRA ~~Rulebook~~ Rulebook.]

...

**Part 2(b) tariff rates (minimum fees) payable to the FCA by PRA-*authorised persons***

A.0	(1)	£547 unless:	
		...	
		(b)	it is a <i>non-directive friendly society</i> that falls into the A.3 activity group but not the A.4 activity group <del>and meets the conditions set out in (3)(a) and</del> <u>has, for that activity, 0.5 million or less in gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less, in which case the minimum fee payable is £235 [tbc]; or</u>
		(c)	it is a <i>non-directive friendly society</i> that falls into the A.4 activity group but not the A.3 activity group <del>and meets the conditions in (3)(b) and</del> <u>has,</u>

			for that activity, written 1.0 million or less in <u>gross written premium for fees purposes</u> and holds <u>best estimate liabilities for fees purposes</u> of 1.0 million or less, in which case the minimum fee payable is £235 [tbc]; or
		(d)	it is a <i>non-directive friendly society</i> that falls into the A.3 and A.4 activity groups and meets the conditions in (3)(a) and (3)(b), in which case the minimum fee payable is £235[tbc].
	...		
	(3)	The conditions referred to in (1)(d) are that:	
		(a)	the <i>non-directive friendly society</i> falls into the A.3 activity group and has, for that activity, 0.5 million or less in <del>gross premium income</del> <u>gross written premium for fees purposes</u> and holds <del>gross technical liabilities</del> <u>best estimate liabilities for fees purposes</u> of 1.0 million or less;
		(b)	the <i>non-directive friendly society</i> falls into the A.4 activity group and has, for that activity, written 1.0 million or less in <del>adjusted gross premium income</del> <u>gross written premium for fees purposes</u> and holds <del>mathematical reserves</del> <u>best estimate liabilities for fees purposes</u> of 1.0 million or less.
		The figures for <del>gross premium income</del> , <del>gross technical liabilities</del> , <del>adjusted gross premium income</del> <u>gross written premium for fees purposes</u> and <del>mathematical reserves</del> <u>best estimate liabilities for fees purposes</u> are the same as used for Part 1 of this Annex.	
	...		

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**4 Annex 12R Guidance on the calculation of tariffs set out in FEES 4 Annex 1AR Part 3**

The following table sets out *guidance* on how a *firm* should calculate tariffs for fee-block A.4.

<del>Adjusted Gross Premium Income (GWP)</del> <u>Gross written premium for fees purposes (BEL)</u> and <del>Mathematical reserves</del> <u>Best estimate liabilities for fees purposes</u> - calculation of new regular premium business
(1) <del>In calculating the new regular premium business element of its Adjusted Gross Premium Income, a firm (A) should not include business transferred from another firm (B) under the procedure set out at Part VII of the Act, during the relevant financial year, provided that that transfer did not involve the creation of new contracts between the policyholders subject to the transfer and A. This is because</del>

~~that business is existing business even though it is new from the point of view of A. This means that if new contracts are created as part of the transfer, that business should be included in the calculation of A's new regular *premium* income business.~~

(2) If any business is transferred to a *firm* (A) from another *firm* (B) under the procedure set out at Part VII of the *Act* and that business would have been included in B's tariff base ~~as new regular *premium* business~~ in the absence of such a transfer, this business should be included in either A's or B's tariff base, depending on the date of transfer. ~~FEES 4.3.15R~~ 4.3.17R explains in whose tariff base it should be included.

(32) ~~Mathematical reserves~~ Best estimate liabilities for fees purposes should take account of all of A's business, including all new business transferred from B.

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## 5 Financial Ombudsman Service funding

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### 5.3 The general levy

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5.3.8 R A *firm's* general levy under the ~~*compulsory jurisdiction*~~ *Compulsory Jurisdiction* is calculated as follows:

- (1) identify each of the tariff bases set out in *FEES* 5 Annex 1 which apply to ~~the *relevant business*~~ of the *firm* for the relevant year;
- (2) for each of those tariff bases, calculate the sum payable in relation to the *relevant business* of the *firm* for that year (except *industry blocks* 2 and 4, in which case calculate the sum payable for that year);
- (3) add together the amounts calculated under (2).

~~[Note: Transitional provisions apply to *FEES* 5.3.8R in relation to *firms* in *industry blocks* 2 and 4—see *FEES* TP 13]~~

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### 5.4 Information requirement

- 5.4.1 R (1) A *firm* must provide the *FCA* by the end of February each year (or, if the *firm* has become subject to the *Financial Ombudsman Service* part way through the *financial year*, by the date requested by the *FCA*) with a statement of :
- (a) the total amount of *relevant business* (measured in accordance with the appropriate tariff base(s)) which it conducted; or
  - (b) in the case of *firms* in *industry blocks* 2 and 4, the gross written



premium for fees purposes as defined in FEES 4 Annex 1AR (unless FEES 5.4.1R(1A) applies),

as at or in the year to 31 December of the previous year as appropriate, in relation to the tariff base for each of the relevant *industry blocks* set out in FEES 5 Annex 1.

~~[Note: Transitional provisions apply to FEES 5.4.1R(1) in relation to firms in industry blocks 2 and 4—see FEES TP 13]~~

(1A) A firm in industry blocks 2 and 4, has notified the FCA of the amount of gross written premium for fees purposes, as defined in FEES 4 Annex 1AR, that relates to relevant business. The notification must be made by the 30 May each year.

- 5.4.1-A R (1) In the case of firms in industry blocks 2 and 4 the requirements under FEES 5.4.1R apply in relation to the tariff bases(s) and tariff data in FEES 5 Annex 1R.
- (2) If a firm is a UK Solvency II firm, an incoming EEA firm or an incoming Treaty firm in industry blocks 2 and 4 in FEES 5 Annex 1R, the FCA may use tariff data from the previous reporting period for the periodic fees calculation if the PRA or the FCA has either:
- (a) not received the necessary tariff data in a timely basis in line with Part 3 and 5 of FEES 4 Annex 1AR; or
  - (b) deemed the tariff data received to be incomplete or insufficiently reliable, by reference to a specific firm or across all or part of the industry block.

5.4.1A D ...

...

**5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2018/19**

...

**Compulsory jurisdiction - general levy**

Industry block	Tariff base	General levy payable by firm
...		

<p>2- Insurers - general (excluding <i>firms</i> in blocks 13 &amp; 15)</p>	<p><del>Relevant annual gross premium income</del> <u>Gross written premium for fees purposes (GWP) as defined in FEES 4 Annex 1AR; or</u> <u>Relevant gross written premium (RGWP) notified to the FCA under FEES 5.4.1R(1A)</u></p>	<p>£0.1268 [tbc] per £1,000 of <del>relevant annual gross premium income</del> <u>GWP or RGWP</u>, subject to a minimum levy of £100 [tbc]</p>
<p>...</p>		
<p>4- Insurers - life (excluding <i>firms</i> in block 15)</p>	<p><del>Relevant adjusted annual gross premium income</del> <u>Gross written premium for fees purposes (GWP) as defined in FEES 4 Annex 1AR; or</u> <u>Relevant gross written premium (RGWP) notified to the FCA under FEES 5.4.1R(1A)</u></p>	<p>£0.01730 [tbc] per £1,000 of <del>relevant adjusted annual gross premium income</del> <u>GWP or RGWP</u>, subject to a minimum levy of £130 [tbc]</p>
<p>...</p>		
<p>Notes</p>		
<p>...</p>		
<p>6</p>	<p>Where the tariff base in the table is defined in similar terms as that for the equivalent activity group in Part 3 of FEES 4 Annex 1A or Part 3 of FEES 4 Annex 11, it must be calculated in the same way as that tariff base - taking into account only the <i>firm's relevant business</i> (except for <i>firms</i> in <i>industry blocks</i> 2 and 4).</p>	
<p>...</p>		

5 Annex 2R Annual Levy Payable in Relation to the Voluntary Jurisdiction 2017/18 2018/19

**Voluntary jurisdiction - annual levy for VJ participants**

Industry block and business activity		Tariff basis	Tariff rate	Minimum levy
...				
2V	<p><i>VJ participants undertaking general insurance activities</i></p> <p><b>[Note: Transitional provisions apply—see FEES TP 13]</b></p>	<p>per £1,000 of <del>relevant</del> <u>annual gross premium income gross written premium</u></p>	<p><del>£0.103</del> [tbc]</p>	<p>£100 [tbc]</p>
3V	<p><i>VJ participants undertaking life insurance activities</i></p> <p><b>[Note: Transitional provisions apply—see FEES TP 13]</b></p>	<p>per £1,000 of <del>relevant</del> <u>adjusted annual gross premium income gross written premium</u></p>	<p><del>£0.025</del> [tbc]</p>	<p>£100 [tbc]</p>
...				

Notes

(1) For the purposes of FEES 5 Annex 2R and for VJ participants undertaking general insurance activities (industry block 2V) ‘gross written premium’ means:

(a) if subject to reporting requirements under the Solvency II Directive, the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes, of the annual quantitative reporting template S.05.01.01 but only in relation to the relevant business of the VJ participant (in accordance with DISP 4.2.6(5)R and FEES 5.3.8R); and

(b) if not subject to reporting requirements under the Solvency II Directive, the gross premiums written but only in relation to the relevant business of the VJ participant (in accordance with DISP 4.2.6(5)R and FEES 5.3.8R).

(2) For the purposes of FEES 5 Annex 2R and for VJ participants undertaking life insurance activities (industry block 3V) ‘gross written premium’ means:

(a) if subject to reporting requirements under the Solvency II Directive, the item

entered under row code R1410, column code C0300 of the annual quantitative reporting template S05.01.01 minus corporate pension business under the annual quantitative reporting template S14.01.01 but only in relation to the *relevant business* of the *VJ participant* (in accordance with *DISP 4.2.6(5)R* and *FEES 5.3.8R*); and

(b) if not subject to reporting requirements under the *Solvency II Directive*, the *minimum levy* would apply.

(3) ‘Annual quantitative reporting template’ has the meaning given in Fees Chapter 1 Application and Definitions of the *PRA Rulebook*.

(4) ‘Corporate pension business’ has the meaning given in Fees Chapter 1 Application and Definitions of the *PRA Rulebook*.

...

**TP 13 Transitional provisions relating to the calculation of tariff bases for insurers**

13.1		Application	
13.1.1	R	(1)	<i>FEES</i> TP 13 applies to:
		(a)	a <i>firm</i> in activity groups A.3 and/or A.4 in <i>FEES 4 Annex 1AR</i> (FCA activity groups, tariff bases and valuation dates); or
		(b)	a <i>firm</i> in industry blocks 2 and 4 in <i>FEES 5 Annex 1R</i> (Annual General Levy Payable in Relation to the Compulsory Jurisdiction); or
		(c)	a <i>VJ participant</i> in industry blocks 2V and/or 3V in <i>FEES 5 Annex 2R</i> (Annual Levy Payable in Relation to the Voluntary Jurisdiction).
		(2)	<i>FEES</i> TP 13 modifies:
		(a)	<i>FEES 4.2.7R</i> and <i>FEES 4.2.7BR</i> ;
		(b)	<i>FEES 4.3.3R</i> ;
		(c)	<i>FEES 4.4.1R</i> and <i>FEES 4.4.2R</i> ;
		(d)	<i>FEES 4 Annex 1AR</i> , Part 5;
		(e)	<i>FEES 5.3.8R</i> ;
		(f)	<i>FEES 5.4.1R</i> ;
		(g)	<i>FEES 5.8.1R</i> , <i>FEES 5.8.2R</i> and <i>FEES 5.8.3G</i> ; and

		(h)	<del>FEES 5 Annex 2R. [deleted]</del>
13.1.2	G	<del>FEES TP 13 deals with transitional arrangements relating to the calculation of tariff data for insurers for the fee year 2017/18 as a result of the implementation of the Solvency II Directive from 1 January 2016. [deleted]</del>	
<b>13.2</b>	<b>Calculation of tariff bases for fee year 2017/18</b>		
13.2.1	R	Subject to <del>FEES TP 13.2.2R</del> the following will apply to the calculation of tariff bases for firms and VJ participants caught by <del>FEES TP 13.1.1R(1)</del> for the fee year 2017/18:	
		(1)	Subject to <del>FEES TP 13.2.1R(2)</del> and <del>FEES TP 13.2.1R(3)</del> fees (including the general levy and the levy for the Voluntary Jurisdiction specified in <del>FEES 5 Annex 2R</del> ) will be calculated using the tariff base data reported for the financial year ended in the calendar year ending 2015.
		(2)	If a firm or a VJ participant has acquired or disposed of insurance business by way of an insurance business transfer scheme under Part VII of the Act or Part VIII of the Friendly Societies Act 1992, during the period specified in <del>FEES TP 13.2.3R</del> , it must on or before 28 February 2017:
		(a)	notify the FCA (or the Financial Ombudsman Service in the case of a VJ participant) that such a transfer has taken place; and
		(b)	provide such information as the FCA (or the Financial Ombudsman Service in the case of a VJ participant) may require to establish the extent to which the tariff base data, referred to in <del>FEES TP 13.2.1R(1)</del> , has increased or decreased as a result of the transfer and the amended data provided will form the basis of the fees calculation (including the general levy and the levy for the Voluntary Jurisdiction specified in <del>FEES 5 Annex 2R</del> ) for the fee year commencing on 1 April 2017.
		(3)	A firm in run-off (or a VJ participant in equivalent circumstances) which commenced during the period specified in <del>FEES TP 13.2.3R</del> may on or before 28 February 2017 resubmit adjusted 2015 tariff base data. <del>[deleted]</del>
		[Note: Under <del>FEES TP 13.2.1R(2)</del> and (3) firms within activity groups A.3 and/or A.4 make resubmissions to the FCA in its capacity as collection agent for the PRA]	
13.2.2	R	This rule deals with the use of projected valuations in the calculation of fees for firms subject to <del>FEES TP 13</del> where <del>FEES 4.2.7R</del> , <del>FEES 4.2.7BR</del> , <del>FEES 5.8.1R</del> , <del>FEES 5.8.2R</del> or <del>FEES 5.8.3G</del> apply in the fee year 2017/18.	

		(1)	For periodic fees calculations under <i>FEES</i> 4.2.7R or <i>FEES</i> 4.27BR, projected valuations for a <i>firm's</i> first year, as provided in the course of the <i>firm's</i> application will be applied whether in its first <i>fee year</i> , second <i>fee year</i> or subsequent <i>fee year</i> .
		(2)	The <i>general levy</i> calculation based on projected valuations for a <i>firm's</i> first year of business will be applied whether it is in its first or second <i>financial year</i> .
		(3)	The levy calculation for the <i>Voluntary Jurisdiction</i> specified in <i>FEES</i> 5 Annex 2R based on projected valuations for <i>VJ participant's</i> first year of business will be applied whether it is in its first or second <i>financial year</i> . [deleted]
13.2.3	R		The period referred to <i>FEES</i> TP 13.2.1R(2) and <i>FEES</i> TP 13.2.1R(3) is the period:
		(1)	from the <i>firm's financial year</i> ended in the calendar year ending 2015; to
		(2)	the end of the calendar year ending 2016. [deleted]
13.2.4	R		To assist with the formulation of fees and <i>general levy</i> policy for the <i>fee year</i> and <i>financial year</i> commencing on 1 April 2018 and subsequent <i>fee years</i> and <i>financial years</i> , <i>firms</i> are required to comply with the requests of the <i>FCA</i> for tariff data in respect of the <i>firm's financial years</i> :
		(1)	ended in the calendar year ending 31 December 2016; and
		(2)	ended in the calendar year ending 31 December 2017. [deleted]