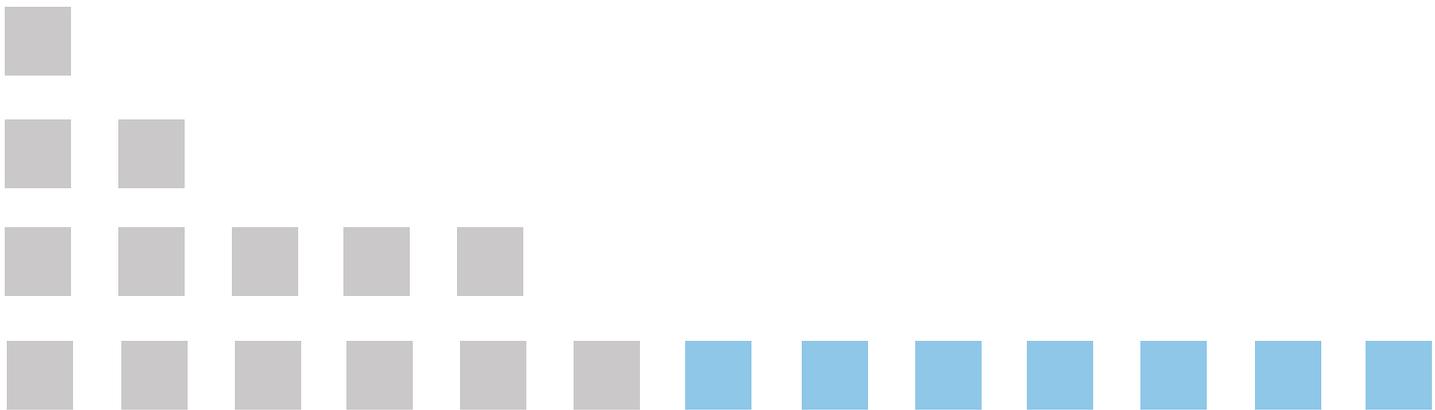


# GFSC Fees Newsletter

Regulatory Fees – Financial Year 2023/2024



# Introduction

This newsletter sets out the regulatory fees for the financial year ending 31 March 2024 (2023/2024), as well as expectations for payment of fees. Invoices will be issued on Friday 31 March 2023 to existing financial services firms under the Financial Services Act 2019 for which the GFSC has responsibility.

## Regulatory Fees

### Changes to Annual Regulatory Charges

HM Government of Gibraltar (HMGoG) has determined that there will be changes to annual regulatory fees in the following areas:

- 1) The cap on Trade Activity Fees for Distributed Ledger Technology (DLT) Providers will be extended from £30,000 to £60,000.
- 2) The introduction of Group Supervision Fees for Credit Institutions. An annual fee of £75,000 applicable to Credit institutions which are part of a group in respect of which the GFSC undertakes group supervision.
- 3) The introduction of AML Supervision Fees in respect of the GFSC's functions and responsibilities under the Proceeds of Crime Act 2015 (POCA). An annual fee of £3,000 will be payable by Credit Institutions, E-money firms, Life Insurance Companies, Market Operators and DLT Providers. An annual fee of £500 will be payable by all other sectors. General Insurers, EIF Directors, Accountants, Tax Advisers, VASPs, Occupational Pension Schemes and Private Sector Pensions are excluded.

There will be no % increase in annual regulatory charges for 2023/2024, as is usually applied in previous years.

HMGoG will continue to provide financial support to the GFSC for the forthcoming financial year and the subvention provided to the GFSC will remain at its current level. Over the last 8 years, HMGoG has made considerable contributions to the GFSC to cover extraordinary expenses, in addition to the agreed annual subvention payments. In the current climate, an increase in regulatory fees is necessary to support the costs of the Regulator.

Amendments to the annual regulatory fees will be reflected under the Financial Services (Fees) Regulations 2020. Details of all annual regulatory fees are documented in Schedule 1 to these regulations. The fee amendments will be effective as from 1 April 2023.

## Payment Terms

Annual regulatory fee invoices will be sent out to regulated firms via email on 31 March 2023, and will take effect from 1 April 2023. 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 2023.

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 2023) 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 31 March 2023, with effect from 1 April 2023, in respect of the 2023/2024 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 30 March 2023. If a regulated firm is authorised to conduct regulated activity as at 30 March 2023, 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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