



Gibraltar Financial Services Commission

Response Paper
Funding Review Consultation

Published: 9th June 2016

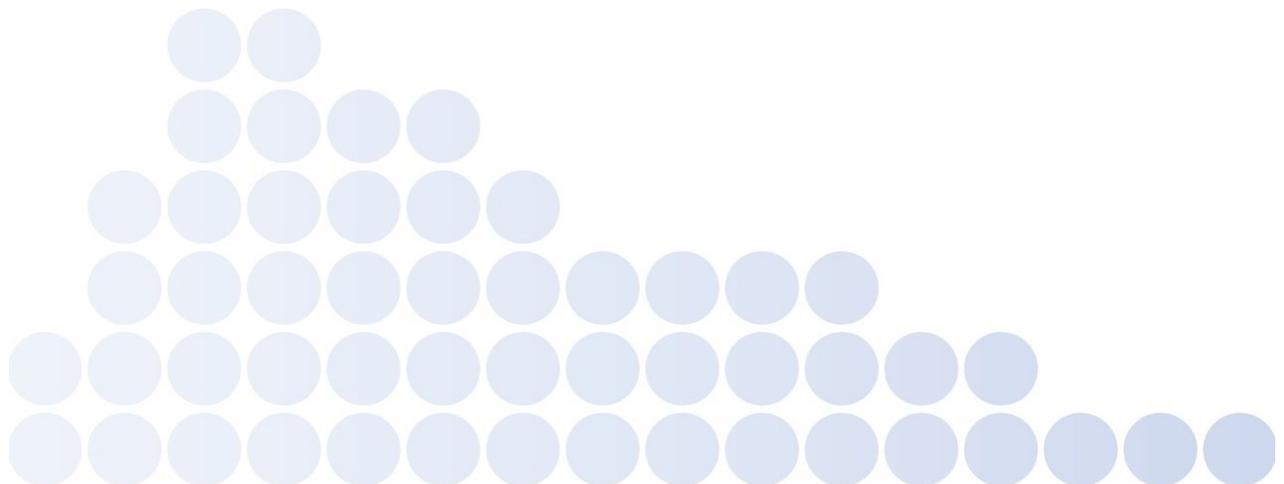


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1. Purpose

In our Funding Review Consultation Paper (CP), published on 14 December 2015, we set out a proposed methodology for calculating fees payable by applicants and regulated financial services firms and individuals under the various Supervisory Acts for which the Gibraltar Financial Services Commission (“GFSC”) has responsibility. The aim of the proposals was to achieve a fair and transparent fee-setting policy, which would allow licensees to budget for their regulatory costs and generate a level of income that would adequately cover our expenditure requirements.

The proposals set out in the CP were the culmination of extensive consultation commenced in early 2015 with the Finance Centre Council (FCC). Discussions with industry representatives and members of the FCC sub-committee tasked with coming up with the proposals spanned a period of over 8 months prior to the publication of the CP.

This Response Paper summarises the responses received to the Consultation Paper and the Government’s and the GFSC’s collective view on these responses. It also presents the amended methodology that will apply as from 1 April 2016 to how fees are set, levied and raised.

2. Background

Since the GFSC was established there have been minimal changes to the fee structure despite significant changes to the regulatory landscape, the profile of the financial services sector, market developments and the level of expansion in our regulatory remit during this period. Neither has there ever been a comprehensive review of the approach to how fees are set.

In 2014 the GFSC committed to delivering on a 3 year strategic plan. Our work will continue to focus on protecting consumers and safeguarding the reputation of Gibraltar whilst supporting the growth of the financial sector within the jurisdiction. There has been strong recognition across the industry that the ability to do this effectively requires an appropriate level of funding.

The CP set out a wholesale change to the way in which fees are set. We proposed to move away from, in most cases, a flat rate to a methodology that in our view better reflected the cost of the supervisory resources that each individual or firm takes up.

3. Summary of proposals

In summary, the proposals focused on grouping fee-payers into a series of ‘fee-blocks’ in order to link together related types of permitted regulatory business and allocate regulatory costs to these in a fair and transparent manner. Each fee block then set out the minimum base fee that would be payable plus additional amounts which were dependant on a range of factors.

Where firms hold multiple licences we proposed to charge one base fee if these activities fell within the same fee block, and where the activities fell within different fee blocks the relevant base fees would be payable.

We also proposed to introduce a number of new types of fees in relation to authorisation. This included payments in advance in respect of complex applications which require significant resources; surcharges where there are significant overruns in the authorisation process resulting from events within the control of the applicant or potential applicant, such as poor or inadequate documentation or communication; and levies and contributions where new legislation is introduced in respect of a particular sector.

Separately, the CP set out our specific proposals for a CRD IV levy which related to banks and MiFID firms that are required to comply with the requirements of the Capital Requirements Directive IV.

4. Responses to the Consultation

Both the Government and the GFSC are grateful for all of the feedback generated. We received 45 written responses to the CP. In addition, 64 individuals and firms attended one of the six “Fee Workshops” that were held during early January 2016. The comments and/or suggestions received at these workshops were all noted and considered as a part of the consultation process. We also received 67 requests for a breakdown of proposed fee calculations (out of a total of approximately 480 licensees). The Minister for Financial Services also had a number of meetings with industry representatives and firms in the 6 week period following the end of the consultation. We have carefully considered all of the responses and comments received.

A list of respondents is available on request.

5. Structure of the Response Paper

In the subsequent sections of this Response Paper we set out:

- The Government’s and the GFSC’s general response to the feedback.
- A summary of the material changes made to the proposals as originally set out in the CP, following consideration of the comments received.
- A summary of the feedback we received on the Consultation Paper and comments/suggestions received during the workshops.

6. Who should read this Response Paper?

This paper should be read by regulated firms and individuals, applicants and potential applicants, as well as the professional advisers of regulated firms and applicants. It will also be of interest to industry associations and other sector representative bodies and groups.

7. Legislation

The changes to the fees came into effect on 1 April 2016. These have been published as The Financial Services Commission (Fees) Regulations 2016 (“the Regulations”). The fee blocks and details relating to application and additional fees have been replicated at Section 11 of this document.

8. General response to feedback received

Respondents acknowledged that (a) resourcing of the GFSC needed to be appropriate and (b) that an appropriate level of funding is required for this. There was also negligible disagreement on the underlying methodology that should form the basis of the fee calculations, and little dispute over the level of operating costs of the GFSC.

However, there was also a concern that the sector needed to remain competitive against other jurisdictions. Respondents have highlighted that there is the danger that higher regulatory costs may lead to the movement of financial activity to jurisdictions with more competitive regulatory fees, and that in addition this could deter potential new business from establishing in the jurisdiction. A strong theme coming through in the responses was the desire for an ongoing Government subvention as well as the need to maintain the cost effectiveness of Gibraltar versus other jurisdictions.

For each sector or activity there is a fixed cost of regulation which applies irrespective of the size of the sector. The Government and the GFSC recognise that in some of the sectors that are still in infancy or at a stage of early growth, it is difficult to apply economies of scale. In addition, this must be seen against the background of a changing regulatory environment and market developments which has had an increasing impact on the obligations and pressures faced by regulators, which have significantly increased the fixed cost of regulation.

The Government has indicated that it wishes to support the growth of the financial services sector and an important element of this is to have a good regulator that is both accessible and pragmatic; is open to scrutiny, especially in the context of the EU; is professional and risk-conscious; that promotes and supports the safe growth of the industry; a regulator that provides an excellent level of communication, regulation and supervision - a regulator that is able to deliver its strategic and regulatory objectives efficiently in a manner which protects consumers and the jurisdiction.

The Government recognises the need for investment and has indicated its commitment to providing a higher level of support this year than was proposed in the consultation paper. The CP originally projected a subvention in year 1 of £635,000 with an increase in licence fees in year 2 of 10%, which would have the effect of reducing the level of Government subvention to zero. The Government has made a public commitment to a subvention of £1 million in year 1. It has also committed to providing ongoing financial support beyond this first year under the new methodology and into the future. This will take the form of a reducing subvention from this £1 million starting point. Licence fees will increase by 4% in years 2, 3 and 4.

In doing this, the Government has specifically focused on certain sectors which it considers will continue to develop and which the Government wants to further support – for example, the funds sector generally and the small MiFID firms.

As a result of this considered approach, Government and the GFSC have also looked carefully at what changes could be made to the fee proposals set out in the CP in order to address the concerns or issues raised by members of the industry.

9. Summary of Material Changes

Insurance Companies

The Solvency Adjustment fee has been removed. The Gross Technical Provision fee has been renamed Gross Technical Liabilities fee.

A fee of £10,000 will be payable for any incoming insurance company branch under Fee Block A4.

For details of changes to outgoing passporting fees see below.

Banks

The fees payable for consumer credit activity and payment services activity have been removed.
Fees payable for non-EEA third country branches of banks have been moved from Fee Block A4 to A1.

For details of changes to outgoing passporting fees see below.

E-Money Firms

A fee of £10,000 will be payable for any incoming e-money firm branch under Fee Block A4.

For details of changes to outgoing passporting fees see below.

MiFID firms

The Category Fee for Category 3 MiFID Firms is reduced from £5,000 to £2,500.

For MiFID firms that are not banks, the additional fee calculation is now based on Turnover from MiFID activity as opposed to Assets under Management. This applies to Category 1, 2 and 3 firms.

The relevant thresholds and tiers applied are as follows:

Turnover ≤ £500,000	no additional charge
£500,001 ≤ Turnover ≤ £1,000,000	a flat fee of £1,000
£1,000,001 ≤ Turnover ≤ £4,000,000	a flat fee of £2,000
£4,000,001 ≤ Turnover ≤ £10,000,000	a flat fee of £4,000
Turnover ≥ £10,000,001	a flat fee of £6,000

The fee payable by an Incoming MiFID Branch has been reduced from a flat fee of £12,000 per annum to a flat fee of £9,500 per annum. This is the equivalent to the minimum payable by a Category 3 MiFID firm.

For details of changes to outgoing passporting fees see below.

AIFMs

A number of the fees payable have been changed.

Additional Fee 1

Additional fees charged at a flat rate based on Assets under Management as per the following:

For a Self-Managed AIFM:

AUM ≤ £10 million	A flat fee of £500
£10 million < AUM ≤ £100 million	A flat fee of £1,000
AUM > £100 million	A flat fee of £2,000

For an Externally Managed AIFM:

AUM ≤ £10 million	A flat fee of £1,000
£10 million < AUM ≤ £100 million	A flat fee of £3,000
AUM > £100 million	A flat fee of £4,000

Small AIFMs

The discount applied to self-managed AIFMs has been increased from £6,000 to £6,750

The additional fee payable per AIF managed is reduced from £300 to £150.

Self-Managed AIFM

The additional fee per AIF managed will not be applied since these are self-managed.

For details of changes to outgoing passporting fees see below.

Consumer Credit firms

The tiers for the additional fee payable have been amended to the following:

Additional fee based on Loans Outstanding.

£0 ≤ Loans Outstanding ≤ £500,000	no additional charge
£500,001 ≤ Loans Outstanding ≤ £1,000,000	a flat fee of £4,500
£1,000,001 ≤ Loans Outstanding ≤ £5,000,000	a flat fee of £5,500
Loans Outstanding ≥ £5,000,001	a flat fee of £6,500

Insurance Intermediaries

The base fee is reduced from £7,000 to £5,500. The same reduction will apply to any incoming insurance intermediary branches.

The fees payable for the CIS Intermediary and Investment Adviser classes of licence have been removed.

The additional fee will only be charged if a firm is carrying out both general and life insurance intermediation.

The turnover fee payable has been amended to the following:

Turnover ≤ £500,000	no additional charge
£500,001 ≤ Turnover ≤ £1,000,000	a flat fee of £500
£1,000,001 ≤ Turnover ≤ £5,000,000	a flat fee of £1,000
£5,000,001 ≤ Turnover ≤ £20,000,000	a flat fee of £2,000
Turnover ≥ £20,000,001	a flat fee of £3,000

For details of changes to outgoing passporting fees see below.

Funds

The base fee payable per fund includes the first cell/sub-fund i.e. the first cell is 'free' and the charge of £500 per Cell/sub-fund is payable thereafter.

Passporting

Passporting fees have been amended to the following:

A charge of £100 per jurisdiction to which services passporting is carried out will apply across all sectors. This will be capped at a maximum of 5 jurisdictions i.e. a maximum of £500 will be payable.

Charges for passporting on an establishment basis (i.e. branch passporting) will vary between sectors in the following manner:

Banks	£10,000
Insurance Companies	£3,000
Insurance Captives and Reinsurance Captives	£1,000
E-Money firms	£1,000
In-Scope AIFMs	£1,000
MiFID firms	£3,000
Insurance Intermediaries	£1,000
Payment Services firms	£1,000

These amounts are payable per jurisdiction in which a branch is established and will be capped at a maximum of 5 jurisdictions.

UCITS Funds and UCITS Managers

The flat fee of £10,000 per annum is reduced to a flat fee of £4,752 i.e. there is no change from current fee structure.

A fee of £10,000 will be payable for any incoming UCITS Management Company branch under Fee Block B2. The fee payable for an incoming branch of a UCITS fund under Fee Block A4 has been removed.

Mortgage Credit Intermediaries

The base fee is reduced from £7,000 to £5,500. The same reduction will apply to any incoming mortgage credit intermediary branches.

Company Managers and Professional Trustees

This sector has been moved from Fee Block C1 to C2. The effect of this is to reduce the base fee payable from £1,500 to £1,000.

Stock Exchange Member firms

Fee Block G1 has been removed. This will only apply once the legislative reform programme has been completed.

10. Summary of Feedback and Responses

The following section summarises the feedback and comments received, outlines our response and, where relevant, provides clarification if this was being sought.

A number of comments received from respondents did not relate directly to the Funding Review or the contents of the CP itself. These have not been included below, however, in those cases where it is considered appropriate, an individual response on the relevant matter will be provided to the respondent.

General

1. A large proportion of respondents considered that there should be an element of funding from the Government of Gibraltar order to ensure that costs remain competitive and reasonable for industry.

Response:

The Government has made a public commitment to providing a higher level of support in year 1 than was proposed in the CP. The original projections provided for a subvention in year 1 of £635,000 with an increase in licence fees in year 2 of 10%, which would have the effect of reducing the level of Government subvention to zero. The Government has considered the responses to the consultation and committed to an increase in the subvention of £1 million in year 1 as well as providing ongoing financial support beyond this first year under the new methodology and into the future. This will take the form of a reducing subvention from the £1 million starting point, continuing in future years as licence fees in years 2 3 and 4 increase by only 4% per annum.

2. The rationale for increasing the financial resources of the GFSC was raised by a small number of respondents. A number of respondents also sought information relating to the budget of the organisation and they also queried whether balance sheet reserves would be built up to cover one-off events or issues.

Response:

The reasons for the need for greater financial resources have been set out in various references within the 2014-2017 strategic plan, the 2015/16 business plan, the various business plan updates published during 2015 and 2016, the 2015 annual report and the CP itself. The operating budget for the GFSC for the period 2016/17 is £6 million. The organisation operates a tightly managed budgeting and financial control process, and if at any point in the future income were to exceed expenditure, consideration would then be given to reducing fees for the following year or building up reserves. A modest level of reserves would provide the organisation with a financial buffer to meet any unexpected expenditure.

3. A number of respondents considered that the fees proposed were not comparable to those levied in other jurisdictions, and that this would make Gibraltar uncompetitive and could deter new entrants to the market from establishing in the jurisdiction.

Response:

Our analysis showed that in a number of areas a like-for-like comparison was difficult or not possible and therefore approximations had to be made. Despite the prevailing view that respondents seemed to have our findings showed that in fact there was a mixed picture, with many proposed fees by sector or type of firm falling within the range levied by comparative jurisdictions.

4. A small number of respondents also flagged the other regulatory costs that they face e.g. compensation scheme contributions, cost of reporting under EU Directives, cost of recruiting compliance staff and professional indemnity insurance costs. Firms throughout the EU and international financial sector have seen compliance costs increase significantly since the 2008 financial crisis.

Response:

We recognise the impact of these costs on firms as well as direct regulatory costs but consider that this must be seen in the context of the broader background of increasing EU and international obligations that have to be met if Gibraltar is to comply with these requirements.

5. Respondents queried how the future increases of 10% in year 2 and inflationary increases thereafter would be applied; what data would be used for the calculation of fees, the timing of this data, and how fees would be calculated for firms whose circumstances change during the course of the year.

Response:

The increases that were proposed in the CP have been substantially revised. It is envisaged that fees will now increase by 4% in each of years 2, 3, and 4. It is further envisaged that these increases will be applied to all fees.

The data that will be used for calculating fees will be taken from the most recent audited financial statements (or the most recent supervisory return when this relates to statistical data). We considered using yearly average data but this would have required the collection of a significant amount of additional data from certain sectors for the sole purpose of fee calculation and it was felt that this would represent a disproportionate regulatory burden on firms.

We also acknowledge that in some cases using data from the most recent audited financial statements may mean that the data will relate to a period 12-18 months prior to the raising of the fee where the level of activity of the firm may have been different. This actually benefits start-up firms and those experiencing growth with fees lagging behind the development of the firm by the 12-18 month period and effectively "playing catch-up". Where firms are winding down operations or cease to trade (but remain licensed for a period), under Regulation 6(1) the GFSC may exceptionally reduce, waive or defer in whole or in part any fee upon the happening of certain event or otherwise at the discretion of the GFSC.

6. Concerns were raised in relation to the proposed fees for passporting which were viewed as excessive, with a number of respondents of the view that supervisory work was minimal after the initial notification (for services passports), and some suggesting that capping be introduced.

Response:

Where a firm has the capability to provide services to customers in another jurisdiction by virtue of a passport being exercised, these activities (or the potential to carry out these activities) require regulatory supervision by the home state regulator, and in general the level of oversight supervision activity substantially increases where cross border activity is concerned. Where the passport is by way of establishment (i.e. a branch) an increased level of regulatory resources must also be applied.

In a large number of cases, firms exercise their passporting rights under multiple directives. For example, a bank that carries out deposit taking, investment activities and insurance mediation may choose to exercise passporting rights in all 3 of these areas under the 3 relevant directives. It may also choose to passport into multiple jurisdictions. In all these cases, relationships need to be established and maintained with the host state regulator.

In a large number of jurisdictions (including the UK) there may be more than one competent authority with responsibility for areas of financial services to which these directives relate. This means that the GFSC is required to engage with different regulators for each passport exercised.

Since 2014, supervisory responsibilities under EU Directives are increasing and the European Supervisory Authorities ('ESAs') have made clear that, where passporting is exercised, competent authorities are expected to carry out a greater level of supervisory engagement than had previously been the case. This is expected to continue via the increased use of supervisory colleges and other tools such as host and home state joint inspections of branches.

The ESAs have published regulatory technical standards and implementing technical standards that set out a structured and consistent process for the provision of key supervisory information across the EU. The expectation is that a much increased exchange of information will facilitate the increased monitoring of institutions that operate through a branch or through the exercise of the freedom to provide services. In addition, and as the GFSC is already experiencing, the ESAs are making it clear that they will be overseeing the supervisory work that is undertaken by each competent authority, including the GFSC.

There is clearly a need to cover the costs incurred in the supervisory activity now expected over firms that passport. Nevertheless, as a result of the feedback received the proposed passporting fees have been substantially amended and reduced (these have been detailed in Section 9).

7. A number of respondents enquired how fees would be determined for new licensees.

Response:

A newly authorised firm will be required to pay the relevant base fee(s) at the point of authorisation for any fee block under which its activity falls. Any additional fees payable will need to be calculated based upon a range of factors including activity and income. To calculate the additional part of the annual fee we will seek, towards the end of the GFSC's financial year end, the relevant data needed. The firm will at that point be invoiced for the remainder of the annual fee which will be calculated based upon the financial data and/or supervisory returns provided.

Insurance Companies

8. A small number of respondents mooted the possibility of introducing a different fee structure for run-off insurers in order to develop Gibraltar as a domicile for this type of activity. Clarification was also sought as to the point during run-off at which passporting fees would no longer apply.

Response:

The possibility of introducing a different fee structure has not been captured in the current methodology but work will be carried out with the Finance Centre and the industry in order to further explore this as a potential area for development opportunities. Where a contract with a customer in another jurisdiction exists, and this contract needs to continue to be serviced, the relevant passport must remain in place.

9. Clarification was also sought around the Gross Technical Provisions (GTP) measure to be used and arguments raised that this specific measure would not take into account the risk profile of a firm nor whether the firm had in place a reinsurance programme with well capitalised counterparties. We were asked to consider putting a cap on the GTP fee as a percentage of the Solvency Capital Requirement and were also asked to consider an alternative approach to calculating fees.

We were also asked for clarification on how the Gross Premium Income (GPI) figure would be defined and what it would include.

Response:

The measure to be used has been amended to the Gross Technical Liability (GTL) figure. The figures used for both GTL and GPI will be those disclosed in relation to the balance sheet from the most recently available audited financial statements.

The GTL is one of the factors taken into account in calculating the fee payable. Factoring in whether a firm has a reinsurance programme cannot be done in a simple way - it would require the collection of specific data and information analysis and would need to consider the quality, amount and terms and conditions of reinsurance. The resource required to carry this out for the sole purpose of calculating fees is not considered proportionate or commensurate.

We also consider that technical provisions should be set at right levels by a firm's Board and management regardless of the potential impact this could have on the level of fees payable. We also considered the alternative suggestion put forward for calculating fees on an alternative basis but concluded that this would risk the outcome of fees charged not being proportionate to regulatory costs. The fee structure now takes into account the size, nature and complexity of the business.

10. Greater clarity was sought on how the Solvency Adjustment would work in practice. Alternative suggestions were put forward.

Response:

The relevance and appropriateness of applying a Solvency Adjustment has been reconsidered and as a result this has been removed from the methodology.

11. One respondent felt it was unfair for a fee to be levied on insurance managers based on the number of clients as this would mean that a double charge was being applied. Clarification was also sought regarding what constituted the provision of insurance management.

Response:

No double charging is envisaged. An Insurance Manager is charged an annual fee based on the level of insurance management activity carried out (by virtue of the number of companies to which it provides insurance management services). The insurance company is charged an annual fee separately - this relates to its own insurance activities and not any services provided to it by the insurance manager.

If an insurance company has an appointed insurance manager, then it is a managed insurance company. If an insurance company outsources certain administrative functions but does not appoint an insurance manager then it is self-managed.

12. Clarity was sought on the internal model fees and a point was raised regarding the fees for internal models versus the audit costs associated with standard models.

Response:

The internal model fees did not form part of the consultation itself but were included in the paper for information purposes. The annual fee for internal models is £5,000. In addition, an internal model will require validation which is likely to incur greater costs than the standard audit costs that a standard model would incur.

13. One respondent raised the issue of the fees payable for Invoke Filing.

Response:

There was extensive dialogue with the industry during the run up to using the Invoke reporting portal. This is a facility offered by the GFSC. The Invoke Filing Facility fees did not form part of the consultation and were only included in the paper for information purposes.

14. Only one respondent was not in agreement with the proposed change to April invoicing for insurance companies and banks.

Response:

Given the relative agreement to the change of invoicing date for banks and insurance companies, this change has been given effect as proposed in the CP. This means that all firms will now receive a single invoice that will set out all annual fees payable for that particular financial year. We consider that this approach provides firms with certainty and clarity and also ensures that there is consistency applied across all sectors.

Banks

15. Respondents requested that consideration be given to reducing or capping fees given the increased costs faced by banks as a result of the Deposit Guarantee Scheme Directive and Banking Resolution & Recovery Directive contributions now required.

Response:

The contributions payable under Deposit Guarantee Scheme Directive and Banking Resolution & Recovery Directive arise directly as a result of EU Directive obligations. These are not set by, nor contribute to the operating budget of, the GFSC - these contributions are not used to cover the cost of regulation.

Annual fees contribute to the funding of the GFSC. The methodology has been devised in a way which ensures that the apportionment and level of fees is proportionate and contributes fairly to the recovery of the costs in regulating each sector. This in turn enables the GFSC to supervise in accordance with EU and international standards.

16. Respondents raised a number of questions relating to the additional fees for consumer credit activity, mortgage credit activity and collective investment scheme intermediary activity.

Response:

The thresholds and tiers proposed are determined by factors that are specific and of relevance to each type of activity. Having said this, the additional fees for consumer credit activity and payment services have been removed for banks as it is considered that these activities form an intrinsic part of the traditional banking model.

In addition, no fee was envisaged for collective investment scheme intermediary activity in the CP and there has been no change to this position.

17. Respondents asked whether the financial modelling took into account income received by way of penalties and fines imposed.

Response:

The proposals set out in the CP proposals exclude any potential income that could be received as a result of penalties and/or fines levied. In practice, fines and penalties have historically represented a very small proportion of income received and are not factored into any budgeting or modelling.

18. A question was raised on the impact on fees should there be an increase in the size of the industry.

Response:

Any future consideration of fees against an increase in the size of a sector would need to be against an analysis at the time on the extent to which the increase in size has led to stronger economies of scale and the extent to which the increase in size is leading to a greater use of regulatory resources.

19. Clarification was sought on whether costs relating to promotional type activity were to be recovered from Government and whether these would continue to be incurred post 2018.

Response:

The cost of GFSC staff attending any Government marketing trip is covered by Government and is not a GFSC expense.

20. The possibility of using insurance for one-off enforcement cases was also mooted.

Response:

We consider that it is unlikely that this type of insurance exists, and if so, to an extent, that cover can be relied upon and is not prohibitively expensive.

21. Respondents requested clarification on the difference between a levy and a contribution. Clarification relating to the CRDIV levy was also requested.

Response:

Although the CP referred to both levies and contributions, these terms were used interchangeably. The new fee regulations only refer to levies. Regulation 5 provides that the Minister may determine that a levy should be imposed on authorised persons, or any category of authorised persons, in respect of the transposition and implementation in Gibraltar of European Union law.

A possible levy in relation to CRD IV was discussed at length with the sector during 2015. The costs incurred to date and forecast up to December 2016, in relation to the implementation of the supervisory regime under CRD IV are considered to be of a level that we would be unable to cover these from annual licence fees. In much the same way as the Solvency II levy was raised in respect of the insurance company sector, the CRD IV levy is a one-off contribution from the industry that is a merited and proportionate response to the need for the GFSC to dedicate resource to continuing to develop the supervisory approach required under the CRD IV regulatory regime.

22. Clarification was sought on what data would be used to determine the fees applied to MiFID investment activity and how assets under management would be defined for these purposes.

Response:

For the purposes of calculating fees, 'assets under management' means the total value of the funds managed by an authorised person in respect of that authorised person's investment business covered by its licence or authorisation, as defined in The Financial Services Commission (Fees) Regulations 2016.

23. A respondent asked whether additional tiers could be applied to the fees for fund depositary activities. Clarification was also sought on whether other types of collective investment schemes would be factored in to the fee basis.

Response:

The principle of additional tiers was considered, however no specific suggestion for how this could be achieved was actually received. In addition, it was felt that any potential impact was minimal and that the collection of additional data from the relevant firms for the sole purpose of fee calculation could represent both a disproportionate regulatory burden on the firms themselves as well as a disproportionate resource requirement for the GFSC, which would not be easily justifiable.

It is not envisaged that the types of schemes will be extended beyond those indicated in the fee block calculation. However, as indicated in the CP, where there is a need to extend existing fee blocks as result of the introduction of new activities, consultation would be carried out.

24. A respondent asked why deposits from credit institutions were omitted from the calculation for the 'amounts due to customer' additional fee.

Response:

This approach reflects the approach taken in the supervisory returns. If deposits from other credit institutions were to be included in the calculation this would have the effect of potentially substantially increasing the fees due.

25. It was pointed out that the fees proposed for non-EEA and EEA branches were the same and that this did not seem logical. The point was made that a non-EEA firm should carry a premium over an EEA firm.

Response:

We have recognised that there was an error in the CP and that non-EEA banks should have been placed in Fee Block A1 instead of A4. During the consultation period this was communicated to the affected firm(s). The Regulations reflects the correct position.

26. Clarification was sought on the calculations for the Banking Recovery & Resolution Directive and the Deposit Guarantee Scheme Directive contributions.

Response:

Contributions payable in respect of obligations under the BRRD and DGSD did not form part of the CP and have been the subject of separate correspondence and dialogue with firms. It is anticipated that invoices in respect of these will be issued in June.

27. Clarity was requested on the difference between self-managed and externally managed in-scope AIFs.

Response:

An externally managed AIF is one which has appointed an Alternative Investment Fund Manager (AIFM). A self-managed AIF can be its own AIFM provided that the legal form of the AIF permits internal management (e.g. a SICAV) and the AIF's governing body chooses not to appoint an external AIFM.

E-money firms

28. Representations from the e-money sector were that each E-money firm has a different operational set up and to some extent quite different business models and therefore the fee methodology would be skewed in some

instances. A number of respondents suggested different tier levels and argued that additional fees based on outstanding E money should not apply until the £ 10 million threshold. There also appeared to be some confusion around whether the customer fee was being charged twice.

Response:

We acknowledge that different operating models may result in variances in fees but consider that it would be unworkable to apply a different fee model to each distinct operating model and have concluded that- fees must be set at a sector basis. The tiers suggested have also been considered. Our analysis suggests that adopting these would result in little difference to the fees payable by firms. Finally, the regulatory costs of the resources that need to be applied to supervising the sector need to be covered from the point of licensing irrespective of the level of emoney activity carried out and therefore we have not taken forward the suggested approach of a £10 million threshold. We can confirm that no double charging is applied.

29. The application of fees to agents and distributors raised a number of queries.

Response:

The charges levied are not applied per distribution point but rather per distributor. A distributor with multiple distribution points (for example 10 outlets) would be considered as one distributor and not 10 distributors.

Insurance intermediaries

30. Clarity was sought around the term "turnover".

Response:

Turnover is defined in the Regulations as "the amounts derived from the regulated activity of an authorised person computed in accordance with accounting standards or conventions applicable to that activity (and, where an authorised person undertakes more than one regulated activity, the regulated activity will be the activity to which the fee calculation relates".

One respondent suggested that application fees should actually be increased further given the amount of work involved in processing a new application.

Response:

The fees proposed in the CP reflect our assessment of the resources required and the relative complexity of each type of application and represents what we consider is a proportionate apportionment of costs.

31. A number of respondents felt that the concerns of small firms were lost within the insurance industry and further considered the proposed level of the base fee to disproportionate and that the tiers based on turnover were not sufficiently differentiated.

Response:

As a result of the feedback received we have reduced the base fee and also made changes to the tiers applied to the level of turnover. The effect of this is to bring about a greater differentiation between a smaller firm (that will now pay less) and a much larger firm. This better reflects the regulatory cost of supervising the sector and apportions costs in a fairer and more proportionate manner.

32. A number of respondents also queried the rationale for the additional fees for investment advice and general and life assurance mediation activities.

Response:

The additional fee for investment advice has been removed and changes have been made to the remaining additional fees.

33. A small number of respondents felt that where they are regulated under multiple acts (for different types of activities) were effectively being penalised via a total increase in fees as a result of regulatory overlap.

Response:

The methodology focuses on the types of activities a firm carries out and fees are levied on the basis of each different element of the business carried out.

34. One respondent sought to pay fees in instalments throughout year rather than in advance.

Response:

The consultation did not discuss the question of paying fees in instalments. The current policy is that annual fees are payable in full on the due date and this will continue. We are willing to consider requests for different arrangements, on a case-by-case basis, from firms that are in good regulatory standing and have a genuine case to make.

MIFID Firms

35. A small number of respondents considered that the change to the fee schedule represented a disproportionate increase on smaller MiFID firms, and felt that the tiers applied to additional fees which were based on 'Assets Under Management' should apply from a higher starting point. They further considered that category 1 and 2 firms were better placed to absorb higher costs as in their view these firms had additional income streams.

Response:

The feedback received has been carefully considered and a reduction has been applied to the additional fee applied to a category 3 firm. This better differentiates between category 3 firms and category 1 and 3 firms.

The basis for the second type of additional fee has also been changed from 'Assets Under Management' to 'Turnover'. This will better reflect the level of business carried out and the income received by the firm as a result of this. Where a firm's MiFID activity represents a very small proportion of its income stream this will be duly reflected in the fees applied.

36. A similar concern was raised regarding the proposed fees for an incoming MiFID branch.

Response:

The feedback received was carefully considered and the fee has been reduced in line with the decrease set out in 35 above.

37. Concern was raised that fees for firms with both a MiFID authorisation and an insurance mediation licence were disproportionately high.

Response:

The changes made to both the fees for MiFID activity and the fees for insurance mediation activities (see our responses to 31, 33 and 35 above) have the effect of substantially reducing the fees payable by these types of firms.

38. A number of firms pointed out that transaction fees were disproportionate and that it was unfair that these were only levied on Category 1 firms.

Response:

No changes to the level of transaction fees were proposed in the CP. Transaction fees are currently applied to all category 1 firms and any category 2 or 3 firm that is a party to a reportable transaction unless the transaction is carried out in a regulated market and the firm is satisfied that a report will be made to the authorities responsible for regulating that market, as provided for under the Markets in Financial Instruments Directive. .

Under the Markets in Financial Instruments Directive II, which is due to come into effect in January 2018, transaction reporting obligations are expected to change. This will mean that the transaction reporting system will need to be reviewed and likely completely re-hauled. At that stage, changes to transaction fees will need to be considered.

Trust & Company Service Providers

39. One respondent felt that the fees should include an ascending scale that allows for smaller service providers by introducing an additional category before 500 companies is reached e.g. at 250 or 300.

Response:

This approach was already factored into the proposals set out in the CP. The tiers set out cater for every 50 companies above the minimum threshold of 150.

40. One respondent pointed out that the data for calculating fees for the sector would only be available as from 10 March (i.e. the deadline for the Return of Trusts and Companies Under Management).

Response:

We acknowledge that this is the case and is no change to the position to date. Fees for this sector have always been determined using the data from the Return of Trusts and Companies Under Management.

41. One respondent sought clarification of the terms 'company under management' and 'trust under management' and wished to explore whether if were administering a non-Gibraltar company this would count. They also asked whether different types of trusts should "attract" the same level of fee.

Response:

The terms 'companies under management' and 'trusts under management' should be viewed in the context of the provision of company management and professional trusteeship as defined in Schedule 3 of the Financial Services (Investment and Fiduciary Services) Act. The location or place of establishment or incorporation of the trust or company under management is irrelevant for the purposes of determining whether the provision of these services constitutes the carrying on of licensable activity (for example see Section 1(1)(b) of Schedule 3).

We have considered the suggestion that different fees be applied to different type of trusts and have concluded that the resource and level of granularity required to assess this, for the sole purpose of the calculation of fees, is not commensurate with our risk-based supervisory approach and would represent a disproportionate regulatory burden for firms.

42. One respondent queried why smaller firms would benefit in a reduction in fees. An alternative to the tiers for additional fees was also suggested.

Response:

There is no systematic decrease for smaller firms. The proposals set out in the CP reflect a fairer and more proportionate allocation of costs. The tiers represent a more equitable spread of fees across the spectrum of size

and reflect our assessment that more regulatory time will normally be spent on bigger impact firms. What this means is that some firms will pay less than previously, others will pay roughly the same, and another group of firms will pay more than was previously the case.

One respondent queried why firms were seeing increases if there were no international or EU requirements that applied to the sector.

Response:

There are both international and EU obligations that apply to the sector. For example, the AML requirements and obligations set out in the relevant EU Directives apply to company managers and professional trustees. Likewise the Standard on the Regulation of Trust and Company Services Providers, which was issued by the Group of International Finance Centre Supervisors and signed by the GFSC in 2014, clearly points to increased expectations and international pressure on standard setting in this area.

Auditors & Insolvency Practitioners

43. One respondent was of the view that the fees proposed were unfair on smaller firms.

Response:

We consider that size of firms has been adequately factored into the tiers for additional fees which are based on turnover.

44. One respondent suggested changes to the application fees for individuals and audit firms.

Response:

We have considered the feedback received and concluded that there appears to have been a misunderstanding about how specific fees are applied – the proposals set out in the CP already reflect the suggestion received.

45. One respondent suggested that given the recent introduction of regulation of insolvency practitioners the data required for calculating additional fees would not be held by the GFSC and that turnover should be determined at the lowest tier for the first year.

Response:

We acknowledge that this is the case and are taking forward the approach suggested.

Consumer Credit

46. One respondent felt that the fees proposed were too high and that the thresholds should be reviewed.

Response:

We have considered the feedback received and have amended the threshold tiers for the additional fee with no amount applied where loans outstanding fall below £500,000. The effect of this is to lessen the burden on firms with lower levels of activity.

47. One respondent requested clarification of the term "loans outstanding".

Response:

The term relates to the amount of the loans left (and not the original amounts advanced).

Firms active in the Pensions arena

48. A number of respondents raised the view that the proposed charging structure did not reflect pension related activity nor capture QROPS business separately and suggested that this should in fact be the case as they considered QROPS- business to pose a high reputational risk to the jurisdiction. A suggestion that the fee should reflect the number of schemes approved under S14(a) of the Income Tax Act at a rate of £5000 per scheme, was also received.

Response:

Given that Government is currently considering proposals for establishing a regulatory regime for pensions more generally it would not make sense to deal with this element outside of that work. Fees will be considered as part of the pensions regime project and all relevant activities (and fees) will be considered in that context.

49. One respondent highlighted that the fees charged in respect of activity relating to the provision of trustee services to pension trusts was significant given that particular firm's operating model.

Response:

We acknowledge that different operating models may result in variances in fees but consider that it would be unworkable to apply a different fee model to each distinct operating model and have concluded that- fees must be set at a sector basis.

Funds sector (including EIF Directors)

50. Respondents felt that the overall increases to the funds sector generally - which includes funds, EIF directors and fund service providers - was disproportionate. They considered that the one of the principle attractions of the Experienced Investor Regime was the low cost base and that the proposed fee increase would eliminate this.

Response:

Ideally, the regulatory costs of supervising a sector should be met, as far as is possible, by that particular industry. Our supervisory and enforcement work in relation to the funds sector is not insubstantial and we consider that an increase to the fees is justifiable and better reflects the cost of regulating this sector. Notwithstanding this, the feedback received has been carefully considered and a number of changes have been made, the effect of which is to reduce the total fees paid.

51. Clarification and further detail was requested around the calculation for funds and whether fees were payable for every single sub-fund or cell. Clarification on whether income received in respect of administering non-Gibraltar funds was to be taken into account was also sought. A number of alternative suggestions were received – these ranged from applying different amounts to those proposed, to applying reductions or discounts in certain circumstances.

Response:

We have considered the feedback received and a number of changes have been made to the proposals. The first cell or sub-fund will not be charged separately. This means that the fee payable per sub-fund/cell only applies as from the second cell/sub-fund.

Acting as the administrator of a collective investment schemes is defined as a restricted activity in the Financial Services (Collective Investment Schemes) Act 2011. The term 'collective investment scheme' is also defined. The location or place of establishment of the fund administered is irrelevant for the purposes of determining whether fund administration services are being provided. The data to be used to determine the level of business carried out will be taken from the latest available audited financial statements.

The various fee alternatives have been considered within the changes that have been given effect.

52. A number of respondents queried the basis for the level of fees for AIFMs and suggested changes to these.

Response:

We have considered the feedback received and have incorporated a number of the suggestions made into the fee methodology. The effect of this is that the tiers and thresholds applied to the levels of assets under management have been amended and the fees due from small AIFs have also been further reduced.

53. A number of respondents considered that the proposed increase, and application of the methodology, to the EIF Director licence was unfair and that individuals with the least number of directorships would be facing the largest percentage increase in fees. They also considered that the effect of this would be to deter new entrants to the market and effectively reduce the available pool of EIF Directors. Alternative levels of fees were suggested and one respondent queried, that given that regulatory approval was not required if held less than 11 directorships, whether a scale of £nil could be introduced in relation to less than 11 directorships.

Response:

We have carefully considered all the feedback received and have noted the points raised. We have also considered the alternative fee proposals made – in a number of cases, it was concluded that these were overly complex. We consider that the fees that were set out in the CP properly reflect the regulatory cost of supervising the EIF Director sector.

The suggestion relating to the 11 directorships appears to be based on a misinterpretation of appears to be a misinterpretation of the exemption available under Schedule 3 to the Financial Services (Investment & Fiduciary Services) Act 1989, which relates to instances where a Gibraltar resident director of up to 12 locally trading companies does not need to be licensed as a company manager.

11. Fees

Annual Fees

Fee Block A1

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
A1	Open Market Insurance Companies (non-life) (Insurers and Reinsurers, including those structured as PCCs)	£ 20,000	<p>Base Fee + Additional Fee per Cell + (GPI Fee + GTL Fee + Passporting Fee) + Internal Capital Model Fee</p> <p>Base Fee</p> <p>A flat fee of £20,000.</p> <p>Additional Fee</p> <p>An additional fee, charged at a rate £2,000 per Cell.</p> <p>GPI Fee</p> <p>An additional fee based on Gross Premium Income—</p> <p>£0 ≤ GPI ≤ £10,000,000 – additional charge at a rate of £300 per £1,000,000 or part thereof of GPI</p> <p>£10,000,001 ≤ GPI ≤ £25,000,000 – additional charge at a rate of £250 per £1,000,000 or part thereof of GPI</p> <p>£25,000,001 ≤ GPI ≤ £100,000,000 – additional charge at a rate of £200 per £1,000,000 or part thereof of GPI</p> <p>£100,000,001 ≤ GPI ≤ £250,000,000 - additional charge at a rate of £150 per £1,000,000 or part thereof of GPI</p> <p>GPI ≥ £250,000,001 – additional charge at a rate of £100 per £1,000,000 or part thereof of GPI.</p> <p>Note: In respect of GPI, where an authorised person has a reporting period that is less or greater than 12 months, the relevant amount will be converted to an annualised figure.</p>

		<p><u>GTL (Gross Technical Liabilities) Fee</u></p> <p>An additional fee based on the GTL—</p> <p>£0 ≤ GTL ≤ £10,000,000 - additional charge at a rate of £60 per £1,000,000 or part thereof of GTL</p> <p>£10,000,001 ≤ GTL ≤ £25,000,000 - additional charge at a rate of £50 per £1,000,000 or part thereof of GTL</p> <p>£25,000,001 ≤ GTL ≤ £100,000,000 - additional charge at a rate of £40 per £1,000,000 or part thereof of GTL</p> <p>£100,000,001 ≤ GTL ≤ £250,000,000 - additional charge at a rate of £30 per £1,000,000 or part thereof of GTL</p> <p>GTL ≥ £250,000,001 - additional charge at a rate of £20 per £1,000,000 or part thereof of GTL.</p> <p>Note: In respect of GTL, where the FSC has reason to believe that the technical provisions have not been booked at actuarial best estimate, or that they do not fully comply with relevant accounting standards, it may adjust the reported figure for the purposes of the fee calculation.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £3,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £15,000.</p> <p><u>Internal Capital Model Fee</u></p> <p>An additional fee of £5,000 for the monitoring of a full, partial or group internal capital model, where an internal capital model has been approved in respect of the authorised person.</p>
	<p>Open Market</p> <p>Insurance Companies (life)</p> <p>(Insurers and Reinsurers, including those structured as PCCs)</p>	<p>Base Fee + (GPI Fee + GTL Fee + Passporting Fee) + Internal Capital Model Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £20,000.</p> <p><u>GPI Fee</u></p> <p>An additional fee based on GPI—</p> <p>£0 ≤ GPI ≤ £10,000,000 - additional charge at a rate of £420 per £1,000,000 or part thereof of GPI</p> <p>£10,000,001 ≤ GPI ≤ £25,000,000 - additional charge at a rate of £385 per £1,000,000 or part thereof of GPI</p>

		<p>£25,000,001 ≤ GPI ≤ £100,000,000 - additional charge at a rate of £350 per £1,000,000 or part thereof of GPI</p> <p>£100,000,001 ≤ GPI ≤ £250,000,000 - additional charge at a rate of £315 per £1,000,000 or part thereof of GPI</p> <p>GPI ≥ £250,000,001 - additional charge at a rate of £280 per £1,000,000 or part thereof of GPI.</p> <p>Note: In respect of GPI, where a firm has a reporting period that is less or greater than 12 months, the relevant amount will be converted to an annualised figure.</p> <p><u>GTL Fee</u></p> <p>An additional fee based on the GTL—</p> <p>£0 ≤ GTL ≤ £10,000,000 - additional charge at a rate of £84 per £1,000,000 or part thereof of GTL</p> <p>£10,000,001 ≤ GTL ≤ £25,000,000 - additional charge at a rate of £77 per £1,000,000 or part thereof of GTL</p> <p>£25,000,001 ≤ GTL ≤ £100,000,000 - additional charge at a rate of £70 per £1,000,000 or part thereof of GTL</p> <p>£100,000,001 ≤ GTL ≤ £250,000,000 – additional charge at a rate of £63 per £1,000,000 or part thereof of GTL</p> <p>GTL ≥ £250,000,001 – additional charge at a rate of £56 per £1,000,000 or part thereof of GTL.</p> <p>Note: In respect of GTL, where the FSC has reason to believe that the technical provisions have not been booked at actuarial best estimate, or that they do not fully comply with relevant accounting standards, it may adjust the reported figure for the purposes of the fee calculation.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £3,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £15,000.</p> <p><u>Internal Capital Model Fee</u></p> <p>An additional fee of £5,000 for the monitoring of a full, partial or group internal capital model, where an internal capital model has been approved in respect of the authorised person.</p>
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	Banks	<p>Base Fee + Customer Fee + Fund Depositary Fee + Passporting Fee + E-Money Fee + Mortgage Credit Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £20,000.</p> <p><u>Customer Fee</u></p> <p>An additional charge, based on Amounts Due To Customers (ADC) —</p> <p>£0 ≤ ADC ≤ £150,000,000 – additional charge at a rate of £75 per £1,000,000 or part thereof of ADC</p> <p>£150,000,001 ≤ ADC ≤ £300,000,000 – additional charge at a rate of £65 per £1,000,000 or part thereof of ADC</p> <p>£300,000,001 ≤ ADC ≤ £600,000,000 – additional charge at a rate of £50 per £1,000,000 or part thereof of ADC</p> <p>£600,000,001 ≤ ADC ≤ £900,000,000 – additional charge at a rate of £35 per £1,000,000 or part thereof of ADC</p> <p>ADC ≥ £900,000,001 – additional charge at a rate of £25 per £1,000,000 or part thereof of ADC.</p> <p>Note: ADC is calculated as —</p> <p>Current Deposits + Other Deposits + Deposits from non-bank financial institutions.</p> <p><u>Fund Depositary Fee</u></p> <p>An additional fee for CIS Depositaries —</p> <p>(a) holding EIF assets - £10,000</p> <p>(b) holding UCITS assets - £10,000</p> <p>(c) holding AIF assets - £5,000.</p> <p>Note: Where an authorised person acts as a CIS Depositary for more than one type of asset, they must pay the relevant fee for each asset type.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £10,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £50,000.</p>
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		<p><u>E-Money fee</u></p> <p>An additional fee, based on Average E-money Outstanding (AEO) over the previous 6 months—</p> <p>£0 ≤ AEO ≤ £1,000,000 – no additional charge</p> <p>£1,000,001 ≤ AEO ≤ £2,000,000 – a flat fee of £10,000</p> <p>£2,000,001 ≤ AEO ≤ £5,000,000 – a flat fee of £18,000</p> <p>£5,000,001 ≤ AEO ≤ £10,000,000 – a flat fee of £25,000</p> <p>£10,000,001 ≤ AEO ≤ £20,000,000 – a flat fee of £30,000</p> <p>AEO ≥ £20,000,001 – a flat fee of £35,000.</p> <p>Note: AEO is calculated on the basis of supervisory returns submitted to the FSC.</p> <p><u>Mortgage Credit Fee</u></p> <p>An additional fee of—</p> <p>(a) a flat fee based on the mortgage book—</p> <p>£0 ≤ mortgage book ≤ £50,000,000 – a flat fee of £2,000</p> <p>£50,000,001 ≤ mortgage book ≤ £100,000,000 - a flat fee of £4,000</p> <p>£100,000,001 ≤ mortgage book ≤ £250,000,000 – a flat fee of £6,000</p> <p>mortgage book ≥ £250,000,001 – a flat fee of £8,000</p> <p>and</p> <p>(b) a fee, charged at a rate of £1,000 per exclusively tied credit intermediary and per appointed representative.</p>
	<p>Electronic Money Institutions</p>	<p>Base Fee + E-Money Fee + Passporting Fee + Additional Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £20,000.</p> <p><u>E-Money Fee</u></p> <p>An additional fee, based on AEO over the previous 6 months—</p>

		<p>£0 ≤ AEO ≤ £1,000,000 – no additional charge</p> <p>£1,000,001 ≤ AEO ≤ £2,000,000 – a flat fee of £10,000</p> <p>£2,000,001 ≤ AEO ≤ £5,000,000 – a flat fee of £18,000</p> <p>£5,000,001 ≤ AEO ≤ £10,000,000 – a flat fee of £25,000</p> <p>£10,000,001 ≤ AEO ≤ £20,000,000 – a flat fee of £30,000</p> <p>AEO ≥ £20,000,001 – a flat fee of £35,000.</p> <p>Note: AEO is calculated on the basis of the supervisory returns submitted to the FSC.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £1,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £5,000.</p> <p><u>Additional Fee</u></p> <p>An additional fee, charged at a rate of £200 per agent.</p> <p>An additional fee, charged at a rate of £100 per distributor.</p>
	<p>Non-EEA Incoming Bank Branches (third country branches)</p>	<p>Base Fee + Customer Fee + Fund Depository Fee + E-money Fee + Mortgage Credit Fee + Investment Services Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £20,000.</p> <p><u>Customer Fee</u></p> <p>An additional fee, based on ADC.</p> <p>£0 ≤ ADC ≤ £150,000,000 – additional charge at a rate of £75 per £1,000,000 or part thereof of ADC</p> <p>£150,000,001 ≤ ADC ≤ £300,000,000 – additional charge at a rate of £65 per £1,000,000 or part thereof of ADC</p>

$£300,000,001 \leq \text{ADC} \leq £600,000,000$ – additional charge at a rate of £50 per £1,000,000 or part thereof of ADC

$£600,000,001 \leq \text{ADC} \leq £900,000,000$ – additional charge at a rate of £35 per £1,000,000 or part thereof of ADC

$\text{ADC} \geq £900,000,001$ – additional charge at a rate of £25 per £1,000,000 or part thereof of ADC.

Note: ADC is calculated as—

Current Deposits + Other Deposits + Deposits from non-bank financial institutions.

Fund Depositary Fee

An additional fee for CIS Depositaries—

(a) holding EIF assets - £10,000

(b) holding UCITS assets - £10,000

(c) holding AIF assets - £5,000.

Note: Where an authorised person acts as a CIS Depositary for more than one type of asset, they must pay the relevant fee for each asset type.

E-Money Fee

An additional fee, based on AEO over the previous 6 months—

$£0 \leq \text{AEO} \leq £1,000,000$ – no additional charge

$£1,000,001 \leq \text{AEO} \leq £2,000,000$ – a flat fee of £10,000

$£2,000,001 \leq \text{AEO} \leq £5,000,000$ – a flat fee of £18,000

$£5,000,001 \leq \text{AEO} \leq £10,000,000$ – a flat fee of £25,000

$£10,000,001 \leq \text{AEO} \leq £20,000,000$ – a flat fee of £30,000

$\text{AEO} \geq £20,000,000$ – a flat fee of £35,000.

Note: AEO is calculated on the basis of supervisory returns submitted to the FSC.

Mortgage Credit Fee

An additional fee of—

(a) a fee based on the mortgage book—

£0 ≤ mortgage book ≤ £50,000,000 - a flat fee of £2,000

£50,000,001 ≤ mortgage book ≤ £100,000,000 – a flat fee of £4,000

£100,000,001 ≤ mortgage book ≤ £250,000,000 – a flat fee of £6,000

Mortgage book ≥ £250,000,001 – a flat fee of £8,000

and

(b) an additional fee, charged at a rate of £1,000 per exclusively tied credit intermediary.

Investment Services Fee

A flat fee of £8,000 in respect of investment services activity.

Fee Block A2

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
A2	Stock Exchange (non-trading)	<p>£</p> <p>65,400</p>	<p>Base Fee only</p> <p><u>Base Fee</u></p> <p>A flat fee of £65,400.</p>
	Stock Exchange (trading)		<p>Base Fee + Additional Fee for trading activity</p> <p><u>Base Fee</u></p> <p>A flat fee of £65,400.</p> <p><u>Additional Fee</u></p> <p>A flat fee of £14,600.</p>
	Clearing House		<p>Base Fee + Additional Fee for clearing house activity</p> <p><u>Base Fee</u></p> <p>A flat fee of £65,400.</p> <p><u>Additional Fee</u></p> <p>A flat fee of £14,600.</p>

Fee Block A3

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
A3	Experienced Investor Funds	£ 1,500	<p>Base Fee + Additional Fee</p> <p><u>Base Fee</u> A flat fee of £1,500.</p> <p><u>Additional Fee</u> An additional fee (not applicable to the first sub-fund or Cell), charged at a rate of £500 per additional sub-fund or Cell.</p>
	European Long-Term Investment Funds		<p>Base Fee + Additional Fee 1 + Additional Fee 2</p> <p><u>Base Fee</u> A flat fee of £1,500.</p> <p><u>Additional Fee 1</u> A flat rate of £700.</p> <p><u>Additional Fee 2</u> An additional fee (not applicable to the first sub-fund), charged at a rate of £500 per additional sub-fund.</p>
	UCITS Scheme		<p>Base Fee + Additional Fee + Passporting Fee + Sub-fund Fee</p> <p><u>Base Fee</u> A flat fee of £1,500.</p> <p><u>Additional Fee</u> A flat fee of £3,252.</p>

			<p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p>
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Fee Block A4

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
A4	Incoming EEA Bank Branches	£ 10,000	<p>Base Fee + Customer Fee + Fund Depositary Fee + E-Money Fee + Mortgage Credit Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £10,000.</p> <p><u>Customer Fee</u></p> <p>An additional charge, based on ADC.</p> <p>£0 ≤ ADC ≤ £150,000,000 – additional charge at a rate of £37.50 per £1,000,000 or part thereof of ADC</p> <p>£150,000,001 ≤ ADC ≤ £300,000,000 – additional charge at a rate of £32.50 per £1,000,000 or part thereof of ADC</p> <p>£300,000,001 ≤ ADC ≤ £600,000,000 – additional charge at a rate of £25 per £1,000,000 or part thereof of ADC</p> <p>£600,000,001 ≤ ADC ≤ £900,000,000 – additional charge at a rate of £17.50 per £1,000,000 or part thereof of ADC</p> <p>ADC ≥ £900,000,001 – additional charge at a rate of £12.50 per £1,000,000 or part thereof of ADC.</p> <p>Note: ADC is calculated as— Current Deposits + Other Deposits + Deposits from non-bank financial institutions.</p> <p><u>Fund Depositary Fee</u></p> <p>An additional fee for CIS Depositaries—</p> <p>(a) holding EIF assets - £10,000</p> <p>(b) holding UCITS assets - £10,000</p> <p>(c) holding AIF assets - £5,000.</p>

		<p>Note: Where an authorised person acts as a CIS Depository for more than one type of asset, they must pay the relevant fee for each asset type.</p> <p><u>E-Money Fee</u></p> <p>An additional fee, based on AEO over the previous 6 months—</p> <p>£0 ≤ AEO ≤ £1,000,000 – no additional charge</p> <p>£1,000,001 ≤ AEO ≤ £2,000,000 – a flat fee of £10,000</p> <p>£2,000,001 ≤ AEO ≤ £5,000,000 – a flat fee of £18,000</p> <p>£5,000,001 ≤ AEO ≤ £10,000,000 – a flat fee of £25,000</p> <p>£10,000,001 ≤ AEO ≤ £20,000,000 – a flat fee of £30,000</p> <p>AEO ≥ £20,000,001 – a flat fee of £35,000.</p> <p>Note: AEO is calculated on the basis of the supervisory returns submitted to the FSC.</p> <p><u>Mortgage Credit Fee</u></p> <p>An additional fee of—</p> <p>(a) a fee based on the mortgage book—</p> <p>£0 ≤ mortgage book ≤ £50,000,000 – a flat fee of £2,000</p> <p>£50,000,001 ≤ mortgage book ≤ £100,000,000 – a flat fee of £4,000</p> <p>£100,000,001 ≤ mortgage book ≤ £250,000,000 – a flat fee of £6,000</p> <p>Mortgage book ≥ £250,000,001 – a flat fee of £8,000</p> <p>(b) a fee, charged at a rate of £1,000 per exclusively tied credit intermediary and per appointed representative.</p>
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	<p>Incoming EEA Insurance Branches</p>		<p>Base Fee Only</p> <p><u>Base Fee</u></p> <p>A flat fee of £10,000.</p>
	<p>Non-EEA Incoming Insurance Branches (third country branches)</p>		<p>Base Fee Only</p> <p><u>Base Fee</u></p> <p>A flat fee of £10,000.</p>
	<p>Incoming EEA Electronic Money Institution Branches</p>		<p>Base Fee Only</p> <p><u>Base Fee</u></p> <p>A flat fee of £10,000.</p>

Fee Block B1

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
B1	Collective Investment Scheme Administrators	£ 7,000	<p>Base Fee + Additional Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Additional Fee</u> Additional fee based on turnover— £0 ≤ Turnover ≤ £100,000 - no additional charge £100,001 ≤ turnover ≤ £500,000 - a flat fee of £2,000 £500,001 ≤ turnover ≤ £750,000 - a flat fee of £4,000 Turnover ≥ £750,001 - a flat fee of £6,000.</p>
	Insurance Managers		<p>Base Fee + Additional Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Additional Fee</u> An additional fee based on insurers under management— £800 per Open Market Insurer for which the authorised person is the manager; £400 per Captive Insurer for which the authorised person is the manager; £400 per SPV for which the authorised person is the manager.</p>

	<p>Captive Insurers, including those set up as a PCC</p>	<p>Base Fee + Cell Fee + (GPI Fee + GTL Fee + Passporting Fee) + Internal Capital Model Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Cell Fee</u> An additional fee, charged at a rate of £2,000 per Cell.</p> <p><u>GPI Fee (non-life captive insurers)</u> An additional fee based on GPI— $£0 \leq \text{GPI} \leq £10,000,000$ – additional charge at a rate of £150 per £1,000,000 or part thereof of GPI $£10,000,001 \leq \text{GPI} \leq £25,000,000$ – additional charge at a rate of £125 per £1,000,000 or part thereof of GPI $£25,000,001 \leq \text{GPI} \leq £100,000,000$ – additional charge at a rate of £100 per £1,000,000 or part thereof of GPI $£100,000,001 \leq \text{GPI} \leq £250,000,000$ – additional charge at a rate of £75 per £1,000,000 or part thereof of GPI $\text{GPI} \geq £250,000,001$ – additional charge at a rate of £50 per £1,000,000 or part thereof of GPI.</p> <p><u>GPI Fee (life captive insurers)</u> An additional fee based on GPI— $£0 \leq \text{GPI} \leq £10,000,000$ – additional charge at a rate of £210 per £1,000,000 or part thereof of GPI $£10,000,001 \leq \text{GPI} \leq £25,000,000$ – additional charge at a rate of £192 per £1,000,000 or part thereof of GPI $£25,000,001 \leq \text{GPI} \leq £100,000,000$ – additional charge at a rate of £175 per £1,000,000 or part thereof of GPI $£100,000,001 \leq \text{GPI} \leq £250,000,000$ – additional charge at a rate of £157 per £1,000,000 or part thereof of GPI $\text{GPI} \geq £250,000,001$ – additional charge at a rate of £140 per £1,000,000 or part thereof of GPI.</p> <p>Note: in respect of GPI, where a firm has a reporting period that is less or greater than 12 months, the relevant amount shall be converted to an annualised figure.</p>
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GTL Fee

An additional fee based on the GTL—

$\text{£}0 \leq \text{GTL} \leq \text{£}10,000,000$ – additional charge at a rate of $\text{£}30$ per $\text{£}1,000,000$ or part thereof of GTL

$\text{£}10,000,001 \leq \text{GTL} \leq \text{£}25,000,000$ – additional charge at a rate of $\text{£}25$ per $\text{£}1,000,000$ or part thereof of GTL

$\text{£}25,000,001 \leq \text{GTL} \leq \text{£}100,000,000$ – additional charge at a rate of $\text{£}20$ per $\text{£}1,000,000$ or part thereof of GTL

$\text{£}100,000,001 \leq \text{GTL} \leq \text{£}250,000,000$ – additional charge at a rate of $\text{£}15$ per $\text{£}1,000,000$ or part thereof of GTL

$\text{GTL} \geq \text{£}250,000,001$ – additional charge at a rate of $\text{£}10$ per $\text{£}1,000,000$ or part thereof of GTL.

Note: in respect of GTL, where the FSC has reason to believe that the technical provisions have not been booked at actuarial best estimate, or that they do not fully comply with relevant accounting standards, it may adjust the reported figure for the purposes of the fee calculation.

Passporting Fee

An additional fee, charged at a rate of $\text{£}100$ per jurisdiction for passporting on a services basis, subject to a maximum of $\text{£}500$.

An additional fee, charged at a rate of $\text{£}1,000$ per jurisdiction for passporting on an establishment basis, subject to a maximum of $\text{£}5,000$.

Internal Capital Model Fee

An additional fee of $\text{£}5,000$ for the monitoring of a full, partial or group internal capital model, where an internal capital model has been approved in respect of the authorised person.

	<p>Special Purpose Vehicles (including those set up as a Protected Cell Company)</p>		<p>Base Fee + Additional Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Additional Fee</u> An additional fee, based on the type of entity— (a) PCC – an additional fee of £1,179 for the first Cell, and subsequently at a rate of £2,227 per subsequent Cell; (b) Non-PCC – an additional fee of £1,179 for the first transaction, and subsequently at a rate of £2,227 per subsequent transaction.</p>
	<p>Payment Services Institutions</p>		<p>Base Fee + Additional Fee 1 + Additional Fee 2 + Additional Fee 3 + Passporting Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Additional Fee 1</u> An additional fee, based on licence type— Class A Payment Institution (authorised) – a flat fee of £7,000 Class B Payment Institution (authorised) – a flat fee of £10,000 Class C Payment Institution (authorised) – a flat fee of £13,000 Class A Payment Institution (registered) – a flat fee of £5,000 Class B Payment Institution (registered) – a flat fee of £5,000 Class C Payment Institution (registered) – a flat fee of £5,000.</p>

		<p><u>Additional Fee 2</u></p> <p>Additional fee based on turnover —</p> <p>£0 ≤ turnover ≤ £1,000,000 – no additional charge</p> <p>£1,000,001 ≤ turnover ≤ £2,000,000 – a flat fee of £5,000</p> <p>£2,000,001 ≤ turnover ≤ £5,000,000 – a flat fee of £10,000</p> <p>£5,000,001 ≤ turnover ≤ £10,000,000 – a flat fee of £15,000</p> <p>£10,000,001 ≤ turnover ≤ £20,000,000 – a flat fee of £20,000</p> <p>Turnover ≥ £20,000,001 – a flat fee of £25,000.</p> <p><u>Additional Fee 3</u></p> <p>An additional fee, charged at a rate of £200 per agent.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £1,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £5,000.</p>
	<p>MiFID Firms Categories 1, 2 and 3 (Banks)</p>	<p>Base Fee + Additional Fee 1 + Additional Fee 2 + Transaction Fee + Passporting Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £7,000.</p> <p><u>Additional Fee 1</u></p> <p>An additional fee, depending on the category of the MiFID firm —</p>

		<p>Category 1 – a flat fee of £9,000</p> <p>Category 2 – a flat fee of £7,000</p> <p>Category 3 – a flat fee of £2,500.</p> <p><u>Additional Fee 2</u></p> <p>An additional fee based on AUM—</p> <p>£0 ≤ AUM ≤ £10,000,000 – no additional charge</p> <p>£10,000,001 ≤ AUM ≤ £100,000,000 – a flat fee of £1,000</p> <p>£100,000,001 ≤ AUM ≤ £250,000,000 – a flat fee of £2,000</p> <p>£250,000,001 ≤ AUM ≤ £750,000,000 – a flat fee of £4,000</p> <p>AUM ≥ £750,000,001 – a flat fee of £6,000.</p> <p><u>Transaction Fee</u></p> <p>A fee payable by Category 1 MiFID firms at a rate of 3p per transaction, up to a maximum of £50,000.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £3,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £15,000.</p>
	<p>MiFID Firms</p> <p>Categories 1, 2 and 3 (Non-banks)</p>	<p>Base Fee + Additional Fee 1 + Additional Fee 2 + Transaction Fee + Fund Depository Fee + Passporting Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £7,000.</p> <p><u>Additional Fee 1</u></p> <p>An additional fee, depending on the category of the MiFID firm—</p>

Category 1 – a flat fee of £9,000

Category 2 – a flat fee of £7,000

Category 3 – a flat fee of £2,500.

Additional Fee 2

An additional fee based on turnover—

£0 ≤ Turnover ≤ £500,000 – no additional charge

£500,001 ≤ turnover ≤ £1,000,000 – a flat fee of £1,000

£1,000,001 ≤ turnover ≤ £4,000,000 – a flat fee of £2,000

£4,000,001 ≤ turnover ≤ £10,000,000 – a flat fee of £4,000

Turnover ≥ £10,000,001 – a flat fee of £6,000.

Transaction Fee

A fee payable by Category 1 MiFID firms at a rate of 3p per transaction, up to a maximum of £50,000.

Fund Depository Fee

An additional fee for CIS Depositaries—

(a) holding EIF assets - £10,000

(b) holding UCITS assets - £10,000

(c) holding AIF assets - £5,000.

Note: Where an authorised person acts as a CIS Depository for more than one type of asset, they must pay the relevant fee for each asset type.

Passporting Fee

An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.

An additional fee, charged at a rate of £3,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £15,000.

	<p>CIS Manager</p>		<p>Base Fee + Additional Fee + Passporting Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Additional Fee</u> A flat fee of £4,000.</p> <p><u>Passporting Fee</u> An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500. An additional fee, charged at a rate of £1,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £5,000.</p>
	<p>AIFMs (In-scope)</p>		<p>Base Fee + Additional Fee 1 + Additional Fee 2 + Passporting Fee + EUVECA/EUSEF Designation Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Additional Fee 1</u> Additional fee charged at a flat rate based on AUM— Self-Managed AIF— £0 ≤ AUM ≤ £10,000,000 - a flat fee of £500</p>

£10,000,000 < AUM ≤ £100,000,000 - a flat fee of £1,000

AUM > £100,000,000 - a flat fee of £2,000.

Externally Managed AIF—

£0 ≤ AUM ≤ £10,000,000 - a flat fee of £1,000

£10,000,000 < AUM ≤ £100,000,000 - a flat fee of £3,000

AUM > £100,000,000 - a flat fee of £4,000.

Additional Fee 2

An additional fee per fund managed—

(a) a fee of £500 per AIF managed;

(b) a fee of £600 per ELTIF managed.

Passporting Fee

An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.

Note: The services passporting fee applies to both-

(a) an AIFM passporting its services as a manager to funds in other jurisdictions; and

(b) an AIFM passporting the funds that it manages into other jurisdictions.

An additional fee, charged at a rate of £1,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £5,000.

EUVECA/EUSEF Designation Fee

An additional fee of £750 to use the designation EUSEF.

			An additional fee of £750 to use the designation EUVECA.
	Small AIFMs		<p>Base Fee – Discount Applicable + Additional Fee</p> <p><u>Base Fee</u> A flat fee of £7,000.</p> <p><u>Discount applicable</u> A discount to be deducted from the Base Fee— (a) where the small AIFM is a Self-Managed AIF – a discount of £6,750; (b) where the small AIFM is an external manager of other AIFs – a discount of £6,600.</p> <p><u>Additional Fee</u> An additional fee, charged at a rate of £150 per AIF managed by the small AIFM (excluding itself).</p>
	Non-credit Institutions (non-bank mortgage credit provider)		<p>Base Fee + Mortgage Credit Fee + Additional Fee</p> <p><u>Base Fee</u> A flat fee of £7,000</p>

			<p><u>Mortgage Credit Fee</u></p> <p>An additional fee based on the mortgage book—</p> <p>£0 ≤ mortgage book ≤ £50,000,000 – a flat fee of £2,000</p> <p>£50,000,001 ≤ mortgage book ≤ £100,000,000 – a flat fee of £4,000</p> <p>£100,000,001 ≤ mortgage book ≤ £250,000,000 – a flat fee of £6,000</p> <p>Mortgage Book ≥ £250,000,001 – a flat fee of £8,000.</p> <p><u>Additional Fee</u></p> <p>An additional fee, charged at a rate of £1,000 per exclusively tied credit intermediary and per appointed representative.</p>
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Fee Block B2

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
B2	AIFM incoming branches	£ 7,000	<p>Base Fee only</p> <p><u>Base Fee</u></p> <p>A flat fee of £7,000.</p> <p>A flat fee of £2,500.</p>
	Incoming EEA MiFID Branches		<p><u>Base Fee + Additional Fee</u></p> <p><u>Base Fee</u></p>

			<p>A flat fee of £7,000.</p> <p><u>Additional Fee</u></p>
	Incoming EEA Payment Services Branches		<p>Base Fee Only</p> <p><u>Base Fee</u></p> <p>A flat fee of £7,000.</p>
	Incoming UCITS Management Company Branches		<p>Base Fee only</p> <p><u>Base Fee</u></p> <p>A flat fee of £7,000.</p>

Fee Block C1

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
C1	Audit Firms and Statutory Auditors	<p>£</p> <p>1,500</p>	<p>Base Fee + PIE Fee + Individual Statutory Auditor Fee + Additional Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £1,500.</p> <p><u>PIE (Public Interest Entity) Fee</u></p> <p>A flat fee of £1,000 applicable to every audit firm or statutory auditor that conducts statutory audits of Public Interest Entities as defined in the</p>

		<p>Financial Services (Auditors) Act 2009.</p> <p><u>Individual Statutory Auditor Fee</u></p> <p>A fee, charged at a rate of £500 per individual statutory auditor (excluding the first) where the audit firm is not a sole practitioner.</p> <p><u>Additional Fee</u></p> <p>An additional fee based on audit turnover —</p> <p>£0 ≤ Audit Turnover ≤ £10,000 – no additional charge</p> <p>£10,001 ≤ audit turnover ≤ £100,000 – a flat fee of £1,000</p> <p>£100,001 ≤ audit turnover ≤ £500,000 – a flat fee of £2,000</p> <p>£500,001 ≤ audit turnover ≤ £1,000,000 – a flat fee of £4,000</p> <p>Audit Turnover ≥ £1,000,001 – a flat fee of £6,000.</p>
	<p>Bureaux De Change</p>	<p>Base Fee + Additional Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £1,500.</p> <p><u>Additional Fee</u></p> <p>A flat fee of £2,000.</p>

Fee Block C2

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
C2	Company Managers and Professional Trustees	£ 1,000	<p>Base Fee + Company Under Management Fee + Trust Under Management Fee + Additional Fee</p> <p><u>Base Fee</u> A flat fee of £1,000.</p> <p><u>Company Under Management Fee</u> A flat fee based on the number of companies under management—</p> <p>(a) up to 150 companies under management – no additional charge; (b) over 150 companies under management – a flat fee of £100 per 50 companies under management.</p> <p><u>Trust Under Management Fee</u> A flat fee based on the number of trusts under management-</p> <p>(a) up to 25 trusts under management – no additional charges; (b) over 25 trusts under management – a flat fee of £500 per 25 trusts under management.</p> <p><u>Additional Fee</u> An additional fee of—</p> <p>(c) (d) £1,500 per additional affiliated company licensed; (e) £500 per individual licensed.</p>

			Note: This Additional Fee applies only to each additional company which is an affiliated undertaking of the authorised person as defined in section 237 of the Companies Act 2014.
	Consumer Credit Providers		<p>Base Fee + Fee Based on Loans Outstanding</p> <p><u>Base Fee</u> A flat fee of £1,000.</p> <p><u>Fee Based on Loans Outstanding</u> An additional fee based on loans outstanding. £0 ≤ loans outstanding ≤ £500,000 – no additional charge £500,001 ≤ loans outstanding ≤ £1,000,000 – a flat fee of £4,500 £1,000,001 ≤ loans outstanding ≤ £5,000,000 – a flat fee of £5,500 Loans Outstanding ≥ £5,000,001 – a flat fee of £6,500.</p>

Fee Block D1

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
D1	Insolvency Practitioners	£ 1,500	<p>Base Fee + Additional Fee 1 + Additional Fee 2</p> <p><u>Base Fee</u> A flat fee of £1,500.</p> <p><u>Additional Fee 1</u> An additional fee, based on licence type— (a) unrestricted licence- a flat fee of £3,000;</p>

			<p>(b) restricted licence- a flat fee of £500.</p> <p><u>Additional Fee 2</u></p> <p>An additional fee based on turnover—</p> <p>(a) Turnover ≤ £500,000 - no additional charge;</p> <p>(b) Turnover > £500,000 - a flat fee of £400.</p>
	EIF Directors		<p>Base Fee + Additional Incremental Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £1,500.</p> <p><u>Additional Incremental Fee</u></p> <p>An additional fee, charged at a rate of £400 per EIF Directorship.</p>

Fee Block E1

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
E1	Insurance Intermediaries (General or Life)	<p>£</p> <p>5,500</p>	<p>Base Fee + Additional Fee 1 + Additional Fee 2 + Passporting Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £5,500.</p> <p><u>Additional Fee 1</u></p> <p>An additional flat fee of £500 where the licence is for both general and life insurance.</p>

		<p><u>Additional Fee 2</u></p> <p>An additional fee based on turnover —</p> <p>£0 ≤ turnover ≤ £500,000 - no additional charge</p> <p>£500,001 ≤ turnover ≤ £1,000,000- a flat fee of £500</p> <p>£1,000,001 ≤ turnover ≤ £5,000,000- a flat fee of £1,000</p> <p>£5,000,001 ≤ turnover ≤ £20,000,000- a flat fee of £2,000</p> <p>Turnover ≥ £20,000,001- a flat fee of £3,000.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £1,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £5,000.</p>
	<p>Mortgage Credit Intermediaries</p>	<p>Base Fee + Additional Fee + Passporting Fee</p> <p><u>Base Fee</u></p> <p>A flat fee of £5,500.</p> <p><u>Additional Fee</u></p> <p>An additional fee, charged at a rate of £1,500 per appointed representative.</p> <p><u>Passporting Fee</u></p> <p>An additional fee, charged at a rate of £100 per jurisdiction for passporting on a services basis, subject to a maximum of £500.</p> <p>An additional fee, charged at a rate of £1,000 per jurisdiction for passporting on an establishment basis, subject to a maximum of £5,000.</p>

Fee Block E2

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
E2	Incoming Insurance Intermediary Branches	£ 5,500	Base Fee Only <u>Base Fee</u> A flat fee of £5,500.
	Incoming EEA Mortgage Credit Intermediary Branches		Base Fee Only <u>Base Fee</u> A flat fee of £5,500.

Fee Block F1

Fee Block	Authorised person	Base Fee	Method of Calculating Annual Fees
F1	Occupational Pension Institutions	£ 2,600	Base Fee + Cross-border Activity Fee <u>Base Fee</u> A flat fee of £2,600. <u>Cross-border Activity Fee</u> An additional fee, charged at a rate of £100 per jurisdictions for passporting on a services basis, subject to a maximum of £500.

12. Application Fees

Fee Block	Authorised Person	Nature of application	Application Fee (£)
A1	Open Market Insurance Company (Non-life) (Insurer or Reinsurer, whether or not structured as a PCC)	Application to be licensed	10,000
	Open Market Insurance Company (Life) (Insurer or Reinsurer, whether or not structured as a PCC)	Application to be licensed	15,000
	Open Market Insurance Company (Life or Non-life) (Insurer or Reinsurer, whether or not structured as a PCC)	Application for approval of a new class of business	5,000
	Open Market Insurance Company (Life or Non-life) (Insurer or Reinsurer, structured as a PCC)	Application for approval of an additional PCC Cell	2,500
	Open Market Insurance Company (Life or Non-life) (Insurer or Reinsurer, whether or not structured as a PCC)	To passport on an establishment basis into a new jurisdiction	5,000
	Bank	Application to be licensed	30,000
	Bank	Application to extend permitted activities	5,000
	Bank or MiFID Firm	Application to be licensed as a CIS depositary of EIF assets	9,250
	Bank or MiFID Firm	Application to be licensed as a CIS depositary of UCITS assets	10,000
	Bank or MiFID Firm	Application to be licensed as a CIS depositary of AIF assets	3,000
	Bank	Notification of intention to passport on an establishment basis into a new jurisdiction	5,000
	Electronic Money Institution	Application to be licensed	27,500
	Electronic Money Institution	Notification of intention to appoint an agent	250
	Electronic Money Institution	Notification of intention to engage a distributor	150
	Electronic Money Institution	Notification of intention to passport on an establishment basis into a new jurisdiction	5,000
Electronic Money Institution	Application to extend permitted activities	3,500	
Incoming non-EEA Bank Branch (third country branch)	Application to establish in Gibraltar	30,000	

Fee Block	Authorised Person	Nature of application	Application Fee (£)
A2	Stock Exchange	Application to operate a stock exchange that will allow the listing and trading of securities	82,500
	Stock Exchange	Application to operate an exchange (listing of securities only)	75,000
	Stock Exchange	Application to change the scope of a licence	11,000
	Clearing House	Application to be licensed	82,500

Fee Block	Authorised Person	Nature of application	Application Fee (£)
A3	EIF	Application for fund approval	3,000
	ELTIF	Application for fund authorisation	4,000
	UCITS Scheme	Application for recognition of scheme	6,000
	UCITS Scheme (Umbrella Fund)	Application for approval of a sub-fund	1,500
	Non-UCITS Retail Scheme	Application for authorisation of scheme	4,000
	Non-UCITS Retail Scheme (Umbrella Fund)	Application for approval of sub-fund or part	1,000

Fee Block	Authorised Person	Nature of application	Application Fee (£)
A4	Incoming EEA Bank Branch	Notification of intention to passport into Gibraltar on an establishment basis	10,000
	Incoming EEA Insurer or Reinsurer Branch	Notification of intention to passport into Gibraltar on an establishment basis	3,500
	Incoming (non-EEA) Insurance Branch	Application to establish in Gibraltar	3,500
	Incoming EEA Electronic Money Institution Branch	Notification of intention to passport into Gibraltar on an establishment basis	5,500
	Incoming EEA Electronic Money Institution Agent	Notification of intention to appoint an agent	1,100

Fee Block	Authorised Person	Nature of application	Application Fee (£)
B1	CIS Administrator	Application to be licensed	7,000
	CIS Administrator (non-Gibraltar)	Application to be recognised	2,000
	Insurance Manager	Application to be licensed	10,000
	Captive Insurer (whether or not structured as a PCC)	Application to be licensed	10,000
	Captive Insurer (whether or not structured as a PCC)	Application for approval of a new class of business	£5,000
	Special Purpose Vehicle	Application to be licensed	4,400
	Special Purpose Vehicle	Application to be licensed (fast track application as defined in guidance issued by the FSC)	10,000
	Special Purpose Vehicle (structured as a PCC)	Application for approval of a new Cell	2,500
	Class A Payment Institution	Application to be authorised	4,125
	Class B Payment Institution	Application to be authorised	6,025
	Class C Payment Institution	Application to be authorised	8,250

Class A Payment Institution	Application to be registered	4,125
Class B Payment Institution	Application to be registered	4,125
Class C Payment Institution	Application to be registered	4,125

Payment Institution	Notification of appointment of an agent	250
Payment Institution	Notification of intention to passport on an establishment basis into a new jurisdiction	1,100
Payment Institution	Application to extend permitted activities	2,500
MiFID Firm Category 1	Application to be licensed	13,000
MiFID Firm Category 2	Application to be licensed	10,000
MiFID Firm Category 2	Application to be licensed	7,000
MiFID Firm Categories 1,2, and 3	Application to extend permitted activities	3,000
MiFID Firm Categories 1,2, and 3	Notification of intention to passport on an establishment basis into a new jurisdiction	1,500
CIS Manager	Application to be licensed as a UCITS manager	11,000
CIS Manager	Application to passport as a UCITS manager on an establishment basis into a new jurisdiction	1,500
AIFM (Self-managed AIF)	Application to be authorised	9,000
Externally Managed AIF (In-scope)	Application to be authorised	9,000
Small AIFM (Self-managed AIF)	Application to be registered	500
Small AIFM (Externally managed)	Application to be registered	1,500
AIFM	Notification of intention to passport on an establishment basis into a new jurisdiction	1,500
AIFM	Application for the approval to manage an ELTIF	400
AIFM	Application to use the EUVECA designation	1,000
AIFM	Application to use the EUSEF designation	1,000
Incoming EEA UCITS Scheme	Application for recognition	500
Foreign Collective Investment Scheme	Application for recognition	3,000
Non-credit institution (non-bank mortgage credit provider)	Application to be licensed	10,000
Non-credit institution (non-bank mortgage credit provider)	Application for registration of an exclusively tied credit intermediary or an appointed representative	1,500

Fee Block	Authorised Person	Nature of application	Application Fee (£)
B2	AIFM	Notification of intention to passport into Gibraltar on an establishment basis	2,000
	Small AIFM (established in a Member State outside Gibraltar)	Notification to market AIFs to professional investors in Gibraltar	150
	Small AIFM (not established in a Member State)	Application to market AIFs to professional investors in Gibraltar	500
	Incoming EEA MiFID Branch	Notification of intention to passport into Gibraltar on an establishment basis	2,500
	Incoming EEA Payment Institution Branch	Notification of intention to passport into Gibraltar on an establishment basis	1,100
	Incoming EEA Payment Institution	Notification of intention to appoint an agent in Gibraltar	1,100
	Incoming EEA UCITS Manager Branch	Notification of intention to passport into Gibraltar on an establishment basis	2,000

Fee Block	Authorised Person	Nature of application	Application Fee (£)
C1	Audit Firm	Application to be licensed	4,200
	Audit Firm	Application to add an individual statutory auditor	300
	Statutory Auditor (individuals)	Application to be licensed	4,200
	Statutory Auditor (individuals)	Application to be licensed to conduct business in an individual capacity	3,000
	Bureau de Change	Application to be licensed	3,500

Fee Block	Authorised Person	Nature of application	Application Fee (£)
C2	Company Manager (one legal entity or group)	Application to be licensed	2,750
	Company Manager	Application for a licence of an additional entity within the same group	500
	Company Manager	Application to vary the scope of a licence	500
	Company Manager	Application to be licensed to provide nominee shareholder services only	750
	Professional Trustee (one legal entity or group)	Application to be licensed	2,750
	Professional Trustee	Application for a licence of an additional entity within the same group	500
	Professional Trustee	Application to vary the scope of a licence	500
	Company Manager or Professional Trustee (individual)	Application to be licensed	500
	Company Manager or Professional Trustee (individual)	Application to vary the scope of a licence	250

Fee Block	Authorised Person	Nature of application	Application Fee (£)
D1	Insolvency Practitioner	Application to be licensed	2,000
	EIF Director	Application to be licensed	500
	EIF Director	Application to vary the scope of a licence	150

Fee Block	Authorised Person	Nature of application	Application Fee (£)
E1	Insurance Intermediary (General)	Application to be licensed	4,200
	Insurance Intermediary (General)	Application to extend permitted activities	2,000
	Insurance Intermediary (General)	Notification of intention to passport on an establishment basis into a new jurisdiction	1,100
	Insurance Intermediaries (Life)	Application to be licensed	4,500
	Insurance Intermediaries (Life)	Application to extend permitted activities	2,000
	Insurance Intermediaries (Life)	Notification of intention to passport on an establishment basis into a new jurisdiction	1,100
	Mortgage Credit Intermediary	Application to be licensed	5,000
	Mortgage Credit Intermediary	Application for registration of an appointed representative	1,500
	Mortgage Credit Intermediary	Notification of intention to passport on an establishment basis into a new jurisdiction	1,500

Fee Block	Authorised Person	Nature of application	Application Fee (£)
E2	Incoming EEA Insurance Intermediary (General and Life) Branch	Notification of intention to passport into Gibraltar on an establishment basis	1,100
	Incoming EEA Mortgage Credit Intermediary Branch	Notification of intention to passport into Gibraltar on an establishment basis	2,500

Fee Block	Authorised Person	Nature of application	Application Fee (£)
F1	Occupational Pensions Institution	Application to be licensed	3,500
	Occupational Pensions Institution	Application for registration of cross-border activity into a new jurisdiction	200

13. Additional Charges

Regulatory Service	Payable by	Fee (£)
Notification of outgoing passporting on a services basis (all entities) (per country and per notification)	All authorised persons who have rights to passport under a Directive of the European Commission	100
Notification of outgoing passporting when using an agent or distributor (per country and per notification)	Electronic money institutions Payment services institutions (agents only)	50
Requests for amendment to licences or records held	Authorised persons	50
Change in controller (as defined in the relevant Supervisory Act)	Authorised persons	100
Notification of a material change in business plan	Authorised persons	Such notifications will be treated in the same way as new applications therefore the relevant application fee is payable
Requests for duplicate licences	Authorised persons licensed under the Financial Services (Investment and Fiduciary Services) Act and the Financial Services (Insurance Companies) Act	50
Resubmission of form following a notification on an incorrect form (payable where an incorrect passporting or change of controller form is submitted to the FSC)	Authorised persons	The full fee in respect of the relevant notification
Notification of a new sub-fund or PCC cell	EIFs, ELTIFs	500
Notification of a material change (other than notification of new sub-fund or cell)	(a) EIFs (b) Collective Investment Schemes	100
Approval of non-equity securities prospectuses	Applicants for prospectus approval under the Prospectuses Act 2005	2,500
Approval of equity securities prospectuses	Applicants for prospectus approval under the Prospectuses Act 2005	6,500
Notification of material change of prospectus (excluding notifications submitted together with a listing change notification)	Issuers of prospectuses under the Prospectus Act	500
Approval of Base Prospectus (when submitted together with a listing application under the Financial Services (Listing of Securities) Act 2006)	Applicants for prospectus approval under the Prospectuses Act 2005	1,100
Approval of Prospectus (when submitted together with a listing application under the Financial Services (Listing of Securities) Act 2006)	Applicants for prospectus approval under the Prospectuses Act 2005	1,100
Approval of Registration Document (when submitted together with a listing application under the Financial Services (Listing of Securities) Act 2006)	Applicants for prospectus approval under the Prospectuses Act 2005	1,100
Approval of Supplement (when submitted together with a listing application under the Financial Services (Listing of Securities) Act 2006)	Applicants for prospectus approval under the Prospectuses Act 2005	550
Approval of Securities Note (when submitted together with a listing application under the Financial Services (Listing of Securities) Act 2006)	Applicants for prospectus approval under the Prospectuses Act 2005	550

Approval of Summary for prospectus (when submitted together with a listing application under the Financial Services (Listing of Securities) Act 2006)	Applicants for prospectus approval under the Prospectuses Act 2005	550
Application for an initial exemption order	Applicants seeking an order under section 5 of the Financial Services (Temporary Business Continuity) Act 2007	2,000

Approvals under the Financial Services (Insurance Companies) (Solvency II Directive) Act 2015

Approval	Basis of Calculation	Application fee/fee range
Approval of an internal capital model	To be assessed on a case by case basis depending on the nature, scale and complexity of the undertaking and complexity of the internal capital model submitted. The internal capital model may be a full or partial internal model, or a group internal model	£25,000 to £75,000
Approval of an Undertaking Specific Parameter	Fee per line of business (as defined in paragraph 33(7) of Schedule 1 to the Solvency II Act) for which an application is being made to use an Undertaking Specific Parameter	£9,000 for each line of business
Any other approval envisaged under the Solvency II Act	To be assessed on a case by case basis depending on the nature and level of effort required by the FSC to assess the application	£1,000 to £9,000
Application for a further exemption order	Applicants seeking an order under section 6(2) of the Financial Services (Temporary Business Continuity) Act 2007	500

CRD IV Levy

Authorised person	Levy
Banks	18,000
MiFID Category 1 firms	7,000
MiFID Category 2 firms	7,000
MiFID Category 3 firms	1,000

Published by:
Gibraltar Financial Services Commission
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