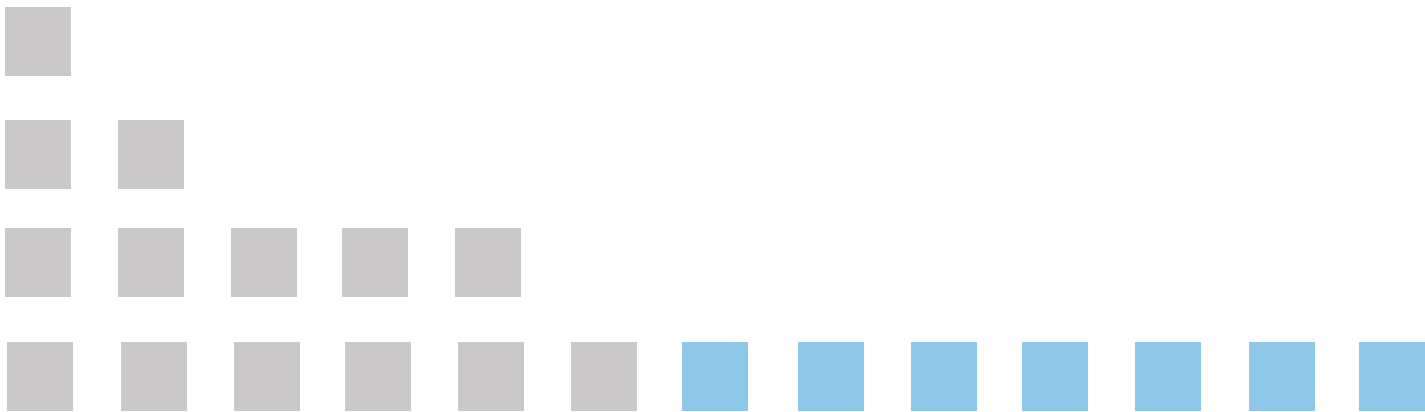


GFSC Fees Newsletter

Regulatory Fees – Financial Year 2024/2025



Introduction

This newsletter sets out the regulatory fees for the financial year ending 31 March 2025, as well as expectations for payment of fees. Invoices will be issued on 27 March 2024 to existing financial services firms under the Financial Services Act 2019 for which the GFSC has responsibility.

Regulatory Fees

Changes to Regulatory Charges

Following feedback from an Industry Consultation Paper on fee increases, HM Government of Gibraltar (HMGoG) has determined that there will be changes to regulatory fees. Amendments to the regulatory fees will be reflected under the Financial Services (Fees) Regulations 2020.

The fee amendments will be effective as from 1 April 2024 and are summarised as follows:

Regulated sector	Change in Regulatory Fees
All regulated persons	A general/inflationary increase of 5% increase across all regulatory charges defined in the Financial Services (Fees) Regulations 2020, applicable to all application fees and annual fees.
All regulated persons that passport into the UK.	<p><u>Passporting Services</u></p> <p>Application fees will increase from £100 to £3,000 and annual fees will increase from £123 to £1,000.</p> <p><u>Passporting Branches</u></p> <p>The initial application fee for passporting branches is to be captured under Section 83A of the Financial Services Act 2019 as a material change to the business. The applicable fee will be in accordance with the existing complexity scale which is dependent on the nature and level of effort required by the GFSC to determine the application, as follows:</p> <ol style="list-style-type: none">1) £3,500 (non-complex applications)2) £11,000 (moderately complex applications)3) £40,000 (complex applications) <p>The annual passporting fee for branches will increase to £16,000 for Credit Institutions, and £5,000 for all other sectors.</p>
All regulated persons	<p><u>Variation of regulatory permissions under Financial Services Act 2019 (under Sections 68/69)</u></p> <p>There are three types of variations under Sections 68/ 69 Financial Services Act 2019:</p> <ol style="list-style-type: none">1) adding a regulated activity to those to which the permission relates;2) removing a regulated activity from those to which the permission relates; or

	<p>3) varying the description of a regulated activity to which the permission relates.</p> <p>All types of variations falling under point (3) above, will be replaced with the following complexity scale:</p> <ol style="list-style-type: none"> 1) £3,500 (non-complex applications) 2) £11,000 (moderately complex applications) 3) £40,000 (complex applications)
DLT Providers	Extension of the cap in respect of the annual Trade Activity Fee from £60,000 to £75,000.
Insurance Companies	<p><u>Internal capital model</u></p> <p>An increase to the annual fee for ongoing monitoring to £50,000.</p>
Insurance Companies	<p><u>Undertaking specific parameter</u></p> <p>An increase to the application fee from £9,000 to £25,000 for Insurance Companies with gross premium income exceeding £500 million; and from £9,000 to £15,000 for Insurance Companies with gross premium income below £500 million.</p>
Insurance Companies	<p><u>Matching adjustment</u></p> <p>A new matching adjustment approval fee of £75,000, and an annual fee for ongoing monitoring of £50,000.</p>
Insurance Companies	<p><u>Application for an approval of an additional cell</u></p> <p>Applications fees are to follow the GFSC's existing complexity scale:</p> <ol style="list-style-type: none"> 1) £3,500 (non-complex applications) 2) £11,000 (moderately complex applications) 3) £40,000 (complex applications)
Investment Firms (MIFID)	<p>Application fees for a Part 7 permission will be increased as follows:</p> <ul style="list-style-type: none"> • Category 1 investment firm- increase from £17,000 to £30,000 • Category 2A investment firm - increase from £13,000 to £17,000 • Category 2B investment firm - increase from £10,000 to £13,000 • Category 3 investment firm - increase from £7,000 to £10,000

Payment Terms

Annual regulatory fee invoices will be sent out to regulated firms via email on 27 March 2024, and will take effect from 1 April 2024. Regulated entities will have *28 days* from the date of the invoice within which to pay the annual fees i.e. on or before 29 April 2024.

If you are unable to settle your annual fees in full before the prescribed timeframe, you will be required to submit a written representation before the payment deadline (29 April 2024) stating the reasons why. The GFSC will consider your request on a case-by-case basis.

Regulated firms with multiple permissions will receive a single invoice detailing all regulatory fees payable.

Methods of Payment

The GFSC no longer accepts cheque payments. Payment should be made via bank transfer, using the information provided on the invoice and quoting the unique reference number indicated. Any bank transfer charges should be covered by the regulated entity and not deducted from the amount to be received by the GFSC.

Regulated firms will be provided with a personalised Statement of Account at monthly intervals, detailing all invoices raised, payments received and any amounts outstanding.

Late Payments

If a regulated firm does not pay the total amount of an annual regulatory fee before the end of the date by which it is due, under Regulation 9 of the Financial Services (Fees) Regulations 2020, that person must also pay:

- (a) an administrative fee of £250; and
- (b) interest on any unpaid fee or levy at the rate of 5% a year above the base rate, accruing on a daily basis from the date on which the unpaid amount was payable.

Surrender of a Permission

Invoices will be issued to all regulated firms on 27 March 2024, with effect from 1 April 2024, in respect of the 2024/2025 financial year. Should a firm wish to surrender any financial services permission(s), the GFSC must be formally notified before the invoice issue date i.e. by no later than 26 March 2024. If a regulated firm is authorised to conduct regulated activity as at 26 March 2024, an invoice will be generated automatically by our systems.

The GFSC has adopted a policy where we will refund fees on a pro-rata basis following the surrender of any permission(s) part way during the financial year. The refund will be calculated on a monthly basis from the date of surrender to the next financial year-end. We believe that this approach is both proportionate and fair and will provide Gibraltar-based firms with more flexibility in an ever-changing market.

Similarly, a consistent approach extends to firms that are authorised part way through a financial year. If a permission is granted during the financial year, the regulatory fee payable will be charged on a pro-rata basis. The fee will be calculated on a monthly basis from the date of authorisation/registration to the next financial year-end.

Administration

The GFSC is keen to ensure that all regulated firms receive a copy of their invoice in a timely manner. In line with the GFSC's environmental initiative to achieve sustainability, invoices will be sent out via email only, and not in the post.

Invoices will be issued in pdf format, together with a detailed breakdown of the annual regulatory fee payable in accordance with the Financial Services (Fees) Regulations 2020.

Regulated firms may have recently received correspondence from the GFSC requesting an up-to-date contact email address for financial purposes. This will ensure that invoices reach the relevant individuals within each firm.

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