

**HANDBOOK ADMINISTRATION (FEES TRANSITIONAL PROVISION)
INSTRUMENT 2019**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the powers and related provisions in the following sections of 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 213 (The compensation scheme); and
 - (4) section 214 (General).
- 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 1 April 2019, immediately after those changes made by the Financial Services Compensation Scheme (Funding Review) Instrument 2018 (FCA 2018/22) enter into force.

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 Handbook Administration (Fees Transitional Provision) Instrument 2019.

By order of the Board
24 January 2019

Annex

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text.

TP 20A Transitional provisions relating to changes to the FSCS levy arrangements taking effect in 2019/20

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provisions coming into force				
20A.1	The changes made to <i>FEES</i> 6 by the Financial Services Compensation Scheme (Funding Review) Instrument 2018	R	<p>The changes in (2) apply to any levy made after 31 March 2019. This is so even if:</p> <p>(1) the claim against the <i>relevant person</i> or <i>successor in default</i> arose or relates to circumstances arising before that date; or</p> <p>(2) the <i>relevant person</i> or <i>successor</i> was <i>in default</i> before that date.</p>	From 1 April 2019 indefinitely	1 April 2019				
20A.2	<i>FEES</i> 6.3.19R <i>FEES</i> 6.3.20R	R	<p>Allocation of recoveries</p> <p>Any recoveries made by the <i>FSCS</i> after 31 March 2019 in relation to <i>protected claims</i>, the costs of which were allocated prior to 1 April 2019 to a <i>class</i> in place at the time, including, if relevant, through the <i>retail pool</i> in place at the time, must be credited to the corresponding <i>class</i> in accordance with the following table:</p> <table border="1" data-bbox="600 1783 1086 1917"> <thead> <tr> <th data-bbox="600 1783 842 1917">Class in place before 1 April 2019</th> <th data-bbox="842 1783 1086 1917">Corresponding class</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Class in place before 1 April 2019	Corresponding class			From 1 April 2019 indefinitely	1 April 2019
Class in place before 1 April 2019	Corresponding class								

			<p>B2 (General Insurance Distribution) H (Insurers – general contribution)</p>	<p><i>Class 1</i> (General Insurance Distribution Claims)</p>	
			<p>C2 (Life distribution and pensions intermediation) D2 (Investment intermediation) G (Insurers – life contribution)</p>	<p><i>Class 2</i> (Investment Intermediation Claims)</p>	
			<p>D1 (Investment provision)</p>	<p><i>Class 3</i> (Investment Provision Claims)</p>	
			<p>E2 (Home finance intermediation) I (Home finance provision)</p>	<p><i>Class 4</i> (Home Finance Intermediation Claims)</p>	
			<p>K (Debt management claims)</p>	<p><i>Class 5</i> (Debt Management Claims)</p>	
			<p>F (deposit acceptor’s contribution)</p>	<p><i>Class 6</i> (Deposit acceptors’ contribution)</p>	
20A.3	FEES 6.3.14R	R	<p>Allocation of surplus/deficit The FSCS must allocate any surplus or deficit in a <i>class</i> in place on 31 March 2019 to the corresponding <i>class</i> in FEES TP 20A.2R.</p>	From 1 April 2019 indefinitely	1 April 2019
20A.4	FEES 6.3.17R	R	<p>Management of funds</p>	From 1 April 2019 indefinitely	1 April 2019

		<p>In relation to <i>classes</i> C2 and D2 as existing before 1 April 2019, where:</p> <p>(1) the <i>FSCS</i> has used money, in accordance with <i>FEES</i> 6.3.17R, held to the credit of one of the above <i>classes</i> (the creditor class) to pay <i>compensation costs</i> or <i>specific costs</i> attributable or allocated by way of levy to the other of those <i>classes</i> (the debtor class); and</p> <p>(2) on 31 March 2019 the creditor class is not yet reimbursed by the debtor class;</p> <p>the <i>FSCS</i> must ensure that the debtor class pays interest to the creditor class under <i>FEES</i> 6.3.17R(2)(b) for the period up to 1 April 2019 and no later.</p>		
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