

PERIODIC FEES (2003/2004) INSTRUMENT 2003

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).

Commencement

- C. This instrument comes into force on 1 April 2003.

Amendments to SUP

- D. SUP is amended by inserting, as SUP 20 Annex 1R (2003-4), the provisions in the Annex to this instrument.

Citation

- E. This instrument may be cited as the Periodic Fees (2003/2004) Instrument 2003.

By order of the Board
20 March 2003

Annex

Annex 1R

Periodic fees payable in relation to the period from 1 April 2003 to 31 March 2004.

The activity groups and tariff bases applicable to Parts 1 to 5 are defined in Part 7.

Part 1 – Date on which payment is required (see also GEN 3.3.1R) and payment methods

1 Table

Every *firm* must pay its periodic fee for this period as follows:

- (a) every *firm* whose periodic fee for the previous financial year was equal to or more than £50,000 must pay as follows:

Date payable	Amount payable
30 April 2003	50% of the periodic fee payable for the previous financial year
1 September 2003	The periodic fee payable under SUP 20.2.2R(1) <i>less</i> any amount paid on 30 April 2003.

- (b) every *firm* whose periodic fee for the previous financial year was less than £50,000 must pay as follows:

Date payable	Amount payable
1 July 2003	The periodic fee payable under SUP 20.2.2R(1)

2 Table

Every *firm* must pay using one of the following methods:

Payment Method	Additional Amount or Discount Applicable
Direct debit	Discount of £20
Credit transfer (BACS, CHAPS)	Discount of £10
Cheque	None
Switch	None
Credit card (Visa or Mastercard only)	Additional 2% of sum paid

Part 2 – Fee tariffs

(This part will be made at a later date.)

Part 3 – Permitted deductions

(This part will be made at a later date.)

Part 4 – Fee tariffs applicable to firms with new or extended permissions

(This part will be made at a later date.)

Part 5 – Modification of fee tariffs for incoming EEA firms and incoming Treaty firms

(This part will be made at a later date.)

Part 6 – Transaction reporting fees

(This part will be made at a later date.)

Part 7 – Activity groups and tariff bases

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.1 Deposit acceptors	its <i>permission</i> includes <i>accepting deposits</i> or <i>issuing e-money</i> ; BUT DOES NOT include any of the following: <ul style="list-style-type: none"> • <i>effecting contracts of insurance</i>; • <i>carrying out contracts of insurance</i>. 	(This part will be made at a later date.)
A.2	This activity group does not apply for this period.	
A.3 Firms conducting insurance activities subject only to prudential regulation	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: - <i>general insurance contracts</i> ; or - <i>long-term insurance contracts</i> other than <i>life-policies</i> .	(This part will be made at a later date.)
A.4 Firms conducting insurance activities subject to both prudential and conduct of business regulation	its <i>permission</i> includes one or more of: <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>. 	(This part will be made at a later date.)
A.5 Managing agents at Lloyd's	its <i>permission</i> includes <i>managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's</i> .	(This part will be made at a later date.)
A.6 The Society of Lloyd's	it is the <i>Society of Lloyd's</i> .	(This part will be made at a later date.)

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>GENERALLY, FOR FEE-BOCKS A.7 TO A.15 BELOW, ONLY THOSE REGULATED ACTIVITIES THAT ARE NOT LIMITED TO NON-MAINSTREAM REGULATED ACTIVITIES SHOULD BE TAKEN INTO ACCOUNT IN DETERMINING WHICH FEE-BLOCK(S) FEE-PAYERS BELONG TO.</p> <p>HOWEVER, IN THE CASE THAT ALL THE REGULATED ACTIVITIES WITHIN A FIRM'S PERMISSION ARE LIMITED TO NON-MAINSTREAM REGULATED ACTIVITIES, THEN THAT FIRM SHALL BE ALLOCATED TO FEE-BLOCK A.13 ALONE.</p>		
A.7 Fund Managers	<p>its <i>permission</i> includes <i>managing investments</i>.</p> <p>This activity group is subdivided into three classes:</p> <ul style="list-style-type: none"> – Class A, where the funds managed by the <i>firm</i> belong to one or more <i>occupational pension schemes</i>; – Class B, where: <ul style="list-style-type: none"> (a) the <i>firm</i> is not a Class A firm; and (b) the <i>firm's permission</i> includes NEITHER of the following: <ul style="list-style-type: none"> • <i>safeguarding and administering of investments (without arranging)</i>; • <i>arranging safeguarding and administration of assets</i>; and (c) the <i>firm</i> EITHER: <ul style="list-style-type: none"> • has a <i>requirement</i> that prohibits the <i>firm</i> from holding and/or controlling <i>client money</i>; OR • if it does not have such a <i>requirement</i>, only holds/controls <i>client money</i> arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>; <p>and</p> – Class C, where the <i>firm</i> is not within Class A or Class B. 	(This part will be made at a later date.)
A.8	This activity group does not apply for this period.	

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.9 Operators, trustees and depositaries of collective investment schemes	<p>(1) its <i>permission</i>:</p> <p>(a) includes one or more of the following:</p> <ul style="list-style-type: none"> • <i>establishing, operating or winding up a regulated collective investment scheme</i>; • <i>establishing, operating or winding up an unregulated collective investment scheme</i>; • <i>acting as trustee of an authorised unit trust scheme</i>; • <i>acting as the depositary or sole director of an open-ended investment company</i>; <p>AND</p> <p>(b) PROVIDED the <i>firm</i> is NOT one of the following:</p> <ul style="list-style-type: none"> • a <i>corporate finance advisory firm</i>; • a <i>firm</i> in which the above activities are limited to carrying out <i>corporate finance business</i>; • a <i>venture capital firm</i>; 	(This part will be made at a later date.)
A.9 Operators, trustees and depositaries of collective investment schemes Continued...	<p>OR</p> <p>(2) if the fee-payer has none of the <i>regulated activities</i> above within its <i>permission</i>, but ALL the remaining <i>regulated activities</i> in its <i>permission</i> are limited to carrying out trustee activities.</p>	

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.10 Firms dealing as principal	<p>its <i>permission</i> includes <i>dealing in investments as principal</i>;</p> <p>BUT NOT if one or more of the following apply:</p> <ul style="list-style-type: none"> • the above activity is carried on exclusively in respect of <i>life policies</i>; • the <i>firm</i> is acting exclusively as a matched principal broker; • the above activity is limited either to acting as an operator of a <i>collective investment scheme</i>, or to carrying out trustee activities; • the <i>firm</i> is a <i>corporate finance advisory firm</i>; • the above activity is otherwise limited to carrying out <i>corporate finance business</i>. • the <i>firm</i> is subject to a <i>limitation</i> to the effect that the <i>firm</i>, in carrying on this <i>regulated activity</i>, is limited to entering into transactions in a manner which, if the <i>firm</i> was an <i>unauthorised person</i>, would come within article 16 of the <i>Regulated Activities Order</i> (Dealing in contractually based investments). 	<p>(This part will be made at a later date.)</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.11 Execution-only arrangers, dealers or brokers	<p>its <i>permission</i>,</p> <p>(a) includes one or more of the following:</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 exclusively in respect of <i>life policies</i> or where the <i>firm</i> acts as a matched principal broker; <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>advising on investments (except pensions transfers and pension opt-outs);</i> or • <i>advising on pension transfers and pension opt-outs;</i> or • <i>accepting deposits;</i> <p>AND</p> <p>(c) PROVIDED the fee-payer is NOT any of the following:</p> <ul style="list-style-type: none"> • <i>a corporate finance advisory firm;</i> • <i>a firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business;</i> • <i>a firm</i> whose activities are limited to carrying out <i>venture capital business;</i> • <i>a firm</i> whose activities are limited to acting as an operator, <i>depository</i> or <i>trustee</i> of a <i>collective investment scheme</i>, or <i>trustee</i> activities. 	(This part will be made at a later date.)

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.12 Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	<p>its <i>permission</i>,</p> <p>(a) includes one or more of the following:</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 where the activity is carried on as a matched principal broker;</i> <p>AND</p> <p>(b) AT LEAST one of the following:</p> <ul style="list-style-type: none"> • <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>(c) BUT NONE of the following:</p> <ul style="list-style-type: none"> • <i>effecting contracts of insurance; or</i> • <i>carrying out contracts of insurance.</i> <p>AND</p> <p>(d) 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 and/or control <i>client money</i>: <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>(e) 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>collective investment scheme</i>; • a <i>firm</i> whose activities are limited to carrying out <i>trustee</i> activities. 	<p>(This part will be made at a later date.)</p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	<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 non-mainstream activities;</p> <p>OR</p> <p>2. its <i>permission</i> contains both:</p> <ul style="list-style-type: none"> • <i>making arrangements with a view to transactions in investments</i>; and • <i>accepting deposits</i>. <p>OR</p> <p>3. its <i>permission</i>:</p> <p>(a) includes one or more of the following:</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; <p>AND</p> <p>(b) AT LEAST one of the following:</p> <ul style="list-style-type: none"> • <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>(c) 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>(d) MUST EITHER:</p> <ul style="list-style-type: none"> • have a <i>requirement</i> that prohibits the <i>firm</i> from holding and/or controlling <i>client money</i>; OR • if it does not have such a <i>requirement</i>, only holds/controls <i>client money</i> arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>; <p>AND</p>	(This part will be made at a later date.)

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)</p> <p>Continued...</p>	<p>(e) 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 acting as an operator of a <i>collective investment scheme</i>; • a <i>firm</i> whose activities are limited to carrying out <i>trustee</i> activities; <p>OR</p> <p>4. its <i>permission</i>:</p> <p>(a) includes one or more of the following:</p> <ul style="list-style-type: none"> • <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 MUST NOT include:</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; <p>AND</p> <p>(c) 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 operator of a <i>collective investment scheme</i>; • a <i>firm</i> whose activities are limited to acting carrying out <i>trustee</i> activities. 	

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.14 Corporate finance advisers	the <i>firm</i> is carrying on <i>corporate finance business</i> .	(This part will be made at a later date.)
A.15	This activity group does not apply for this period.	
A.16 Pensions review levy firms	it was liable to pay the Pensions Levy to the <i>PIA</i> in 2001/2002.	(This part will be made at a later date.)
A.17 Pensions review - SERPS adjustment firms	it is subject to <i>PIA</i> rule 7.2.4 under the Designation of Pensions Review Provisions Instrument 2001.	(This part will be made at a later date.)
B	it has been designated as an operator of a prescribed market under the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001, SI 2001/996.	(This part will be made at a later date.)

Part 8 – Periodic fees for certificates under article 54 of the Regulated Activities Order

(This part will be made at a later date.)