

FCA regulated fees and levies: Rates proposals 2019/20

Consultation Paper

CP19/16**

April 2019

How to respond

We are asking for comments on this Consultation Paper (CP) by **29 May 2019**.

You can send them to us using the form on our website at:
www.fca.org.uk/cp19-16-response-form

Or in writing to:

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1 Summary

Why we are consulting

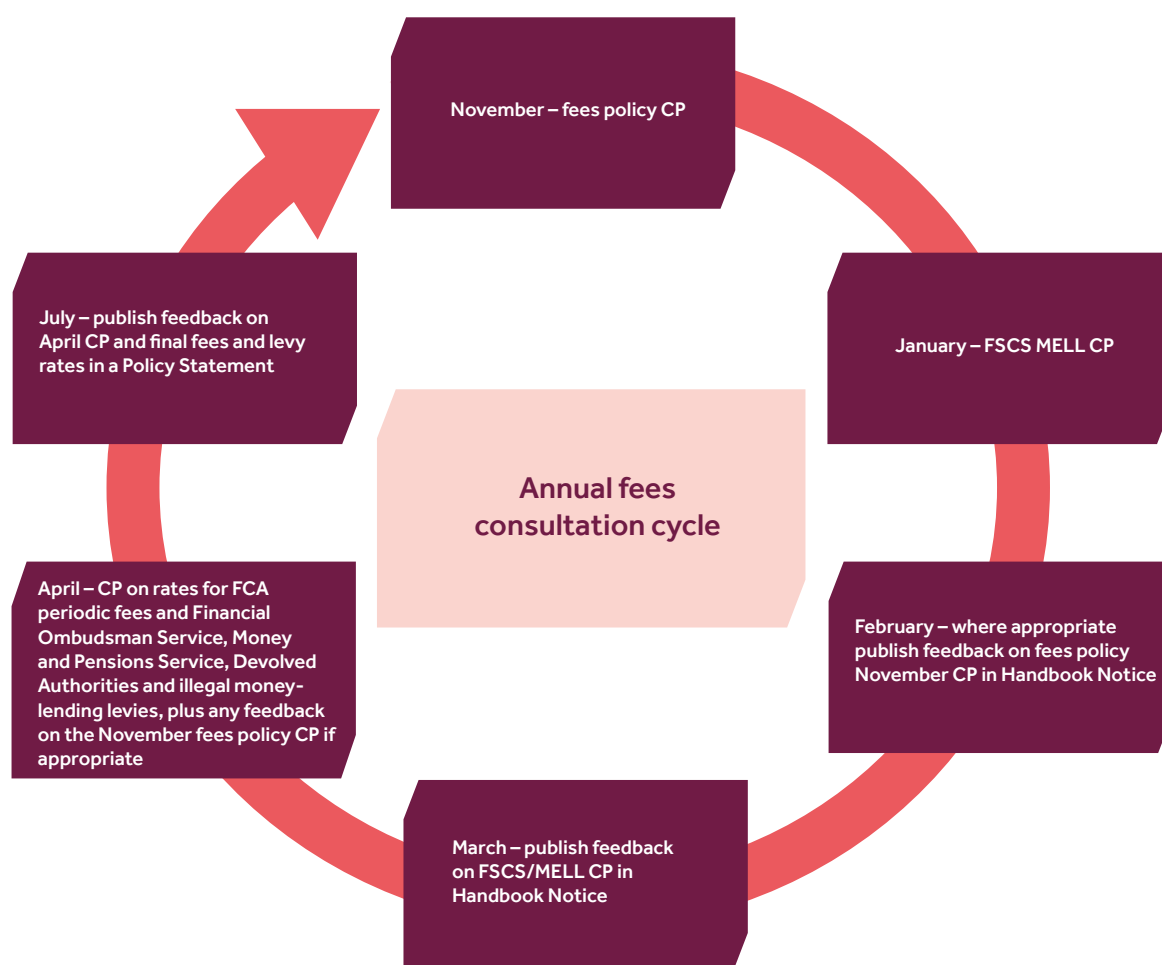
- 1.1** This Consultation Paper (CP) enables us to raise 2019/20 regulatory fees and levies to fund the:
- Financial Conduct Authority (FCA)
 - Financial Ombudsman Service
 - Money and Pensions Service (formerly the Single Financial Guidance Body)
 - Devolved Authorities
 - Illegal money lending (IML) expenses of HM Treasury
- 1.2** The Single Financial Guidance Body changed its name on 6 April 2019 and is now known as the Money and Pensions Service.

Who this applies to

- 1.3** All fee payers will be affected by this CP. Table 1.1 at the end of this chapter will help fee payers identify which chapters relate to them.
- 1.4** This CP contains no material directly relevant to retail financial services consumers or consumer groups, although fees are indirectly met by financial services consumers.

The wider context of this consultation

- 1.5** Generally, our annual fees consultation follows this cycle:



- November - we consult on any changes to the policy on how fees and levies are raised. We provide feedback on the responses received to this consultation in the following February Handbook Notice or the April CP.
- January - we consult on the Financial Services Compensation Scheme (FSCS) management expenses levy limit (MELL). This is a joint consultation with the Prudential Regulation Authority (PRA). We provide feedback on responses received in the March Handbook Notice.
- April - we consult on FCA periodic fees rates for the next financial year (1 April to 31 March) and any proposed changes to application fees or other fees. We also consult on the Financial Ombudsman Service general levy, Money and Pensions Service, Devolved Authorities and illegal money-lending levies for the next financial year.
- July - we publish feedback on the responses received to the April CP together with final fees and levy rates in a policy statement.

What we want to change

FCA 2019/20 fees

- 1.6** We published our 2019/20 Business Plan on 17 April 2019, setting out how we plan to promote our vision and achieve our objectives during 2019/20.
- 1.7** Our ongoing regulatory activities (ORA) budget for 2019/20 is £537.7m an increase of 2% from 2018/19 (£527.2m) We are committed to delivering an ORA budget that is flat in real terms,

subject to any changes in our wider ongoing regulatory responsibilities. The 2% increase meets this commitment for 2019/20

- 1.8** Our annual funding requirement (AFR) for 2019/20 is £558.5m, an increase of 2.7%. Our AFR includes our ORA budget costs, the costs we need to recover for changes to our regulatory responsibilities (scope change) and additional costs related to EU withdrawal.
- 1.9** Our policy for allocating the AFR recovery across fee-blocks is to maintain an even distribution of increases/decreases other than where for individual fee-blocks there have been material and explainable exceptions ('allocation by exception'). The exceptions to an even distribution of our 2019/20 AFR cover:
- scope change costs
 - EU Withdrawal costs
 - Securitisation Regulation
- 1.10** We provide details of these exceptions in Chapter 2 and set out the impact on allocations across fee-blocks in Table 2.3.
- 1.11** Chapter 3 covers the proposed fee rates for authorised firms in the A fee-blocks and CC1 and CC2 Consumer Credit fee-blocks, which account for 91% of our AFR. Our policy is that minimum fees and flat fees are linked to movements in our ORA budget. We are therefore proposing to increase the 2019/20 minimum fees and flat fees by 2%. Tables 3.1 and 3.2 set out the proposed changes in minimum and flat fees.
- 1.12** For firms of a size that triggers variable fees in the A fee-blocks, Table 3.3 in Chapter 3 sets out the year-on-year movements in the draft 2019/20 fee rates for each fee-block. The draft fee rates take into account changes in the number of fee payers and tariff data from 2018/19. This is because these elements can have a significant effect on the fee rates that firms will pay when compared to the AFR allocated to particular fee-blocks set out in Table 2.3 in Chapter 2.
- 1.13** We are proposing to continue to keep variable fee rates for the consumer credit firms that pay fees above their minimum fees unchanged for 2019/20. This is the same as in 2018/19 and will allow further planned over-collection to support the reduction of the consumer credit scope change deficit more quickly.
- 1.14** If the UK exits the European Union without an agreement and transition period, by the 31 October 2019,¹ the following arrangements will be in place for European Economic Area (EAA) firms that prior to exit passported into the UK on a branch or a cross-border services basis:
- Temporary Permissions Regime (TPR)
 - Supervised run-off (SRO)
 - Contractual run-off (CRO)
- 1.15** In Chapter 3 we set-out our proposals for the basis that TPR, SRO and CRO firms will pay fees in 2019/20.
- 1.16** Chapter 4 covers proposed periodic fees for other bodies (B to G fee-blocks) and shows where fee rates differ substantially from the movement in the AFR allocations.

1 or on 31 May 2019 as referred to in the European Council's Decision of 11 April 2019

1.17 After taking into account rebates resulting from retained financial penalties, total fees collected from fee payers in 2019/20 will reduce by £48.6m. How we apply the financial penalty rebate is set out in Chapter 5.

1.18 All proposed fee rates are included in the draft instrument in Appendix 1 and Appendix 2.

Further FCA fees policy proposal

1.19 In Chapter 6 we consult on the clarification of the definition of income as the tariff base measure used to calculate the fees of regulated benchmark administrators.

Financial Ombudsman Service general levy

1.20 In Chapter 7 we consult on allocating the Financial Ombudsman Service general levy between industry blocks. The Financial Ombudsman Service has asked us to recover £44.5m. The allocation across the industry blocks takes account of the 2 new jurisdictions:

- complaints made by small and medium-sized enterprises (SMEs)
- complaints made about claims management companies (CMCs)

Money and Pensions Service levies

1.21 In Chapter 8 we consult on the rates at which we propose to charge our levies for the Money and Pension Service (MAPS) in 2019/20. MAPS came into operation on 1 January 2019 and took on the responsibilities of the Money Advice Service (MAS), Pension Wise and the Pensions Advisory Service (TPAS).

1.22 The Department for Work and Pensions (DWP) has notified us that the total amount we must collect for MAPS in 2019/20 is £117.6m. That amount includes:

- £25.9m for money guidance in the UK
- £55.8m for debt advice in England
- £35.9m for pensions guidance in the UK

1.23 For 2019/20 we propose to allocate MAPS funding to fee-blocks on the same basis we used in 2018/19 for MAS and Pension Wise.

Devolved Authorities' debt advice levy

1.24 In Chapter 9, we consult on the allocation of costs to fund debt advice delivered by the Devolved Authorities in Scotland, Wales and Northern Ireland in 2019/20.

1.25 HM Treasury has notified us that, for 2019/20, the total funding requirement for debt advice in the Devolved Authorities is £7.845m. We propose to allocate costs under the Devolved Authorities' debt advice levy in the same proportion they were allocated last year for the MAS debt advice levy.

Illegal money lending (IML) levy

1.26 The Treasury have notified us that their 2019/20 illegal money lending expenses will be £5.7m (£5.6m in 2018/19). This is an estimate and may be revised when the IML levy rates are finalised in June 2019. The IML levy rates to recover this amount from consumer credit firms are set out in Chapter 10.

Fee payers should be aware that the draft fee rates and levies in Appendix 1 and Appendix 2 are calculated using estimated fee payer populations and tariff data. This means that final periodic fee rates and levies for 2019/2020, which will be made by our Board in June 2019, could vary from those in this CP.

Equality and diversity implications

- 1.27** Overall we do not think that the proposals in this CP adversely impact any of the groups with protected characteristics under the Equality Act 2010. We will continue to consider the equality and diversity implications of the proposals during the consultation period, and will revisit them when publishing the final rules. In the meantime we welcome your comments on any equality and diversity considerations you believe may arise.

Next steps

What do you need to do next?

- 1.28** We want to know what you think of our proposed 2019/20 rates for FCA fees; Financial Ombudsman Service, Money and Pensions Service, Devolved Authorities and illegal money lending levies; and the FCA further policy proposal.
- 1.29** Please send us your comments by 29 May 2019.

How To respond

- 1.30** Use the online response form on our website or write to us at the address on page 2.

What will we do

- 1.31** We provide a Fees Calculator facility on our website to enable firms to calculate their periodic fees for the forthcoming year. This will be based on the draft FCA periodic fees and the Financial Ombudsman Service, Money and Pensions Service, Devolved Authorities and illegal money lending levy consultative rates in Appendix 1 and Appendix 2 of this CP.
- 1.32** The fees calculator will also cover Prudential Regulation Authority (PRA) (where applicable) fees and FSCS levies. FSCS levies will not be available until early May when the FSCS are expecting to publish their funding requirements for 2019/20. The Fees Calculator for 2019/20 fees and levies will be available for firms to use from 17 April 2019.
- 1.33** We will consider your comments on our proposals and, subject to FCA Board approval in June 2019, plan to publish a PS in July, which will include our feedback on your comments and the final rules.
- 1.34** Certain fee payers have been invoiced from February 2019 for 'on-account' payments and Claims Management Companies (CMCs) which registered for temporary

permission have been invoiced for their 2019/20 fees in advance. Other firms will be invoiced from July 2019, on the basis of the new fees and levies.

Table 1.1: Fee payers affected by the 2019/20 fees and levies rates proposals in this CP

Issue	Fee payers affected	Chapter
FCA		
Periodic fee rates	Authorised firms: <ul style="list-style-type: none">the 'A' and 'CC' (consumer credit) fee blocks; andClaims Management Companies	2 and 3
	All fee payers except authorised firms – fee-blocks B to G	2 and 4
Applying financial penalties	Fee payers listed in Table 5.1 in Chapter 5	5
Further FCA fees policy proposal:		
Definition of income for Regulated Benchmark Administrators (RBAs)	RBAs that pay fees in the B fee-block	6
Financial Ombudsman Service		
General levy rates	Firms subject to the Financial Ombudsman Service general levy	7
Money and Pensions Service		
Money guidance levy	<ul style="list-style-type: none">Firms subject to money advice levies – authorised firms, payment institutions and electronic money issuersConsumer credit firms in the CC1(limited permission) and CC2(full permission) fee-blocks	8
Debt advice levy	<ul style="list-style-type: none">Firms subject to debt advice levies – firms in fee-blocks A.2 (home finance providers and administrators) and CC3 (consumer credit lending)	
Pensions guidance levy	Firms in the following fee blocks: <ul style="list-style-type: none">A.4 insurers – lifeA.7 portfolio managersA.9 managers and depositaries of investment funds, and operators of collective investment schemes or pension schemesA.13 advisors, arrangers, dealers or brokers	
Devolved Authorities' debt advice levy		
	<ul style="list-style-type: none">Firms subject to debt advice levies – firms in fee-blocks A.2 (home finance providers and administrators) and CC3 (consumer credit lending)	9
Illegal money lending levy		
Recovering the Treasury's expenses for tackling illegal money lending	All firms with credit-related permissions	10

2 FCA annual funding requirement and allocation to fee-blocks

- 2.1** In this chapter we set out our annual funding requirement (AFR) for 2019/20 and the allocations to fee-blocks.

AFR

- 2.2** We published our 2019/20 Business Plan on 17 April 2019, setting out how we plan to promote our vision and achieve our objectives during 2019/20.
- 2.3** We are committed to delivering an ongoing regulatory activities (ORA) budget that is flat in real terms, subject to any changes in our wider ongoing regulatory responsibilities. The 2% increase in our ORA to £537.7m meets this commitment for 2019/20
- 2.4** Our AFR for 2019/20 is £558.5m, an increase of 2.7%. Our AFR includes our ORA budget, the costs we need to recover for changes to our regulatory responsibilities (scope change) and additional costs related to EU withdrawal.
- 2.5** Table 2.1 shows the breakdown of our 2019/20 AFR compared with that for 2018/19 and the impact of estimated financial penalty rebates.

	2019/20	2018/19	Movement	
	£m	£m	£m	%
Ongoing regulatory activities (ORA) budget	537.7	527.2	10.5	2.0%
Scope change recovery	15.8	16.7	-0.9	-5.4%
EU withdrawal costs	5.0	5.0	0.0	0.0%
ORA reserves utilised		(5.0)		
AFR recovery	558.5	543.9	14.6	2.7%
Financial penalty rebate (i)	(48.6)	(47.0)	(-1.6)	3.4%
Fees payable	509.9	496.9	13.0	2.6%

Note:

(i) The £48.6m rebate in 2019/20 represents an estimate of the 2018/19 financial penalties we can retain to cover 2018/19 enforcement costs.

- 2.6** We must pay all the financial penalties we receive to the Exchequer (net of certain enforcement costs incurred in generating these penalties) in the same year. Any retained penalties are used to reduce our fees in the following year, other than for the fees levied on the penalty payers themselves.

2.7 We currently estimate the financial penalty rebate to be £48.6m in 2019/20 (£47.0m in 2018/19). Taking into account this rebate, the overall total fees collected from fee payers in 2019/20 will be reduced by £48.6m to £509.9m.

2.8 The application across fee payers of the financial penalty rebate is set out Chapter 5.

AFR allocation across fee-blocks

2.9 The allocation of the £558.5m AFR is set out in Table 2.3 at the end of this chapter.

2.10 Our policy for allocating the AFR across fee-blocks is to maintain an even distribution of increases/decreases other than where for individual fee-blocks there have been material and explainable exceptions ('allocation by exception').

2.11 The exceptions to an even distribution of our 2019/20 AFR cover:

- £15.8m - scope change recovery
- £5.0m - EU withdrawal costs
- £0.6m - Securitisation Regulation set-up costs (part of the £537.7m ORA in table 2.1)

Scope change costs

2.12 The breakdown of the 2019/20 £15.8m scope change costs is set out in Table 2.2.

Table 2.2: Breakdown of 2019/20 £15.8m scope change costs

£m	Scope change
6.2	Consumer credit – continuation of the recovery commenced in 2016/17 (see paragraphs 2.13 and 2.14 below)
2.5	Markets in Financial Instruments Directive II (MiFID II) – continuation of the recovery commenced in 2017/18 (see paragraph 2.15 below)
7.1	Claims Management Companies (CMCs) – first year recovery (see paragraphs 2.16 to 2.18 below)
15.8	Total

Consumer credit

2.13 The consumer credit scope change deficit of £62m was originally planned to be recovered at the rate of £6.2m each year for 10 years commencing in 2016/17 and ending in 2026/27 (chapter 2 CP16/09 – April 2016). For 2018/19 we consulted on continuing the variable fee rate unchanged from 2016/17 at £0.40 for fee-block CC1 and £1.30 for fee-block CC2 per £1,000 of income from consumer credit activities above £250,000. Although providing an over recovery this was on the basis that in keeping these fee rates unchanged we will eliminate the consumer credit scope change deficit more quickly, by 2021/22 which is 5 years earlier than originally planned.

2.14 We are proposing to continue to keep these fee rates unchanged for 2019/20. We estimate that this over recovery will eliminate the consumer credit scope change deficit by 2020/21, which is 6 years earlier than planned.

MiFID II

2.15 We have allocated the £2.5m MiFID II scope change costs to the fee-blocks, listed below, most directly impacted by MiFID II. The proportion allocated to each fee-block is based on the value of the total FCA fees paid by MiFID firms in each fee-block. This is the same allocation basis we consulted on for the recovery of the £11.0m 2018/19 allocation:

- A.7 Portfolio managers
- A.9 Managers and depositaries of investment funds and operators of collective investment schemes or pension schemes
- A.10 Firms dealing as principal
- A.13 Advisors, arrangers, dealers or brokers
- A.14 Corporate finance advisers
- B. Only: Recognised Investment Exchanges; operators of Multilateral Trading Facilities; and Organised Trading Facilities

Claims management companies

2.16 Responsibility for claims management regulation passed from the Claims Management Regulator to the FCA on 1 April 2019 under the Financial Guidance and Claims Act 2018. This has brought within our scope a new business sector and a new group of firms - claims management companies (CMCs).

2.17 The £7.1m CMC scope change costs have been allocated to a new separate fee-block. The fee-rates for 2019/20 have already been consulted on in chapter 2 of CP18/23 (August 2018). We provided feedback on responses to this consultation and published final rules through chapter 10 of PS18/23 (December 2018).

2.18 CMCs that wished to continue trading from 1 April 2019 will have registered for temporary permission. Registration for temporary permission opened on 1 January 2019 and closed on 31 March 2019. Firms that registered with us were required to pay their 2019/20 periodic fees at the same time as they registered.

EU withdrawal costs

2.19 We propose allocating the cost of £5.0m raised to fund our work relating to EU withdrawal across the fee-blocks that include banks (A.1 fee-block), insurers (A.3, A.4, A.5 and A.6 fee-blocks), fund managers (A.7 fee-block) and proprietary traders (fee-block A.10). We believe that the types of firms in these fee-blocks are most likely to be affected by EU withdrawal. This is the same allocation basis we used for 2017/18 and 2018/19.

Securitisation Regulation

2.20 The Securitisation Regulation provisions mainly came into effect from January 2019 and seek to make the securitisation market work more effectively. They aim to address some of the harms to investors identified in these markets following the financial crisis. This includes the lack of adequate disclosure, and the misalignment between issuers' and investors' interests. We consulted on the implementation of the Securitisation Regulations in CP18/22 (August 2018) including the basis for recovering our costs through fees. We provided feedback on responses to this consultation and published final rules in PS18/25 (December 2018).

- 2.21** The £0.6m Securitisation Regulations set-up costs are included in the £537.7m ORA in table 2.1. These costs were not treated as scope change costs because the Securitisation Regulation applies to existing firms (no new population of firms) and the amount was not material enough to justify recovering over more than one fee-year. Securitisation Regulation relates to firms that are involved in securitisation markets:
- banks, insurers and investment firms are the main originators of securitised products
 - advisers, arrangers, dealers and brokers they operate the market in the buying and selling of securitisation products and advise on investments, including in some cases advising on and arranging the securitisation of investments
 - corporate finance advisers are not directly subject to the Securitised Regulations, but are affected by it because they may advise their clients on its interpretation and implementation

- 2.22** We therefore propose that these set-up costs are allocated proportionately across the following fee-blocks:

- A.1 Deposit acceptors
- A.2 Home finance providers and administrators
- A.3 Insurers - general
- A.4 Insurers – life
- A.7 Portfolio managers
- A.9 Managers and depositaries of investment funds and operators of collective investment schemes or pension schemes
- A.10 Firms dealing as principal
- A.13 Advisors, arrangers, dealers or brokers
- A.14 Corporate finance advisers
- A.21 Firms holding client money or assets or both (includes firms that are in A.13)

Other material allocation changes

D fee-block designated professional bodies and professional body supervisors

- 2.23** The D fee-block includes a AFR allocation to recover the costs of establishing and running the Office for Professional Body Anti-Money Laundering Supervision (OPBAS). Our OPBAS costs are recovered from professional body supervisors (PBSs) listed in Schedule 1 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.
- 2.24** The 2018/19 OPBAS allocation originally included £2.0m ongoing costs and £250,000 of the total estimated £500,000 set-up costs. In October 2018, based on actual expenditure during the first 6 months of the fee year, we revised the ongoing costs to £1.4m making a total of £1.65m to be recovered through 2018/19 fees. The 2018/19 fee-rates to recover this amount were consulted on in [CP18/32](#) (October 2018). We provided feedback on responses to this consultation and consulted further through [CP19/13](#) (March 2019).
- 2.25** The consultation on 2018/19 fee rates is expected to be completed by June 2019, following which we will consult on the fee-rates to recover the £1.428m 2019/20 ongoing costs and the remaining £250,000 set-up costs (total £1.678m).
- 2.26** The D fee-block also recovers our costs for supervising the designated professional bodies (DPBs) such as the Law Society of England and Wales. DPBs regulate the

incidental investment business carried out by their members. For 2019/20 the allocation of our AFR to the DPBs, as a sub-set of the D fee-block has increased by 2% in line with the increase in ORA. The 22.7% decrease in the D fee-block from 2018/19 included in table 2.3 reflects this 2% increase in the 2019/20 AFR allocation to DPBs and the revised lower 2018/19 ongoing costs for OPBAS.

F fee-block unauthorised mutuals

- 2.27** This fee-block has been discontinued. In chapter 3 of [CP18/34](#) (November 2018) we consulted on discontinuing the F fee-block as the vehicle for recovering our costs in acting as the Registrar for mutuals. We proposed recovering these costs instead by including them in our overheads. This represented a 0.32% increase across variable fee-blocks (minimum fees are not affected). We provided feedback on responses to this consultation and the final rules through chapter 3 of [Handbook Notice 63](#) (February 2019).

H fee-blocks FCA pensions guidance costs

- 2.28** This fee-block has been discontinued. The Pension Wise service was provided through designated guidance providers (DGPs) eg The Pensions Advisory Service Ltd. The H fee-block recovered our costs from setting standards for giving pensions guidance by DGPs and monitoring their compliance with meeting those standards. Pension Wise has been replaced by the Money and Pension Service (previously known as the Single Financial Guidance Body) and therefore we are no longer incurring such costs.

Fee-block A.0 FCA minimum fee

- 2.29** Minimum fees are fixed amounts that each firm pays. The amount of AFR we recover from the A.0 FCA minimum fee fee-block depends on:
- the number of existing firms that remain authorised at the beginning of the fee year (1 April)
 - the number of new firms that become authorised during the forthcoming year
- 2.30** Chapter 3 covers proposed periodic fees for authorised firms. In this chapter we propose increasing the minimum fees and flat fees for 2019/20 by 2% to reflect the increase in our ORA.
- 2.31** We anticipate that the number of firms that will pay these minimum fees in 2019/20 will result in an AFR recovery of £21.4m. The 1.9% movement in table 2.3 for the A.0 fee-block reflects the 2% increase in the minimum fee itself and our current estimate that there will be fewer firms paying this minimum fee in 2019/20 than in 2018/19 so the amount we raise through this fee-block will decrease.
- 2.32** We also propose the same 2% increase for minimum and flat fees in Chapter 4 (which covers proposed periodic fees for other bodies).

Fee rates

- 2.33** In Chapter 3 we consult on the 2019/20 periodic fees for authorised firms to recover the AFR allocated to the A fee-blocks and the CC1 and CC2 consumer credit fee-blocks.

2.34 In Chapter 4 we consult on the 2019/20 periodic fees for other bodies to recover the AFR allocated to the B to G fee-blocks.

Table 2.3: 2019/20 AFR allocation across fee-blocks

AFR allocations to fee-blocks	(i)	Proposed 2019/20 £m	Actual 2018/19 £m	Movement over 2018/19
A.0 FCA minimum fee	Solo	21.4	21.0	1.9%
AP.0 FCA prudential fee (ii)	Solo	17.2	16.7	3.1%
A.1 Deposit acceptors	DR	74.6	71.5	4.3%
A.2 Home finance providers and administrators	Solo	17.9	17.2	4.1%
A.3 Insurers – general	DR	26.6	25.7	3.3%
A.4 Insurers – life	DR	44.6	43.2	3.4%
A.5 Managing agents at Lloyd's	DR	0.2	0.2	2.6%
A.6 The Society of Lloyd's	DR	0.4	0.3	2.8%
A.7 Portfolio managers	Solo	46.3	46.6	-0.7%
A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	Solo	12.0	11.6	3.1%
A.10 Firms dealing as principal (iii)	Solo & DR	53.7	54.0	-0.6%
A.13 Advisory arrangers, dealers or brokers	Solo	79.4	80.3	-1.1%
A.14 Corporate finance advisors	Solo	14.5	14.7	-1.5%
A.18 Home finance providers, advisers and arrangers	Solo	17.6	16.9	4.0%
A.19 General insurance mediation	Solo	29.0	28.1	3.4%
A.21 Firms holding client money or assets or both	Solo	14.7	14.2	3.7%
CC1. Consumer credit – limited permission	Solo	39.8	38.7	3.0%
CC2. Consumer credit – full permission				
Claims Management Companies	Solo	7.1	0.0	n.a.
B. Recognised investment exchanges, operators of multilateral trading facilities, recognised auction platforms, service companies, regulated benchmark administrators, third country legal representative, benchmark endorsers	Solo	7.9	7.9	-0.5%
C. Collective investment schemes	Solo	2.5	2.4	3.4%

D. Designated professional bodies (DPBs) and professional body supervisors (OPBAS).	Solo	1.9	2.5	-22.7%
E. Issuers and sponsors of securities	Solo	22.1	21.4	3.4%
F. Unauthorised mutuals	Solo	0.0	1.7	-100.0%
G. firms subject to: money laundering regulations; regulated covered bonds regulations; payment services regulations; electronic money regulations; firms undertaking consumer buy-to-let business; data reporting services providers; and third-party verification agents.	Solo	7.1	6.9	2.9%
H. FCA pensions guidance costs	n/a	0.00	0.05	-100.0%
Total AFR		558.5	543.9	2.7%

Notes:

(i) Solo = FCA solo-regulated fee-block activities. DR = fee-block activities that are dual-regulated by the FCA for conduct purposes and the PRA for prudential purposes.

(ii) AP.0 FCA prudential fee-block is only recovered from FCA solo-regulated firms in proportion to the total periodic fees they pay through FCA solo-regulated fee-blocks.

(iii) Includes certain investment firms that have been designated by the PRA to be regulated by the PRA for prudential purposes. These designated firms do not pay fees in AP.0, but the remaining solo-regulated firms in A.10 do.

n/a = Not applicable.

3 FCA periodic fees for authorised firms

(FEES 4 Annex 2AR in Appendix 1 and FEES 4A Annex 1R draft rules in Appendix 2)

- 3.1** This chapter sets out our 2019/20 periodic fees proposals for authorised firms in the A fee-blocks and the CC1 and CC2 Consumer Credit fee-blocks. These fee-blocks account for 91% of our 2019/20 annual funding requirement (AFR).
- 3.2** Proposals for periodic fees payable by other bodies are discussed in Chapter 4 of this paper.

Proposed minimum fees

- 3.3** Any firm that is authorised to carry out any of the regulated activities covered by the 'A' fee-blocks is subject to the A.0 minimum fee.² The CC1 and CC2 Consumer Credit fee-blocks have a separate structure of minimum fees. Some firms that pay minimum fees in the CC1 and CC2 fee-blocks also pay the minimum fee under the A.0 fee-block.
- 3.4** The aim of minimum fees is to ensure that all authorised firms contribute to the cost of regulation (including small firms). It also aims to ensure that the minimum fee level is not too high (which would impede competition) and not too low (which would prejudice existing fee payers).
- 3.5** Minimum fees are fixed amounts that each firm pays. They are subject to a size threshold below which only the minimum fee is payable. Above the threshold variable fees are also payable based on the measure of business that is applicable to a particular fee-block. The larger the fee payer the more it contributes to the recovery of the AFR allocated to the fee-block.
- 3.6** Our policy is that minimum and flat fees are linked to movements in our ongoing regulatory activities (ORA) budget. As set out in Chapter 2 our 2019/20 ORA has increased by 2% over ORA in 2018/19. We are therefore proposing to increase the 2019/20 minimum fees (and flat fees) by 2%.
- 3.7** Tables 3.1 and 3.2 set out the proposed changes in minimum and flat fees.

Table 3.1 – Proposed 2019/20 A fee-block minimum and flat fees

	Current fee	Increase	Proposed new fee
FCA solo-regulated firms	£1,128	£23	£1,151
Dual-regulated with the PRA firms	£563	£11	£574
Dual-regulated concessionary firms:			
• smaller credit unions (depending on size)	£90 or £304	£2 or £6	£92 or £310
• smaller friendly societies	£242	£5	£247

² With the exception of A.6, which has one fee payer (the Society of Lloyd's) who is invoiced on an individual basis.

UK insurance special purpose vehicle (flat fee)	£485	£10	£495
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Notes:

- i. Firms in the 'A' fee-blocks include banks, building societies, credit unions, insurers, fund managers, and retail investment, mortgage and general insurance intermediaries. In total, we recover around 84% of our AFR from firms in the 'A' fee-block. Around 37% of 'A' fee-block firms are small enough to only pay the minimum fee.
- ii. 2% increase has been rounded to the nearest £.

Table 3.2 – Proposed 2019/20 Consumer Credit fee-blocks minimum fees

Type of firm	Income band	Current fee	Increase	Proposed new fee
CC1: Limited permission	Up to £10,000	£104	£2	£106
	Over £10,000 to £50,000	£261	£5	£266
	Over £50,000 to £100,000	£416	£8	£424
	Over 100,000 to £250,000	£520	£10	£530
CC2: Full permission	Up to £50,000	£312	£6	£318
	Over £50,000 to £100,000	£520	£10	£530
	Over £100,000 to £250,000	£1,040	£21	£1,061

Notes:

- (i) The Consumer Credit fee-blocks also include firms that pay the 'A' fee-block minimum fees. Around 94% of Consumer Credit firms are small enough to only pay minimum fees.
- (ii) 2% increase has been rounded to the nearest £.

Proposed variable periodic fees

A fee-blocks

- 3.8** The AFR allocated to the A fee-blocks is recovered on a 'straight line' basis, i.e. in direct proportion to the size of permitted business that firms undertake in these fee blocks. Firms should therefore pay fees that change in line with the year-on-year allocations of our AFR, as set out in Table 2.3 in Chapter 2.
- 3.9** However, in some cases the movements in the allocations of our AFR stated in this table at a fee-block level will differ from the movements in the draft fee rates detailed in Appendix 1 and 2. This is due to annual changes in the number of fee payers and the level of tariff data in each fee block.
- 3.10** Table 3.3 sets out the number of fee payers and the total tariff data we have used to calculate the draft 2019/20 fee rates in Appendix 1 and 2. It then compares them to the data used to calculate 2018/19 fee rates, showing the level of year-on-year movements. To show the effect of these movements on the fees that firms will pay, compared to the movements in the allocations of our AFR, we also include the year-on-year movements in fee rates.

Table 3.3: Data used to estimate 2019/20 periodic fee rates for consultation

Fee-block	Tariff base	Number of firms in fee-blocks			Tariff data			Change in rates
		2019/20 Estimated	2018/19 Actual (i)	Change	2019/20 Estimated	2018/19 Actual (i)	Change	
A.1	Modified eligible liabilities	804	825	-2.5%	£3,366.5bn	£3,254.8bn	3.4%	0.4%
A.2	Number of mortgages or other home finance transactions	482	486	-0.8%	£6.9m	£7.0bn	-0.2%	4.4%
A.3	Gross written premium	317	320	-0.9%	£73.5bn	£69.9bn	5.1%	-0.6%
	Best estimate liabilities				£144.6bn	£142.8bn	1.2%	2.3%
A.4	Gross written premium	163	169	-3.6%	£118.1bn	£123.6bn	-4.4%	-13.4%
	Best estimate liabilities				£1,299.6bn	£1,309.7bn	-0.8%	66.5%
A.5	Active capacity	57	58	-1.7%	£32.2bn	£32.4bn	-0.9%	3.5%
A.7	Funds under management	2,922	2,886	1.2%	£8,865.5bn	8,607.7bn	3.0%	-4.0%
A.9	Gross income	1,434	1,416	1.3%	£15.2bn	£14.8bn	2.9%	0.4%
A.10	Traders	440	433	1.6%	9,150	10,277	-11.0%	12.5%
A.13	Annual income	12,871	12,934	-0.5%	£31.9bn	£32.1bn	-0.9%	-0.6%
A.14	Annual income	803	796	0.9%	£8.9bn	£9.1bn	-1.4%	0.2%
A.18	Annual income	5,583	5,462	2.2%	£1.8bn	£1.7bn	8.1%	-2.9%
A.19	Annual income	13,065	12,922	1.1%	£18.3bn	£18.0bn	1.7%	1.2%
A.21	Client money	1,141	1,155	-1.2%	£153.7bn	£151.9bn	1.2%	4.7%
	Assets held				£14,778.7bn	£14,767.3bn	0.1%	3.3%

Notes:

(i) 'Actual' refers to the data as set out in Table 2.3 of PS18/13, published in July 2018.

(ii) The year on year movement in tariff data and fee-rates under the A.4 fee-block (insurers life) includes the impact of the changes in the weightings between gross written premium (GWP) and best estimate liabilities (BEL). From 2019/20 the weightings have changed from 75% GWP:25% BEL to 60% GWP:40% BEL. We consulted on the change in these weightings in Chapter 4 of CP18/34 (November 2019). We provided feedback on responses to this consultation and published final rules through Handbook Notice 63 (March 2019).

3.11 The data and fees for 2019/20 given in Table 3.3 may change between now and June when we will calculate the final fee rates. This is because we calculated the draft fee rates based on the estimated population of fee payers as at 1 April 2019. In addition, we will not complete collecting and validating the tariff data until May/June.

Consumer Credit fee-blocks

3.12 As discussed in Chapter 2 and set out in table 3.4 we are proposing to continue to keep consumer credit periodic variable fee rates unchanged for 2019/20. Although providing for an over-recovery by keeping these fee rates unchanged we estimate we will eliminate the consumer credit scope change deficit by 2020/21, which is 6 years earlier than the 10 years originally planned (2026/27).

3.13 Only 6% of consumer credit firms pay variable fees and these represent 82% of the total raised from periodic fees.

Table 3.4: 2019/20 proposed consumer credit variable fee-rates

Type of firm	Proposed 2019/20 variable fee rate on income above £250,000	Actual 2018/19 variable fee rate on income above £250,000	Change in rates
CC1: Limited permission	£0.40 Per £,1000	£0.40 Per £1,000	0.0%
CC2: Full permission	£1.30 Per £1,000	£1.30 Per £1,000	0.0%

Moderation framework

3.14 In exceptional cases we apply our moderation framework, which allows our straight-line recovery policy to accommodate a targeted recovery of costs within a fee-block, so long as it can be justified. This moderation can be either side of the straight-line recovery and is achieved by applying a premium or discount to the tariff data that measures the amount of permitted business that firms undertake within a moderated fee-block.

A.1 fee-block (Deposit acceptors)

3.15 The A.1 fee-block is an existing exception from straight-line recovery. Within this fee-block, the firms who fall within the medium-high and high bands of our moderation framework pay a premium fee rate. This reflects that we target our overall supervision at the high-impact, systemically important firms in this sector.

3.16 We apply a premium of respectively 25% and 65% to the fee rates for firms in the medium-high and high impact bands of the A.1 fee-block.

A.21 fee-block (firms holding client money or assets or both)

3.17 We use bandings within the A.21 fee block-based on the risk classifications we apply to firms in the Client Assets sourcebook (CASS). This enables us to match where we apply our resources to the fees that we charge firms.

3.18 The bandings and level of moderation that we have applied to the tariff data for both client money and assets held are set out in Table 3.5. The result of our moderation is that the 2019/20 £14.7m AFR (see Table 2.3 in Chapter 2) is distributed as follows:

- CASS large firms 75.35%
- CASS medium firms 24.62%
- CASS small firms 0.03%

Table 3.5: Bandings and level of modification

Client money	CB01 CASS small firms	CB02 CASS medium firms	CB03 CASS large firms
Band width	0–1,000,000	>1,000,000– 1,000,000,000	>1,000,000,000
Moderation	0%	-25%	-50%
Assets held	CB01 CASS small firms	CB02 CASS medium firms	CB03 CASS large firms
Band width	0–10,000,000	>10,000,000– 100,000,000,000	>100,000,000,000
Moderation	0%	-25%	-50%

European Economic Area (EEA) branches – fee discounts

3.19 The FCA, as the host state conduct regulator, is primarily responsible for the conduct regulation of incoming EEA branches (passported into the UK). We apply discounts to the fees paid by these firms to reflect the extent to which our supervisory responsibilities for EEA incoming branches are lower than for UK-based firms carrying on the same regulated activities, specifically for systems and controls and approved persons.

3.20 We apply the discounts as set out in Part 3 of FEES 4 Annex 2AR within the FEES Manual.

EU withdrawal

3.21 If the UK exits the European Union (EU) without an agreement or a transition period, by the 31 October 2019³ ('hard Brexit'), the following arrangements will be in place for EEA firms that prior to exit passported into the UK on a branch or a cross-border services basis:

- Temporary Permissions Regime
- Supervised run-off
- Contractual run-off

Temporary Permissions Regime

3.22 The Temporary Permissions Regime (TPR) will enable EEA firms who, prior to exit, notify us that they wish to enter the TPR to continue to operate in the UK. In chapter 7 of CP18/29 (October 2018) we consulted on the basis that TPR firms will pay fees from 2019/20. We provided feedback on responses to this consultation and published near final rules through chapter 7 of PS19/05 (February 2019). The final made fees rules covering TPR firms were published in instrument FCA 2019/36 (March 2019).

3.23 For periodic fees purposes:

- TPR firms will be allocated to the fee-blocks based on the equivalent UK regulated activities that applied to the passport they held at the point of entry to the regime.
- EEA branch firms in the TPR will remain in the fee-blocks that apply for fees calculation purposes at the point of entry to the regime.
- Periodic fees payable by firms in the TPR relate to the whole fee-year (1 April to 31 March) and are not refundable.

³ or on 31 May 2019 as referred to in the European Council's Decision of 11 April 2019

3.24 Our 2018 consultation was based on preparing for a hard Brexit occurring on the 29 March 2019. To reflect the changes in our supervisory responsibilities that would have commenced from the start of the 2019/20 fee-year EEA branch firms would no longer receive a discount on their variable periodic fees. The only exception being we would continue to apply a 100% discount under the AP.0 FCA prudential fee-block. Service firms would pay the minimum periodic fee, when currently they pay no periodic fees.

3.25 If by the 31 October 2019 the UK leaves the EU with an agreement and a transition period is in place the current passporting arrangements would continue for 2019/20. The current split of supervisory responsibilities between the FCA as host state and the home state regulator would not change and the current fee discounts for EEA branches and no periodic fees for service firms would continue to apply.

3.26 In order to provide EEA branch firms and service firms some certainty on the level of their 2019/20 periodic fees we propose to continue to apply all fee discounts and not charge service firms periodic fees for 2019/20 even if a hard Brexit occurs by 31 October 2019. We have included a transitional provision in the draft instrument at Appendix 2 to give effect to this proposal.

Supervised run-off and Contractual run-off

3.27 Supervised run-off (SRO) and Contractual run-off (CRO) will relate to firms with pre-existing contracts with UK customers if a hard Brexit occurs by 31 October 2019:

- SRO firms include EEA branches and service firms with top-up permissions who do not notify to enter TPR before exit and TPR firms that do not apply for full authorisation or are unsuccessful in doing so.
- CRO firms are EEA services firms who do not notify to enter TPR before exit

3.28 In chapter 3 of CP19/02 (January 2019) we consulted on the basis that SRO firms and CRO firms will pay fees from 2019/20. We provided feedback on responses to this consultation and published near final rules through chapter 7 of PS19/05 (February 2019). The final made fees rules covering SRO and CRO firms were published in instrument FCA 2019/36 (March 2019).

3.29 This earlier consultation was again preparing for hard Brexit occurring on 29 March 2019. SRO firms would pay periodic fees on the same basis as TPR firms. CRO firms would not pay any periodic fees. CRO firms would pay a Special Project Fee (SPF) in circumstances where we are required to undertake work exercising powers given to us under the Financial Services Contracts Regime (FSCR) Regulations. A SPF would only be charged where the costs of carrying out our functions exceed the £5,000 threshold for any individual firm.

3.30 Firms could be moved from SRO to CRO and vice versa. Where a firm is moved from SRO to CRO, the periodic fee payable by the firm while in the SRO relates to the whole of any fee-year (1 April to 31 March) and is not refundable. Where firms are moved from CRO to SRO, the SRO periodic fee payable will be prorated for the number of remaining months of that fee-year. There would be no refund of any CRO SPF due while the firm was in CRO.

3.31 Again, if by 31 October 2019 the UK leaves the EU with an agreement and a transition period is in place the current fee discounts for EEA branches and no periodic fees for service firms would continue to apply.

3.32 In order to provide EEA branch firms and service firms some certainty on the level of their 2019/20 periodic fees we propose to continue to apply to SRO firms all fee discounts and not charge service firms periodic fees for 2019/20 even if a hard Brexit occurs by 31 October 2019.

The transitional provision in the draft instrument at Appendix 2 also gives effect to this proposal.

Gibraltar-based firms

- 3.33** If a hard Brexit occurs by 31 October 2019, firms from Gibraltar can continue to passport into the UK on the same basis as they had before the UK exited the EU, and therefore are subject to the same supervisory arrangements as EEA passporting firms were previously. We are proposing to continue to apply the fees discounts for Gibraltar from 2019/20. We will consult on the rules that would give effect to this in our June 2019 Quarterly Consultation Paper (QCP).

Online fees calculator

- 3.34** We provide a fees calculator on our website to help firms calculate their periodic fees for the forthcoming year based on the draft FCA periodic fees and the Financial Ombudsman Service, Money and Pensions Service, Devolved Authorities and illegal money lending levy consultative rates as set out in Appendix 1 and 2 of this CP.
- 3.35** The fees calculator will also cover Prudential Regulation Authority (PRA) (where applicable) fees and FSCS levies. FSCS levies will not be available until early May when the FSCS are expecting to publish their funding requirements for 2019/20. The fees calculator for 2019/20 fees and levies will be available for firms to use from 17 April 2019.
- 3.36** We will consider your comments and, subject to FCA Board approval in June 2019, plan to publish a PS in July 2019, which will include our feedback on your comments and the final rules.
- 3.37** Certain fee payers have been invoiced from February 2019 for 'on-account' payments and Claims Management Companies (CMCs) which registered for temporary permission have been invoiced for their 2019/20 fees in advance. Other firms will be invoiced from July 2019, on the basis of the new fees and levies.

Q1: Do you have any comments on the proposed FCA 2019/20 minimum fees and variable periodic fee rates for authorised firms?

Fee payers should be aware that the draft fee rates and levies in Appendix 1 and 2 are calculated using estimated fee payer populations and tariff data. This means that final periodic fee rates and levies for 2019/20 – which will be made by our Board in June 2019 – could vary from those in this CP.

4 FCA periodic fees for other bodies

4.1 This chapter sets out the proposed periodic fees for fee payers in fee-blocks:

- B - market infrastructure providers
- C - collective investment schemes
- D - designated professional bodies
- E - UK Listing Authority (UKLA), and
- G - firms subject to: money laundering regulations; regulated covered bonds regulations; payment services regulations; electronic money regulations; firms undertaking consumer buy-to-let business; data reporting services providers; and third-party verification agents.

4.2 The proportion of the 2019/20 £558.5m annual funding requirement (AFR) allocated to fee-blocks B to G is discussed in Chapter 2. In this chapter, we only comment where year-on-year percentage movements for subsets of fee payers within the B to G fee-blocks substantially differ from the year-on-year movements in the overall fee-blocks set out in Table 2.3 of Chapter 2.

4.3 Our policy is that minimum fees and flat fees are linked to movements in our ongoing regulatory activities (ORA) budget. As set out in Chapter 2 our 2019/20 ORA has increased by 2% over 2018/19. We are therefore proposing to increase the 2019/20 minimum fees and flat fees for the B to G fee-blocks by 2%.

Fee payers should be aware that the draft fee rates and levies in Appendix 1 and 2 are calculated using estimated fee payer populations and tariff data. This means that final periodic fee rates and levies for 2019/20 – which will be made by our Board in June 2019 – could vary from those in this CP.

Fee-block B: Market infrastructure providers

4.4 As set out in Chapter 2 the overall allocation of our 2019/20 AFR to the B fee-block is £7.9m a decrease of 0.5% from 2018/19. This reflects the 2% increase in our ORA budget and a lower recovery, compared to 2018/19, of the scope-change costs for implementing the Markets in Financial Instruments Directive II (MiFID II). As set out in Chapter 2 the proportion MiFID II scope change costs allocated to the B fee-block will only be recovered from operators of Multilateral Trading Facilities (MTFs), Organised Trading Facilities (OTFs) and Recognised Investment Exchanges (RIEs).

Recognised investment exchanges

(FEES 4 Annex 2R Part 1 – draft rules in Appendix 1 and 2)

- 4.5** The proposed 2019/20 fees for recognised investment exchanges (RIEs) are set out in Table 4.1. The overall 31% decrease in the variable fee-rate reflects the lower recovery of MiFID II scope-change costs and a higher amount of tariff data (income) reported by RIEs for 2019/20 than for 2018/19.

Table 4.1: Proposed recognised investment exchanges fees

	Proposed 2019/20 fee (£)	Actual 2018/19 fee (£)	Variance
Annual income up to and including £10,000,000	105,060	103,000	2%
Annual income over £10,000,000 (£/£ thousand or part thousand of income)	3.393	4.91	-31%

Recognised auction platforms

(FEES 4 Annex 2R Part 1 – draft rules in Appendix 1)

- 4.6** We propose a flat fee of £56,246 for 2019/20 for recognised auction platforms. This is an increase of 2% (rounded to nearest £) from £55,143 in 2018/19.

Recognised overseas investment exchanges

(FEES 4 Annex 2R Part 1 – draft rules in Appendix 1 and 2)

- 4.7** We propose a flat fee of £60,000 for 2019/20 for recognised overseas investment exchanges. This is a decrease of 5% (rounded to nearest £) from £63,061 in 2018/19.

Multilateral trading facilities and organised trading facilities

(FEES 4 Annex 10R – draft rules in Appendix 1 and 2)

- 4.8** Table 4.2 sets out the proposed multilateral trading facilities (MTFs) and organised trading facilities (OTFs) fees for 2019/20. The overall 15% increase in fees reflects the lower recovery of MiFID II scope-change costs and a decrease in the number of MTFs/OTFs for 2019/20 than for 2018/19.

Table 4.2: Proposed MTF and OTF fees

	Proposed 2019/20 fee (£)	Actual 2018/19 fee (£)	Variance
MTF or OTF operator that has a named individual fixed portfolio supervisor	337,663	292,501	15%
All other MTF or OTF operators (ie those supervised by a team of flexible portfolio supervisors)	31,843	27,584	15%
European Economic Area (EEA) firm	0	0	0.0%

Service companies

(FEES 4 Annex 2R Part 1 – draft rules in Appendix 1 and 2)

4.9 The proposed 2019/20 fees for service companies are set out in Table 4.3.

Table 4.3: Proposed service companies' fees

	Proposed 2019/20 fee (£)	Actual 2018/18 fee (£)	Variance
Income up to and including £100,000	1,132	1,110	2%
Income over £100,000 (£/£ thousand or part £ thousand of income)	2.659	2.57	3%

Regulated benchmark administrators, third country legal representative, benchmark endorser

(FEES 4 Annex 2R Part 1 and FEES 4 Annex 15R – draft rules in Appendix 1 and 2)

4.10 The proposed 2019/20 fees for regulated benchmark administrators (RBAs) are set out in Table 4.4. The overall 21% decrease in the variable fee-rate reflects the higher amount of tariff data (income) reported by RBAs for 2019/20 than for 2018/19.

Table 4.4: Proposed regulated benchmark administrators' fees

	Proposed 2019/20 fee (£)	Actual 2018/19 fee (£)	Variance
Income up to and including £100,000	1,151	1,128	2%
Income over £100,000 (£/£ thousand or part £ thousand of income)	1.6055	2.0408	-21%

4.11 In Chapter 6 we consult on the clarification of the definition of income as the tariff base measure used to calculate the fees of RBAs.

4.12 The 2019/20 fee for a third country legal representative is £12,750 and for a benchmark endorser is £7,650 an increase of 2% from £12,500 and £7,500 respectively in 2018/19.

Fee-block C: Collective investment schemes

(FEES 4 Annex 4R - draft rules in Appendix 1 and FEES 4A Annex 2R draft rules in Appendix 2)

4.13 Tables 4.5 and 4.6 detail the proposed collective investment schemes (CIS) fee rates for 2019/20. The AFR allocated to this fee-block is recovered from fee payers in proportion to the number of funds or sub-funds operated. The total number of funds/sub-funds reported by all fee payers for 2019/20 has decreased compared to 2018/19. This has resulted in a higher variance in the fee rates compared to the 3.4% increase in the allocation of the AFR to this fee-block.

4.14 The proposed 2019/20 annual fee for small registered UK Alternative Investment Fund Managers is £650, representing a 2% increase (rounded to the nearest £) from £637 in 2018/19

Table 4.5: Proposed CIS periodic fees

Scheme type	Basic fee (£)	Total aggregate number of funds/sub-funds	Proposed 2019/20 fee rate (£)	Actual 2018/19 fee rate (£)	Variance
ICVC, AUT, ACS, UK ELTIFs	442	1-2	442	386	15%
		3-6	1,105	965	15%
		7-15	2,210	1,930	15%
		16-50	4,862	4,246	15%
Section 264 of FSMA, schemes other than non-EEA AIFs recognised under section 272 of FSMA		>50	9,724	8,492	15%
Non-EEA AIFs recognised under section 272 of FSMA	1,798	1-2	1,798	1,570	15%
		3-6	4,495	3,925	15%
		7-15	8,990	7,850	15%
		16-50	19,778	17,270	15%
		>50	39,556	35,540	15%

Table 4.6: Proposed CIS periodic fees

Kind of notification	Proposed 2019/20 fee per AIF (£)	Actual 2018/19 fee per AIF (£)	Variance
Notification under regulation 57 of the AIFMD UK Regulation	330	323	2%
Notification under regulation 58 of the AIFMD UK Regulation	230	225	2%
Notification under regulation 59 of the AIFMD UK Regulation	330	323	2%

4.15 If the UK exits the European Union (EU) without an agreement or a transition period, by the 31 October 2019⁴ ('hard Brexit') the Temporary Permissions Regime (TPR) will be in place to enable fund managers to continue to market their investment funds to investors in the UK. In Chapter 3 we discuss the consultations that were previously undertaken in preparation for a hard Brexit occurring on the 29 March 2019. These included the basis that investment funds in the TPR would pay periodic fees aligned to the current structure for periodic fees. The fee-rates proposed for investment funds in the TPR, should a hard Brexit occur by the 31 October 2019, are set out in FEES 4A Annex 2R in the draft instrument in Appendix 2. These are the same as the fee-rates in FEES 4 Annex 4R in the draft instrument in Appendix 1 which will apply if by the 31 October 2019 the UK leaves the EU with an agreement and a transition period.

4 or on 31 May 2019 as referred to in the European Council's Decision of 11 April 2019

Fee-block D: Designated professional bodies and professional supervisors

Designated professional bodies

(FEES 4 Annex 5R - draft rules in Appendix 1)

- 4.16** We set individual periodic fees for each designated professional body (DPB) based on an estimated number of exempt professional firms in each body. Each DPB pays £10,000 for its first exempt professional firm, which recovers £100,000 of the allocation to this fee-block.
- 4.17** The remaining amount allocated to this fee-block is then recovered in proportion to the number of exempt professional firms reported by each DPB. The proposed 2019/20 periodic fees are detailed in Table 4.7. Variances differ from the 3.7% increase in the AFR allocation to the DPB sub-set within this fee-block because of movements in the number of exempt professional firms reported for 2019/20 compared with those reported in 2018/19.

Table 4.7: Proposed DPB periodic fees

DPB	Proposed 2019/20	Actual 2018/19 fee (£)	Variance
The Law Society of England and Wales	95,410	90,070	5.9%
The Law Society of Scotland	15,520	15,260	1.7%
The Law Society of Northern Ireland	14,010	13,830	1.3%
The Institute of Actuaries	10,120	10,120	0.0%
The Institute of Chartered Accountants in England and Wales	36,290	36,000	0.8%
The Institute of Chartered Accountants of Scotland	11,380	11,350	0.3%
The Institute of Chartered Accountants in Ireland	15,130	14,840	2.0%
The Association of Chartered Certified Accountants	18,900	18,800	0.5%
Council for Licensed Conveyancers	£11,870	11,790	0.7%
Royal Institute of Chartered Surveyors	£15,620	15,270	2.3%

Fee-block E: United Kingdom Listing Authority

(FEES 4 Annex 14 R - draft rules in Appendix 1 and 2)

- 4.18** We are proposing 2019/20 United Kingdom Listing Authority (UKLA) periodic fees as set out in Tables 4.8 and 4.9. Base fees have increased by 2%. Variable fees have increased by 6% compared to the 3.4% increase in the AFR allocation to this fee-block. This is due to a decrease in the projected market capitalisation tariff data by these fee payers.

Table 4.8: Base fees

Activity group or invoice code	Proposed 2019/20 fee (£)	Actual 2018/19 fee (£)	Variance
E.2 Premium listed issuer	5,465	5,355	2%
E.3 Standard listed issuer	20,700	20,285	2%
E.6 Non-listed issuer (i)	0	0	0
E.7 Primary information provider	17,275	16,920	2%
ES.01 Sponsor	28,775	28,190	2%

Notes: 2% increase in base fee has been rounded to the nearest £.

(i) Not needed at present but retained pending implementation of MiFID II

Table 4.9: Variable fee additional to base fees

Activity Group E.2	Proposed 2019/20	Actual 2018/19	Variance
£ million of market capitalisation	Fee rate (£)	Fee rate (£)	
0–100	0	0	n/a
>100–250	29.132647	27.457725	6%
>250–1,000	11.240234	10.594000	6%
>1,000–5,000	6.918826	6.521042	6%
>5,000–25,000	0.168771	0.159068	6%
>25,000	0.054525	0.051391	6%

Fee-block G

Fee-block G: Firms subject to the Money Laundering Regulations

- 4.19** We propose that the annual fee for firms registered with us under the Money Laundering Regulations should be £460 for 2019/20. This is an increase of 2% (rounded to nearest £) from £451 in 2018/19 (Fee-block G.1).

Fee-block G: Firms subject to the Payment Services Regulations (FEES 4 Annex 11R - draft rules in Appendix 1 and FEES 4A Annex 1R draft rules in Appendix 2)

- 4.20** The proposed 2019/20 payment services fees are set out in Tables 4.11 and 4.12 (firms in G.2, G.3 and G.5 fee-blocks). We also propose that the flat fee for small payment institutions in the G.4 fee-block should be £525. This is an increase of 2% (rounded to the nearest £) from £515 in 2018/19.

Table 4.11: Certain deposit acceptors (includes banks and building societies) (G.2 fee-block)

	Proposed 2019/20	Actual 2018/19	Variance
Minimum fee (£)	525	515	2.0%
£ millions or part £ millions of modified eligible liabilities	Fee rate		
	Proposed 2018/19	Actual 2017/18	Variance
>0.1	0.5390	0.5390	0%

Table 4.12: Large payment institutions and other institutions (G.3 and G.5 fee-blocks)

	Proposed 2019/20	Actual 2018/19	Variance
Minimum fee (£)	525	515	2.0%
£ millions or part £ millions of modified eligible liabilities	Fee rate		
	Proposed 2018/19	Actual 2017/18	Variance
>0.1	0.3625	0.3625	0%

- 4.21** As discussed in Chapter 3, for European Economic Area (EEA) firms, we are proposing to continue to apply all fee discounts for branches and not charge service firms periodic fees for 2019/20 even if the UK leaves the EU without an agreement or transition period by the 31 October 2019 ('hard Brexit'). We are proposing the same for firm's subject to the payment services regulations. We have included a transitional provision in the draft instrument at Appendix 2 to give effect to this proposal.
- 4.22** As discussed in Chapter 3, we are proposing to continue to apply fees discounts for Gibraltar-based firms if a hard Brexit occurs by 31 October 2019 and will consult on the rules in our June Quarterly Consultation Paper (QCP). We are proposing the same in the case of payment services regulations.

Fee-block G: Firms subject to the Electronic Money Regulations (FEES 4 Annex 11R – draft rules in Appendix 1 and FEES 4A Annex 1R draft rules in Appendix 2)

- 4.23** Table 4.13 sets out the proposed fee rates for large electronic money institutions under the Electronic Money Regulations. The minimum fee has increased by 2% (rounded to the nearest £), reflecting the increase in our ORA. The variable rate has remained the same as in 2018/19.

Table 4.13: Large electronic money institutions (Fee-block G.10)

	Proposed 2019/20	Actual 2018/19	Variance
Minimum fee	£1,726	£1,692	2%
£ millions or part £ millions of average outstanding electronic money			
>5.0	£80.00	£80.00	0%

Note: 2% increase in minimum fee has been rounded to the nearest £.

- 4.24** We propose that the annual fee for small electronic money institutions should increase to £1,151 for 2019/20, an increase of 2% (rounded to nearest £) from £1,128 in 2018/19 (Fee-block G.11).
- 4.25** As discussed in Chapter 3, for EEA firms, we are proposing to continue to apply all fee discounts for branches and not charge service firms periodic fees for 2019/20 even if the UK leaves the EU without an agreement or transition period by the 31 October 2019 ('hard Brexit'). We are proposing the same for firm's subject to the electronic money regulations. We have included a transitional provision in the draft instrument at Appendix 2 to give effect to this proposal.
- 4.26** As discussed in Chapter 3, we are proposing to continue to apply fees discounts for Gibraltar- based firms if a hard Brexit occurs by 31 October 2019 and will consult on the rules in our June QCP. We are proposing the same in the case of electronic money regulations.

Fee-block G: Firms subject to the Regulated Covered Bonds Regulations (Fee-block G.15)

(FEES 4 Annex 11R - draft rules in Appendix 1 and 2)

- 4.27** The AFR allocated to the fee-block for firms that are subject to the Regulated Covered Bonds Regulations 2008 is recovered through 2 levels of flat minimum fees based on the number of registered programmes.
- 4.28** There is also a variable fee based on the number of issues made (market activity). The proportion recovered through the minimum fees is 90%, and 10% is recovered through the variable fee.
- 4.29** The proposed fees for 2019/20 are set out in Table 4.14. The minimum fee has increased by 3% and the variable fee decreased by 20%. The variance is due to movements in the number of registered programmes and issues made during 2018/19 compared to the previous year.

Table 4.14: Proposed periodic fees

	Proposed 2018/19	Actual 2017/18	Variance
Minimum fee for the first registered programme	81,638	79,184	3%
Minimum fee for all subsequent registered programmes	75% of first registered programme	75% of first registered programme	Unchanged
Variable periodic fee (£m or part £m of RCBs issued in the 12 months ending on valuation date)	9.44	11.80	-20%

Fee-block G: Firms undertaking Consumer buy-to-let business (Fee-block G.20 and 21)

(FEES 4 Annex 11R - draft rules in Appendix 1 and 2)

- 4.30** We propose increasing the consumer buy-to-let flat fees by 2% (rounded to nearest £) as set out in Table 4.15.

Table 4.15: Consumer buy-to-let fees

	Proposed 2019/20 (£)	Actual 2018/19 (£)	Variance
G.20 - CBTL lenders	424	416	2%
G.21 - CBTL arrangers and advisers	212	208	2%

Fee-block G: Data reporting services providers (Fee-block G.25)

(FEES 4 Annex 11R - draft rules in Appendix 1 and 2)

- 4.31** We propose increasing the data reporting services providers flat fee by 2% (rounded to nearest £) as set out in Table 4.16.

Table 4.16: Data reporting services providers

	Proposed 2019/20 (£)	Actual 2018/19 (£)	Variance
G.25, Flat fee for first data reporting service plus 50% flat fee for each additional data reporting service for which the data reporting services provider (other than an incoming data reporting services provider) has authorisation.	26,265	25,750	2%

Fee-block G: Third-party verification agents (Fee-block G.26)

(FEES 4 Annex 11R - draft rules in Appendix 1 and 2)

- 4.32** We propose increasing the third-party verification agents flat fee to £255 in 2019/20 representing a 2% increase from £250 in 2018/19.

Q2: Do you have any comments on the proposed FCA 2019/20 minimum fees and periodic fee rates for fee payers other than authorised firms?

5 Applying financial penalties

- 5.1** This chapter is relevant to all fee payers that fall within the fee-blocks set out in Table 5.1

Financial Penalty Scheme

- 5.2** The financial penalties we receive must be paid to the Treasury; net of certain enforcement costs incurred in the financial year in which the penalties were received (retained penalties). Our Financial Penalty Scheme (FPS) sets out the basis for ensuring the retained penalties are applied for the benefit of firms (except the firms on which the financial penalties were imposed). The current FPS is set out in Annex 3.

Financial penalty rebates for 2019/20

- 5.3** We currently estimate the retained penalties for 2018/19 to be £48.6m (£47.0m in 2017/18). The amount of the estimated retained penalties allocated to each fee-block, along with the estimated percentage rebates that will be applied to the 2019/20 periodic fees paid by the firms in those fee-blocks, is set out in Table 5.1. We will publish the final rebates in the July 2019 policy and feedback statement to this Consultation Paper.

Table 5.1: Draft schedule of application of 2018/19 retained penalties in 2019/20

Fee-block	Estimated 2018/19 retained penalties to be applied to benefit of fee-payers (£m)	Estimated rebate applied to 2019/20 fees
AP.0 FCA prudential	0.0	0.0%
A.1 Deposit acceptors	7.7	10.5%
A.2 Home finance providers and administrators	0.8	4.5%
A.3 Insurers – general	1.5	5.9%
A.4 Insurers – life	2.8	6.3%
A.5 Managing agents at Lloyd's	0.0	0.0%
A.6 The Society of Lloyd's	0.0	0.0%
A.7 Portfolio managers	11.3	24.8%
A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	1.8	15.4%

A.10 Firms dealing as principal	6.2	11.7%
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)	4.1	5.3%
A.14 Corporate finance advisors	1.9	13.3%
A.18 Home finance providers, advisers and arrangers	3.1	18.3%
A.19 General insurance mediation	2.8	9.9%
A.21 Firms holding client money or assets or both	3.2	22.1%
B. Recognised investment exchanges, operators of multilateral trading facilities and recognised auction platforms (only)	0.0	0.0%
CC1 Consumer credit – limited permission	0.0	0.0%
CC2 Consumer credit – full permission	0.0	0.0%
E. Issuers and sponsors of securities	1.4	6.7%
G.1 Persons registered under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	0.0	0.0%
G.2, G.3, G.4, G.5 Firms under the Payment Services Regulations 2017	0.0	0.0%
G.10, G.11 Firms under the Electronic Money Regulations 2011	0.0	0.0%
G.20, G.21 Firms under the Mortgage Credit Directive Order 2015	0.0	0.0%
G.25 Firms under the Data Reporting Regulations 2017	0.0	0.0%
Total	48.6	

6 Further FCA fees policy proposal

- 6.1** In this chapter we consult on the clarification of the definition of income as the tariff base measure used to calculate the fees of regulated benchmark administrators.

Definition of income for Regulated Benchmark Administrators (RBAs)

- 6.2** When finalising the 2018/19 fee-rates for RBAs we undertook a validation exercise to ensure RBAs were reporting their income in accordance with the tariff base definition in FEES 4 Annex 11AR. We provided feedback on the outcome of this exercise in chapter 3 of Handbook Notice 61 (December 2018). We noted that the second part of the fees rule tariff base definition seeks to capture income from the sale and marketing of a benchmark where undertaken by a separate legal entity, requiring the RBA to be responsible for identifying the relevant income and reporting it to us as its own income. That separate legal entity can be located anywhere and, again, it is income arising from the activities of the firm as an RBA, wherever that income comes from, which needs to be reported.
- 6.3** We noted that the inclusion of 'in the UK' to this second part of the tariff base definition has confused some firms. We therefore reported that we planned to consult, in this CP, on removing this text to clarify our policy intention.
- 6.4** This modification to the tariff base definition for RBAs in FEES 4 is set-out in Appendix 1 and 2 of this CP.

Q3: Do you have any comments on our proposed clarification of the tariff base definition for RBAs?

7 Financial Ombudsman Service general levy

(FEES 5 Annex 1R – draft rules in Appendix 1 and 2)

General Levy

- 7.1** In this chapter, we consult on the 2019/20 fee rates for firms in the compulsory jurisdiction (CJ) of the Financial Ombudsman Service. In Annex 4 we set out the proposed fee rates for firms in each industry block.⁵ In Appendix 1 and 2, we set out the draft rules for FEES 5.
- 7.2** Under the Financial Services and Markets Act 2000 (FSMA), the Financial Ombudsman Service's 2019/20 budget must be set before the financial year begins on 1 April 2019. The Financial Ombudsman Service's consultation on its draft plan and budget opened on 17 December 2018. The consultation closed on 31 January 2019 and 24 written responses were received. These are summarised in the Financial Ombudsman Service's publication 'our strategic plans for 2019/20' which is published on its website.
- 7.3** The Financial Ombudsman Service presented its final budget to the FCA Board in March 2019. The FCA Board approved the total budget of £331.8m for 2019/20, (£289.8m in 2018/19) including the general levy, case fees and the number of free cases per firm. Further details on the role of the Financial Ombudsman Service and a breakdown of its budget are contained in its plans.
- 7.4** The FCA Board will make rules setting the CJ general levy fee rates in June, following this consultation.

Budget and funding

- 7.5** The Financial Ombudsman Service must budget separately for the CJ and the voluntary jurisdiction (VJ). Each of these jurisdictions is funded by a combination of annual fees (levies)⁶ and case fees as set out in FSMA Schedule 17, paragraph 15.
- 7.6** The majority of the Financial Ombudsman Service's funding comes from case fees, which are currently invoiced and collected once cases have been resolved, or collected via the group account case fee arrangement. This is an arrangement where the largest business groups pay quarterly in advance based on expected volumes of complaints.
- 7.7** The general levy only applies to firms covered by the CJ⁷, and it is raised and collected by the FCA. It is payable by all firms authorised or registered by us, including those that have not had any cases referred to the Financial Ombudsman Service, unless they have claimed an exception because they do not deal with eligible complainants.⁸

5 The Financial Ombudsman Service's general levy is calculated using "industry blocks" which are similar but not identical to the FCA fee blocks. Each industry block has a minimum levy and, in most cases the levy then increases in proportion to the amount of "relevant business" (ie business done with private individuals)

6 The FCA's power to raise the general levy from authorised firms arises from FSMA section 234

7 Authorised firms, payment service providers, electronic money issuers, consumers buy-to-let (CBTL) firms designated finance platforms and designated credit reference agencies (See FEES 5.1)

8 See DISP 2.7.3R

- 7.8** The Financial Ombudsman Service collects a separate levy from financial businesses that have signed up to its VJ. It also collects the case fees from firms covered by the CJ and financial businesses covered by the VJ.
- 7.9** If the UK leaves the EU without an agreement then EEA service firms in the TPR will be included in the CJ of the Financial Ombudsman Service and our complaint handling rules will apply.
- 7.10** EEA service firms in the TPR must pay the minimum fee block levies set out in the rules or flat fees where these apply. They must also pay case fees which they were not previously required to pay. This proposal means that consumers will continue to be able to refer their complaint to an alternative dispute resolution scheme on exit.
- 7.11** For EEA service firms that were members of the VJ pre-exit, complaints (including post-exit complaints) about their pre-exit activities will continue to come under the VJ. If a firm wants to leave the VJ, it will continue to have to follow the Financial Ombudsman Service's process as set out in DISP 4.2.7R.
- 7.12** We are intending to consult in our June 2019 Quarterly Consultation Paper on how the general levy for Gibraltar based firms might be calculated.

CJ levy for 2018/19

Apportionment amongst fee blocks

- 7.13** In line with FEES 5.3.3G, the 2019/20 CJ levy is based on the Financial Ombudsman Service's forecasts for the proportion of resources that it expects to devote to cases from firms in each sector over the next financial year. The total amount that needs to be collected from the industry is then allocated across the respective industry blocks to produce the final tariff rate.

Table 7.1 Distribution of CJ levy based on the 2019/20 forecast of relevant business

Industry Block	Industry Block Description	Proposed levy as % of budget
I001	Deposit acceptors, home finance lenders and administrators	39.0%
I002	Insurers: general	12.0%
I003	The Society of Lloyds	0.1%
I004	Insurers: life	2.7%
I005	Fund managers	0.5%
I006	Operators, Trustees and Depositories of collective investment schemes	0.1%
I007	Dealers as principal	0.1%
I008	Advisory arrangers, dealers or brokers (holding client money)	1.4%
I009	Advisory only firms and advisory, arrangers, dealers, or brokers (not holding client money)	1.4%
I010	Corporate finance advisors	0.1%
IA11	Authorised payment service providers	0.1%
IS11	Small payment institutions and small e-money issuers	0.1%
I013	Cash plan health providers	0.0%
I014	Credit unions	0.1%
I015	Friendly societies whose tax-exempt business represents 95% or more of their total relevant business	0.0%
I016	Home finance lenders, advisers and arrangers	1.0%

I017	General insurance mediation	14.9%
IA18	Authorised electronic money institutions	0.0%
IS18	Small electronic money institutions	0.0%
I019	Consumer credit: limited	1.6%
IA19	Consumer credit: limited (not for profit)	0.0%
I020	Consumer Credit: full	20.0%
IR21	Consumer buy-to-let	0.0%
I022	Designated credit reference agencies	0.0%
I023	Designated finance platforms	0.0%
I024	Claims management companies	4.9%

7.14 The Financial Ombudsman Service has asked us to recover £44.5m (£24.5m in 2018/19) and allocate this in line with its forecast of where costs will fall. The increase of £20m over last year in the CJ levy will allow the Financial Ombudsman Service to:

- recover the under-collection in last year's levy (£1.5m)
- manage the set-up and year one costs of the 2 new jurisdictions: complaints made by small and medium-sized enterprises (SMEs - £5m) and complaints made about claims management companies (CMCs - £2.2m)
- scale up to meet both increasing demand and a change in product mix (£11.3m), recognising that the ombudsman service is expecting a total of 210,000 new cases outside of Payment Protection Insurance (PPI) cases in 2019/20, the highest the service has ever received and approximately 30% higher than the 2018/19 budget assumption of 160,000 new cases.

7.15 The FCA finalised proposals to extend the Financial Ombudsman Service's jurisdiction from 1 April 2019 so more SMEs will be able to access the Financial Ombudsman Service. In addition the transfer of regulation from the Ministry of Justice's Claims Management Regulator (CMR) to the FCA means the FCA will be responsible for regulating CMCs from 1 April and responsibility for resolving complaints about CMCs will be transferred from the Legal Ombudsman and come under the jurisdiction of the Financial Ombudsman Service. More detail on the Financial Ombudsman Service's proposed operating models for SMEs and CMCs are contained in its plans.

7.16 The proportions reflect the costs for the new jurisdictions, including the investment in setting up these new areas of work, and the Financial Ombudsman Service's forecast on expected complaints volumes.

Apportionment of the CJ levy within fee-blocks

7.17 Annex 4 sets out the proposed allocation of the CJ levy for 2019/20, with 2018/19 rates for comparison, within each industry block. There is a minimum levy in each industry block and the levy then increases in proportion to the amount of 'relevant business' (i.e. business done with private individuals) that the firm does.

7.18 For 2019/20 we estimate that 87% of firms will pay only the minimum levy for their block.

7.19 Individual firms can calculate the impact of the proposed fees and levies using our online calculator.

7.20 The general tariff rates will be finalised in June 2019 for the 2019/20 fee period.

Q4: Do you have any comments on the proposed method of calculating the tariff rates for firms in each fee-block towards the CJ levy and our proposals for how the overall CJ levy should be apportioned?

Fee payers should be aware that the draft fee rates and levies in Appendix 1 and 2 are calculated using estimated fee payer populations and tariff data. This means that final periodic fee rates and levies for 2019/20 – which will be made by our Board in June 2019 – could vary from those in this CP.

8 Money and Pensions Service levies

(FEES 7A Annex 1R, 2R, 3R – draft rules in Appendix 1 and FEES 7C Annex 1R, 2R, 3R draft rules in Appendix 2)

- 8.1** In this chapter, we consult on the rates at which we propose to charge our levies for the Single Financial Guidance Body (SFGB) in 2019/20. The SFGB changed its name on 6 April 2019 and is now known as the Money and Pensions Service (MAPS).
- 8.2** The MAPS came into operation on 1 January 2019. It took on the responsibilities of the Money Advice Service (MAS), Pension Wise and the Pensions Advisory Service (TPAS). It is responsible for providing money and pensions guidance in the UK and debt advice in England. It also has a strategic function to develop and coordinate a national strategy to improve financial capability, debt management and financial education for children and young people.
- 8.3** The MAPS is an arm's length body of the Department for Work and Pensions (DWP). The FCA has no oversight role in respect of its budget, but we are responsible for collecting funding for the MAPS to carry out its functions. Each year we must collect the amount notified to us by the DWP.
- 8.4** We understand that in its first year the MAPS will focus predominantly on making a successful transition from 3 services into one, streamlining the organisation and working towards making future efficiency savings across its services.
- 8.5** DWP has notified us that the total amount we must collect for the MAPS in 2019/20 is £117.6m. That amount includes:
- £25.9m for money guidance in the UK
 - £55.8m for debt advice in England
 - £35.9m for pensions guidance in the UK
- 8.6** The above costs include apportionment of the MAPS central costs and costs relating to its other functions such as the strategic function.
- 8.7** For 2019/20 we propose to allocate MAPS costs to fee-blocks on the same proportions we used in 2018/19 for the Money Advice Service (MAS) and Pension Wise. The MAPS has not been in operation for sufficient time to have produced data to justify changing the allocations. During this year we will discuss with DWP, HM Treasury and the MAPS whether to allocate MAPS costs to firms differently in future.
- 8.8** For European Economic Area (EEA) firms, we are proposing in chapters 3 and 4 to continue to apply all discounts to FCA fees for EEA branches and not charge EEA service firms periodic fees for 2019/20 even if the UK leaves the EU without an agreement or transition period by 31 October 2019 ('hard Brexit'). We are proposing to do the same for MAPS levies for EEA firms so our MAPS levy rules for EEA firms continue to mirror our FCA fees rules for EEA firms. We have included a transitional provision in the draft instrument at Appendix 2 to give effect to this proposal.
- 8.9** We are also proposing in chapters 3 and 4 to continue to apply discounts to FCA fees for Gibraltar-based firms if a hard Brexit occurs by 31 October 2019 and to consult on rules for

Gibraltar-based firms in our June Quarterly Consultation Paper. We are again proposing to do the same for the MAPS levies.

Funding for money guidance

- 8.10** The MAPS provides money guidance across the UK. Currently the MAPS provides money guidance through the existing Money Advice Service (MAS) brand, delivered through a website, printed material and a call centre, and by working with and influencing the financial services sector.
- 8.11** The DWP has notified us that the amount we must collect for money guidance in 2019/20 is £25.9m. In 2018/19 the budget for the money guidance function at MAS was £26.8m. The DWP told us that, as the MAS What Works Fund evaluation programme of financial capability initiatives is in its final stages, the MAPS will be able to reduce expenditure on research. The What Works Programme was designed to build, gather and strengthen evidence of what works by testing and piloting potential new solutions, scaling up existing financial capability interventions and evaluating existing projects. The MAPS will now be able to focus on expanding and piloting the most effective initiatives. This includes commissioning plans for initiatives aimed at children and young people as well as working age adults.
- 8.12** It will also do more targeted collaboration working with employers, local authorities, industry and regional stakeholders. The money guidance budget has also decreased due to reappportioning of central costs across the other elements of the MAPS services and the identification of efficiency savings.
- 8.13** The budget figure of £25.9m is an estimate and might be revised when we finalise rates in June 2019.

Allocation of costs for money guidance

- 8.14** We propose to allocate money guidance costs to firms on the same proportions as last year. For the A.0 minimum fee fee-block we will allocate an amount based on the estimated number of firms that are authorised at the start of the fee-year. We will update that amount to reflect the actual number of authorised firms when we publish our policy statement in July 2019. We propose to maintain the minimum fee at £10 for 2019/20.
- 8.15** Table 8.1 sets out how the allocation method applies across fee-blocks and the movement for each fee-block since last year.

Table 8.1: Proposed money guidance allocation method for 2019/20 by fee-block

Fee-block	Actual 2018/19 allocation £m	Proposed 2019/20 allocation £m	Movement
A.0 minimum fee	0.2	0.2	0.2%
A.1 deposit acceptors	5.0	4.8	-3.2%

A.2 Home finance providers and administrators	4.1	4.0	-3.2%
A.3 Insurers - general	2.4	2.3	-3.2%
A.4 Insurers - life	3.4	3.3	-3.2%
A.5 Lloyd's managing agents	0.0	0.0	n.a.
A.6 The Society of Lloyds'	0.0	0.0	n.a.
A.7 Portfolio managers	1.3	1.3	-3.2%
A.9 Operators, trustees and depositaries of collective investment schemes etc	1.3	1.3	-3.2%
A.10 Firms dealing as principal	1.5	1.4	-3.2%
A.13 Advisers, arrangers, dealers or brokers	2.2	2.1	-3.2%
A.14 Corporate finance Advisers	0.3	0.3	-3.2%
A.18 Home finance providers, advisers and arrangers	0.3	0.3	-3.2%
A.19 General insurance Mediation	0.7	0.6	-3.2%
A.21 Firms holding client money or assets	0.3	0.3	-3.2%
CC1 & CC2. Consumer Credit Firms	3.8	3.6	-3.2%
G Firms covered by Payment Services Regulations 2017 (PSRs) and Electronic Money Regulations 2011 (EMRs)	0.1	0.1	-3.2%
Total	26.8	25.9	-3.2%

8.16 Draft levy rates for firms based on this allocation are provided in Appendix 1 and 2.

8.17 The draft rates are calculated using estimated fee-payer populations and tariff data. This means the final levy rates for 2019/20 – which will be made by our board in June 2019 – might vary from those in this consultation paper.

Q5: Do you have any comments on the proposed 2019/20 rates for the MAPS money guidance levy?

Funding for debt advice in England

8.18 The MAPS provides free-to-consumer debt advice in England through frontline commissioned partners. Before 2019, debt advice for the UK as a whole was provided by MAS. In 2018/19 we collected £56.3m for debt advice in the UK, which funded approximately 530,000 sessions. Now, debt advice for Scotland, Wales and Northern Ireland is provided by the Devolved Authorities. See chapter 9 for the Devolved Authorities' debt advice levy.

8.19 The DWP has notified us that the amount required in 2019/20 for MAPS debt advice in England is £55.8m. DWP said this will fund 560,000 free-to-consumer debt advice sessions in England. It will also fund improvements to debt advice delivery, and the development of a debt advice Target Operating Model pilot to facilitate more effective triaging and improved data-sharing between creditors and the debt advice sector.

- 8.20** The increase also reflects a reappportioning of central costs between the different functions of the MAPS.
- 8.21** The budget figure of £55.8m is an estimate and might be revised when we finalise rates in June 2019.

Allocation of debt advice costs for the MAPS

- 8.22** We propose to allocate costs under the MAPS debt advice levy in the same proportion they were allocated in last year for the MAS debt advice levy. The debt advice levy is not weighted geographically. Table 8.2 shows the allocation between the two fee-blocks that contribute to the MAPS debt advice levy.

Table 8.2: Proposed allocation of 2019/20 debt advice funding to fee-blocks

MAPS debt advice levy	2019/20 allocation £m
A.2 Home finance providers and administrators	27.9
CC.3 Consumer credit lending	27.9
Total	55.8

- 8.23** Draft levy rates for firms based on this allocation are provided in Appendix 1 and 2.
- 8.24** The draft rates are calculated using estimated fee-payer populations and tariff data. This means the final levy rates for 2019/20 – which will be made by our board in June 2019 – might vary from those in this consultation paper.

Q6: Do you have any comments on the proposed 2019/20 rates for the MAPS debt advice levy?

Funding for pensions guidance

- 8.25** The MAPS currently provides impartial pensions guidance under the existing brand Pension Wise. The guidance aims to help consumers understand the greater flexibility they have with their pension pots after the pension reforms of April 2015. The MAPS will also lead the provision of an industry-funded pensions dashboard. The dashboard will be a digital tool that will allow people to see all their pensions in one place online.
- 8.26** The DWP has notified us that the 2019/20 funding requirement for the pensions guidance levy will be £35.9m. Of that amount, £4.7m is designated for the pensions dashboard. In 2018/19 the budget for Pension Wise guidance was £20.3m. Due to an underspend in the preceding year, the amount we collected for Pension Wise in 2018/19 was £16.9m.
- 8.27** The DWP told us the budget for 2019/20 will fund 205,000 pension freedoms guidance sessions, fairer sharing of central costs, different VAT obligations, as well as various investments and improvements.
- 8.28** These include development of the pensions dashboard and a more responsive customer appointments system to improve the customer journey. Improvements will also be made

to bring about a more cohesive pensions guidance service by amalgamating the services of Pension Wise and The Pensions Advisory Service.

- 8.29** The budget figure of £35.9m is an estimate and might be revised when we finalise rates in June 2019.

Allocation of pensions guidance costs for the MAPS

- 8.30** We are proposing to allocate costs across the five pensions guidance levy fee-blocks in the same proportions we used for Pension Wise in 2018/19. Table 8.3 illustrates those allocations.

Table 8.3: Proposed allocation of 2019/20 pensions guidance costs to fee-blocks

Pensions guidance levy fee-blocks		Proposed 2019/20		Actual 2018/19	
		£m	%	£m	%
A.1	Deposit acceptors	8.62	24	4.1	24
A.4	Insurers - life	8.62	24	4.1	24
A.7	Portfolio managers	8.62	24	4.1	24
A.9	Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	5.74	16	2.7	16
A.13	Advisory arrangers, dealers or brokers	4.31	12	2.0	12
		35.9	100	16.9	100

- 8.31** Draft levy rates for firms based on this allocation are provided in Appendix 1 and 2.

- 8.32** The draft rates are calculated using estimated fee-payer populations and tariff data. This means the final levy rates for 2019/20 – which will be made by our board in June 2019 – might vary from those in this consultation paper.

Q7: Do you have any comments on the proposed 2019/20 rates for the MAPS pensions guidance levy?

9 Devolved Authorities levy

(FEES 7B Annex 1R – draft rules in Appendix 1 and FEES 7D Annex 1R - draft rules in Appendix 2)

- 9.1** In this chapter, we consult on the allocation of costs to fund debt advice delivered by the Devolved Authorities in Scotland, Wales and Northern Ireland in 2019/20.
- 9.2** The Devolved Authorities are responsible for providing free-to-consumer debt advice in Scotland, Wales and Northern Ireland. Before 2019, free-to-consumer debt advice for the UK as a whole was provided by the Money Advice Service (MAS). Debt advice in England is provided by the MAPS. See chapter 8 for the MAPS debt advice levy. Funding for debt advice in the Devolved Authorities is collected by us from the firms we regulate under the Devolved Authorities' debt advice levy and is not weighted geographically.
- 9.3** For European Economic Area (EEA) firms, we are proposing in chapters 3 and 4 to continue to apply all discounts to FCA fees for EEA branches and not charge EEA service firms periodic fees for 2019/20 even if the UK leaves the EU without an agreement or transition period by 31 October 2019 ('hard Brexit'). We are proposing to do the same for the Devolved Authorities' debt advice levy for EEA firms. Our Devolved Authorities' debt advice levy rules for EEA firms will mirror our FCA fees rules for EEA firms. We have included a transitional provision in the draft instrument at Appendix 2 to give effect to this proposal.
- 9.4** We are also proposing in chapters 3 and 4 to continue to apply discounts to FCA fees for Gibraltar-based firms if a hard Brexit occurs by 31 October 2019 and to consult on rules for Gibraltar-based firms in our June Quarterly Consultation Paper. We are again proposing to do the same for the Devolved Authorities' debt advice levy.

Funding for debt advice in the Devolved Authorities

- 9.5** HM Treasury has notified us that, for 2019/20, the total funding requirement for debt advice in the Devolved Authorities is £7.845m. Table 9.1 shows the amount required by each Devolved Authority.

Table 9.1 Debt advice funding requirement by Devolved Authority for 2019/20

Devolved Authority	Funding requirement 2018/19 £m
Scottish Government	3.938
Welsh Government	2.446
Department for Communities	1.461
Total	7.845

- 9.6** In 2018/19 debt advice in the UK was delivered by the Money Advice Service (MAS). We collected £56.3m for debt advice in the UK in 2018/19. HM Treasury calculated the 2019/20 budget requirements for the Devolved Authorities using a funding formula based on population shares and levels of over-indebtedness in Scotland, Wales and Northern Ireland.
- 9.7** The budget figure of £7.845m is an estimate and might be revised when we finalise rates in June 2019.

Allocation of debt advice costs for the Devolved Authorities

- 9.8** We propose to allocate costs under the Devolved Authorities' debt advice levy in the same proportion they were allocated last year for the MAS debt advice levy. Table 9.2 shows the allocation between the two fee-blocks that contribute to the Devolved Authorities' debt advice levy.

Table 9.2: Proposed allocation of 2019/20 debt advice funding to fee-blocks

Devolved Authority	Funding requirement 2019/20 £m
A.2 Home finance providers and administrators	3.92
CC.3 Consumer credit lending	3.92
Total	7.845

- 9.9** Draft levy rates for firms based on this allocation are provided in Appendix 1 and 2.
- 9.10** The draft rates are calculated using estimated fee-payer populations and tariff data. This means the final levy rates for 2019/20 – which will be made by our board in June 2019 – might vary from those in this consultation paper.

Q8: Do you have any comments on the proposed 2019/20 rates for the Devolved Authorities' debt advice levy?

10 Illegal money lending levy

(FEES 13 Annex 1R - draft rules in Appendix 1 and FEES 13A Annex 1R - draft rules in Appendix 2)

- 10.1** In this chapter, we set out the proposed 2019/20 illegal money lending (IML) levy rates.
- 10.2** The IML levy is raised to recover the expenses that the Treasury incurs in providing funding for the teams tackling illegal money lending. Under s333T⁹ of FSMA our responsibility is to calculate the levy rates, collect the levy from firms and pay the revenues collected to the Treasury, after deducting our administration costs.
- 10.3** The Treasury has notified us that their 2019/20 illegal money lending expenses will be £5.7m¹⁰ (£5.6m in 2018/19). This is an estimate and may be revised when the IML levy rates are finalised in June 2019. The IML levy rates to recover this amount from consumer credit firms are set out in Table 10.1.

Table 10.1: 2019/20 IML levy rates

Type of firm	Fee
CC1. Limited permission	£5.00 flat rate
CC2. Full permission	Up to £250,000 consumer credit income: £10 minimum levy
	Over £250,000 consumer credit income: £10 + £0.20 per £1,000

- 10.4** As discussed in the FCA fees Chapters 3 and 4, for European Economic Area (EEA) firms, we are proposing to continue to apply all fee discounts for branches and not charge service firms periodic fees for 2019/20 even if the UK leaves the EU without an agreement or transition period by the 31 October 2019 ('hard Brexit'). We are proposing the same in the case of the IML levy where the rules relating to this levy mirror those of the FCA. We have included a transitional provision in the draft instrument at Appendix 2 to give effect to this proposal.
- 10.5** As discussed in the FCA fees chapters 3 and 4 we are proposing to continue to apply fees discounts for Gibraltar- based firms if a hard Brexit occurs by 31 October 2019 and will consult on the rules in our June Quarterly Consultation Paper (QCP). We are again proposing the same in the case of the IML levy.

Q9: Do you have any comments on the proposed 2019/20 illegal money lending (IML) levy rates?

Fee payers should be aware that the draft IML variable levy rate in Appendix 1 and 2 is calculated using estimated fee payer populations and tariff data. This means that final IML variable levy rate for 2019/20 – which will be made by our Board in June 2019 – could vary from those in this CP.

⁹ Introduced to FSMA by the Bank of England and Financial Services Act 2016.

¹⁰ Includes FCA collection costs of £88,250 (£86,520 2018/19).

Annex 1

List of questions

- Q1:** Do you have any comments on the proposed FCA 2019/0 minimum fees and variable periodic fee rates for authorised firms?
- Q2:** Do you have any comments on the proposed FCA 2019/20 minimum fees and periodic fee rates for fee payers other than authorised firms?
- Q3:** Do you have any comments on our proposed clarification of the tariff base definition for Recognised Benchmark Administrators?
- Q4:** Do you have any comments on the proposed method of calculating the tariff rates for firms in each fee-block towards the CJ levy and our proposals for how the overall CJ levy should be apportioned?
- Q5:** Do you have any comments on the proposed 2019/20 rates for the MAPS money guidance levy?
- Q6:** Do you have any comments on the proposed 2019/20 rates for the MAPS debt advice levy?
- Q7:** Do you have any comments on the proposed 2019/20 rates for the MAPS pensions guidance levy?
- Q8:** Do you have any comments on the proposed 2019/20 rates for the Devolved Authorities' debt advice levy?
- Q9:** Do you have any comments on the proposed 2019/20 illegal money lending (IML) levy rates?

Annex 2

Compatibility statement

1. This annex explains our reasons for concluding that our proposals in this consultation are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA). Under section 138I of FSMA, the FCA is exempt from the requirement to carry out and publish a cost benefit analysis regarding proposals for rules regarding FCA fees and levies for the Financial Ombudsman Service, the Money and Pensions Service (MAPS), the Devolved Authorities and the illegal money lending levy.
2. When consulting on new rules, we are required by section 138I(2)(d) FSMA to explain why we believe making the proposed rules is compatible with our strategic objective, advances one or more of our operational objectives, and has regard to the regulatory principles in s.3B FSMA. We are also required by s.138K(2) FSMA to state our opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
3. This annex also sets out our view of how the proposed rules are compatible with our duty to discharge our general functions (which include rule-making) in a way that promotes effective competition in the interests of consumers (s.1B(4)). This duty applies in so far as promoting competition is compatible with advancing our consumer protection and/or integrity objectives.
4. This annex further includes our assessment of the equality and diversity implications of these proposals.

Our objectives and regulatory principles

5. Our proposals set out in this consultation are not intended in themselves to advance our operational objectives. However, they will enable us to fund the activities we need to undertake in 2019/20 to meet our responsibilities under FSMA. Therefore, these proposals will indirectly advance our operational objectives of:
 - delivering consumer protection – securing an appropriate degree of protection for consumers
 - enhancing market integrity – protecting and enhancing the integrity of the UK financial system
 - building competitive markets – promoting effective competition in the interests of consumers
6. We also consider that these proposals are indirectly compatible with our strategic objective of ensuring that the relevant markets function well because they will again enable us to fund the activities to meet it. For the purposes of our strategic objective, 'relevant markets' are defined by s.1F FSMA. In the rest of this annex, reference to objectives means both our strategic objective and operational objectives.
7. In the case of the Financial Ombudsman Service, the proposals in this consultation to raise the general levy to fund its activities in 2019/20 will indirectly meet its statutory

function of providing a scheme for the quick and informal resolution of disputes between financial services firms and their customers. The proper functioning of the Financial Ombudsman Service also helps us to meet our consumer protection objective.

8. The proposals for the MAPS and Devolved Authorities will enable us to meet our obligations under the Financial Guidance and Claims Act 2018. They will allow the MAPS and Devolved Authorities to carry out their functions which also helps us to meet our consumer protection objective.
9. In preparing the proposals set out in this consultation, we have had regard to the regulatory principles set out in s.3B FSMA. The most relevant regulatory principles are considered below:

The need to use our resources in the most efficient and economical way

- Our fee-raising proposals are set to recover our costs in carrying out our responsibilities under FSMA and associated legislation. We endeavour to carry out this work in the most efficient and economical way possible, concentrating on the areas of activity that pose the greatest risk to our objectives.
- Our priorities for each financial year are set out in our annual Business Plan, which for 2019/20 was published on 17 April 2019. Our annual funding requirement (AFR) for 2019/20 is £558.5m, an increase of 2.7%. Our AFR includes our ongoing regulatory activities (ORA) budget costs. We are committed to delivering an ORA budget that is flat in real terms, subject to any changes in our wider ongoing regulatory responsibilities (scope change). The 2% increase in our ORA to £537.7m meets this commitment for 2019/20. In addition, we are recovering £5m EU withdrawal costs (same as last year) and scope change costs of £15.8m. The scope change costs relate to further recovery of Consumer Credit set-up costs, Markets in Financial Instruments Directive II implementation and becoming the regulator for Claims Management Companies (CMCs). A breakdown of our 2019/20 AFR is provided in Chapter 2.
- The Financial Ombudsman Service is operationally independent, but accountable to us, which means that our resources are not directly involved in carrying out their activities. The scope of the Financial Ombudsman Service has increased from 1 April 2019 when small and medium-sized enterprises will have access to its service and when its remit will also be extended to complaints about claims management companies.
- The MAPS and the Devolved Authorities are operationally independent, and not accountable to us. Our resources are not directly involved in carrying out their activities.

The principle that a burden or restriction should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction

FCA

- The underlying rules for how we raise fees from fee-payers have been consulted on previously.
- Our fees are necessary for us to meet our objectives. As outlined above we take steps to use our resources in the most efficient and economic way, while delivering benefits to UK consumers, through our regulatory activities.

- In allocating our costs across the various fee-blocks (regulatory activities) we take into account the risks each fee-block poses to our objectives. This also reflects the resources we apply to these activities.
- Our policy for allocating the AFR across fee-blocks is to maintain an even distribution of increases/decreases other than where for individual fee-blocks there have been material and explainable exceptions (allocation by exception). The exceptions to an even distribution of the increase in our 2019/20 AFR cover:
 - EU withdrawal costs
 - Scope change recovery
 - Securitisation Regulation
- We provide details of these exceptions in Chapter 2 and set out the impact on allocations across fee-blocks in Table 2.3.

The Financial Ombudsman Service

- Fees collected to fund the Financial Ombudsman Service enable it to carry out its statutory functions, broadly to provide access to an independent, quick and informal scheme for dispute resolution. The proper functioning of the Financial Ombudsman Service helps us to meet our consumer protection objective. The Financial Ombudsman Service's general levy is calculated using 'industry blocks', which are similar (but not identical) to our 'fee-blocks'. Each industry block has a minimum levy and, in most cases, the levy then increases in proportion to the amount of 'relevant business' (i.e. business done with private individuals) each firm does. The proportion is called 'tariff rate'. The proportions in which the CJ levy are distributed across the fee-blocks are based on the Financial Ombudsman Service's forecasts for the proportion of resources it expects to devote in 2019/20 to cases from firms in each sector.

The Money and Pensions Service (MAPS)

- From 1 January 2019 the MAPS brought together the Money Advice Service, The Pensions Advisory Service and the Pension Wise Service. For the MAPS's first full year we are proposing to allocate the MAPS funding requirement to fee-blocks in the same proportions used in 2018/19 for the Money Advice Service and Pension Wise levies. We therefore believe that the proposed basis for recovering the 2019/20 SFGB funding requirement is proportionate.

The Devolved Authorities' debt advice levy

- From 1 January 2019, the Devolved Authorities have been responsible for free-to-consumer debt advice in Scotland, Wales and Northern Ireland. For the Devolved Authorities' first full year we are proposing to allocate the Devolved Authorities' funding requirement to fee-blocks in the same proportions used in 2018/19 for the Money Advice Service debt advice levy which covered the UK as a whole. We therefore believe that the proposed basis for recovering the 2019/20 Devolved Authorities' funding requirement is proportionate.

Illegal money lending levy

- The illegal money lending levy mirrors our existing fees structure, avoiding the need to impose new data reporting requirements on firms.

The desirability of recognising differences in the nature of, and objectives of, businesses carried on by different persons including mutual societies and other kinds of business organisation

- The allocation of our AFR in Chapter 2 recognises the differences in the nature of the businesses carried on by the different persons we regulate:
 - fee-blocks are defined by reference to related types of permitted business fee-payers can undertake
 - the proportion of our funding requirement allocated to each fee-block represents the resources we will apply to mitigate risks to our objectives
 - subject to minimum thresholds of size and minimum fees, fee-payers pay fees in each fee-block in line with the scale of the business they undertake in each fee-block
- The allocation of the funding requirements of the MAPS and the Devolved Authorities recognises the differences in the nature of the businesses carried on by the different persons we regulate.
 - fee-blocks are defined by reference to related types of permitted business fee-payers can undertake
 - subject to minimum thresholds of size and minimum fees, fee-payers pay fees in each fee-block in line with the scale of the business they undertake in each fee-block

The principle that we should exercise our functions as transparently as possible

- For transparency, the FCA, the Financial Ombudsman Service, the MAPS and the Devolved Authorities set out each year an explanation of any changes in fees or levy rates and the key drivers of those changes. We also provide an online facility to help firms calculate their likely periodic fees or levies for the forthcoming year (fees calculator¹¹).
- In chapter 6, we propose a clarification to the definition of a tariff base used to calculate the periodic fees for regulated benchmark administrators to avoid any risk of ambiguity.

- 10.** The proposals set out in this CP enable us to fund the activities we need to undertake in 2019/20. These activities include taking action intended to minimise the extent to which it is possible for a business carried on: (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s.1B(5)(b) FSMA).

Expected effect on mutual societies

- 11.** We do not expect the proposals in this paper to have a significantly different impact on mutual societies. The impact of the fees and levy rates proposed for 2019/20 for the FCA, the Financial Ombudsman Service, the MAPS levies, the Devolved Authorities' debt advice levy and the illegal money lending levy on authorised firms that are mutual societies is not significantly different from the impact on other authorised firms.

Compatibility with the duty to promote effective competition in the interests of consumers

- 12.** The proposals set out in this consultation enable us to fund the activities we need to undertake in 2019/20. These activities include meeting our duty to promote effective competition in the interests of consumers.

11 www.fca.org.uk/firms/calculate-your-annual-fee/fee-calculator

13. Additionally, the levels of fees set for different types of firms support our objective of promoting effective competition. For example, the allocation of our AFR to fee-blocks on which the fee rates are based takes account of the aggregate riskiness of the sector they represent and the recovery of allocations within the fee-blocks is based on the size of business undertaken by the individual firms.
14. The MAPS levies and Devolved Authorities debt advice levy are raised from fee-blocks that carry on business relevant to the work of the MAPS and Devolved Authorities. We consider that our proposals on allocation of costs under these levies are reasonable until data from the MAPS and Devolved Authorities becomes available to justify a different allocation.

Annex 3

Financial Penalty Scheme

1. Paragraph 21 of Schedule 1ZA of the Financial Services and Markets Act 2000 (FSMA) (as amended by the 2012 Act and the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013) sets out how we should treat the financial penalties we impose on regulated persons (firms).
2. The key requirements are set out below.
 - The financial penalties we receive must be paid to the Treasury net of certain enforcement costs incurred in the financial year in which the penalties were received. These enforcement costs, which are defined in the legislation and subject to a power of direction by the Treasury, represent the 'retained penalties'.
 - For retained penalties, we must prepare and operate a scheme (the Financial Penalty Scheme (FPS)) for ensuring that retained penalties are applied for the benefit of firms.
 - Firms that have become liable to pay any penalty to us in any financial year do not receive any benefit from any penalty imposed on any firm under the scheme in the following year.
3. Under our FPS we apply retained penalties, received in any financial year, as a rebate to the periodic fees paid in the following financial year by firms in the fee-blocks set out in Table A.
4. The total retained penalties from any financial year will be applied across these fee-blocks in proportion to the allocation of the enforcement budgeted costs for the following financial year. This will target the benefit from retained penalties to the fee-blocks that are paying for enforcement costs. The allocation of enforcement costs to fee-blocks will be as it was for 2013/14 other than where there has been a material and explainable exception (allocation by exception). Where such an allocation by exception has occurred the retained penalties in the following year will be applied to the revised baseline fee-blocks.
5. If financial penalties do not cover enforcement costs in any year the application of retained penalties to the baseline fee-blocks will not cover the enforcement costs allocated to them.
6. Enforcement costs are not allocated to the A.0 minimum fee fee-block. Therefore, retained penalties are not allocated to this fee-block.
7. The firms on which any penalty was imposed in a financial year will not receive any rebate to their periodic fees paid, for any retained penalties, in the following financial year.
8. Each year we publish a schedule setting out the:
 - total retained penalties in the previous financial year,
 - amount of retained penalties allocated to each fee-block, and

- percentage rebate that will be applied in the following financial year to the periodic fees paid by the firms in those fee-blocks

9. A draft of this schedule is published in our annual fees rates CP in April; the final schedule is published in the subsequent policy and feedback statement to that consultation in July.

Table A: Financial Penalty Scheme – relevant fee-blocks

Fee-block
AP.0 FCA prudential
A.1 Deposit acceptors
A.2 Home finance providers and administrators
A.3 Insurers – general
A.4 Insurers – life
A.5 Managing agents at Lloyd's
A.6 The Society of Lloyd's
A.7 Portfolio managers
A.9 Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes
A.10 Firms dealing as principal
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)
A.14 Corporate finance advisors
A.18 Home finance providers, advisers and arrangers
A.19 General insurance mediation
A.21 Firms holding client money or assets or both
B. Recognised investment exchanges, operators of multilateral trading facilities and recognised auction platforms (only)
CC1 Consumer credit – limited permission
CC2 Consumer credit – full permission
E. Issuers and sponsors of securities
G.1 persons registered under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
G.2, G.3, G.4, G.5 firms under the Payment Services Regulations 2017
G.10, G.11 firms under the Electronic Money Regulations 2011
G.20, G.21 firms under the Mortgage Credit Directive Order 2015
G.25 firms under the Data Reporting Regulations 2017

Annex 4

Financial Ombudsman Service general levy - overview and industry blocks

Industry Block	Description	Tariff Base	Consultation 2019/20 tariff rate (£)	Final 2018/19 tariff rate (£)	Consultation 2019/20 minimum levy per firm (£)	Final 2018/19 minimum levy per firm (£)	Consultation 2019/20 gross total	Final 2018/19 gross total	Consultation 2019/20 contribution by block	Final 2018/19 contribution by block
I001	Deposit acceptors, home finance lenders and administrators	Per relevant account	0.07095	0.04466	100	100	£17,370,728	£11,347,527	39.0%	46.3%
I002	Insurers: general	Per £1,000 of gross written premium income	0.16965	0.0690	100	100	£5,350,446	£3,430,000	12.0%	14.0%
I003	The Society of Lloyds	Flat Levy	N.A.	N.A.	32,126	25,989	£32,126	£25,989	0.1%	0.1%
I004	Insurers: life	Per £1,000 of gross written premium income	0.01166	0.0085	130	130	£1,209,167	£978,176	2.7%	4.0%
I005	Fund managers	Flat Levy	N.A.	N.A.	210	230	£232,899	£232,899	0.5%	1.0%

Industry Block	Description	Tariff Base	Consultation 2019/20 tariff rate (£)	Final 2018/19 tariff rate (£)	Consultation 2019/20 minimum levy per firm (£)	Final 2018/19 minimum levy per firm (£)	Consultation 2019/20 gross total	Final 2018/19 gross total	Consultation 2019/20 contribution by block	Final 2018/19 contribution by block
I006	Operators, Trustees and Depositories of collective investment schemes	Flat Levy	N.A.	N.A.	60	60	£23,290	£23,290	0.1%	0.1%
I007	Dealers as principal	Flat Levy	N.A.	N.A.	75	75	£23,290	£23,290	0.1%	0.1%
I008	Advisory arrangers, dealers or brokers (holding client money)	Per £1,000 of annual income	0.1645	0.1360	45	45	£604,584	£489,088	1.4%	2.0%
I009	Advisory only firms and advisory, arrangers, dealers, or brokers (not holding client money)	Per £1,000 of annual income	0.0602	0.03	45	45	£604,584	£489,088	1.4%	2.0%
I010	Corporate finance advisors	Flat Levy	N.A.	N.A.	55	55	£23,290	£23,290	0.1%	0.1%
IA11	Authorised payment service providers	Per £1,000 of relevant Income	0.0003	0.0003	75	75	£28,518	£23,290	0.1%	0.1%

Industry Block	Description	Tariff Base	Consultation 2019/20 tariff rate (£)	Final 2018/19 tariff rate (£)	Consultation 2019/20 minimum levy per firm (£)	Final 2018/19 minimum levy per firm (£)	Consultation 2019/20 gross total	Final 2018/19 gross total	Consultation 2019/20 contribution by block	Final 2018/19 contribution by block
IS11	Small payment institutions and small e-money issuers	Flat Levy	N.A.	N.A.	35	35	£23,290	£23,290	0.1%	0.1%
IO13	Cash plan health providers	Flat Levy	N.A.	N.A.	65	65	£780	£780	0.0%	0.0%
IO14	Credit unions	Flat Levy	N.A.	N.A.	55	55	£23,290	£23,290	0.1%	0.1%
IO15	Friendly societies whose tax exempt business represents 95% or more of their total relevant business	Flat Levy	N.A.	N.A.	65	65	£3,640	£3,640	0.0%	0.0%
IO16	Home finance lenders, advisers and arrangers	Flat Levy	N.A.	N.A.	85	90	£465,798	£465,798	1.0%	1.9%
IO17	General insurance mediation	Per £1,000 of relevant business annual income	0.578	0.448	100	100	£6,644,648	£5,375,300	14.9%	21.9%

Industry Block	Description	Tariff Base	Consultation 2019/20 tariff rate (£)	Final 2018/19 tariff rate (£)	Consultation 2019/20 minimum levy per firm (£)	Final 2018/19 minimum levy per firm (£)	Consultation 2019/20 gross total	Final 2018/19 gross total	Consultation 2019/20 contribution by block	Final 2018/19 contribution by block
IA18	Authorised electronic money institutions	Per average outstanding electronic money	0.0003	0.0007	40	40	£2,500	£2,500	0.0%	0.0%
IS18	Small electronic money institutions	Flat Levy	N.A.	N.A.	50	50	£582	£475	0.0%	0.0%
IO19	Consumer credit: limited	Flat Levy	N.A.	N.A.	35	35	£732,550	£732,550	1.6%	3.0%
IA19	Consumer credit: limited (not for profit)	Flat Levy	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
IO20	Consumer Credit: Full	Per £1,000 of consumer Credit Income	0.308 (on income over £250,000 plus minimum fee)	0.01 (on income over £250,000 plus minimum fee)	35	35	£8,900,000	£786,450	20.0%	3.2%
IR21	Consumer buy-to-let	Flat Levy	N.A.	N.A.	35	35	N.A.	N.A.	N.A.	0.0%
IO22	Designated credit reference agencies	Flat Levy	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
IO23	Designated finance platforms	Flat Levy	N.A.	N.A.	75	75	N.A.	N.A.	N.A.	N.A.
IO24	Claims management companies	Per £1.00 of relevant business Annual Income	3.000	N.A.	75	N.A.	£2,200,000	N.A.	4.9%	N.A.
	Total - all blocks						£44,500,000	£24,500,000	100.0%	100.0%

Annex 5

Abbreviations used in this paper

AFR	Annual funding requirement
AIF	Alternative investment fund
AIFM	Alternative investment fund managers
APIs	Authorised payment institutions
BEL	Best estimate liabilities
CASS	Client Money Assets sourcebook
CIS	Collective investment schemes
CJ	Compulsory jurisdiction
CMCs	Claims management companies
CP	Consultation Paper
DA	Devolved Authorities
DPB	Designated professional bodies
EEA	European Economic Area
EMI	Electronic money institution
EMR	Electronic money regulations
EU	European Union
FCA	Financial Conduct Authority
FEES	Fees manual
FG&C Bill	Financial Guidance and Claims Bill
FPS	Financial Penalty Scheme
FSA	Financial Services Authority
FSCS	Financial Services Compensation Scheme

FSMA	Financial Services and Markets Act
GWP	Gross written premium
IML	Illegal money lending
MAPS	Money and Pensions Service
MiFID II	Markets in Financial Instruments Directive II
MiFIR	Markets in Financial Instruments Regulation
MTF	Multilateral trading facility
OPBAS	The Office for Professional Body Anti-Money Laundering Supervision
ORA	Ongoing regulatory activities
OTF	Organised trading facility
PPI	Payment protection insurance
PRA	Prudential Regulation Authority
PS	Policy Statement
RAO	Regulated Activities Order
RBAs	Regulated Benchmark Administrators
RIE	Recognised investment exchange
RCB	Regulated covered bonds
SC	Service companies
SFGB	Single Financial Guidance Body
SPF	Special project fee
UCITS	Undertakings for collective investment in transferable securities
UK	United Kingdom
UKLA	UK Listing Authority
VJ	Voluntary jurisdiction

We have developed the policy in this Consultation Paper in the context of the existing UK and EU regulatory framework. The Government has made clear that it will continue to implement and apply EU law until the UK has left the EU. We will keep the proposals under review to assess whether any amendments may be required in the event of changes in the UK regulatory framework in the future.

We make all responses to formal consultation available for public inspection unless the respondent requests otherwise. We will not regard a standard confidentiality statement in an email message as a request for non-disclosure.

Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

All our publications are available to download from www.fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 7066 7948 or email: publications_graphics@fca.org.uk or write to: Editorial and Digital team, Financial Conduct Authority, 12 Endeavour Square, London E20 1JN

Appendix 1

Periodic Fees (2019/20) and other fees

Instrument 2019 FCA2019xxA (draft rules)

PERIODIC FEES (2019/2020) AND OTHER FEES INSTRUMENT 2019

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in or under the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 73A (Part 6 Rules);
 - (b) section 137A (The FCA’s general rules);
 - (c) section 137SA (Rules to recover expenses relating to the single financial guidance body);
 - (d) section 137SB (Rules to recover debt advice expenses incurred by the devolved authorities);
 - (e) section 137T (General supplementary powers);
 - (f) section 234 (Industry funding);
 - (g) section 333T (Funding of action against illegal money lending);
 - (h) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority); and
 - (2) regulation 118 (Costs of supervision) of the Payment Services Regulations 2017 (SI 2017/752);
 - (3) regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99);
 - (4) regulation 46 and paragraph 5 of Schedule 1 (Fees) in the Regulated Covered Bond Regulations 2008 (SI 2008/346);
 - (5) article 25 (Application of provisions of the Act to the FCA in respect of its supervision of consumer buy-to-let mortgage firms) of the Mortgage Credit Directive Order 2015 (SI 2015/910);
 - (6) regulation 40 (FCA: penalties, fees and exemption from liability in damages) of the Data Reporting Services Regulations 2017 (SI 2017/699);
 - (7) section 27 of the Financial Guidance and Claims Act 2018; and
 - (8) regulation 26 of the Financial Services and Markets Act (2000) (Benchmarks) Regulations 2018 (SI 2018/135);
 - (9) paragraph 11 (Penalties and fees) of Schedule 1 and paragraph 4(7) of Schedule 2 of the Securitisation Regulations 2018 (SI 2018/1288).
- 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 *[date]* 2019.

Amendments to the Handbook

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

Notes

- E. In the Annex to this instrument, the “notes” (indicated by “Note:”, “**Note:**” or “Note”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- F. This instrument may be cited as the Periodic Fees (2019/2020) and Other Fees Instrument 2019.

By order of the Board
[date] 2019

Annex

Amendments to the Fees manual (FEES)

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

4 Periodic fees

...

4.2 Obligation to pay periodic fees

...

4.2.11R Table of periodic fees payable to the FCA

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
...			
<i>Persons who hold a certificate issued by the FCA under article 54 of the Regulated Activities Order (Advice given in newspapers etc.)</i>	£1,128 <u>1,151</u>	(1) Unless (2) applies, on or before 1 August or, if later, within 30 days of the date of the invoice. (2) If an event in column 4 occurs during the course of a <i>fee year</i> , 30 days after the occurrence of that event.	Certificate issued to <i>person</i> by <u>the FCA</u> under article 54 of the <i>Regulated Activities Order</i>
...			

4 Annex 2AR FCA Fee rates and EEA/Treaty firm modifications for the period from 1 April 2019 to 31 March 2020

Part 1

...

Activity group	Fee payable	
A.1	Band width (£million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
		General Periodic fee
	>10 - 140	14.683 <u>14.738</u>
	>140 - 630	14.683 <u>14.738</u>
	>630 - 1,580	14.683 <u>14.738</u>
	>1,580 - 13,400	18.354 <u>18.423</u>
	>13,400	24.227 <u>24.318</u>
	The tariff rates in A.1 are not relevant for the <i>permissions</i> relating to <i>operating a dormant account fund</i> . Instead a flat fee of £6,242 <u>£6,367</u> is payable in respect of these <i>permissions</i> .	
A.2	Band width (No. of mortgages and/or home finance transactions)	Fee (£/mortgage)
	>50	2.473 <u>2.583</u>
A.3	Gross written premium for fees purposes (GWP)	Periodic fee
	Band Width (£million of GWP)	Fee (£/m or part £m of GWP)
	>0.5	337.16 <u>335.15</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£million of BEL)	Fee (£/£m or part £m of BEL)
	>1	18.48 <u>18.90</u>
	For <i>UK ISPVs</i> the tariff rates are not relevant and a flat fee of £485 <u>£495</u> is payable in respect of each <i>FCA</i> financial year (the 12 <i>months</i> ending 31 March).	

A.4	Gross written premium for fees purposes (GWP)	General Periodic fee
	Band Width (£million of GWP)	Fee (£/£m or part £m of GWP)
	>1	262.78 <u>227.53</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£million of BEL)	Fee (£/£m or part £m of BEL)
	>1	8.25 <u>13.74</u>
A.5	Band Width (£million of Active Capacity (AC))	Fee (£/£m or part £m of AC)
	>50	7.13 <u>7.38</u>
A.6	Flat fee (£)	344,067 <u>353,834</u>
A.7	For class 1(C), (2), (3) and (4) <i>firms</i> :	
	Band Width (£million of Funds under Management (FuM))	Fee (£/£m or part £m of FuM)
	>10	5.696 <u>5.467</u>
	For class 1(B) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 15%. For class 1(A) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 50%.	
A.9	Band Width (£million of Gross Income (GI))	Fee (£/£m or part £m of GI)
	>1	815.25 <u>818.28</u>
A.10	Band Width (No. of traders)	Fee (£/person)
	>1	5,487.30 <u>6,175.54</u>
	For <i>firms</i> carrying on <i>auction regulation bidding</i> , the fee in A.10 is calculated as above less 20% for each trader that carries on <i>auction regulation bidding</i> but not <i>MiFID business bidding</i> or <i>dealing in investments as principal</i> .	

A.13	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	2.597 <u>2.582</u>
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	1.631 <u>1.634</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	11.04 <u>10.72</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	1.61 <u>1.629</u>
A.21	<i>Client money</i>	
	Band Width (£ <i>client money</i>) (CM) held	Fee (£/£ millions or part £ million of CM)
	less than £1 million	115.30 <u>119.10</u>
	an amount equal to or greater than £1 million but less than or equal to £1 billion	86.48 <u>89.33</u>
	more than £1 billion	57.65 <u>59.55</u>
	PLUS	
	<i>Safe custody assets</i>	
	Band Width (£ <i>safe custody assets</i>) (CA) held	Fee (£/£ millions or part £ million of CA)
	less than £10 million	0.43 <u>0.451</u>
	an amount equal to or greater than £10 million and less than or equal to £100 billion	0.33 <u>0.339</u>
	more than £100 billion	0.22 <u>0.226</u>
	Band Width	Fee (£)

B. Service Companies	Annual income up to and including £100,000	1,110.00 <u>1,132</u>
	PLUS:	
	Band width	Fee (£/£thousand or part £ thousand of income)
	Annual income over £100,000	2.57 <u>2.659</u>
B. Regulated benchmark administrators	Band width	Fee (£)
	Annual income up to and including £100,000	1,128 <u>1,151</u>
	PLUS:	
	Band width	Fee (£/£ thousand or part £ thousand of income)
	Annual income over 100,000	2.0408 <u>1.6055</u>
B. Recognised investment exchanges	Band width	Fee (£)
	Annual income up to and including £10,000,000	103,000 <u>105,060</u>
	PLUS:	
	Band width	Fee (£/£ thousand or part £ thousand of income)
	Annual income over £10,000,000	4.91 <u>3.393</u>
B. Recognised auction platforms	55,143.00 <u>56,246</u>	
B. Recognised overseas investment exchanges	63,061.00 <u>60,000</u>	
B. MTF and OTF operators	As set out in <i>FEES</i> 4 Annex 10R (Periodic fees for MTF and OTF operators).	
CC1. Credit-related	Band Width (£ thousands of annual income (AI))	Fee (£)

regulated activities with limited permission	0 - 10	104 <u>106</u>
	>10 - 50	261 <u>266</u>
	>50 - 100	416 <u>424</u>
	>100	520 <u>530</u>
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	0.40
CC2. Credit-related regulated activities	Band Width (£ thousands of annual income (AI))	Fee (£)
	0 - 50	312 <u>318</u>
	>50 - 100	520 <u>530</u>
	>100	1,040 <u>1,061</u>
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	1.30
CMC.	Band width (£ thousands of annual turnover)	Fee (£) for 2019/20
	0-50	500
	50-100	1,000
	>100	13 per £ thousand or part per £ thousand

Part 2

...

Part 2(a) tariff rates (minimum fees) payable to the FCA by FCA- authorised persons			
A.0	(1)	£ 1,128 <u>1,151</u> unless it is a <i>community finance organisation</i> with a tariff base of:	
		(a)	up to and including 3 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £ 173 <u>176</u> is payable; or
		(b)	more than 3 but no more than 10 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £ 585 <u>597</u> is payable; or
		(c)	more than 10 but no more than 50 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £ 1,084 <u>1,106</u> is payable.
	...		
AP.0	Periodic fees payable under fee blocks A.2, A.7 to A.19 and A. 21 in Part 1 multiplied by rate £ 0.1093 <u>0.1077</u> .		

Part 2(b) tariff rates (minimum fees) payable to the FCA by PRA- authorised persons			
A.0	(1)	£ 563 <u>574</u> unless:	
		(a)	It is a <i>credit union</i> that meets the conditions in (2), in which case the minimum fee payable is as set out in (2);
		(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 and 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 £ 242 <u>247</u> ; or
		(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 and has, for that activity, written 1.0 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 £242 <u>247</u> ; 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 £242 <u>247</u> .
	(2)	The conditions referred to in (1)(a) are that the <i>credit union</i> has a tariff base (Modified Eligible Liabilities) of:	
		(a)	0 to 0.5million, in which case a minimum fee of £90 <u>92</u> is payable; or
		(b)	greater than 0.5million but less than 2.0million, in which case a minimum fee of £304 <u>310</u> is payable.
	(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 gross written premium for fees purposes and holds best estimate liabilities for fees purposes 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 gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less.
	The figures for gross written premium for fees purposes and best estimate liabilities for fees purposes are the same as used for Part 1 of this Annex.		

...

FEES 4 Annex 2BR (Ring-Fencing Implementation Fee) is deleted in its entirety. The deleted text is not shown but the annex is marked [deleted] as shown below.

4 Annex Ring-Fencing Implementation Fee [deleted] 2BR

Amend the following as shown.

4 Annex 4R Periodic fees in relation to collective investment schemes, AIFs marketed in the UK, small registered UK AIFMs and money market funds payable for the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

Part 1 – Periodic fees payable

Scheme type	Basic fee (£)	Total funds/sub-funds aggregate	Fund factor	Fee (£)
<i>ICVC,</i> <i>AUT,</i> <i>ACS,</i> <i>UK ELTIFs,</i> Money market funds with effect from 21 July 2018 Section 264 of the <i>Act</i> , <i>schemes</i> other than <i>non-EEA AIFs</i> recognised under section 272 of the <i>Act</i> ; 	386 <u>442</u>	1-2	1	386 <u>442</u>
		3-6	2.5	965 <u>1,105</u>
		7-15	5	1,930 <u>2,210</u>
		16-50	11	4,246 <u>4,862</u>
		>50	22	8,492 <u>9,724</u>
<i>Non-EEA AIFs</i> recognised under section 272 of the <i>Act</i>	1,570 <u>1,798</u>	1-2	1	1,570 <u>1,798</u>
		3-6	2.5	3,925 <u>4,995</u>
		7-15	5	7,850 <u>8,990</u>
		16-50	11	17,270 <u>19,778</u>
		>50	22	34,540 <u>39,556</u>

...

Part 2 - Periodic fees for *AIFs* marketed in the *UK*, following a notification to the *FCA* under regulation 57, 58 or 59 of the *AIFMD UK regulation*

Kind of notification	Fee per <i>AIF</i> (£)
Notification under regulation 57 of the <i>AIFMD UK regulation</i>	323 <u>330</u>

Notification under regulation 58 of the AIFMD UK regulation	225 <u>230</u>
Notification under regulation 59 of the AIFMD UK regulation	323 <u>330</u>

Part 3 - Periodic fees paid by *small registered UK AIFMs*

The annual fee for *small registered UK AIFMs* is ~~£637~~ 650

4 Annex 5R Periodic fees for designated professional bodies payable in relation to the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

Table of fees payable by Designated Professional Bodies

Name of Designated Professional Body	Amount payable (£)
The Law Society of England & Wales	90,070 <u>95,410</u>
The Law Society of Scotland	15,260 <u>15,520</u>
The Law Society of Northern Ireland	13,830 <u>14,010</u>
The Institute of Actuaries	10,120
The Institute of Chartered Accountants in England and Wales	36,000 <u>36,290</u>
The Institute of Chartered Accountants of Scotland	11,350 <u>11,380</u>
The Institute of Chartered Accountants in Ireland	14,840 <u>15,130</u>
The Association of Chartered Certified Accountants	18,800 <u>18,900</u>
The Council for Licensed Conveyancers	11,790 <u>11,870</u>
Royal Institution of Chartered Surveyors	15,270 <u>15,620</u>

Note

The *Financial Services Register* includes details of *exempt professional firms* carrying out *insurance distribution activity*.

...

4 Annex 10R Periodic fees for MTF operators payable in relation to the period 1 April 2018 2019 to 31 March 2019 2020

General supervisory category of <i>MTF</i> or <i>OTF</i> operator (see Note below)	Fee payable (£)	Due date (i) 1 August 2018 <u>2019</u> ; or (ii) 30 days from the date of the invoice in the case of a <i>firm</i> which receives <i>permission</i> to be <i>operating a multilateral trading facility</i> or to be <i>operating an organised trading facility</i> or whose <i>permission</i> is extended to include this activity in the course of the relevant financial year.
<i>MTF</i> or <i>OTF</i> operator has a named individual fixed portfolio supervisor	292,501 <u>337,663</u>	
All other <i>MTF</i> or <i>OTF</i> operators (i.e. those supervised by a team of flexible portfolio supervisors)	27,584 <u>31,843</u>	
[deleted]		
an <i>EEA firm</i>	0	
Note: subject to <i>FEES</i> 4.3.13R, this table applies to all <i>MTF</i> or <i>OTF</i> operators with permission to operate an <i>MTF</i> or <i>OTF</i> as at 1 April of the applicable <i>fee year</i> , irrespective of whether, and if so when, their <i>permission</i> to operate an <i>MTF</i> or <i>OTF</i> was subsequently cancelled during that <i>fee year</i> .		

4 Annex 11R Periodic fees in respect of payment services, electronic money issuance, regulated covered bonds, CBTL business, data reporting services and third party verifiers in relation to the period 1 April 2019 to 31 March 2020

This Annex sets out the periodic fees in respect of *payment services* carried on by *fee-paying payment service providers* under the *Payment Services*

Regulations and electronic money issuance by fee-paying electronic money issuers under the Electronic Money Regulations and issuance of regulated covered bonds by issuers and CBTL business carried on by CBTL firms under the MCD Order and data reporting services providers (other than incoming data reporting services providers) under the DRS Regulations.

Part 1 - Method for calculating the fee for fee-paying payment service providers		
...		
(3)	For a <i>fee-paying payment service provider</i> which is required to comply with FEES 4.4.9D (Information on which fees are calculated) and has not done so for this period:	
	(a)	the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10; and
	(b)	an additional administrative fee of £250 is payable.
	(c)	[deleted]

...

Part 5 - Tariff rates		
Activity group	Fee payable in relation to 2018/19 2019/20	
G.2	Minimum fee (£)	515 525
	£ million or part £m of Modified Eligible Liabilities (MELS)	Fee (£/£m or part £m of MELS)
	> 0.1	0.5390
G.3	Minimum fee (£)	515 525
	£ thousands or part £thousand of Relevant Income	Fee (£/£thousand or part £thousand of Relevant Income)
	> 100	0.3625
G.4	Flat fee (£)	515 525
G.5	As in G.3	
G.10	Minimum fee (£)	1,692 1,726

	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m, or part £m of AOEM)
	>5.0	80.00
G.11	Flat fee (£)	1,128 <u>1,151</u>
G.15	Minimum fee for the first registered <i>programme</i> (£)	79,184 <u>81,638</u>
	Minimum fee for all subsequent registered <i>programmes</i>	75% of minimum fee for first registered <i>programme</i>
	£ million or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date.	Fee (£/£m or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date)
	>0.00	11.80 <u>9.44</u>
	...	
G.20	Flat fee (£)	416 <u>424</u>
G.21	Flat fee (£)	208 <u>212</u>
G.25	Flat fee (£) for first <i>data reporting service</i> plus 50% flat fee for each additional <i>data reporting service</i> for which the <i>data reporting services provider</i> (other than an incoming <i>data reporting services provider</i>) has authorisation.	25,750 <u>26,265</u>
G.26 TPV	Flat fee (£)	250 <u>255</u>

...

...

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

Annual income definition	
General definition for all relevant fee-blocks (other than where the firms <u>firm</u> is an operator of a Recognised Investment Exchange, a Benchmark Administrator or a Claims Management Company)	
...	
<p>Where the firm is a Regulated Benchmark Administrator</p> <p>“Annual income” for a <i>regulated benchmark administrator</i> is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the <i>firm’s</i> accounts during the reporting year in respect of, or in relation to activities in the <i>UK</i> that comprise a necessary part of its business as a <i>regulated benchmark administrator</i>.</p> <p>Where the sales and marketing of a benchmark are undertaken by a separate legal entity, the <i>regulated benchmark administrator</i> is responsible for identifying the relevant income and reporting it to us as its own income. To avoid double counting, the <i>regulated benchmark administrator</i> should report only the income from sales in the UK and exclude any amount paid to it from that income to pay for its expenses as a <i>regulated benchmark administrator</i>.</p>	

...

4 Annex 14R UKLA periodic fees for the period from 1 April ~~2018~~ 2019 to 31 March 2019 2020

Part 1 Base fee			
Activity group or invoice code (Note 1)		Description	Base fee payable (£)
E.1	Discontinued		
E.2	Premium listed issuer	<i>A listed issuer of equity shares and certificates representing shares with a premium listing (see Note 2)</i>	5,355 <u>5,465</u>
E.3	Standard listed issuer	<i>A listed issuer of shares and certificates representing certain securities with a standard listing and not with a premium listing (see Note 2)</i>	20,285 <u>20,700</u>
E.4	Discontinued		

E.5	Discontinued		
E.6	Non-listed issuer (in <i>DTR</i>)	<i>A non-listed issuer (in DTR)</i>	0
E.7	Primary information provider	<i>A primary information provider</i>	16,920 <u>17,275</u>
ES.01	Sponsor	<i>A sponsor (see Note 3)</i>	28,190 <u>28,775</u>

...

Part 2 Variable fee additional to base fee			
Activity Group		Market capitalisation as at the last <i>business day</i> of the November prior to the <i>fee-year</i> in which the fee is payable in £million	Fee payable in £per £million or £part million
E.2	Premium listed issuer (as described in Part 1)	0 – 100	0
		> 100 – 250	27.457725 <u>29.132647</u>
		> 250 – 1,000	10.594000 <u>11.240234</u>
		> 1,000 – 5,000	6.521042 <u>6.918826</u>
		> 5,000 – 25,000	0.159068 <u>0.168771</u>
		> 25,000	0.051391 <u>0.054525</u>

...

4 Annex 15R Fees relating to the recognition of benchmark administrators and the endorsement of benchmarks for the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

Activity group	Fee payable
<i>A third country legal representative</i>	£12,500 <u>12,750</u>
<i>A benchmark endorser</i>	£7,500 <u>7,650</u>

...

5 Financial Ombudsman Service Funding

...

5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2019/20

Introduction: annual budget

1. The *annual budget* for ~~2018/19~~ 2019/20 approved by the *FCA* is ~~£289.8m~~ 331.8m.

2. The total amount expected to be raised through the *general levy* in ~~2018/19~~ 2019/20 will be ~~£24.5m~~ 44.5m.

Compulsory jurisdiction - general levy

Industry block	Tariff base	General levy payable by firm
1-Deposit acceptors, <i>home finance providers, home finance administrators</i> (excluding <i>firms</i> in block 14) and <i>dormant account fund operators</i>	Number of accounts relevant to the activities in <i>DISP</i> 2.6.1R as at 31 December In the case of <i>dormant account fund operators</i> , the tariff base is the number of eligible activated accounts (8).	£0.04466 <u>0.070952</u> per relevant account, subject to a minimum levy of £100
2-Insurers - general (excluding <i>firms</i> in blocks 13 & 15)	Gross written premium for fees purposes (GWP) as defined in <i>FEES</i> 4 Annex 1AR; or Relevant gross written premium (RGWP) notified to the <i>FCA</i> under <i>FEES</i> 5.4.1R(1A)	£0.069 <u>0.16965</u> per £1,000 of GWP or RGWP, subject to a minimum levy of £100
3-The <i>Society</i> (of Lloyd's)	Not applicable	£25,989 <u>32,126</u> to be allocated by the <i>Society</i>
4-Insurers - life (excluding <i>firms</i> in block 15)	Gross written premium for fees purposes (GWP) as defined in <i>FEES</i> 4 Annex 1AR; or	£0.0085 <u>0.01166</u> per £1,000 of GWP or RGWP, subject to a

	Relevant gross written premium (RGWP) notified to the <i>FCA</i> under <i>FEES</i> 5.4.1R(1A)	minimum levy of £130
5. Portfolio managers (including those holding <i>client money/assets</i> and not holding <i>client money/assets</i>)	Flat fee	Levy of £230 <u>£210</u>
6. Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	Flat fee	Levy of £60
7-Dealers as principal	Flat fee	Levy of £75
8-Advisors, <i>arrangers</i> , dealers or brokers holding and controlling <i>client money</i> and/or assets	Annual income as defined in <i>FEES</i> 4 Annex 11A relating to <i>firm's relevant business</i> .	£0.136 <u>£0.1645</u> per £1,000 of annual income subject to a minimum fee of £45
9-Advisors, <i>arrangers</i> , dealers or brokers not holding and controlling <i>client money</i> and/or assets	Annual income as defined in <i>FEES</i> 4 Annex 11A relating to <i>firm's relevant business</i> .	£0.033 <u>£0.0602</u> per £1,000 of annual income subject to a minimum fee of £45
10-Corporate finance advisers	Flat fee	Levy of £55
11-fee-paying payment service providers (but excluding <i>firms</i> in any other Industry block except Industry block 18)	For <i>authorised payment institutions</i> , <i>registered account information service providers</i> , <i>electronic money issuers</i> (except for <i>small electronic money institutions</i>), the Post Office Limited, the Bank of England, government departments and local authorities, and <i>EEA authorised payment institutions</i> relevant income as described in <i>FEES</i> 4 Annex 11 Part 3	£0.0003 per £1,000 of relevant income subject to a minimum levy of £75

	For <i>small payment institutions</i> and <i>small electronic money institutions</i> a flat fee	Levy of £35
13-Cash plan health providers	Flat fee	Levy of £65
14-Credit unions	Flat fee	Levy of £55
15-Friendly societies whose tax-exempt business represents 95% or more of their total relevant business	Flat fee	Levy of £65
16-Home finance providers, advisers and arrangers (excluding firms in blocks 13, 14 & 15)	Flat fee	Levy of £90 <u>£85</u>
17 - General insurance distribution (excluding firms in blocks 13, 14 & 15)	Annual income (as defined in MIPRU 4.3) relating to firm's relevant business	£0.4477 <u>0.5776</u> per £1,000 of annual income (as defined in MIPRU 4.3) relating to firm's relevant business subject to a minimum levy of £100
18 - fee-paying electronic money issuers	For all fee-paying electronic money issuers except for small electronic money institutions, average outstanding electronic money, as described in FEES 4 Annex 11 Part 3.	£0.0007 <u>0.0003</u> per £1,000 of average outstanding electronic money subject to a minimum levy of £40
	For <i>small electronic money institutions</i> , a flat fee	Levy of £50
19 - Credit-related regulated activities with limited permission	For not-for-profit debt advice bodies, a flat fee	Levy of £0

	For all other <i>firms</i> with <i>limited permission</i> , a flat fee	Levy of £35
20 - <i>Credit-related regulated activities</i>	Annual income as defined in <i>FEES</i> 4 Annex 11BR	Levy of £35 Plus £0.01 0.308 per £1,000 of annual income on income above £250,000
21 - <i>CBTL firms</i> that do not have <i>permission</i> to carry out any <i>regulated activities</i>	Flat fee	Levy of £35
22 - <i>designated credit reference agencies</i> (but excluding <i>firms</i> in any other <i>industry block</i>)	Flat fee	Levy of £75
23 – <i>designated finance platforms</i> (but excluding <i>firms</i> in any other <i>industry block</i>)	Flat fee	Levy of £75
24 <i>claims management companies</i>	Annual income	£50 plus £3.00 per £1,000 of annual income

...

...

FEES 7 (CFEB Levies) is deleted in its entirety. The deleted text is not shown but the chapter is marked [deleted] as shown below.

7 **CFEB Levies** [deleted]

...

7A **SFGB levies**

...

7A **SFGB money advice levy for the period from 1 April ~~2018~~ 2019 to 31 March**
Annex **~~2019~~ 2020**
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 <u>1.447</u>
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)
	>50	0.0217 <u>0.575</u>
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 <u>29.13</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	

	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
	>1	0.0626 <u>1.642</u>
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	0.748 <u>16.61</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	0.0235 <u>1.003</u>
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 <u>0.1515</u>
	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 <u>86.95</u>
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	5.418 <u>162.36</u>
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0027 <u>0.0696</u>
	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 <u>0.0302</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee ((£/£ thousand or part £ thousand of AI)
	>100	0.0077 <u>0.1884</u>
A.19	Band Width (£ thousands of	Fee (£/£ thousand or part £ thousand of AI)

	Annual Income (AI))	
	>100	0.0014 <u>0.036</u>
A.21	Band Width (£ <i>client money</i>) (CM) held	Fee (£/£ millions or part £m of CM)
	less than £1 million	0.08 <u>2.094</u>
	an amount equal to or greater than £1 million but less than or equal to £1 billion	0.06 <u>1.571</u>
	more than £1 billion	0.04 <u>1.047</u>
	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 <u>0.0079</u>
	an amount equal to or greater than £10 million and less than or equal to £100 billion	0.00022 <u>0.0059</u>
	more than £100 billion	0.00015 <u>0.0040</u>
G.3	Minimum fee (£)	£ <u>10</u>

	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	0.0012 <u>0.026</u>
G.4	Flat fee (£)	£ <u>10</u>
G.10	Minimum fee (£)	£ <u>10</u>
	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	0.3000 <u>5.90</u>
G.11	Flat fee (£)	£ <u>10</u>
CC.1	Minimum fee (£)	£ <u>10</u>
	£ thousand of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0046 <u>0.1066</u>
CC.2	Minimum fee (£)	£ <u>10</u>
	£ thousands of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0046 <u>0.1066</u>
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*.

Part 2	
(1)	<u>This part sets out the minimum <i>SFGB money advice levy</i> applicable to the <i>firms</i> specified in (3) below.</u>
(2)	<u>The minimum <i>SFGB money advice levy</i> payable by any <i>firm</i> referred to in (3) is £10</u>
(3)	<u>A <i>firm</i> is referred to in this paragraph if it falls within the following activity groups: A.1; A.2; A.3 (excluding <i>UK ISPVs</i>); A.4; A.5; A.7; A.9; A.10; A.12; A.13; A.14; A.18; A.19; G.3 and G.10.</u>

7A
Annex
2R

SFGB debt advice levy for the period from 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

...

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 <u>20.9161</u>
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 <u>109.793</u>
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 **SFGB pensions guidance levy for the period 1 April ~~2018~~ 2019 to 31 March**
Annex **2019 2020**
3R

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 <u>2.563</u>
A.4	Band width (£ million of gross written premium for fees purposes (GWP)) >1	Fee (£/£m or part £m of GWP) 1.1920 <u>72.975</u>
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 <u>0.9914</u>
A.9	Band width (£ million of gross income (GI)) >1	Fee (£/£m or part £m of GI) 6.9225 <u>394.12</u>
A.13	Band width (£ thousands of annual income (AI)) >100	Fee (£/£ thousand or part of £ thousand of AI) 0.0025 <u>0.1383</u>

...

7B **The DA levy**

...

7B DA levy for the period from 1 April 2019 to 31 March 2020
Annex
1R

...

Part 4

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

Activity group	DA levy payable	
A.2 Home finance providers and administrators	Band width (£million of secured debt)	Fee (£/£m or part £m of secured debt)
	>0	[the] <u>2.9407</u>
CC.3 Consumer credit lending	Band width (£million of value of lending)	Fee (£/£m or part £m of value of lending)
	>0 (Note 1)	[the] <u>15.436</u>
Note: <i>Credit unions and community finance organisations</i> do not pay any <i>DA levy</i> on the first £2,000,000 of value of lending.		

...

FEES 10 (Pensions guidance levy) and FEES 11 (Pension guidance providers' levy) are deleted in their entirety. The deleted text is not shown but the chapters are marked [deleted] as shown below.

10 Pensions guidance levy [deleted]

11 Pensions guidance providers' levy [deleted]

Amend the following as shown.

...

13 Illegal money lending levy

...

13 Illegal money lending (IML) levy for ~~2018/19~~ 2019/20**Annex
1R**

Limited permission (fee-block CC1):	£5 flat rate	
Full authorisation (fee-block CC2):	Up to £250,000 consumer credit income:	£10
	Over £250,000 consumer credit income:	£10 + 0.200 per £1,000

Appendix 2

Periodic Fees (2019/20) and other fees instrument 2019 FCA2019xxB (draft rules)

PERIODIC FEES (2019/2020) AND OTHER FEES INSTRUMENT 2019**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in or under the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 73A (Part 6 Rules);
 - (b) section 137A (The FCA’s general rules);
 - (c) section 137SA (Rules to recover expenses relating to the single financial guidance body);
 - (d) section 137SB (Rules to recover debt advice expenses incurred by the devolved authorities);
 - (e) section 137T (General supplementary powers);
 - (f) section 234 (Industry funding);
 - (g) section 333T (Funding of action against illegal money lending);
 - (h) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority); and
 - (2) regulation 118 (Costs of supervision) of the Payment Services Regulations 2017 (SI 2017/752);
 - (3) regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99);
 - (4) regulation 46 and paragraph 5 of Schedule 1 (Fees) in the Regulated Covered Bond Regulations 2008 (SI 2008/346);
 - (5) article 25 (Application of provisions of the Act to the FCA in respect of its supervision of consumer buy-to-let mortgage firms) of the Mortgage Credit Directive Order 2015 (SI 2015/910);
 - (6) regulation 40 (FCA: penalties, fees and exemption from liability in damages) of the Data Reporting Services Regulations 2017 (SI 2017/699);
 - (7) section 27 of the Financial Guidance and Claims Act 2018;
 - (8) paragraph 11 (Penalties and fees) of Schedule 1 and paragraph 4(7) of Schedule 2 of the Securitisation Regulations 2018 (SI 2018/1288);
 - (9) regulation 26 of the Financial Services and Markets Act (2000) (Benchmarks) Regulations 2018 (SI 2018/135);
 - (10) regulations 206 and 208 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019; and

(11) regulation 63 of the EEA Passport Rights (Amendment, etc. and Transitional Provisions) (EU Exit) Regulations 2018 (power to charge fees).

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 exit day as defined in the European Union (Withdrawal) Act 2018.

Amendments to the Handbook

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

Notes

E. In the Annex to this instrument, the “notes” (indicated by “Note:”, “**Note:**” or “Note”) are included for the convenience of readers but do not form part of the legislative text.

Citation

F. This instrument may be cited as the Periodic Fees (2019/2020) and Other Fees Instrument 2019.

By order of the Board
[date] 2019

Annex

Amendments to the Fees manual (FEES)

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

4 Periodic fees

...

4.2 Obligation to pay periodic fees

...

4.2.11R Table of periodic fees payable to the FCA

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
...			
Persons who hold a certificate issued by the FCA under article 54 of the <i>Regulated Activities Order</i> (Advice given in newspapers etc.)	£1,128 <u>1,151</u>	(1) Unless (2) applies, on or before 1 August or, if later, within 30 days of the date of the invoice. (2) If an event in column 4 occurs during the course of a <i>fee year</i> , 30 days after the occurrence of that event.	Certificate issued to <i>person</i> by <u>the</u> FCA under article 54 of the <i>Regulated Activities Order</i>
...			

4 Annex FCA Fee rates for the period from 1 April 2019 to 31 March 2020

2AR

Part 1	
...	
Activity group	Fee payable

A.1	Band width (£million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
		General Periodic fee
	>10 - 140	14.683 <u>14.738</u>
	>140 - 630	14.683 <u>14.738</u>
	>630 - 1,580	14.683 <u>14.738</u>
	>1,580 - 13,400	18.354 <u>18.423</u>
	>13,400	24.227 <u>24.318</u>
	The tariff rates in A.1 are not relevant for the <i>permissions</i> relating to <i>operating a dormant account fund</i> . Instead a flat fee of £6,242 <u>£6,367</u> is payable in respect of these <i>permissions</i> .	
A.2	Band width (No. of mortgages and/or home finance transactions)	Fee (£/mortgage)
	>50	2.473 <u>2.583</u>
A.3n	Gross written premium for fees purposes (GWP)	Periodic fee
	Band Width (£million of GWP)	Fee (£/m or part £m of GWP)
	>0.5	337.16 335.15
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£million of BEL)	Fee (£/£m or part £m of BEL)
	>1	18.48 <u>18.90</u>
	For <i>UK ISPVs</i> the tariff rates are not relevant and a flat fee of £485 <u>£495</u> is payable in respect of each <i>FCA</i> financial year (the 12 <i>months</i> ending 31 March).	
A.4	Gross written premium for fees purposes (GWP)	General Periodic fee

	Band Width (£million of GWP)	Fee (£/£m or part £m of GWP)
	>1	262.78 <u>227.53</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£million of BEL)	Fee (£/£m or part £m of BEL)
	>1	8.25 <u>13.74</u>
A.5	Band Width (£million of Active Capacity (AC))	Fee (£/£m or part £m of AC)
	>50	7.13 <u>7.38</u>
A.6	Flat fee (£)	344,067 <u>353,834</u>
A.7	For class 1(C), (2), (3) and (4) <i>firms</i> :	
	Band Width (£million of Funds under Management (FuM))	Fee (£/£m or part £m of FuM)
	>10	5.696 <u>5.467</u>
	For class 1(B) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 15%. For class 1(A) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 50%.	
A.9	Band Width (£million of Gross Income (GI))	Fee (£/£m or part £m of GI)
	>1	815.25 <u>818.28</u>
A.10	Band Width (No. of traders)	Fee (£/person)
	>1	5,487.30 <u>6,175.54</u>
	For <i>firms</i> carrying on <i>auction regulation bidding</i> , the fee in A.10 is calculated as above less 20% for each trader that carries on <i>auction regulation bidding</i> but not <i>MiFID business bidding</i> or <i>dealing in investments as principal</i> .	
A.13	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)

	>100	2.597 <u>2.582</u>
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	1.631 <u>1.634</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	11.04 <u>10.72</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	1.61 <u>1.629</u>
A.21	<i>Client money</i>	
	Band Width (£ <i>client money</i>) (CM) held	Fee (£/£ millions or part £ million of CM)
	less than £1 million	115.30 <u>119.10</u>
	an amount equal to or greater than £1 million but less than or equal to £1 billion	86.48 <u>89.33</u>
	more than £1 billion	57.65 <u>59.55</u>
	PLUS	
	<i>Safe custody assets</i>	
	Band Width (£ <i>safe custody assets</i>) (CA) held	Fee (£/£ millions or part £ million of CA)
	less than £10 million	0.43 <u>0.451</u>
	an amount equal to or greater than £10 million and less than or equal to £100 billion	0.33 <u>0.339</u>
	more than £100 billion	0.22 <u>0.226</u>
B. Service Companies	Band Width	Fee (£)
	Annual income up to and including £100,000	1,110.00 <u>1,132</u>
	PLUS:	

	Band width	Fee (£/£thousand or part £ thousand of income)
	Annual income over £100,000	2.57 <u>2.659</u>
B. Regulated benchmark administrators	Band width	Fee (£)
	Annual income up to and including £100,000	1,128 <u>1,151</u>
	PLUS:	
	Band width	Fee (£/£ thousand or part £ thousand of income)
	Annual income over 100,000	2.0408 <u>1.6055</u>
B. Recognised investment exchanges	Band width	Fee (£)
	Annual income up to and including £10,000,000	103,000 <u>105,060</u>
	PLUS:	
	Band width	Fee (£/£ thousand or part £ thousand of income)
	Annual income over £10,000,000	4.91 <u>3.393</u>
B. [deleted]		
B. Recognised overseas investment exchanges	63,061.00 <u>60,000</u>	
B. MTF and OTF operators	As set out in <i>FEES</i> 4 Annex 10R (Periodic fees for MTF and OTF operators).	
CC1. Credit-related regulated activities with limited permission	Band Width (£ thousands of annual income (AI))	Fee (£)
	0 - 10	104 <u>106</u>
	>10 - 50	261 <u>266</u>
	>50 - 100	416 <u>424</u>

	>100	520 <u>530</u>
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	0.40
CC2. Credit-related regulated activities	Band Width (£ thousands of annual income (AI))	Fee (£)
	0 - 50	312 <u>318</u>
	>50 - 100	520 <u>530</u>
	>100	1,040 <u>1,061</u>
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	1.30
CMC.	Band width (£ thousands of annual turnover)	Fee (£) for 2019/20
	0-50	500
	50-100	1,000
	>100	13 per £ thousand or part per £ thousand

Part 2

...

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

A.0	(1)	£1,128 <u>1,151</u> unless it is a <i>community finance organisation</i> with a tariff base of:
-----	-----	--

	(a)	up to and including 3 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £173 <u>176</u> is payable; or
	(b)	more than 3 but no more than 10 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £585 <u>597</u> is payable; or
	(c)	more than 10 but no more than 50 mortgages and/or <i>home finance transactions</i> , in which case a minimum fee of £1,084 <u>1,106</u> is payable.
	...	
AP.0	Periodic fees payable under fee blocks A.2, A.7 to A.19 and A. 21 in Part 1 multiplied by rate £0.1093 <u>0.1077</u> .	

Part 2(b) tariff rates (minimum fees) payable to the FCA by PRA- authorised persons			
A.0	(1)	£563 <u>574</u> unless:	
	(a)		It is a <i>credit union</i> that meets the conditions in (2), in which case the minimum fee payable is as set out in (2);
	(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 and 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 £242 <u>247</u> ; or
	(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 and has, for that activity, written 1.0 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 £242 <u>247</u> ; 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 £ 242 <u>247</u> .
	(2)	The conditions referred to in (1)(a) are that the <i>credit union</i> has a tariff base (Modified Eligible Liabilities) of:	
		(a)	0 to 0.5million, in which case a minimum fee of £ 90 <u>92</u> is payable; or
		(b)	greater than 0.5million but less than 2.0million, in which case a minimum fee of £ 304 <u>310</u> is payable.
	(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 gross written premium for fees purposes and holds best estimate liabilities for fees purposes 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 gross written premium for fees purposes and holds best estimate liabilities for fees purposes of 1.0 million or less.
	The figures for gross written premium for fees purposes and best estimate liabilities for fees purposes are the same as used for Part 1 of this Annex.		

FEES 4 Annex 2BR (Ring-Fencing Implementation Fee) is deleted in its entirety. The deleted text is not shown but the annex is marked [deleted] as shown below.

4 Annex Ring-Fencing Implementation Fee [deleted] 2BR

Amend the following as shown.

4 Annex 4R Periodic fees in relation to collective investment schemes, AIFs marketed in the UK, small registered UK AIFMs and money market funds payable for the period 1 April 2018 2019 to 31 March 2019 2020

Part 1 – Periodic fees payable

Scheme type	Basic fee (£)	Total funds/sub-funds aggregate	Fund factor	Fee (£)
<i>ICVC,</i> <i>AUT,</i> <i>ACS,</i> <i>LTIFs,</i> Money market funds with effect from 21 July 2018	386 <u>442</u>	1-2	1	386 <u>442</u>
		3-6	2.5	965 <u>1,105</u>
		7-15	5	1,930 <u>2,210</u>
		16-50	11	4,246 <u>4,862</u>
		>50	22	8,492 <u>9,724</u>
<i>non-UK AIFs</i> recognised under section 272 of the <i>Act</i>	1,570 <u>1,798</u>	1-2	1	1,570 <u>1,798</u>
		3-6	2.5	3,925 <u>4,995</u>
		7-15	5	7,850 <u>8,990</u>
		16-50	11	17,270 <u>19,778</u>
		>50	22	34,540 <u>39,556</u>

...

Part 2 - Periodic fees for *AIFs* marketed in the *UK*, following a notification to the *FCA* under regulation 57, 58 or 59 of the *AIFMD UK regulation*

Kind of notification	Fee per <i>AIF</i> (£)
Notification under regulation 57 of the <i>AIFMD UK regulation</i>	323 <u>330</u>
Notification under regulation 58 of the <i>AIFMD UK regulation</i>	225 <u>230</u>
Notification under regulation 59 of the <i>AIFMD UK regulation</i>	323 <u>330</u>

Part 3 - Periodic fees paid by *small registered UK AIFMs*

The annual fee for <i>small registered UK AIFMs</i> is £637 <u>650</u>

4 Annex 5R Periodic fees for designated professional bodies payable in relation to the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

Table of fees payable by Designated Professional Bodies

Name of Designated Professional Body	Amount payable (£)
The Law Society of England & Wales	90,070 <u>95,410</u>
The Law Society of Scotland	15,260 <u>15,520</u>
The Law Society of Northern Ireland	13,830 <u>14,010</u>
The Institute of Actuaries	10,120
The Institute of Chartered Accountants in England and Wales	36,000 <u>36,290</u>
The Institute of Chartered Accountants of Scotland	11,350 <u>11,380</u>
The Institute of Chartered Accountants in Ireland	14,840 <u>15,130</u>
The Association of Chartered Certified Accountants	18,800 <u>18,900</u>
The Council for Licensed Conveyancers	11,790 <u>11,870</u>
Royal Institution of Chartered Surveyors	15,270 <u>15,620</u>

Note

The *Financial Services Register* includes details of *exempt professional firms* carrying out *insurance distribution activity*.

...

4 Annex 10R Periodic fees for MTF operators payable in relation to the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

General supervisory category of <i>MTF</i> or <i>OTF</i> operator (see Note below)	Fee payable (£)	Due date (i) 1 August 2018 <u>2019</u> ; or (ii) 30 days from the date of the invoice in the case of a <i>firm</i> which receives <i>permission</i> to be <i>operating a multilateral trading facility</i> or to be <i>operating an organised trading facility</i> or whose <i>permission</i> is extended to include this activity in the course of the relevant financial year.
<i>MTF</i> or <i>OTF</i> operator has a named individual fixed portfolio supervisor	292,501 <u>337,663</u>	
All other <i>MTF</i> or <i>OTF</i> operators (i.e. those supervised by a team of flexible portfolio supervisors)	27,584 <u>31,843</u>	
[deleted]		
Note: subject to <i>FEES</i> 4.3.13R, this table applies to all <i>MTF</i> or <i>OTF</i> operators with permission to operate an <i>MTF</i> or <i>OTF</i> as at 1 April of the applicable <i>fee year</i> , irrespective of whether, and if so when, their <i>permission</i> to operate an <i>MTF</i> or <i>OTF</i> was subsequently cancelled during that <i>fee year</i> .		

4 Annex 11R Periodic fees in respect of payment services, electronic money issuance, regulated covered bonds, CBTL business, data reporting services and third party verifiers in relation to the period 1 April 2019 to 31 March 2020

This Annex sets out the periodic fees in respect of *payment services* carried on by *fee-paying payment service providers* under the *Payment Services Regulations* and electronic money issuance by *fee-paying electronic money issuers* under the *Electronic Money Regulations* and issuance of *regulated covered bonds* by issuers and *CBTL business* carried on by *CBTL firms* under the *MCD Order* and *data reporting services providers* (other than *incoming data reporting services providers*) under the *DRS Regulations*.

Part 1 - Method for calculating the fee for fee-paying payment service providers

...		
(3)	For a <i>fee-paying payment service provider</i> which is required to comply with <i>FEES</i> 4.4.9D (Information on which fees are calculated) and has not done so for this period:	
	(a)	the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10; and
	(b)	an additional administrative fee of £250 is payable.
	(c)	[deleted]

...

Part 5 - Tariff rates		
Activity group	Fee payable in relation to 2018/19 <u>2019/20</u>	
G.2	Minimum fee (£)	515 <u>525</u>
	£ million or part £m of Modified Eligible Liabilities (MELS)	Fee (£/£m or part £m of MELS)
	> 0.1	0.5390
G.3	Minimum fee (£)	515 <u>525</u>
	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £thousand of Relevant Income)
	> 100	0.3625
G.4	Flat fee (£)	515 <u>525</u>
G.5	As in G.3	
G.10	Minimum fee (£)	1,692 <u>1,726</u>
	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m, or part £m of AOEM)
	>5.0	80.00
G.11	Flat fee (£)	1,128 <u>1,151</u>

G.15	Minimum fee for the first registered <i>programme</i> (£)	79,184 <u>81,638</u>
	Minimum fee for all subsequent registered <i>programmes</i>	75% of minimum fee for first registered <i>programme</i>
	£ million or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date.	Fee (£/£m or part £m of <i>regulated covered bonds</i> issued in the 12 months ending on the valuation date)
	>0.00	11.80 <u>9.44</u>
	...	
G.20	Flat fee (£)	416 <u>424</u>
G.21	Flat fee (£)	208 <u>212</u>
G.25	Flat fee (£) for first <i>data reporting service</i> plus 50% flat fee for each additional <i>data reporting service</i> for which the <i>data reporting services provider</i> (other than an incoming <i>data reporting services provider</i>) has authorisation.	25,750 <u>26,265</u>
G.26 TPV	Flat fee (£)	250 <u>255</u>

...

...

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

Annual income definition

General definition for all relevant fee-blocks (other than where the ~~firms~~ firm is an operator of a Recognised Investment Exchange, a Benchmark Administrator or a Claims Management Company)

...

Where the firm is a Regulated Benchmark Administrator

“Annual income” for a *regulated benchmark administrator* is the gross inflow of economic benefits (i.e. cash, receivables and other assets) recognised in the *firm’s* accounts during the reporting year in respect of, or in relation to activities in the *UK* that comprise a necessary part of its business as a *regulated benchmark administrator*.

Where the sales and marketing of a benchmark are undertaken by a separate legal entity, the *regulated benchmark administrator* is responsible for identifying the relevant income and reporting it to us as its own income. To avoid double counting, the *regulated benchmark administrator* should report only the income from sales ~~in the UK~~ and exclude any amount paid to it from that income to pay for its expenses as a *regulated benchmark administrator*.

...

4 Annex 14R UKLA periodic fees for the period from 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

Part 1 Base fee			
Activity group or invoice code (Note 1)		Description	Base fee payable (£)
E.1	Discontinued		
E.2	Premium listed issuer	<i>A listed issuer of equity shares and certificates representing shares with a premium listing (see Note 2)</i>	5,355 <u>5,465</u>
E.3	Standard listed issuer	<i>A listed issuer of shares and certificates representing certain securities with a standard listing and not with a premium listing (see Note 2)</i>	20,285 <u>20,700</u>
E.4	Discontinued		
E.5	Discontinued		
E.6	Non-listed issuer (in DTR)	<i>A non-listed issuer (in DTR)</i>	0

E.7	Primary information provider	<i>A primary information provider</i>	16,920 <u>17,275</u>
ES.01	Sponsor	<i>A sponsor</i> (see Note 3)	28,190 <u>28,775</u>

...

Part 2 Variable fee additional to base fee			
Activity Group		Market capitalisation as at the last <i>business day</i> of the November prior to the <i>fee-year</i> in which the fee is payable in £million	Fee payable in £per £million or £part million
E.2	Premium listed issuer (as described in Part 1)	0 – 100	0
		> 100 – 250	27.457725 <u>29.132647</u>
		> 250 – 1,000	10.594000 <u>11.240234</u>
		> 1,000 – 5,000	6.521042 <u>6.918826</u>
		> 5,000 – 25,000	0.159068 <u>0.168771</u>
		> 25,000	0.051391 <u>0.054525</u>

...

4 Annex 15R Fees relating to the recognition of benchmark administrators and the endorsement of benchmarks for the period 1 April 2018 2019 to 31 March 2019 2020

Activity group	Fee payable
<i>A third country legal representative</i>	£12,500 <u>12,750</u>
<i>A benchmark endorser</i>	£7,500 <u>7,650</u>

...

4A Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) – periodic fees

...

4A TP persons periodic fees for the period from 1 April 2019 to 31 March 2020
Annex 1R

Part 1

Activity group	Fee payable	
A.1	Band Width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
		General Periodic fee
	>10 - 140	[tbe] <u>14.738</u>
	>140 - 630	[tbe] <u>14.738</u>
	>630 – 1,580	[tbe] <u>14.738</u>
	>1,580 – 13,400	[tbe] <u>18.423</u>
	>13,400	[tbe] <u>24.138</u>
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)
	>50	[tbe] <u>2.583</u>
A.3	Gross written premium for fees purposes (GWP)	Periodic fee
	Band Width (£ million of GPI)	Fee (£/£m or part £m of GWP)
	>0.5	[tbe] <u>335.15</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	General Periodic fee
	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
	>1	[tbe] <u>18.90</u>
A.4	Gross written premium for fees purposes (GWP)	General Periodic fee
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)

	>1	[tbe] <u>227.53</u>
	PLUS	
	Best estimate liabilities for fees purposes	General Periodic fee
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	[tbe] <u>13.74</u>
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	[tbe] <u>5.467</u>
	Class 1 (C) firms are defined in <i>FEES</i> 4 Annex 1A	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m of part £m of GI)
	>1	[tbe] 818.28
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	[tbe] 6,175.54
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	[tbe] <u>2.582</u>
	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	[tbe] <u>1.634</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	[tbe] <u>10.72</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	[tbe] <u>1.629</u>

	more than £100 billion	{tbc}
CC.2	Band Width (£ thousands of annual income (AI))	Fee (£)
	0 - 50	{tbc} 318
	>50 - 100	{tbc} 530
	>100	{tbc} 1,061
	PLUS:	
		Fee (£/£ thousand or part £ thousand of AI)
	>250	{tbc} 1.30

Part 2

The table below shows the tariff rates (minimum fees) applicable to each of the fee blocks set out in Part 1 of *FEES* 4A Annex 1R other than fee-block CC2.

Activity group	Fee payable
A.0	£ {tbc} 1,151 unless it is a <i>TP firm</i> that also pays minimum fees set out in the PRA Rulebook <i>PRA Rulebook</i> , in which case it is £ {tbc} 574

Part 3

TA PI firm or TA RAISP firm

Activity group	Fee payable	
G.2	Minimum fee (£)	{tbc} 525
	£ million or part £ million of Modified Eligible Liabilities (MELs)	Fee (£/£m or part £m of MELs)
	>0.1	{tbc} 0.5390
	>10-140	{tbc}
G.3	Minimum fee (£)	{tbc} 525

	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	[tbe] <u>0.3625</u>

Part 4*TA EMI firm*

Activity group	Fee payable	
G.10	Minimum fee (£)	[tbe] <u>1,726</u>
	£ million or part £ million of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	[tbe] <u>80.00</u>

4A **TPR funds periodic fees for the period from 1 April 2019 to 31 March 2020**
Annex
2R

Part 1

Scheme type	Basic fee (£)	Total funds/sub-funds aggregate	Fee (£)
<i>EEA UCITS scheme</i> recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018	[tbe] <u>442</u>	1-2	[tbe] <u>442</u>
		3-6	[tbe] <u>1,105</u>
		7-15	[tbe] <u>2,210</u>
		16-50	[tbe] <u>4,862</u>
		>50	[tbe] <u>9,724</u>
<p>Note:</p> <p>Schemes are charged according to the number of funds or sub-funds which a TP firm is operating and marketing in the UK as at 31 March immediately before the start of the period to which the fee applies. For example, for 2019/20 fees a reference to 31 March means 31 March 2019.</p>			

Part 2

Scheme type	Fee (£)
-------------	---------

<i>EEA AIF, EuVECA, EuSEF, or EEA ELTIF</i> which may be marketed in the <i>UK</i> under Part 9A of The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018	0
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...

5 Financial Ombudsman Service Funding

...

5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2019/20

Introduction: annual budget

1. The *annual budget* for ~~2018/19~~ 2019/20 approved by the *FCA* is ~~£289.8m~~ 331.8m.

2. The total amount expected to be raised through the *general levy* in ~~2018/19~~ 2019/20 will be ~~£24.5m~~ 44.5m.

Compulsory jurisdiction - general levy

Industry block	Tariff base	General levy payable by firm
1-Deposit acceptors, <i>home finance providers, home finance administrators</i> (excluding <i>firms</i> in block 14) and <i>dormant account fund operators</i>	Number of accounts relevant to the activities in <i>DISP</i> 2.6.1R as at 31 December In the case of <i>dormant account fund operators</i> , the tariff base is the number of eligible activated accounts (8).	£0.04466 <u>0.070952</u> per relevant account, subject to a minimum levy of £100
2-Insurers - general (excluding <i>firms</i> in blocks 13 & 15)	Gross written premium for fees purposes (GWP) as defined in <i>FEES</i> 4 Annex 1AR; or Relevant gross written premium (RGWP) notified to the <i>FCA</i> under <i>FEES</i> 5.4.1R(1A)	£0.069 <u>0.16965</u> per £1,000 of GWP or RGWP, subject to a minimum levy of £100
3-The <i>Society</i> (of Lloyd's)	Not applicable	£25,989 <u>32,126</u> to be allocated by the <i>Society</i>

4-Insurers - life (excluding <i>firms</i> in block 15)	Gross written premium for fees purposes (GWP) as defined in <i>FEES</i> 4 Annex 1AR; or Relevant gross written premium (RGWP) notified to the <i>FCA</i> under <i>FEES</i> 5.4.1R(1A)	£0.0085 <u>0.01166</u> per £1,000 of GWP or RGWP, subject to a minimum levy of £130
5. Portfolio managers (including those holding <i>client money/assets</i> and not holding <i>client money/assets</i>)	Flat fee	Levy of £230 <u>210</u>
6. Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes	Flat fee	Levy of £60
7-Dealers as principal	Flat fee	Levy of £75
8-Advisors, <i>arrangers</i> , dealers or brokers holding and controlling <i>client money</i> and/or assets	Annual income as defined in <i>FEES</i> 4 Annex 11A relating to <i>firm's relevant business</i> .	£0.136 <u>0.1645</u> per £1,000 of annual income subject to a minimum fee of £45
9-Advisors, <i>arrangers</i> , dealers or brokers not holding and controlling <i>client money</i> and/or assets	Annual income as defined in <i>FEES</i> 4 Annex 11A relating to <i>firm's relevant business</i> .	£0.033 <u>0.0602</u> per £1,000 of annual income subject to a minimum fee of £45
10-Corporate finance advisers	Flat fee	Levy of £55
11-fee-paying payment service providers (but excluding <i>firms</i> in any other Industry block except Industry block 18)	For <i>authorised payment institutions</i> , <i>registered account information service providers</i> , <i>electronic money issuers</i> (except for <i>small electronic money institutions</i>), the Post Office Limited, the Bank of England, government departments and local	£0.0003 per £1,000 of relevant income subject to a minimum levy of £75

	authorities, relevant income as described in <i>FEES 4 Annex 11 Part 3</i>	
	For <i>small payment institutions</i> and <i>small electronic money institutions</i> a flat fee	Levy of £35
13-Cash plan health providers	Flat fee	Levy of £65
14-Credit unions	Flat fee	Levy of £55
15-Friendly societies whose tax-exempt business represents 95% or more of their total relevant business	Flat fee	Levy of £65
16-Home finance providers, advisers and arrangers (excluding firms in blocks 13, 14 & 15)	Flat fee	Levy of £90 <u>£85</u>
17 - General insurance distribution (excluding firms in blocks 13, 14 & 15)	Annual income (as defined in <i>MIPRU 4.3</i>) relating to <i>firm's relevant business</i>	£0.4477 <u>0.5776</u> per £1,000 of <i>annual income</i> (as defined in <i>MIPRU 4.3</i>) relating to <i>firm's relevant business</i> subject to a minimum levy of £100
18 - fee-paying electronic money issuers	For all <i>fee-paying electronic money issuers</i> except for <i>small electronic money institutions</i> , average outstanding <i>electronic money</i> , as described in <i>FEES 4 Annex 11 Part 3</i> .	£0.0007 <u>0.0003</u> per £1,000 of average outstanding electronic money subject to a minimum levy of £40
	For <i>small electronic money institutions</i> , a flat fee	Levy of £50
19 - Credit-related regulated activities	For <i>not-for-profit debt advice bodies</i> , a flat fee	Levy of £0

with <i>limited permission</i>		
	For all other <i>firms</i> with <i>limited permission</i> , a flat fee	Levy of £35
20 - <i>Credit-related regulated activities</i>	Annual income as defined in <i>FEES</i> 4 Annex 11BR	Levy of £35 Plus £0.01 <u>0.308</u> per £1,000 of annual income on income above £250,000
21 - <i>CBTL firms</i> that do not have <i>permission</i> to carry out any <i>regulated activities</i>	Flat fee	Levy of £35
22 - <i>designated credit reference agencies</i> (but excluding <i>firms</i> in any other <i>industry block</i>)	Flat fee	Levy of £75
23 – <i>designated finance platforms</i> (but excluding <i>firms</i> in any other <i>industry block</i>)	Flat fee	Levy of £75
24 – <i>claims management companies</i>	Annual income	£50 plus £3.00 per £1,000 of annual income

...

...

FEES 7 (CFEB Levies) is deleted in its entirety. The deleted text is not shown but the chapter is marked [deleted] as shown below.

7 CFEB Levies [deleted]

Amend the following as shown.

7A SFGB levies

...

**7A SFGB money advice levy for the period from 1 April 2018 2019 to 31 March
Annex 2019 2020
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 <u>1.447</u>
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)
	>50	0.0217 <u>0.575</u>
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 <u>29.13</u>

	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
	>1	0.0626 <u>1.642</u>
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	0.748 <u>16.61</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	0.0235 <u>1.003</u>
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 <u>0.1515</u>
	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) <i>firms</i> above, less 50%.	
	Class 1(A), (B) and (C) firms are defined in <i>FEEs</i> 4 Annex 1AR.	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m of part £m of GI)
	>1	3.376 <u>86.95</u>
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	5.418 <u>162.36</u>
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0027 <u>0.0696</u>
	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 <u>0.0302</u>
A.18	Band Width (£ thousands of	Fee ((£/£ thousand or part £ thousand of AI)

	Annual Income (AI))	
	>100	0.0077 <u>0.1884</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	0.0014 <u>0.036</u>
A.21	Band Width (£ <i>client money</i>) (CM) held	Fee (£/£ millions or part £m of CM)
	less than £1 million	0.08 <u>2.094</u>
	an amount equal to or greater than £1 million but less than or equal to £1 billion	0.06 <u>1.571</u>
	more than £1 billion	0.04 <u>1.047</u>
	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 <u>0.0079</u>
	an amount equal to or greater than £10 million and less than or equal to £100 billion	0.00022 <u>0.0059</u>

	more than £100 billion	0.00015 <u>0.0040</u>
G.3	Minimum fee (£)	£ <u>10</u>
	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	0.0012 <u>0.026</u>
G.4	Flat fee (£)	£ <u>10</u>
G.10	Minimum fee (£)	£ <u>10</u>
	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	0.3000 <u>5.90</u>
G.11	Flat fee (£)	£ <u>10</u>
CC.1	Minimum fee (£)	£ <u>10</u>
	£ thousand of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0046 <u>0.1066</u>
CC.2	Minimum fee (£)	£ <u>10</u>
	£ thousands of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	0.0046 <u>0.1066</u>

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 <i>EEA firms</i> and those which hold a <i>Part 4A permission</i> .

<u>Part 2</u>	
(1)	<u>This part sets out the minimum <i>SFGB money advice levy</i> applicable to the <i>firms</i> specified in (3) below.</u>
(2)	<u>The minimum <i>SFGB money advice levy</i> payable by any <i>firm</i> referred to in (3) is £10.</u>
(3)	<u>A <i>firm</i> is referred to in this paragraph if it falls within the following activity groups: A.1; A.2; A.3 (excluding <i>UK ISPVs</i>); A.4; A.5; A.7; A.9; A.10; A.12; A.13; A.14; A.18; A.19; G.3 and G.10.</u>

7A
Annex
2R

SFGB debt advice levy for the period from 1 April 2018 2019 to 31 March 2019 2020

...

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 <u>20.9161</u>
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 <u>109.793</u>

Note

(1) *Credit unions and community finance organisations* do not pay any *SFGB debt advice levy* on the first £2,000,000 of value of lending.

7A
Annex
3R

SFGB pensions guidance levy for the period 1 April ~~2018~~ 2019 to 31 March ~~2019~~ 2020

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 <u>2.563</u>
A.4	Band width (£ million of gross written premium for fees purposes (GWP)) >1	Fee (£/£m or part £m of GWP) 1.1920 <u>72.975</u>
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 <u>0.9914</u>
A.9	Band width (£ million of gross income (GI)) >1	Fee (£/£m or part £m of GI) 6.9225 <u>394.12</u>
A.13	Band width (£ thousands of annual income (AI)) >100	Fee (£/£ thousand or part of £ thousand of AI) 0.0025 <u>0.1383</u>

...

7B The DA levy

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7B DA levy for the period from 1 April 2019 to 31 March 2020**Annex
1R**

...

Part 4

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

Activity group	DA levy payable	
A.2 Home finance providers and administrators	Band width (£million of secured debt)	Fee (£/£m or part £m of secured debt)
	>0	{tbe} <u>2.9407</u>
CC.3 Consumer credit lending	Band width (£million of value of lending)	Fee (£/£m or part £m of value of lending)
	>0 (Note 1)	{tbe} <u>15.436</u>
Note: <i>Credit unions and community finance organisations</i> do not pay any <i>DA</i> levy on the first £2,000,000 of value of lending.		

...

7C Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) - Single Financial Guidance Body levy

...

7C TPR SFGB money advice levy for the period from 1 April 2019 to 31 March 2020
**Annex
1R**

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

Activity group	TPR SFGB money advice levy payable
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Part 1 <i>TP firms</i>		
A.1	Band Width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
	>10	[tbe] <u>1.447</u>
A.2	Band Width (no. of mortgages and/or <i>home finance transactions</i>)	Fee (£/mortgage)
	>50	[tbe] <u>0.575</u>
A.3	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>0.5	[tbe] <u>29.13</u>
	PLUS	
	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m of part £m of BEL)
	>1	[tbe] <u>1.642</u>
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	[tbe] <u>16.61</u>
	PLUS	

	Best estimate liabilities for fees purposes (BEL)	
	Band Width (£ million of BEL)	Fee (£/£m or part £m of BEL)
	>1	[tbe] <u>1.003</u>
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	[tbe] <u>0.1515</u>
	Class 1(C) firms are defined in <i>FEES</i> 4 Annex 1AR.	
A.9	Band Width (£ million of Gross Income (GI))	Fee (£/£m of part £m of GI)
	>1	[tbe] <u>86.95</u>
A.10	Band Width (no. of traders)	Fee (£/trader)
	>1	[tbe] <u>162.36</u>
A.13	For class (2) firms	
	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	[tbe] <u>0.0696</u>
	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	[tbe] <u>0.0302</u>
A.18	Band Width (£ thousands of Annual Income (AI))	Fee ((£/£ thousand or part £ thousand of AI)
	>100	[tbe] <u>0.1884</u>
A.19	Band Width (£ thousands of Annual Income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	>100	[tbe] <u>0.036</u>
CC.2	Minimum fee (£)	[tbe] <u>10</u>
	£ thousands of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI
	>250	[tbe] <u>0.1066</u>
Part 2 <i>TA PI firms</i> and <i>TA RAISP firms</i>		
G.3	Minimum fee (£)	[tbe] <u>10</u>
	£ thousands or part £ thousand of Relevant Income	Fee (£/£thousand or part £ thousand of Relevant Income)
	>100	[tbe] <u>0.026</u>
Part 3 <i>TA EMI firms</i>		
G.10	Minimum fee (£)	[tbe] <u>10</u>

	£ million or part £m of average outstanding electronic money (AOEM)	Fee (£/£m or part £m of AOEM)
	>5.0	[tbe] <u>5.90</u>
	£ thousands of annual income (AI)	Fee (£/£ thousand or part £ thousand of AI)
	>250	[tbe]
Part 4		
(1)	This Part sets out the minimum <i>TPR SFGB money advice levy</i> applicable to the <i>TPR firms</i> specified in (3) below.	
(2)	The minimum <i>TPR SFGB money advice levy</i> payable by any <i>firm</i> referred to in (3) is £ [tbe] <u>10.00</u>	
(3)	A <i>TP firm</i> is referred to in this paragraph if it falls within the following activity groups: A.1; A.2; A.3; A.4; A.7; A.9; A.10; A.13; A.14; A.18; and A.19.	

7C TPR SFGB debt advice levy for the period from 1 April 2019 to 31 March
Annex 2020
2R

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Part 4

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

Activity group	TPR SFGB debt advice levy payable	
A.2 Home finance providers and administrators	Band width (£ million of secured debt)	Fee (£/£m or part £m of secured debt)
	>0	[tbe] <u>20.9161</u>
CC.3 Consumer credit lending	Band width (£ million of value of lending)	Fee (£/£m or part £m of value of lending)

	>0 (Note 1)	tbe 109.793
Note		
(1) <i>Credit unions and community finance organisations</i> do not pay any <i>TPR SFGB debt advice levy</i> on the first £2,000,000 of value of lending.		

7C Annex 3R TPR SFGB pensions guidance levy for the period 1 April 2019 to 31 March 2020

This table shows the *TPR SFGB pensions guidance levy* applicable to each activity group (fee-block).

Activity group	SFGB pensions guidance levy payable	
TP firms		
A.1	Band width (£ million of modified eligible liabilities (MELs)) >10	Fee (£/£m or part £m of MELS) tbe <u>2.563</u>
A.4	Gross written premium for fees purposes (GWP)	
	Band Width (£ million of GWP)	Fee (£/£m or part £m of GWP)
	>1	tbe <u>72.975</u>
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) tbe <u>0.9914</u>
A.9	Band width (£ million of gross income (GI)) >1	Fee (£/£m or part £m of GI) tbe <u>394.12</u>
A.13	Band width (£ thousands of annual income (AI))	Fee (£/£ thousand or part of £ thousand of AI)

	>100	[tbc] <u>0.1383</u>
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7D Temporary Permissions Regime (TPR) – Devolved Authorities levy

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7D TPR DA levy for the period from 1 April 2019 to 31 March 2020

Annex

1R

...

Part 4

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

Activity group	TPR DA levy payable	
A.2 Home finance providers and administrators	Band width (£million of secured debt) >0	Fee (£/£m or part £m of secured debt) [tbc] <u>2.9407</u>
CC.3 Consumer credit lending	Band width (£million of value of lending) >0 (Note 1)	Fee (£/£m or part £m of value of lending) [tbc] <u>15.436</u>
Note: <i>Credit unions and community finance organisations</i> do not pay any <i>TPR DA levy</i> on the first £2,000,000 of value of lending.		

...

FEES 10 (Pensions guidance levy) and FEES 11 (Pension guidance providers' levy) are deleted in their entirety. The deleted text is not shown but the chapters are marked ~~[deleted]~~ as shown below.

10 Pensions guidance levy ~~[deleted]~~

11 Pensions guidance providers' levy ~~[deleted]~~

Amend the following as shown.

...

13 **Illegal money lending levy**

...

13 **Illegal money lending (IML) levy for ~~2018/19~~ 2019/20**

Annex 1R

Limited permission (fee-block CC1):	£5 flat rate	
Full authorisation (fee-block CC2):	Up to £250,000 consumer credit income:	£10
	Over £250,000 consumer credit income:	£10 + 0.200 per £1,000

13A **Temporary Permissions Regime (TPR) and Financial Service Contracts Regime (FSCR) – Illegal money lending levy**

...

13A **Annex 1R TPR Illegal money lending (IML) levy for 2019/20**

Annex 1R

Activity group	Description	Fee (£)
Activity group CC2. Credit-related regulated activities:	Up to £250,000 consumer credit income:	{tbe} <u>10</u>
	Over £250,000 consumer credit income:	{tbe} <u>10</u> + £ {tbe} <u>0.200</u> per £1,000

Insert the following new TP 22 after TP 21 (Transitional provisions relating to FSCS levy arrangements from 1 April 2019 or, if later, from exit day as defined in the European Union (Withdrawal) Act 2018). The text is not underlined.

TP 22 Transitional provisions relating to the payment of fees or levies by TP persons in 2019/20, taking effect on exit day

(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force																		
22.1	FEES 4A, FEES 7C, FEES 7D, FEES 13A	R	Nothing in the <i>rules</i> in FEES 4A, 7B, 7C or 13A imposes a liability to pay a fee or a levy on a <i>TP person</i> that is not a <i>branch</i> in the <i>United Kingdom</i> .	From <i>exit day</i> for the 2019/2020 <i>fee year</i>	Amended with effect from <i>exit day</i>																		
22.2	FEES 4A, FEES 7C, FEES 7D, FEES 13A	R	<table><tr><td colspan="2">The fees or levies paid by a <i>TP person</i> that is a <i>branch</i> will be subject to the following modifications:</td></tr><tr><td>Activity group</td><td>Percentage deducted from the tariff payable under the Chapters of FEES referred to in (2) applicable to the <i>TP person</i></td></tr><tr><td>A.1</td><td>10%</td></tr><tr><td>A.3</td><td>10%</td></tr><tr><td>A.4</td><td>10%</td></tr><tr><td>A.7</td><td>10%</td></tr><tr><td>A.9</td><td>10%</td></tr><tr><td>A.10</td><td>10%.</td></tr><tr><td>A.13</td><td>10%</td></tr></table>	The fees or levies paid by a <i>TP person</i> that is a <i>branch</i> will be subject to the following modifications:		Activity group	Percentage deducted from the tariff payable under the Chapters of FEES referred to in (2) applicable to the <i>TP person</i>	A.1	10%	A.3	10%	A.4	10%	A.7	10%	A.9	10%	A.10	10%.	A.13	10%	From <i>exit day</i> for the 2019/2020 <i>fee year</i>	Amended with effect from <i>exit day</i>
The fees or levies paid by a <i>TP person</i> that is a <i>branch</i> will be subject to the following modifications:																							
Activity group	Percentage deducted from the tariff payable under the Chapters of FEES referred to in (2) applicable to the <i>TP person</i>																						
A.1	10%																						
A.3	10%																						
A.4	10%																						
A.7	10%																						
A.9	10%																						
A.10	10%.																						
A.13	10%																						

			A.18	10%		
			A.19	50%		
			B. MTF and OTF operators	Not applicable		
			AP.0	100%		
			G.2	40%		
			G.3	40%		
			G.10	40%		
			Note 1	The modifications to fee tariffs payable by a <i>TP person</i> which has established a <i>branch</i> in the <i>United Kingdom</i> apply only in relation to the relevant regulated activities of the <i>firm</i> which are carried on in the <i>United Kingdom</i> .		
			Note 2	The <i>FCA</i> minimum fees described in Parts 2, 3 and 4 of <i>FEES 4A Annex 1R</i> and Part 4 of <i>FEES 7C Annex 1R</i> apply in full and the modifications in this TP 22.2 do not apply to them.		

