

Chapter 4

Periodic fees



4.3 Periodic fee payable by firms (other than AIFM qualifiers, ICVCs and UCITS qualifiers)

4.3.1 **R** The periodic fee payable by a *firm* (except an *AIFM qualifier*, *ICVC* or a *UCITS qualifier*) is:

- (1) each periodic fee applicable to it calculated in accordance with [■ FEES 4.3.3 R](#), using information obtained in accordance with [■ FEES 4.4](#); plus
- (1A) any periodic fee applicable to it calculated in accordance with [■ FEES 4.3.3A R](#) using information relating to its *UK* business obtained in accordance with [■ FEES 4.4](#) (or by other means in the case of the Bank of England); less
- (2) any deductions from the periodic fee specified in Part 2 of [■ FEES 4 Annex 2AR](#) or Part 7 of [■ FEES 4 Annex 11R](#).

4.3.2 **G** (1) The amount payable by each *firm* will depend upon the category (or categories) of *regulated activities* or *payment services* it is engaged in (fee-blocks)and whether it is issuing *electronic money*, and on the amount of business it conducts in each category (tariff base). The fee-blocks and tariffs are identified in [■ FEES 4 Annex 1AR](#) (and guidance on calculating certain of the tariffs is at [■ FEES 4 Annex 12 G](#) and [■ FEES 4 Annex 13G](#)) while [■ FEES 4 Annex 2AR](#) sets out the tariff rates for the relevant *fee year*. In the case of *firms* that provide *payment services* and/or issue *electronic money*, the relevant fee blocks, tariffs and rates are set out in [■ FEES 4 Annex 11R](#).

(2) [deleted]

Calculation of periodic fee for fee-paying payment service providers, CBTL firms, data reporting services providers and fee-paying electronic money issuers

4.3.3 **R** The periodic fee referred to in [■ FEES 4.3.1 R](#) is (except in relation to the *Society*, *fee-paying payment service providers*, *CBTL firms*, *fee-paying electronic money issuers* and *data reporting services providers*) calculated as follows:

- (1) identify each of the tariffs set out in Part 1 of [■ FEES 4 Annex 2AR](#) which apply to the business of the *firm* for the period specified in that annex;

- (2) for each of the applicable tariffs, calculate the sum payable in relation to the business of the *firm* for that period;
 - (3) add together the amounts calculated under (2);
 - (4) work out whether an A.0, or , CC.0 minimum fee is payable under Part 2 of ■ FEES 4 Annex 2AR and if so how much (except that that minimum fee is not payable again by a *firm* whose *permission* is extended if the fee was already payable before the extension);
 - (4A) work out whether an AP.0 FCA prudential fee is payable under Part 2 of ■ FEES 4 Annex 2AR and if so how much;
 - (4B) [deleted]
 - (5) add together the amounts calculated under (3), (4) and (4A) ; and
 - (6) apply any applicable payment charge specified in ■ FEES 4.2.4 R, provided that:
 - (a) for payment by direct debit, successful collection of the amount due is made at the first attempt by the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA); or
 - (b) for payment by credit transfer, the amount due is received by the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) on or before the due date.
- [Note: Transitional provisions apply to ■ FEES 4.3.3R for *firms* in activity groups A.3 and A.4 – see ■ FEES TP 13]

Calculation of periodic fee for fee-paying payment service providers, CBTL firms, data reporting services providers (other than incoming data reporting services providers) and fee-paying electronic money issuers

- 4.3.3A **R** The periodic fee referred to in ■ FEES 4.3.1 R in relation to *fee-paying payment service providers, CBTL firms , data reporting services providers and fee-paying electronic money issuers* is calculated in accordance with ■ FEES 4 Annex 11 R.

Modification for firms with new or extended permissions

- 4.3.4 **G**
- (1) A *firm* which becomes authorised or registered during the course of a *fee year* will be required to pay a proportion of the periodic fee which reflects the proportion of the year for which it will have a *permission* or the right to provide particular *payment services* or the right to issue *electronic money*- see ■ FEES 4.2.5 G and ■ FEES 4.2.6 R.
 - (2) Similarly a *firm* which extends its *permission* or its right to provide particular *payment services* so that its business then falls within additional fee blocks will be required to pay a further periodic fee under this section for those additional fee blocks, but discounted to reflect the proportion of the year for which the *firm* has the extended permission or *payment services* activity - see ■ FEES 4.2.6 R and ■ FEES 4.2.7 R.

(3) [deleted]

(4) [deleted]

Amount payable by the Society of Lloyd's

4.3.5

R

The periodic fee referred to in ■ FEES 4.3.1 R in relation to the *Society* is specified against its name in ■ FEES 4 Annex 2AR .

Time of payment

4.3.6

R

(1) [deleted]

(1A) [deleted]

(1B) [deleted]

(1C) If a *person* meets either of the conditions in (1D) it must pay the *FCA* the fee in (1E).

(1D) A *person* meets the conditions referred to in (1C) if:

(a) its periodic fee for the previous *fee year* was at least £50,000 and it is:

(i) an *FCA-authorised person*; or

(ii) a *designated professional body*; or

(iii) a *recognised investment exchange*; or

(iv) a *regulated covered bond issuer*; or

(b) it is a *PRA-authorised person* and its combined *FCA* and *PRA* periodic fees for the previous *fee year* were at least £50,000.

(1E) The fee in (1C) is:

(a) an amount equal to 50% of the *FCA* periodic fee payable for the previous *fee year* by:

(i) 1 April; or

(ii) if later, within 30 days of the date of the invoice, in the *fee year* to which the sum due under ■ FEES 4.2.1R relates; and

(b) the balance of the *FCA* periodic fee due for the current *fee year* by:

(i) 1 September; or

(ii) if later, within 30 days of the date of the invoice, in the *fee year* to which that sum relates.

[**Note:** If the *firm* is a *PRA-authorised person* that meets the condition at ■ FEES 4.3.6R(1)(D)(b), the *firm* will also pay its *PRA* periodic fees in two tranches as specified in the Fees Part of the *PRA Rulebook* . The *FCA*, acting as the *PRA*'s collection agent, will collect these fees.]

(2) If the *firm's*, *designated professional body's*, *recognised investment exchange's*, or *regulated covered bond issuer's* periodic fee for the previous *fee year* was less than £50,000, it must pay the periodic fee

due in full by 1 August or, if later, within 30 days of the date of the invoice in the *fee year* to which that sum relates.

- (3) If a *firm* has applied to cancel its *Part 4A permission* in the way set out in ■ SUP 6.4.5 D (Cancellation of permission), or its status as a *payment institution* under regulation 10 of the *Payment Services Regulations* (Cancellation of authorisation) or as regulation 10 is applied by regulation 14 of the *Payment Services Regulations* (Supplementary provisions), or its status as an *electronic money issuer* under regulation 10 of the *Electronic Money Regulations* (Cancellation of authorisation) or as regulation 10 is applied by regulation 15 of the *Electronic Money Regulations* (Supplementary provisions), or its registration as a *CBTL firm* under article 13(c) of the *MCD Order* or its authorisation as a *data reporting services provider* under regulation 11 of the *DRS Regulations*, then (1C), (1D) and (1E) do not apply but it must pay the total amount due when the application is made.
- (4) If the *FCA* has exercised its *own-initiative powers* to cancel a *firm's Part 4A permission*, then (1C), (1D) and (1E) do not apply but the *firm* must pay the total amount due immediately before the cancellation becomes effective.
- (4A) If the *FCA* has cancelled a *firm's* authorisation or registration under regulation 10 of the *Payment Services Regulations* or regulation 10 of the *Electronic Money Regulations* or its registration under regulation 10 as applied by regulation 14 of the *Payment Services Regulations* or its registration under regulation 10 as applied by regulation 15 of the *Electronic Money Regulations*, or its registration under article 13 (except under article 13(c)) of the *MCD Order*, or its authorisation as a *data reporting services provider* under regulation 11 or 12 of the *DRS Regulations*, then (1C), (1D) and (1E) do not apply but the *firm* must pay the total amount due immediately before the cancellation becomes effective.
- (5) [deleted]
- (5A) [deleted]
- (6) Paragraphs (1C), (1D) and (1E) do not apply to any periodic fee in relation to a *firm's permission* for operating a *multilateral trading facility* or operating an *organised trading facility* and such a fee is not taken into account for the purposes of the split in (1E). Instead any fee for this *permission* is payable:
 - (a) on 1 August; or
 - (b) 30 days from the date of the invoice in the case of a *firm* which receives *permission* to be operating a *multilateral trading facility* or to be operating an *organised trading facility* or whose *permission* is extended to include either activity in the course of the relevant financial year.
- (7) Where the *FCA* grants a *person's* application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and the *person* falls within, as the case may be, (1C) or (2) and:

- (a) the annulment takes effect after 1 April or after the invoice referred to in (1E)(a)(ii) has been issued, then (1C), (1D) and (1E) do not apply, but the *person* must, where the annulment takes effect after 1 April but before 1 September, pay:
 - (i) an amount equal to 50% of the *FCA* periodic fee payable for the previous fee year on the date on which the annulment takes effect; and
 - (ii) the balance of the *FCA* periodic fee due for the current *fee* year by 1 September or, if later, within 30 *days* of the date of the invoice, in the *fee* year to which that sum relates; or
- (b) the annulment takes effect after 1 September or after the invoice referred to in (1E)(b)(ii) has been issued, then (1C), (1D) and (1E) do not apply, but the *person* must pay the total amount due on the date on which the annulment takes effect; or
- (c) the annulment takes effect after 1 August or after the invoice referred to in (2) has been issued, then (2) does not apply, but the *person* must pay the periodic fee in full on the date on which the annulment takes effect.

4.3.6A **R****Groups of firms**4.3.7 **R**

A *firm* which is a member of a *group* may pay all of the amounts due from other *firms* in the same *group* under ■ FEES 4.2.1 R, if:

- (1) it notifies the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) in writing of the name of each other *firm* within the *group* for which it will pay; and
- (2) it pays the fees, in accordance with this chapter, as a single amount as if that were the amount required from the *firm* under ■ FEES 4.2.1 R.

4.3.8 **G**

A notification under ■ FEES 4.3.7R (1) should be made in accordance with ■ SUP 15.7 (Form and method of notification).

4.3.9 **G**

If the payment made does not satisfy in full the periodic fees payable by all of the members of the *group* notified to the *FCA* under ■ FEES 4.3.7 R, the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) will apply the sum received among the *firms* which have been identified in the notification given under ■ FEES 4.3.7R (1) in proportion to the amounts due from them. Each *firm* will remain responsible for the payment of the outstanding balance attributable to it.

4.3.10 **G**

If a *firm* pays its fees through an agent outside the scope of ■ FEES 4.3.7 R, the *firm* is responsible for ensuring that the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) is informed that the sum being paid is for that *firm's* periodic fees.

4.3.11 **G**

[deleted]

4.3.12 **R** [deleted]4.3.12A **R** [deleted]**Firms Applying to Cancel or Vary Permission Before Start of Period**

- 4.3.13 **R** (1) If:
- (a) a *firm*:
 - (i) makes an application to vary its *permission* (by reducing its scope), or cancel it, in the way set out in ■ SUP 6.3.15D(3) (Variation of permission) and ■ SUP 6.4.5D (Cancellation of permission); or
 - (ii) applies to vary (by reducing its scope) or cancel its authorisation or registration (regulation 8 and 10(1) of the *Payment Services Regulations* including as applied by regulation 14 of the *Payment Services Regulations*); or
 - (iii) applies to cancel its authorisation or registration (regulation 10 and 12 of the *Electronic Money Regulations* including as applied by regulation 15 of the *Electronic Money Regulations*); or
 - (iv) applies for revocation of its registration under article 13(c) of the *MCD Order*; or
 - (v) applies to vary (by reducing its scope) or cancel its authorisation as a *data reporting services provider* under regulation 11 and 12 of the *DRS Regulations*; or
 - (aa) an *issuer* makes an application for de-listing; or
 - (ab) a *sponsor* notifies the *FCA* of its intention to be removed from the list of approved *sponsors*; and
 - (b) the *firm*, *issuer* or *sponsor* makes the application or notification referred to in (a), (aa) or (ab) respectively, before the start of the *fee year* to which the fee relates;
- FEES 4.2.1 R applies to the *firm* as if the relevant variation or cancellation of the *firm's permission* or authorisation or registration under the *Payment Services Regulations*, *MCD Order*, *DRS Regulations* or the *Electronic Money Regulations*, de-listing or removal from the list of approved *sponsors*, took effect immediately before the start of the *fee year* to which the fee relates.
- (2) But (1) does not apply if, due to the continuing nature of the business, the variation, cancellation, de-listing or removal is not to take effect on or before 30 June of the *fee year* to which the fee relates.

4.3.13A **R**

4.3.14 **G** The due dates for payment of periodic fees are modified by ■ FEES 4.3.6R(3), ■ FEES 4.3.6R(4), ■ FEES 4.3.6R(4A) and FEES 4.3.4R(7), respectively where:

- (1) a *firm* has applied to cancel its:
 - (a) *Part 4A permission*; or
 - (b) its authorisation or registration under the *Payment Services Regulations* or the *Electronic Money Regulations*; or
 - (c) its registration as a *CBTL firm* under article 13(c) of the *MCD Order*; or
 - (d) authorisation under regulation 11 of the *DRS Regulations*; or
- (2) the *FCA* has exercised its:
 - (a) *own-initiative powers* to cancel a *firm's Part 4A permission*; or
 - (a) power to annul the cancellation or variation of a *person's Part 4A permission* under Schedule 6A to the *Act*; or
 - (b) powers under regulation 10 (Cancellation of authorisation), including as applied by regulation 14 (Supplementary provisions) of the *Payment Services Regulations* to cancel a *firm's* authorisation or registration under the *Payment Services Regulations*; or
 - (c) powers under regulation 10 (Cancellation of authorisation), including as applied by regulation 15 (Supplementary provisions) of the *Electronic Money Regulations* or regulation 11 of the *DRS Regulations*; or
 - (d) powers under article 13 (Revocation of registration), excluding article 13(c), of the *MCD Order*.

Firms acquiring businesses from other firms

4.3.15 **R** [deleted]

4.3.16 **R**

- (1) [deleted]
- (2) [deleted]
- (3) [deleted]

4.3.17 **R**

- (1) This *rule* applies if:
 - (a) a *firm* (A)
 - (i) (A) acquires all or a part of the business of another *firm* (B), whether by merger, acquisition of goodwill or otherwise; and
 - (B) would be required to pay a periodic fee in the *fee year* in which the acquisition takes place; or
 - (ii) becomes authorised or registered as a result of another *firm's* (B) simple change of legal status (as defined in **FEES 3 Annex 1R Part 6**); and
 - (b) had that acquisition or simple change of legal status (or any associated cancellation) not taken place, a periodic fee would have been payable by B in that same *fee year*.

- (2) If, before the date of acquisition or simple change of legal status, B had paid any periodic fee that would have become payable by it in that *fee year*, ■ FEES 4.2.1R and ■ FEES 4.2.7ER to ■ FEES 4.2.7KR will not apply to A in relation to the business of B.

- (3) (a) If, before the date of acquisition or simple change of legal status, B had not paid any periodic fee that would have become payable by it in that *fee year*, ■ FEES 4.2.1R and ■ FEES 4.2.7ER to ■ FEES 4.2.7KR will apply to A in relation to the business of B.

(b) Periodic fees that would have become payable in that *fee year* include those which may have been dis-applied under ■ FEES 4.3.13R.

- (4) Regardless of A’s valuation date:
 - (a) if the acquisition or simple change of legal status takes place before B’s valuation date, then A must report the tariff data for, and pay fees or levies on, the transferred business up to the date of the transfer; and
 - (b) if the acquisition or simple change of legal status takes place after B’s valuation date and B has not paid the relevant fees or levies, then the data should be reported and fees be paid by A as if the transfer had taken place immediately before the valuation (if B continues to be authorised, it should strip the transferred business out of its report).

Cancellation and variation of Part 4A permission under Schedule 6A

4.3.18 **G** The *FCA* will not refund periodic fees if, after the start of the period to which they relate, a *person’s Part 4A permission* is cancelled under Schedule 6A or the *person’s Part 4A permission* is varied, reducing its permission under Schedule 6A (but see ■ FEES 2.3 (Relieving Provisions)).

Effect on periodic fees of annulment of cancellation or variation of permission under Schedule 6A

4.3.19 **G** Schedule 6A to the *Act* sets out a procedure to enable the *FCA* to cancel or vary the *Part 4A permission* of a *person* who it appears to the *FCA* is not carrying on a *regulated activity*. Paragraph 5 of Schedule 6A to the *Act* sets out a procedure for annulment of cancellation or variation of *Part 4A permission* in specified circumstances. It is for the *FCA* to decide whether it is just and reasonable to annul the decision to cancel a *person’s* permission or vary the permission to reduce its scope. Where the *FCA* grants an application for annulment, paragraph 6 of Schedule 6A sets out its effect. In particular, the cancellation or variation of *Part 4A permission* is treated as if it had never taken place. As a result of annulment, the periodic fees for the period during which the *person’s Part 4A permission* was cancelled or varied apply to the *person*.