

FEES (PRE-PAID FUNERAL PLAN) INSTRUMENT 2021

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) 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); and
 - (4) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 September 2021.

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 (Pre-paid Funeral Plan) Instrument 2021.

By order of the Board
22 July 2021

Annex

Amendments to the Fees manual (FEES)

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

3 Application, Notification and Vetting Fees

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3.2 Obligation to pay fees

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3.2.7 R Table of application, notification, vetting and other fees payable to the FCA

Part 1: Application, notification and vetting fees		
(1) Fee payer	(2) Fee payable (£)	Due date
...		
(p) A <i>firm</i> applying for a variation of its <i>Part 4A permission</i> whose fee is not payable pursuant to sub-paragraph <u>sub-paragraphs (zza) or (zzh)</u> of this table
...		
(zzg)
<u>(zzh) Permission for</u> <u>(1) carrying on funeral plan distribution;</u> <u>(2) carrying out a funeral plan contract as provider; or</u> <u>(3) carrying out a funeral plan contract as provider and entering as provider into a funeral plan contract.</u>	<u>(1) The highest of the tariffs set out in FEES 3 Annex 1R part 3A which apply to that application, subject to (2) and (3) below.</u> <u>(2) Unless (3) below applies, where an applicant was carrying out any of the activities referred to in (zzh)(1)-(3) on 1 September 2021, and makes an application for permission for any of those activities after 1 November 2021, the application fees shall be:</u> <u>(a) £3,500 for (zzh)(1) or zzh(2);</u>	<u>On or before the application is made.</u>

	<p><u>(b) £14,000 for (zzh)(3).</u></p> <p><u>(3) If an applicant which already has any of the permissions referred to in (zzh) applies to vary its permission, the application fees shall be:</u></p> <p><u>(a) £500 for (zzh)(1);</u></p> <p><u>(b) £1,250 for (zzh)(2); and</u></p> <p><u>(c) £5,000 for (zzh)(3).</u></p>	
...		

...

3 Annex 1R Authorisation fees payable

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Part 3A - Pricing categories applicable to applications made in the following activity groupings in the A.23 fee block

<u>Activity grouping</u>	<u>Description</u>	<u>Amount payable (£)</u>
<u>A.23</u>	<u>Carrying on funeral plan distribution</u>	<u>2,500</u>
	<u>Carrying out a funeral plan contract as provider</u>	<u>2,500</u>
	<u>Carrying out a funeral plan contract as provider and entering as provider into a funeral plan contract.</u>	<u>10,000</u>

...

...

4 Periodic fees

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4.2 Obligation to pay periodic fees

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Calculating all other fees in the second and subsequent years of authorisation where a full year of tariff data is not available

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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 the valuation date specified in FEES 4 Annex 1R Part 5 (e.g. 31 December for A10). Table A sets out the reporting requirements for the key fee-blocks when full 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
...		
<u>A.23</u>	<u>Annual income for the financial year ended in the calendar year ending 31 December</u>	<u>Apply the formula (A÷B) x 12 to arrive at the annualised figure.</u>
...		

...

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

Part 1	
...	
Activity group	Fee payer falls in the activity group if:
...	
<u>A.23 Funeral plan intermediaries and funeral plan providers</u>	<u>Its permission includes one or more of the permissions referred to in FEES 3.2.7R Part 1 (zzh):</u> <u>(1) carrying on funeral plan distribution;</u> <u>(2) carrying out a funeral plan contract as provider; or</u> <u>(3) carrying out a funeral plan contract as provider and entering as provider into a funeral plan contract.</u>

...	
Part 3	
...	
Activity group	Tariff base
...	
<u>A.23</u>	<u>ANNUAL INCOME</u> <u>Annual income as defined in FEES 4 Annex 11AR.</u>
...	
Part 4	
...	
Activity group	Tariff base
...	
AP.0	The total periodic fees payable as a result of fee blocks A.2 and A.7 to A.19 and <u>A.23</u> in Part 1 of FEES 4 Annex 2AR excluding any periodic fee for <i>operating a dormant fund account</i> .
Part 5	
...	
Activity group	Valuation date
...	
<u>A.23</u>	<u>Annual income for the financial year ended in the calendar year ending 31 December.</u>
...	

...

4 Annex 2AR FCA Fee rates for the period from 1 April 2020 to 31 March 2021

Part 1	
...	
Activity group	Fee payable

...		
<u>A.23</u>	<u>Band Width (£ thousands of annual income (AI))</u>	<u>Fee (£/£ thousand or part £ thousand of AI)</u>
	<u>>100</u>	[tbc]
...		
Part 2(a) tariff rates (minimum fees) payable to the FCA by FCA-authorized persons		
...		
AP.0	Periodic fees payable under fee blocks A.2, A.7 to A.19, and A.-21 <u>and A.23</u> in Part 1 multiplied by rate 0.10365.	

...

4 Annex 11AR **Definition of annual income for the purposes of calculating fees in fee blocks A.13, A.14, A.18, A.19, A.23 and B. Service Companies, UK Recognised Investment Exchanges, Multilateral Trading Facilities, Organised Trading Facilities, Regulated Benchmark Administrators and Claims Management Companies**

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4 Annex 13G **Guidance on the calculation of tariffs set out in FEES 4 Annex 1AR Part 3**

Table 1

The following table sets out *guidance* on how a *firm* should calculate tariffs for fee blocks A.13, A.14, A.18, A.19, A.23 and B. Service Companies, Recognised Investment Exchanges, Multilateral Trading Facilities, Organised Trading Facilities, Regulated Benchmark Administrators and Claims Management Companies.