

## Chapter 4A

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

## 4A.2 Obligation to pay periodic fees

- 4A.2.1** **R** A *TP person* must pay periodic fees applicable to it:
- (1) in full and without deduction by 1 August or, if later, within 30 days of the *fee year* to which the sum relates, unless modified by ■ FEES 4A.2.2R; and
  - (2) in accordance with the *rules* in this chapter.
- A *TP person* or a *CRO firm* must pay any special project fees applicable to it under ■ FEES 4A Annex 3R or ■ FEES 4A Annex 4R respectively.
- 4A.2.2** **R** If a *TP firm's* periodic fee for the previous financial year was at least £50,000, the *TP firm* must pay:
- (1) an amount equal to 50% of the periodic fee payable for the previous year, by 1 April (or if later, within 30 days of the date of the invoice) in the *financial year* to which the sum due under ■ FEES 4A.2.1R relates; and
  - (2) the balance of the periodic fee due for the current *financial year* by 1 September (or if later, within 30 days of the date of the invoice) in the *financial year* to which that sum relates.
- 4A.2.2A** **R** 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 ■ FEES 4A.2.1R and on the date the annulment has effect the date for payment specified in ■ FEES 4A.2.1R has passed, then that date for payment does not apply, but the *person* must pay the periodic fees applicable to it on the date on which the annulment takes effect.
- 4A.2.2B** **R** 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 ■ FEES 4A.2.2R and:
- (1) the annulment takes effect after 1 April, or after the invoice referred to in ■ FEES 4A.2.2(1) has been issued, then the date for payment in ■ FEES 4A.2.2R(1) does not apply, but the *person* must, where the annulment takes effect after 1 April but before 1 September, pay:
    - (a) an amount equal to 50% of the *FCA* periodic fee payable for the previous year on the date on which the annulment takes effect; and

(b) the balance of the *FCA* periodic fee due for the current *financial year* by 1 September or, if later, within 30 *days* of the date of the invoice, in the *financial year* to which that sum relates; or

(2) the annulment takes effect after 1 September or after the invoice referred to in ■ FEES 4A.2.2R(2) has been issued, then the date for payment in ■ FEES 4A.2.2R(2) does not apply, but the *person* must pay the total periodic fee due for the current *financial year*, on the date on which the annulment takes effect.

### Calculation of periodic fees for TP persons, excluding TPR funds

#### 4A.2.3

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Periodic fees for *TP persons*, excluding *TPR funds*, are calculated as follows:

- (1) identify each of the activity groups set out in Parts 1, 3 and 4 of ■ FEES 4A Annex 1R that apply to the business of the *TP person* (excluding *TPR funds*) for the relevant period (for this purpose, the activity groups under ■ FEES 4A Annex 1R are defined in accordance with Part 1 of ■ FEES 4 Annex 1AR and Part 2 of ■ FEES 4 Annex 11R);
- (2) calculate the size of the *TP person's* tariff base for the activity groups identified under (1) using:
  - (a) the tariff base calculations in Part 3 of ■ FEES 4 Annex 1AR and Part 3 of ■ FEES 4 Annex 11R (including only business undertaken from a *branch* in the *UK*); and
  - (b) the valuation date requirements in Part 5 of ■ FEES 4 Annex 1AR and Part 4 of ■ FEES 4 Annex 11R;
- (3) multiply the value of the *TP person's* tariff base by the rate applicable to each band of tariff base under ■ FEES 4A Annex 1R;
- (4) work out whether a minimum fee is payable under Part 2 of ■ FEES 4A Annex 1R and if so how much;
- (5) add together the fixed sums, as set out in the tables in Parts 1, 3 and 4 of ■ FEES 4A Annex 1R, applicable to each band identified under (1);
- (6) add together the amounts in (3), (4), and (5); and
- (7) the amount in (6) is the amount of periodic fees payable by the *TP person*.

#### 4A.2.4

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For the purposes of ■ FEES 4A.2.3R:

- (1) a *TP person* may apply the relevant tariff bases and rates to its non-*UK* business, as well as to its *UK* business, if:
  - (a) it has reasonable grounds for believing that the costs of identifying the *TP person's* *UK* business separately from its non-*UK* business in the way described in Part 3 of ■ FEES 4 Annex 1AR and Part 3 of ■ FEES 4 Annex 11R are disproportionate to the difference in fees payable; and

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4A.2.4A

**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*.

(b) it notifies the FCA in writing at the same time as it provides the information concerned under ■ FEES 4A.2.5R, or, if earlier, at the time it pays the fees concerned.

(2) for a *TP person* which has not complied with ■ FEES 4A.2.5R for this period, the periodic fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10.

#### Information on which TP person's periodic fees are calculated

4A.2.5

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A *TP person*, excluding *TPR funds*, must notify to the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) the value (as at the valuation date specified in Part 5 of ■ FEES 4 Annex 1AR and Part 4 of ■ FEES 4 Annex 11R) of each element of business on which the periodic fee payable by the *TP person* is to be calculated.

4A.2.6

**R**

A *TP person* must send to the FCA (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) in writing the information required under ■ FEES 4A.2.3R as soon as reasonably practicable, and in any event within two *months*, after the date specified as the valuation date in Part 5 of ■ FEES 4 Annex 1AR and Part 4 of ■ FEES 4 Annex 11R in relation to fees payable to the FCA.

4A.2.7

**R**

For a *TP person* which has not complied with ■ FEES 4A.2.6R for the period covered by ■ FEES 4A Annex 1R:

- (1) 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
- (2) an additional fee of £250 is payable, unless the *TP person* also pays periodic fees under the *PRA Rulebook* in which case an additional fee of £125 is payable instead.

4A.2.8

**R**

If a *TP person*, other than a *TPR fund*, is subject to *Solvency II Directive* in activity group A.3 or A.4 and the *PRA* or the FCA has either:

- (1) not received the necessary tariff data on a timely basis in line with Part 3 and 5 of ■ FEES 4 Annex 1AR; or

- (2) deemed the tariff data received to be incomplete or insufficiently reliable, by reference to a specific *TP person* or across all or part of the activity group, the *FCA* may use tariff data from the previous reporting period for the periodic fees calculation.

**4A.2.8A** **R** 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 on the date the annulment takes effect the date for notification to the *FCA* referred to in **FEES 4A.2.6R** of the information on which a *person's* periodic fee is calculated has passed, the date for compliance referred to in **FEES 4A.2.6R** does not apply, but the *person* must comply with **FEES 4A.2.5R** and **FEES 4A.2.6R** within 2 *months* after the date on which the annulment takes effect.

## Periodic fees commencement

**4A.2.9** **R** Periodic fees payable by *TP persons* under **FEES 4A.2.1R** relate to the whole of any fee year and are due for payment from the commencement of the fee year unless the modification in **FEES 4A.2.9AR** applies. Any payment made under **FEES 4A.2.1R** is not refundable.

**4A.2.9A** **R** Where a *CRO firm* becomes a *supervised run-off firm*, the periodic fee payable under **FEES 4A.2.1R** will be pro-rated over the remaining number of calendar *months* of the *fee year* that it is a *supervised run-off firm*.

## Periodic fees for TPR funds

**4A.2.10** **R** Periodic fees for *TPR funds* are set out in **FEES 4A Annex 2R**.

## FEES 4 rules incorporated into FEES 4A by cross-reference

**4A.2.11** **G** The *FCA Handbook* provisions relating to the periodic fees for *TP persons* including *supervised run-off firms* in **FEES 4A** are meant to follow closely the provisions relating to the general provisions under **FEES 4**. For brevity, not all of the provisions in **FEES 4** are set out again in **FEES 4A**. In some cases, certain **FEES 4** rules are applied to the payment of the periodic fees for *TP persons* by individual rules in **FEES 4A**. The rest are set out in the table in **FEES 4A.2.13R**.

**4A.2.12** **R** The **FEES 2** and **FEES 4** rules set out in the table in **FEES 4A.2.13R** and any other rules in **FEES 4** included in **FEES 4A** by cross-reference apply to the periodic fees for *TP persons* in the same way as they apply to periodic fees payable under **FEES 4**.

**4A.2.13** **R** Table of rules in **FEES 4** that also apply to **FEES 4A** to the extent that in **FEES 4** they apply to fees payable to the *FCA*

FEES 4 rules incorporated into FEES 4A	Description	Applicable to <i>TP persons</i> other than <i>TPR funds</i>	Applicable to <i>TPR funds</i>
<b>FEES 4.2.4R</b>	Method of payment	Yes	Yes

FEES 4 rules in- corporated into FEES 4A	Description	Applicable to <i>TP</i> <i>persons other</i> <i>than TPR funds</i>	Applicable to <i>TPR</i> <i>funds</i>
FEES 4.2.10R	Extension of time	Yes	Yes
FEES 4.3.7R	Groups of <i>firms</i>	Yes	Yes
FEES 4.3.17R	<i>Firms</i> acquiring business from other <i>firms</i>	Yes	Yes