



Financial Services
Commission

Response to Consultation Paper

New 2013-2014 fees and reduction in UCITS fees

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Summary

The FSC recently issued a consultation paper setting out guidance in respect of the new 2013-2014 fees and reduction in UCITS fees.

This paper set out the new fees which are being proposed to cover areas which are not currently being charged for but for which work is or will be required to be undertaken by the FSC. In making these proposals, the FSC recommended, and Government agreed, that no increase be applied to the annual fees payable by firms during the year 2013/14.

The proposed fee increases relate only to new activities for which regulatory work is being undertaken but no fees paid. The proposals in respect of each of the areas were set out in the consultation paper. If approved, the FSC has assessed that the total anticipated additional fees would be in the region of £90,300. This additional sum will assist to cover the forecasted 2013/2014 deficit of £106,543. The deficit also explains the need for implementation of the proposals.

Lastly, this paper provided details of proposals received from the industry, which the FSC supports, to reduce the level of annual fees that are payable by UCITS. Whilst the FSC does not currently regulate any UCITS it is felt that this reduction will increase the attractiveness of the jurisdiction.

Basis of consultation

The consultation paper contained the proposed fees in full and the FSC welcomed any comments and/or observations which the industry may have in respect of any points contained in the paper. The FSC received one response which has been considered and provided to Government.

The consultation paper, the one response, together with the FSC's view of this response has been submitted to the Minister with Responsibility for Financial Services for his consideration.

Outcome of consultation and summary of responses received

The consultation period ended on 25 July 2013.

One response was received. There is currently a debate at EU member state level regarding various issues relating to agents and distributors for E-money issuers and how the passporting provisions apply to these. The EU has recently indicated that these matters are to be tabled at the next EU Payments Committee meeting which is to take place in October 2013. A licensee has therefore requested that the proposed fees contained in the consultation paper be delayed until such time as overall clarity and understanding in respect of agents and distributors has been achieved.

The FSC is happy to agree with this suggestion provided agreement is reached at EU level at that meeting.



Published by:

Financial Services Commission

PO Box 940

Suite 3, Ground Floor

Atlantic Suites

Europort Avenue

Gibraltar

Tel: (+350) 20040283

Fax: (+350) 20040282

www.fsc.gi