

PERIODIC FEES (2004/2005) INSTRUMENT 2004

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 156 (General supplementary powers);
 - (2) section 157(1) (Guidance); and
 - (3) paragraph 17(1) of Schedule 1 (Fees).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 June 2004.

Amendments to the Handbook

- D.
- (1) The General provisions (GEN) are amended in accordance with Annex A to this instrument.
 - (2) The Authorisation manual (AUTH) is amended in accordance with Annex B to this instrument.
 - (3) The Supervision manual (SUP) is amended in accordance with Annex C to this instrument.
 - (4) The Dispute resolution: Complaints sourcebook (DISP) is amended in accordance with Annex D to this instrument.
 - (5) The Collective Investment Schemes sourcebook (CIS) is amended in accordance with Annex E to this instrument.
 - (6) The New Collective Investment Schemes sourcebook (COLL) is amended in accordance with Annex F to this instrument.
 - (7) The Professional firms sourcebook (PROF) is amended in accordance with Annex G to this instrument.
 - (8) The Recognised Investment Exchange and Recognised Clearing House sourcebook (REC) is amended in accordance with Annex H to this instrument.

Citation

- E. This instrument may be cited as the Periodic Fees (2004/2005) Instrument 2004.

By order of the Board
20 May 2004

Annex A

Amendments to the General provisions

In this Annex underlining indicates new text.

3.3.1R A *person* need not pay a fee on the date on which it is due under the relevant provision in the *Handbook*, if:

(1) ...

(2) unless SUP 20.2.7R(4) or SUP 20.2.7R(5) (Time and method for payment) applies, that date would otherwise fall on or before the 30th *day* after the date on which the *FSA* has sent written notification to that *person* of the fee payable on that date, in which case he must pay on or before the 30th *day* after the date on which the *FSA* sends the notification.

Annex B

Amendments to the Authorisation manual

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

AUTH 4 Ann 1R

...

Part 2 – Complexity Groupings

...

Complex cases

Activity grouping	Description
...	...
A.3	Firms conducting insurance activities subject only to prudential regulation <u>Insurers – general</u> (excluding <i>friendly societies</i>)
A.4	Firms conducting insurance activities subject to both prudential and conduct of business regulation <u>Insurers – life</u> (excluding <i>friendly societies</i>)

Annex C

Amendments to the Supervision manual

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

- 6.3.22R If a *firm* applies for a variation of its *Part IV permission*, it must pay the fee specified in Part 3 of *AUTH 4 Annex 1R* in either of the following cases:
- (1) if the variation is granted, the business of the *firm* will fall within one or more activity groups specified in Part 1 of *SUP 20 Annex 1R* not applicable before the grant of the variation, ~~except the A.13 activity group if, before the variation, the A.12 activity group tariff applied to the *firm's* business;~~ or
 - (2) ...
- 6.3.22AR The sum payable under *SUP 6.3.22R* must be paid:
- (1) by banker's draft, cheque or other payable order;
 - (2) in full without deduction;
 - (3) on or before the date on which the application is made.
- 6.3.22BG The appropriate fee is an integral part of an application for a variation of a *Part IV permission*. Any application received by the *FSA* without the accompanying appropriate fee, in full and without deduction (see *SUP 6.3.22AR*) will not be treated as an application made in accordance with section 44 of the *Act*. Where this is the case, the *FSA* will contact the applicant to point out that the variation cannot be progressed until the appropriate fee has been received. In the event that the appropriate fee, in full and without deduction, is not forthcoming, the application will be returned to the applicant and no application will have been made.
- 6.3.22CG Fees paid for an application to vary a *Part IV permission* are not refundable.
- 20.2.4R The periodic fee referred to in *SUP 20.2.1R* is (except in relation to the *Society*) calculated as follows:
- (1) ...
 - (2) ...
 - (3) ...

(4) apply any applicable payment charge or discount specified in *SUP* 20.2.7AR, provided that:

(a) for payment by direct debit, successful collection of the amount due is made at the first attempt by the *FSA*; or

(b) for payment by credit transfer, the amount due is received by the *FSA* on or before the due date.

20.2.7R

(1) ...

(2) ...

(3) ~~In any other case~~ If the *firm's* periodic fee for the previous financial year was less than £50,000, the *firm* must pay the periodic fee due in full by 1 July in the financial year to which that sum relates.

(4) If a *firm* has applied to cancel its *Part IV permission* in the way set out in *SUP* 6.4.5D (Cancellation of permission), then (2) and (3) do not apply but it must pay the total amount due when the application is made.

(5) If the *FSA* has exercised its *own-initiative powers* to cancel a *firm's Part IV permission* in the way set out in *ENF* 5 (Cancellation of Part IV permission on the *FSA's* own initiative), then (2) and (3) do not apply but the *firm* must pay the total amount due immediately before the cancellation becomes effective.

20.4.4R

A *firm* which becomes authorised, or whose *permission* is extended, during the course of the financial year must pay a fee which is calculated by:

(1) identifying each of the tariffs set out in Part 1 of *SUP* 20 Ann 2R for the relevant financial year that apply to the *firm* only after the *permission* is received or extended, but ignoring:

(a) the A.13 activity group if, before the variation, the A.12 activity group applied to the *firm's* business; or

(b) the A.12 activity group if, before the variation, the A.13 activity group applied to the *firm's* business;

(2) ...

(3) ...

(4) ...

20.4.12AG Where a *firm* has applied to cancel its *Part IV permission*, or the *FSA* has exercised its *own-initiative powers* to cancel a *firm's Part IV permission*, the due dates for payment of periodic fees are modified by *SUP 20.2.7R(4)* and *SUP 20.2.7R(5)* respectively.

SUP 20 Annex 1R

Part 1

This table shows how the *regulated activities* for which a *firm* has permission are linked to activity groups ('fee-blocks'). A *firm* can use the table to identify which fee-blocks it falls into based on its *permission*.

Activity group	Fee-payer falls in the activity group if
...	...
A.3 Firms conducting insurance activities subject only to prudential regulation Insurers - general	its <i>permission</i> includes one or more of the following: <ul style="list-style-type: none"> • <i>effecting contracts of insurance</i>; • <i>carrying out contracts of insurance</i>; BUT ONLY in respect of <i>specified investments</i> that are: <ul style="list-style-type: none"> - <i>general insurance contracts</i>; or - <i>long-term insurance contracts other than life-policies</i>.
A.4 Firms conducting insurance activities subject to both prudential and conduct of business regulation Insurers - life	its <i>permission</i> includes one or more of <u>the following</u> : <ul style="list-style-type: none"> • <i>effecting contracts of insurance</i>; • <i>carrying out contracts of insurance</i>; both in respect of <i>specified investments</i> including <i>life policies</i> ; <ul style="list-style-type: none"> • <i>entering as provider into a funeral plan contract</i>.
...	...
<p>Note for authorised professional firms:;</p> <p>Generally, for fee-blocks A.7 to A.14 <u>A.19</u> below, only those <i>regulated activities</i> that are not limited to <i>non-mainstream regulated activities</i> should be taken into account in determining which fee-block(s) fee-payers belong to <u>for the purpose of charging periodic fees</u>.</p> <p>However, in the case that all the <i>regulated activities</i> within a <i>firm's permission</i> are limited to <i>non-mainstream regulated activities</i>, then that <i>firm</i> will be allocated to fee-block A.13 alone.</p> <p><u>This does not prevent a fee being payable by an authorised professional firm under SUP 6.3.22R where it applies to vary its Part IV permission such that it would normally be allocated to fee-block(s) other than A.13 if the variation was granted.</u></p>	
...	...

<p>A.12 Advisory arrangers, dealers or brokers (holding or controlling client money or assets, or both)</p>	<p>its <i>permission</i>:</p> <p>(a) includes one or more of the following, <u>in relation to one or more designated investments</u>:</p> <ul style="list-style-type: none"> • <i>dealing in investments as agent</i>; • <i>arranging (bringing about) deals in investments</i>; • <i>making arrangements with a view to transactions in investments</i>; • <i>dealing as principal in investments</i> where the activity is carried on as a matched principal broker, <i>oil market participant, energy market participant</i> or <i>local</i>; • <i>advising on investments (except pension transfers and pension opt-outs)</i>; • <i>advising on pension transfers and pension opt-outs</i>; • <i>advising on syndicate participation at Lloyd's</i>; <p>(b) BUT NONE of the following:</p> <ul style="list-style-type: none"> • <i>effecting contracts of insurance</i>; or • <i>carrying out contracts of insurance</i>; <p>AND</p> <p>(c) CAN HAVE one or more of the following:</p> <ul style="list-style-type: none"> • <i>safeguarding and administering of assets</i>; • <i>arranging safeguarding and administration of assets</i>; • the ability to hold or control <i>client money</i>, or both: <ul style="list-style-type: none"> - that is, there is no <i>requirement</i> which prohibits the <i>firm</i> from doing this; and - provided that the <i>client money</i> in question does not only arise from an agreement under which <i>commission</i> is rebated to a <i>client</i>; <p>AND</p> <p>(d) PROVIDED the fee-payer is NOT any of the following:</p> <ul style="list-style-type: none"> • a <i>corporate finance advisory firm</i>; • a <i>firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business</i>; • a <i>firm</i> whose activities are limited to carrying out <i>venture capital business</i>; • a <i>firm</i> whose activities are limited to acting as an operator of a <i>regulated collective investment scheme</i>; • a <i>firm</i> whose activities are limited to carrying out <i>trustee</i> activities; • a <i>service company</i>.
<p>A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money or assets, or both)</p>	<p>(1) it is an <i>authorised professional firm</i> and ALL the <i>regulated activities</i> in its <i>permission</i> are limited to <i>non-mainstream regulated activities</i>;</p> <p>OR</p> <p>(2) its <i>permission</i>:</p> <p>(a) includes one or more of the following, <u>in relation to one or more designated investments</u>:</p> <ul style="list-style-type: none"> • <i>dealing in investments as agent</i>; • <i>arranging (bringing about) deals in investments</i>; • <i>making arrangements with a view to transactions in investments</i>; • <i>dealing as principal in investments</i> where the activity is carried on as a matched principal broker, <i>oil market participant, energy market participant</i> or <i>local</i>; • <i>advising on investments (except pension transfers and pension opt-outs)</i>; • <i>advising on pension transfers and pension opt-outs</i>; • <i>advising on syndicate participation at Lloyd's</i>;

	<p>(b) BUT NONE of the following:</p> <ul style="list-style-type: none"> • <i>effecting contracts of insurance;</i> • <i>carrying out contracts of insurance;</i> • <i>safeguarding and administration of assets;</i> • <i>arranging safeguarding and administration of assets;</i> <p>AND</p> <p>(c) MUST EITHER:</p> <ul style="list-style-type: none"> • have a <i>requirement</i> that prohibits the <i>firm</i> from holding or controlling <i>client money</i>, or both; <p>OR</p> <ul style="list-style-type: none"> • if it does not have such a <i>requirement</i>, only holds or controls <i>client money</i> (or both), arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>; <p>AND</p> <p>(d) PROVIDED the fee-payer is NOT one of the following:</p> <ul style="list-style-type: none"> • a <i>corporate finance advisory firm</i>; • a <i>firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business</i>; • a <i>firm</i> whose activities are limited to carrying out <i>venture capital business</i>; • a <i>firm</i> whose activities are limited to acting as an <i>operator</i> of a <i>regulated collective investment scheme</i>; • a <i>firm</i> whose activities are limited to carrying out <i>trustee</i> activities; • a <i>service company</i>.
...	...
A.19 General insurance mediation	<p>its <i>permission</i> includes one or more of the following in relation to a <i>general insurance contract</i> or a <i>pure protection contract</i>: <u><i>non-investment insurance contract</i></u>:</p> <ul style="list-style-type: none"> • <i>dealing in investments as agent</i>; or • <i>arranging (bringing about) deals in investments</i>; or • <i>making arrangements with a view to transactions in investments</i>; or • <i>assisting in the administration and performance of a contract of insurance</i>; or • <i>advising on investments</i>; or • <i>agreeing to carry on a regulated activity</i> which is within any of the above.
...	...

Part 2

This table indicates the tariff base for each fee-block. The tariff base is the means by which we measure the 'amount of business' conducted by a *firm*.

Activity group	Tariff-base
A.1	<p>MODIFIED ELIGIBLE LIABILITIES</p> <p>For banks and e-money issuers:</p> <p>Part 1:</p> <p>Liabilities</p>

	<p>In sterling: $\pounds 2 + \pounds 3 + \pounds 4 + \pounds 5A + \pounds 5B + \pounds 6B + \pounds 6C + \pounds 6D + \pounds 6E + \pounds 6F + \pounds 6G + \pounds 6H + \pounds 6J + \pounds 7B + \pounds 7C + \pounds 7D + \pounds 7E + \pounds 7F + \pounds 7G + \pounds 7H + \pounds 7J + \pounds 8 + \pounds 10 + 60\% \text{ of } \pounds 11A + \pounds 44$ plus In foreign currency, one-third of: $E2 + E3 + E4 + E5A + E5B + E6B + E6C + E6D + E6E + E6F + E6G + E6H + E6J + E7B + E7C + E7D + E7E + E7F + E7G + E7H + E7J + E8 + E10 + 60\% \text{ of } E11A + E44 + C2 + C3 + C4 + C5A + C5B + C6B + C6C + C6D + C6E + C6F + C6G + C6H + C6J + C7B + C7C + C7D + C7E + C7F + C7G + C7H + C7J + C8 + C10 + 60\% \text{ of } C11A$: less</p> <p>Assets In sterling: $\pounds 21B + 60\% \text{ of } \pounds 22A + \pounds 23D + \pounds 23E + \pounds 23F + \pounds 30A + \pounds 30B + \pounds 31A + \pounds 31B + \pounds 32AA$ plus In foreign currency, one-third of: $E21B + 60\% \text{ of } E22A + E23D + E23E + E23F + E30A + E30B + E31A + E31B + E32AA + C21B + 60\% \text{ of } C22A + C23D + C23E + C23F + C30A + C30B + C31A + C31B + C32AA$</p> <p>Part 2: Non-resident office offset The fee base is adjusted by deducting from the amount calculated in accordance with part 1 above, the Non-Resident Office Offset amount obtained by subtracting item 45D from item 45BA in the Form BT. The Non-Resident Office Offset amount, if it would otherwise have been a negative number, is zero.</p> <p>Notes: (1) All references in the above formula are to entries on Form BT (that is, the Balance Sheet Form completed to provide information required following the Banking Statistics Review 1997 and returned by <i>banks</i> to the Bank of England as required by the Bank of England Act 1998). (2) 'E' refers to assets and liabilities denominated in euro (as referred to in column 2 of Form BT) and 'C' refers to assets and liabilities denominated in currencies other than sterling and euro (as referred to in column 3 of Form BT). In accordance with Form BT, assets and liabilities in currencies other than sterling are to be recorded in sterling. (3) The figures reported on the Form BT relate to business conducted out of offices in the <i>United Kingdom</i>.</p> <p><u>For e-money issuers:</u> <u>Outstanding balance of e-money liabilities</u> </p>
...	...
A.3	<p>GROSS PREMIUM INCOME AND GROSS TECHNICAL LIABILITIES</p> <p>For insurers: The amount of <i>premiums</i> receivable which must be included in the documents required to be deposited under <i>IPRU (INS)</i> 9.6 in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU (INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p>

	<p>less, <i>premiums</i> relating to <i>pension fund management</i> business where the <i>firm</i> owns the <i>investments</i> and there is no transfer of risk;</p> <p>AND</p> <p>the amount of gross technical liabilities (<i>IPRU (INS)</i> Appendix 9.1 – Form 15, line 19) which must be included in the documents required to be deposited under <i>IPRU (INS)</i> 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p>less, the amount of gross technical liabilities relating to <i>pension fund management</i> business where the <i>firm</i> owns the <i>investments</i> and there is no transfer of risk.</p> <p>Notes:</p> <p>(1) in the case of either:</p> <p>(a) a <i>pure reinsurer</i> carrying on <i>general insurance business</i> through a <i>branch</i> in the <i>United Kingdom</i>; or</p> <p>(b) an <i>insurer</i> whose head office is not in an <i>EEA State</i> carrying on <i>general insurance business</i> through a <i>branch</i> in the <i>United Kingdom</i>; or</p> <p>(c) a <i>non-EEA insurer</i> other than a <i>Swiss general insurer</i> which has <i>permission</i> to carry on <i>direct insurance business</i> and which has made a deposit in an <i>EEA state</i> other than the <i>United Kingdom</i> in accordance with <i>IPRU(INS)</i> 8.1(2),</p> <p>the amount only includes <i>premiums</i> received and gross technical liabilities held in respect of its <i>United Kingdom</i> business; and</p> <p>(2) for a <i>Swiss general insurance company</i>, <i>premiums</i> and gross technical liabilities include those relevant to the operations of the company's <i>United Kingdom branch</i>; and</p> <p>(3) <u>a <i>firm</i> need not include <i>premiums</i> and <i>gross technical liabilities</i> relating to <i>pure protection contracts</i> which it reports, and pays a fee on, in the A.4 activity group.</u></p> <p>...</p>
...	...

Part 3

This table indicates the valuation date for each fee-block. A *firm* can calculate its tariff data by applying the tariff bases set out in Part 2 above with reference to the valuation dates shown in this table.

Activity group	Valuation date
<p>IN THIS TABLE, REFERENCES TO SPECIFIC DATES OR MONTHS ARE REFERENCES TO THE LATEST ONE OCCURRING BEFORE THE START OF THE PERIOD TO WHICH THE FEE APPLIES, UNLESS OTHERWISE SPECIFIED – E.G. FOR 2004/05 FEES (1 APRIL 2004 TO 31 MARCH 2005), A REFERENCE TO DECEMBER MEANS DECEMBER 2003.</p>	

Activity group	Valuation date
Where a <i>firm's</i> tariff data is in a currency other than sterling, it should be converted into sterling at the exchange rate prevailing on the relevant valuation date.	
A.1	<p>For banks; and e-money issuers: Modified eligible liabilities (MELs), valued at:</p> <ul style="list-style-type: none"> • for a <i>firm</i> which reports monthly, the average of the MELs for October, November and December; • for a <i>firm</i> which reports quarterly, the MELs for December. <p><u>For e-money issuers:</u> <u>MELs, valued at the end of the financial year ended in the calendar year ending 31 December.</u></p> <p>...</p>
...	...
A.3	<p>Annual gross <i>premium</i> income (GPI), valued at the period to which the most recent annual return relates [Note: for most <i>firms</i> this will be the 12 months ended 31 December]. <u>for the financial year ended in the calendar year ending 31 December.</u></p> <p>AND</p> <p>Gross technical liabilities (GTL) valued at the end of the period to which the most recent annual return related [Note: for most <i>firms</i> this will be the 12 months ended 31 December]. <u>the financial year ended in the calendar year ending 31 December.</u></p>
...	...

SUP 20 Annex 2R

Part 1

This table shows the tariff rates applicable to each fee-block.

(1)	...
(2)	...
(3)	For a <i>firm</i> which has not complied with SUP 20.3.2R (Information on which fees are calculated) 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;
(b)	an additional administrative fee of £250 <u>£500</u> is payable; and
(c)	the minimum total fee (including the administrative fee in (b)) is £350 <u>£650</u> .

Activity group	Fee payable

A.1	<p>[to be made later]</p> <p><u>Minimum fee (£)</u></p> <p><u>£ million of Modified Eligible Liabilities (MELs)</u></p> <p><u>0 – 0.5</u> <u>>0.5 – 2</u> <u>>2 – 10</u> <u>>10 – 200</u> <u>>200 – 2,000</u> <u>>2,000 – 10,000</u> <u>>10,000 – 20,000</u> <u>>20,000</u></p>	<p>150</p> <p><u>Fee (£/£m or part £m of MELs)</u></p> <p><u>0</u> <u>additional flat-rate fee of £350</u> <u>additional flat-rate fee of £500</u> <u>32.63</u> <u>32.47</u> <u>32.31</u> <u>32.16</u> <u>31.84</u></p>				
<p><u>For a <i>firm</i> in A.1 which has a <i>limitation on its permission</i> to the effect that it may <i>accept deposits</i> from <i>wholesale depositors</i> only, the fee is calculated as above less 30%.</u></p> <p><u>In addition, the fee specified below is payable by <i>UK banks</i> and <i>building societies</i>. The <i>wholesale depositors</i> discount and permitted deductions in Part 2 of <i>SUP 20 Ann 2R</i> do not apply to this fee.</u></p>						
<table border="0"> <tr> <td data-bbox="438 1003 933 1108"> <p><u>Minimum fee (£m of MELs)</u></p> <p><u>if 0 – 2,000</u> <u>if >2,000</u></p> </td> <td data-bbox="933 1003 1428 1108"> <p><u>Fee (£)</u></p> <p><u>0</u> <u>2,000</u></p> </td> </tr> <tr> <td data-bbox="438 1108 933 1344"> <p><u>£ million of MELs</u></p> <p><u>0 – 5,000</u> <u>>5,000 – 10,000</u> <u>>10,000 – 20,000</u> <u>>20,000</u></p> </td> <td data-bbox="933 1108 1428 1344"> <p><u>Fee (£/£m or part £m of MELs)</u></p> <p><u>0</u> <u>0.93</u> <u>0.85</u> <u>0.79</u></p> </td> </tr> </table>			<p><u>Minimum fee (£m of MELs)</u></p> <p><u>if 0 – 2,000</u> <u>if >2,000</u></p>	<p><u>Fee (£)</u></p> <p><u>0</u> <u>2,000</u></p>	<p><u>£ million of MELs</u></p> <p><u>0 – 5,000</u> <u>>5,000 – 10,000</u> <u>>10,000 – 20,000</u> <u>>20,000</u></p>	<p><u>Fee (£/£m or part £m of MELs)</u></p> <p><u>0</u> <u>0.93</u> <u>0.85</u> <u>0.79</u></p>
<p><u>Minimum fee (£m of MELs)</u></p> <p><u>if 0 – 2,000</u> <u>if >2,000</u></p>	<p><u>Fee (£)</u></p> <p><u>0</u> <u>2,000</u></p>					
<p><u>£ million of MELs</u></p> <p><u>0 – 5,000</u> <u>>5,000 – 10,000</u> <u>>10,000 – 20,000</u> <u>>20,000</u></p>	<p><u>Fee (£/£m or part £m of MELs)</u></p> <p><u>0</u> <u>0.93</u> <u>0.85</u> <u>0.79</u></p>					
A.2	<p>...</p>					
A.3	<p>[to be made later]</p> <p><u>Gross premium income (GPI)</u></p> <p><u>Minimum fee (£)</u></p> <p><u>£ million of GPI</u></p> <p><u>0 – 0.5</u> <u>>0.5 – 2</u> <u>>2 – 5</u> <u>>5 – 20</u> <u>>20 – 75</u> <u>>75 – 150</u> <u>>150</u></p> <p><u>PLUS</u> <u>Gross technical liabilities (GTL)</u></p> <p><u>Minimum fee (£)</u></p>	<p>400</p> <p><u>Fee (£/£m or part £m of GPI)</u></p> <p><u>0</u> <u>1,612.24</u> <u>1,490.88</u> <u>1,369.52</u> <u>433.35</u> <u>372.73</u> <u>52.03</u></p> <p>0</p>				

	<u>£ million of GTL</u> <u>0 – 1</u> <u>>1 – 5</u> <u>>5 – 50</u> <u>>50 – 100</u> <u>>100 – 1,000</u> <u>>1,000</u>	<u>Fee (£/£m or part £m of GTL)</u> <u>0</u> <u>39.29</u> <u>36.33</u> <u>33.38</u> <u>10.56</u> <u>4.22</u>
A.4	[to be made later] <u>Adjusted annual gross premium income (AGPI)</u> <u>Minimum fee (£)</u> <u>£ million of AGPI</u> <u>0 – 1</u> <u>>1 – 50</u> <u>>50 – 1,000</u> <u>>1,000 – 2,000</u> <u>>2,000</u> <u>PLUS</u> <u>Mathematical reserves (MR)</u> <u>Minimum fee (£)</u> <u>£ million of MR</u> <u>0 – 1</u> <u>>1 – 10</u> <u>>10 – 100</u> <u>>100 – 1,000</u> <u>>1,000 – 5,000</u> <u>>5,000 – 15,000</u> <u>>15,000</u>	 <u>200</u> <u>Fee (£/£m or part £m of AGPI)</u> <u>0</u> <u>700.00</u> <u>631.95</u> <u>418.08</u> <u>281.98</u> <u>200</u> <u>Fee (£/£m or part £m of MR)</u> <u>0</u> <u>37.63</u> <u>33.97</u> <u>22.47</u> <u>15.16</u> <u>11.55</u> <u>8.88</u>
A.5	[to be made later] <u>Minimum fee (£)</u> <u>£ million of Active Capacity (AC)</u> <u>0 – 50</u> <u>>50 – 150</u> <u>>150 – 250</u> <u>>250</u>	 <u>500</u> <u>Fee (£/£m or part £m of AC)</u> <u>0</u> <u>95.95</u> <u>80.75</u> <u>22.80</u>
A.6	[to be made later]	<u>£1,204,000</u>
A.7	For class 1(C), (2) and (3) <i>firms</i> : [to be made later] <u>Minimum fee (£)</u>	 <u>1,200</u>

	<p><u>£ million of Funds under Management (FuM)</u></p> <p><u>0 – 10</u> <u>>10 – 100</u> <u>>100 – 2,500</u> <u>>2,500 – 10,000</u> <u>>10,000</u></p>	<p><u>Fee (£/£m or part £m of FuM)</u></p> <p><u>0</u> <u>65.55</u> <u>20.81</u> <u>11.35</u> <u>1.25</u></p>
	<p>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%.</p>	
A.8	...	
A.9	<p>[to be made later]</p> <p><u>Minimum fee (£)</u></p> <p><u>£ million of Gross Income (GI)</u></p> <p><u>0 – 1</u> <u>>1 – 20</u> <u>>20 – 500</u> <u>>500 – 1,000</u> <u>>1,000</u></p>	<p><u>1,800</u></p> <p><u>Fee (£/£m or part £m of GI)</u></p> <p><u>0</u> <u>1,761.34</u> <u>1,427.02</u> <u>1,219.88</u> <u>918.36</u></p>
A.10	<p>[to be made later]</p> <p><u>Minimum fee (£)</u></p> <p><u>No. of traders</u></p> <p><u>0 – 2</u> <u>3 – 5</u> <u>6 – 10</u> <u>11 – 50</u> <u>51 – 200</u> <u>>200</u></p>	<p><u>2,100</u></p> <p><u>Fee (£/trader)</u></p> <p><u>0</u> <u>1,978</u> <u>1,405</u> <u>1,277</u> <u>1,081</u> <u>864</u></p>
	<p>In addition, the fee specified below is payable by <i>UK domestic firms</i>. The permitted deductions in Part 2 of <i>SUP 20 Ann 2R</i> do not apply to this fee.</p>	
	<p><u>Minimum fee (No. of traders)</u></p> <p>if <u>0 - 100</u> if <u>>100</u></p> <p><u>No. of traders</u></p> <p><u>0 - 125</u> <u>126 – 250</u> <u>>250</u></p>	<p><u>Fee (£)</u></p> <p><u>0</u> <u>2,000</u></p> <p><u>Fee (£/trader)</u></p> <p><u>0</u> <u>70</u> <u>51</u></p>
A.11	...	
A.12	<p>[to be made later]</p> <p><u>Minimum fee (£)</u></p> <p><u>No. of persons</u></p>	<p><u>1,650</u></p> <p><u>Fee (£/person)</u></p>

	<u>0 – 1</u> <u>2 – 4</u> <u>5 – 10</u> <u>11 – 25</u> <u>26 – 150</u> <u>151 – 1,500</u> <u>>1,500</u>	<u>0</u> <u>960</u> <u>478</u> <u>332</u> <u>178</u> <u>133</u> <u>89</u>
	For a <i>professional firm</i> in A.12 the fee is calculated as above less 10%.	
A.13	For class (2) <i>firms</i> :	
	[to be made later]	
	<u>Minimum fee (£)</u>	<u>1,560</u>
	<u>No. of persons</u>	<u>Fee (£/person)</u>
	<u>0 – 1</u>	<u>0</u>
	<u>2 – 4</u>	<u>850</u>
	<u>5 – 10</u>	<u>815</u>
	<u>11 – 25</u>	<u>777</u>
	<u>26 – 500</u>	<u>708</u>
	<u>501 – 4,000</u>	<u>637</u>
	<u>>4,000</u>	<u>592</u>
	For class (1) <i>firms</i> : £1,560	
	For a <i>professional firm</i> in A.13 the fee is calculated as above less 10%.	
A.14	[to be made later]	
	<u>Minimum fee (£)</u>	<u>1,200</u>
	<u>No. of persons</u>	<u>Fee (£/person)</u>
	<u>0 – 1</u>	<u>0</u>
	<u>2</u>	<u>1,155</u>
	<u>3 – 4</u>	<u>1,040</u>
	<u>5 – 10</u>	<u>935</u>
	<u>11 – 100</u>	<u>843</u>
	<u>101 – 200</u>	<u>590</u>
	<u>>200</u>	<u>353</u>
A.15	...	
A.16	[to be made later]	
	<u>0</u>	
A.17	...	
A.18	...	
A.19	...	
B. Market operators	[to be made later]	
	<u>£20,000</u>	
B. Service companies	[to be made later]	
	<u>Bloomberg LP</u>	<u>£31,500</u>
	<u>EMX Co Ltd</u>	<u>£21,000</u>
	<u>LIFFE Services Ltd</u>	<u>£21,000</u>
	<u>Ofex plc</u>	<u>£51,500</u>

<u>OMGEO Ltd</u>	<u>£21,000</u>
<u>Reuters Ltd</u>	<u>£31,500</u>
<u>Swapswire Ltd</u>	<u>£21,000</u>
<u>Thomson Financial Ltd</u>	<u>£21,000</u>

Part 2

This table shows the permitted deductions that apply:

Activity group	Nature of deduction	Amount of deduction
<u>[to be made later]</u>		
<u>A.1</u>	<u>Financial penalties received</u>	<u>9.5% of the fee payable by the <i>firm</i> for the activity group (see Part 1)</u>
<u>A.4</u>	<u>Financial penalties received</u>	<u>8.8% of the fee payable by the <i>firm</i> for the activity group (see Part 1)</u>
<u>A.7</u>	<u>Financial penalties received</u>	<u>1.3% of the fee payable by the <i>firm</i> for the activity group (see Part 1)</u>
<u>A.10</u>	<u>Financial penalties received</u>	<u>1.2% of the fee payable by the <i>firm</i> for the activity group (see Part 1)</u>
<u>A.12</u>	<u>Financial penalties received</u>	<u>22.9% of the fee payable by the <i>firm</i> for the activity group (see Part 1)</u>
<u>A.13</u>	<u>Financial penalties received</u>	<u>0.9% of the fee payable by the <i>firm</i> for the activity group (see Part 1)</u>

Part 3

This table shows the modifications to fee tariffs that apply to *incoming EEA firms* and *incoming Treaty firms*.

Activity group	Percentage of tariff payable under Part 1 applicable to the firm subject to a minimum amount payable of £100 (unless specified below)
A.1	20% (for a <i>firm</i> operating on cross-border services basis only, 0% and the minimum sum is not applicable)
A.3	0% and the minimum sum is not applicable
A.4	75%
A.7, A.8 and A.9	95%
A.10, A.11, A.12, and A.13 and A.19	90%

SUP 20 Annex 3R

Part 1

This table shows the fees payable for transaction reporting.

Fee per transaction	Date payable	Method of payment
----------------------------	---------------------	--------------------------

[to be made later]

Fee type	Fee amount (including VAT)		Date payable
<u>Transaction charge</u>	<u>Number of transactions per annum</u>	<u>Fee per transaction (inc. VAT)</u>	<u>First working day of each month</u>
	<u>For the first 1,000</u>	<u>0p</u>	
	<u>1,001 – 1,000,000</u>	<u>3p</u>	
	<u>1,000,001 – 4,000,000</u>	<u>2.75p</u>	
	<u>4,000,001 – 8,000,000</u>	<u>2.5p</u>	
	<u>8,000,001 – 13,000,000</u>	<u>2.25p</u>	
	<u>13,000,001 – 20,000,000</u>	<u>2p</u>	
	<u>>20,000,000</u>	<u>1.75p</u>	

- Notes:
1. Firms using the Direct Reporting System software will be additionally invoiced for:
 - (a) an initial software licence fee of £587.50 (including VAT); and
 - (b) an annual enrolment fee of £235 (including VAT) per licence held on 1 April each year.
 2. The applicable methods of payment of these fees are listed at SUP 20.2.7AR.

Part 2

The periodic fee payable under SUP 20.6.1R for a certificate issued under Article 54 of the *Regulated Activities Order* is [to be made later] £1,000.

Annex D

Amendments to the Dispute resolution: Complaints sourcebook

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

DISP 5 Annex 1R

...

Part 2: Fee tariffs for general levy and supplementary levy

...

Industry block	Tariff base	General levy payable by firm
...
2 – Firms that undertake insurance activities, subject to prudential regulation only <u>Insurers – general</u> (excluding <i>firms</i> in blocks 13 & 15)
...
4 – Firms that undertake insurance activities, subject to both prudential and conduct of business regulation (<i>long-term insurers</i>) <u>Insurers – life</u> (excluding <i>firms</i> in block 15)
...

Annex E

Amendments to the Collective Investment Schemes sourcebook

In this Annex striking through indicates deleted text. Where an entire new section of text is being inserted, the place where the change will be made is indicated and the text is not underlined.

18.2.1R A *person* identified in ~~part B~~ of CIS 18 Annex 1R as the "relevant fee payer" for a *regulated collective investment scheme* must pay each "periodic fee" applicable to it in full and without deduction.

Delete existing CIS 18 Annex 1R and insert new CIS 18 Annex 1R as follows:

Periodic fees payable for the period 1 April 2004 to 31 March 2005

Part 1 – Periodic fees payable

Nature and purpose of fee	Payable by	Amount of fee	Umbrella scheme factor (note 1)
Periodic fee for an <i>ICVC</i>	The <i>authorised corporate director</i>	£1,100	2
Periodic fee for an <i>AUT</i>	The <i>manager</i>	£1,100	2
Periodic fee for a <i>scheme</i> recognised under section 264 of the <i>Act</i>	The <i>operator</i>	£1,100	2
Periodic fee for a <i>scheme</i> recognised under section 270 of the <i>Act</i>	The <i>operator</i>	£1,100	2
Periodic fee for a <i>scheme</i> recognised under section 272 of the <i>Act</i>	The <i>operator</i>	£6,400	2

Note:

1. For an *umbrella scheme* the fee is multiplied by the factor shown in the final column of the table.

Annex F

Amendments to the New Collective Investment Schemes sourcebook

In this Annex all the text is new and is not underlined.

Insert new Transitional Provision as follows:

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision: coming into force
...
12	<i>COLL 10.2.1R</i>	R	<i>COLL 10.2.1R</i> does not apply if the <i>scheme</i> has paid a periodic fee for the same period under <i>CIS</i> 18.2.	From 1 April 2004 until 12 February 2007	1 April 2004

Before COLL 10 Annex 2R, insert new COLL 10 Annex 1R as follows:

Periodic fees payable for the period 1 April 2004 to 31 March 2005

Part 1 – Periodic fees payable

Nature and purpose of fee	Payable by	Amount of fee	Umbrella scheme factor (note 1)
Periodic fee for an <i>ICVC</i> , where the <i>scheme</i> is: - <i>UCITS scheme</i> - <i>non-UCITS retail scheme</i> - <i>qualified investor scheme</i>	The <i>authorised corporate director</i>	£1,100 £1,100 £1,300	2
Periodic fee for an <i>AUT</i> , where the <i>scheme</i> is: - <i>UCITS scheme</i> - <i>non-UCITS retail scheme</i> - <i>qualified investor scheme</i>	The <i>manager</i>	£1,100 £1,100 £1,300	2
Periodic fee for a <i>scheme</i> recognised under section 264 of the <i>Act</i>	The <i>operator</i>	£1,100	2
Periodic fee for a <i>scheme</i> recognised under section 270 of the <i>Act</i>	The <i>operator</i>	£1,100	2
Periodic fee for a <i>scheme</i> recognised under section 272 of the <i>Act</i>	The <i>operator</i>	£6,400	2

Note:

1. For an *umbrella scheme* the fee is multiplied by the factor shown in the final column of the table.

Annex G

Amendments to the Professional firms sourcebook

In this Annex all the text is new and is not underlined.

Delete existing PROF 6 Annex 1R and insert new PROF 6 Annex 1R as follows:

Periodic fees payable for the period from 1 April 2004 to 31 March 2005

Table. Fees payable by Designated Professional Bodies

Name of Designated Professional Body	Amount payable	Due date
The Law Society	£47,285 £56,115	30 April 2004 1 September 2004
The Law Society of Scotland	£15,900	1 July 2004
The Law Society of Northern Ireland	£17,950	1 July 2004
The Institute of Actuaries	£10,300	1 July 2004
The Institute of Chartered Accountants in England and Wales	£31,305 £36,695	30 April 2004 1 September 2004
The Institute of Chartered Accountants of Scotland	£15,250	1 July 2004
The Institute of Chartered Accountants in Ireland	£13,100	1 July 2004
The Association of Chartered Certified Accountants	£20,100	1 July 2004

Annex H

Amendments to the Recognised Investment Exchange and Recognised Clearing House sourcebook

In this Annex striking through indicates deleted text. Where an entire new section of text is being inserted, the place where the change will be made is indicated and the text is not underlined.

7.1.5G The fee applicable to a *recognised body* reflects the estimated cost to the *FSA* of discharging its functions in relation to that *recognised body*. Fees are set for ~~UK~~ *recognised bodies* on an individual basis.

Delete existing REC 7 Annex 1R and insert new REC 7 Annex 1R as follows:

Periodic fees payable for the period from 1 April 2004 to 31 March 2005

In this Annex:

- the term *recognised body* includes a body which was a recognised investment exchange or a recognised clearing house recognised under the Financial Services Act 1986 and which is a *recognised body* as a result of Regulation 9 of the *Recognition Requirements Regulations*; and

- the term recognition order includes a recognition order made by the *FSA* under section 37 or section 39 of the Financial Services Act 1986 or a recognition order made by the Treasury under section 40 of the Financial Services Act 1986.

Part 1- Periodic fees for UK recognised bodies

Name of UK recognised body	Amount payable	Due date
CRESTCo Limited	£290,000	30 April 2004
	£298,000	1 September 2004
The International Petroleum Exchange of London Limited	£162,500	30 April 2004
	£169,500	1 September 2004
LIFFE Administration and Management	£330,000	30 April 2004
	£392,000	1 September 2004
LCH.Clearnet Limited	£285,000	30 April 2004
	£334,000	1 September 2004
The London Metal Exchange Limited	£240,000	30 April 2004
	£195,000	1 September 2004
The London Stock Exchange plc	£355,000	30 April 2004
	£350,000	1 September 2004
OM London Exchange Limited	£87,500	30 April 2004
	£101,500	1 September 2004
virt-x plc	£112,500	30 April 2004
	£121,500	1 September 2004

EDX	£75,000 £115,000	30 April 2004 1 September 2004
Any other <i>UK recognised investment exchange</i> recognised as such by a <i>recognition order</i> made in the period	£150,000	30 days after the date on which the <i>recognition order</i> is made
Any other <i>UK recognised clearing house</i> recognised as such by a <i>recognition order</i> made in the period	£250,000	30 days after the date on which the <i>recognition order</i> is made

Part 2 – Periodic fees for overseas recognised bodies

Name of overseas recognised body	Amount payable	Due date
Cantor Financial Futures Exchange	£10,000	1 July 2004
Chicago Mercantile Exchange	£10,000	1 July 2004
Chicago Board of Trade	£10,000	1 July 2004
Eurex Zurich	£10,000	1 July 2004
NASDAQ	£10,000	1 July 2004
NQLX	£10,000	1 July 2004
New York Mercantile Exchange	£10,000	1 July 2004
Swiss Exchange	£10,000	1 July 2004
Sydney Futures Exchange	£10,000	1 July 2004
Wareterminborse Hannover	£10,000	1 July 2004
Any other <i>overseas investment exchange</i> recognised as such by a <i>recognition order</i> made in the period	£10,000	30 days after the date on which the <i>recognition order</i> is made
Any other <i>overseas clearing house</i> recognised as such by a <i>recognition order</i> made in the period	£35,000	30 days after the date on which the <i>recognition order</i> is made