

**Consultation Paper on Fees proposed to be issued under:**

**The Protection of Investors (Bailiwick of Guernsey) Law, 2020,**

**The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020,**

**The Banking Supervision (Bailiwick of Guernsey) Law, 2020,**

**The Financial Services Business (Enforcement Powers) (Bailiwick of Guernsey) Law, 2020,**

**The Limited Liability Partnerships (Guernsey) Law, 2013,**

**The Companies (Guernsey) Law, 2008,**

**The Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008,**

**The Insurance Business (Bailiwick of Guernsey) Law, 2002,**

**The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002,**

**The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended, and**

**The Limited Partnership (Guernsey) Law, 1995.**

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Responses to this Consultation Paper are sought by the 8<sup>th</sup> September 2021.

We welcome feedback or comment on any section and question. Feedback may be provided via the Consultation Hub section of the Commission's website ([www.gfsc.gg](http://www.gfsc.gg)).

# INTRODUCTION

## *Purpose of the Consultation Paper*

### *Fees consultation*

The aim of this consultation is to detail the Commission's fee rate proposals for 2022 and to solicit feedback and comments from industry. The consultation will be open for a 7-week period. After this and following appropriate consideration of the consultation responses, new fees will come into force on the 1<sup>st</sup> January 2022.

The Commission issues this consultation document in accordance with Section 8(2)(b) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended, under which the Commission; "may, in connection with the carrying out of its general functions .... consult and seek the advice of such persons or bodies as it considers appropriate." The powers to set fees are detailed within the laws laid out on the first page of this consultation paper. For some of these, we are consulting in advance of their proposed commencement on the 1<sup>st</sup> November 2021.

This consultation will affect all licensees, collective investment schemes, registered businesses, registered individuals and applications for licences or registration, in accordance with the applicable laws and regulations.

### *Approach to Fees*

The Commission's approach to setting fees is based upon the principle that, as far as reasonably practicable, they should be fair, proportionate and broadly aligned with the costs of regulation. With respect to the firms we supervise, this is reflected by our use of bandings for charging fees so that, for most sectors, the larger firms or licensees pay a higher fee, reflecting the additional resources the Commission focuses on them. For authorisations, this principle is reflected by the fact that individuals, firms and licensees which are requesting a service such as a new licence or a discretionary exemption, pay for it. The overriding principle is that the 'user pays'. This approach reduces cross-subsidisation between firm types, activity levels and sectors.

Taking into account the Commission's current and forecast financial position, changes to the regulatory laws being implemented on the 1<sup>st</sup> November 2021 and feedback from industry, the Commission is consulting on four main changes to its fees. These are:

- an overall fee increase for all sectors;
- a restructuring of fees for the investment sector;
- changes arising from the update to most of the sectors' laws following the Revision of Laws project; and
- creating a cap for pension scheme fees.

Whilst some of these proposals will impact all sectors, others are only relevant to a single sector and therefore, in line with our normal consultation process, specific questions have been asked regarding each individual proposal as set out below.

There are also several areas where the Commission has been prompted to consider whether an amendment to its fees should be considered to address anomalies or to ensure fairness between firms and sectors. Whilst insufficient evidence has been identified to justify any such change at this time, we note these areas in the final section of this consultation paper in order to provide industry an opportunity to give their views on these areas in advance of any future consultations.

### *Revision of Laws Implementation Project*

In light of the planned changes to the laws and rules under which the Commission operates, the Commission's fees regulations have also been reviewed and will be amended to ensure that all references to legislation, the laws, regulations, and rules, continue to be effective when the new laws are brought into force on the 1<sup>st</sup> November 2021. In line with the previous "Revision of Laws Implementation Project Consultation Papers", issued earlier this year, those amendments make no fundamental changes to the meaning of the regulations and they do not change the way in which they operate. Those amendments are made to ensure that users can refer to the correct enabling laws and the correct underlying regulations and rules.

All proposed fees are detailed within Appendix 1.

This consultation document has been shared with;

- States of Guernsey Policy and Resources Committee
- States of Guernsey Committee for Economic Development
- States of Alderney Policy and Finance Committee
- Chief Pleas of Sark Policy and Performance Committee
- Guernsey International Business Association
- Association of Guernsey Banks
- Guernsey Investment and Funds Association
- Guernsey International Insurance Association
- Guernsey Association of Trustees
- Guernsey Association of Pension Providers
- Institute of Directors
- NED Forum
- Commercial Bar Association
- Guernsey Society of Chartered and Certified Accountants
- Guernsey Association of Compliance Officers
- Guernsey Bar Council

## PROPOSALS

### *Overall Increase in Fees*

Based upon internal modelling of the absolute minimum level of resourcing needed for the Commission to meet its international regulatory obligations having regard, in particular, to minimum staff numbers and effective regulatory systems, the Commission is seeking an overall fee increase for licensed or registered entities of 10.1%.

As noted in our 2020 Annual Report and Accounts, there continues to be a challenging environment for regulators as international standards constantly evolve. Currently, the Commission observes over 40 recommendations and 117 principles from over 655 pages of standards. In doing so we need to consider over 4,000 pages of guidance, framework and application advice. Whilst the Commission seeks to apply all international regulatory standards in a proportionate manner, those standards and their underlying requirements keep on growing, both in terms of scale and complexity. Without skilled policy officers within the Commission, it might be all too easy to unthinkingly copy out standards when it is in the interests of all that we have the capacity to consider how the relevant international standards may be implemented in a fashion which fits best with the Bailiwick's financial services sectors. Intelligent implementation of standards is one of the ways in which we seek to ensure that firms' compliance costs are minimised. Balanced with this however, is the fact that the Commission, and in turn the Bailiwick, needs to keep up to date with these standards to demonstrate adherence to international norms and thus ensure that overseas clients are able and willing to do business here.

In addition to this, the Commission, along with other official and private sector actors in the Bailiwick, is subject to periodic assessments by international regulatory inspectors who determine the Bailiwick's level of compliance with international standards and issue reports which can have detrimental consequences for those jurisdictions which are deemed to have fallen below expected norms. A key forthcoming inspection of the Bailiwick is due to be undertaken by MONEYVAL, assessing against the Financial Action Task Force ('FATF') standards, in 2023/2024. The preparatory work required for these visits is extensive and key to helping the Bailiwick demonstrate its observance of international standards on anti-money laundering and countering terrorist financing ('AML/CFT'). Meeting international regulatory standards is not easy. It requires enough capable and motivated Commission officers with sufficient resources at their disposal to regulate our large, prosperous and diffuse financial services sectors.

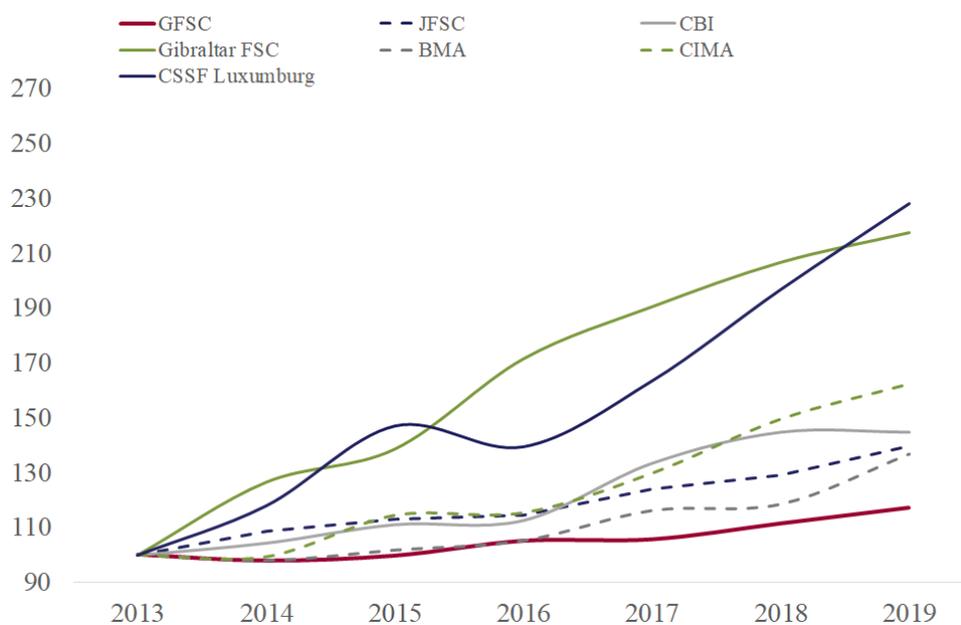
There are also developments in the industry which we supervise, with firms using new technologies and systems to develop new products, fund, or asset types, or providing new services to customers. We need to ensure we remain on top of these developments and that our laws, rules and regulations are fit for purpose in ensuring that financial services business in the Bailiwick can continue to develop and prosper.

Over the last few years, in order to help with the above challenges, the Commission has invested heavily in its back office systems and processes to ensure they remain fit for purpose and operationally robust in the face of changing software and cyber threats. This was reflected

in a £3.6mn investment in our IT systems over the last three years. This investment drove a £1.3mn reduction in our cash balance in 2020, with the total amount hitting our profit and loss statement through depreciation over the next four years. This contributed to the deficits the Commission has recorded for the last two years, as we have been purposefully and gradually investing our resources to deliver these technology improvements. Nevertheless, this is not sustainable on a longer-term basis.

All of this suggests that regulatory inflation, like medical inflation, is higher than general inflation especially given the endlessly evolving international standards. We note that other financial services regulators have materially increased their fees over the last few years, with some sectors in certain jurisdictions seeing an increase of over 20% in one year<sup>1</sup>.

Whilst it was helpful to be able to increase our fees by inflation (2.1%) for 2021 this followed two years in which fees were frozen whilst our costs increased. Over the past eight years we have kept our cost increases to 2.4% pa on average whilst our fees increased by an average of just 1.2% pa. Graph 1 illustrates how the increase in the Commission’s costs compare to those of peer regulators in similar financial centres, between 2013 and 2019.



Graph 1 – Percentage increase in total costs per peer regulator<sup>2</sup> (base year 2013 = 100)

<sup>1</sup> In 2020/21, several authorities increased sector fee rates by double digits. The Jersey Financial Services Commission (JFSC) increased investment business fees by 20.5%, banking by 10% and funds by 12.5%. The Financial Conduct Authority (FCA) increased fees by between 9.3% and 16.5% for general insurers, 14.5% for a variety of investment firms and by 3.9% for collective investment schemes. The Bank of England (BoE) increased fees on banks by 6.2%, general insurers by between 9.1% and 19.6% and investment firms trading as principal by up to 24.1%. Although the Isle of Man Financial Services Authority (IOMFSA) increased fees across all sectors by only 0.9% in 2020/21, in 2021/22 the IOMFSA is increasing fees across all sectors by 20% and is proposing a further 20% increase for 2022/23.

<sup>2</sup> The peers included the Jersey Financial Services Commission (JFSC), the Central Bank of Ireland (CBI), the Bermuda Monetary Authority (BMA), the Gibraltar FSC, the Cayman Islands Monetary Authority (CIMA) and CSSF Luxembourg

The fact that we have run only a small deficit for the last two years is reflective of the fact that we have been utilising our reserves, capitalising much of our technology spend, maintaining our current staff level with strict salary controls which included being unable to offer our staff a pay rise in 2021. At the same time, we experienced a staff turnover rate of 18.5% in 2020 which is too high for comfort and our staff attrition in the first half of 2021 has remained comfortably high in the face of the buoyant, local financial services employment market. As a regulator, we do not seek to match the salaries paid by industry (nor should we) but we do need to be able to recruit and retain staff. Whilst we have done this so far by bringing in a range of non-cash benefits, such as a ‘9-day fortnight’ initiative, this can only go so far and we have reached the breaking point for retaining our skilled and dedicated staff. We are also concerned that if we are forced, through not being able to remunerate staff competitively, to deploy a higher proportion of novice officers on authorisation and supervisory matters, firms’ compliance costs will inevitably increase as less experienced questions are asked of them on a more frequent basis.

In reviewing our previous accounts, readers will note that we have seen a significant increase in legal costs resulting from challenges to our enforcement process. Whilst these increases have been material, they have been offset to some degree by the fines and penalties levied in such cases. On an ongoing basis we aspire to be in a position such that our financial penalties meet our ongoing enforcement costs, again working towards a ‘user pays’ principle. Given that the States of Guernsey, in 2017, changed the fining powers available to the Commission to bring the Bailiwick into better alignment with international norms, and that we are now considering cases dealing with lawbreaking which has occurred since 2017 (to which the new fining powers apply) we have some cause to believe that we should be more able, going forward, to apply this ‘user pays’ principle to enforcement actions.

Taking all of the above into account we have now reached the point, after eight years of considerable financial restraint, where the Commission needs to increase its fees by a significant amount to ensure that we maintain our position as a ‘fit for purpose’ international regulator, which can genuinely support the Bailiwick’s financial services industry. We have undertaken internal modelling of our future costs and expenses based on future inflation of 2% and taking into account the resources we believe are the absolute minimum required in terms of staff and systems. This modelling shows that in order to be in a cash neutral position (accepting the fact that we will continue to see losses due to depreciation from past investment in our systems) at the end of three years, we require an overall fee increase of 10.1% for 2022 across all sectors. The additional income provided by this fee increase will be invested in slightly increasing staffing numbers within key areas of the Commission, particularly in the areas of authorisation (where we are seeing an increase in application numbers) and supervision, and in continuing to improve our internal systems to ensure we are more efficient and effective as a regulator which is able to demonstrably meet the standards required for international financial services businesses to continue to prosper in the future.

The fee increase being proposed is not emblematic of the Commission wishing for similarly substantial fee increases in future years. Our working assumption is that, having increased fees by this amount in 2022, we should be able to manage with RPI level increases in 2023 and 2024. Clearly if we are asked to do more tasks or we are requested to undertake considerably more extensive and complex work to, for example, become exactly equivalent with a certain overseas regime, then costs may arise which we currently do not anticipate. The Bailiwick has

a noteworthy financial services sector, as large as that of many European countries and good regulation of an internationally significant International Finance Centre ('IFC') is never going to be free. We trust that industry will take some reassurance from the Commission's current leadership having only levied an average fee increase of 1.2% p.a. over the last eight years. Going forwards, we aspire to only increase fees in accordance with movements in inflation, although we would not wish to falsely promise that we will always be able to do so. For now, we believe we need to have the right staff, paid the right amounts, with the right technology to give us a good chance of being able to fulfil our statutory duties sensibly and to be able to demonstrate to influential international actors such as the Council of Europe (MONEYVAL) that the Bailiwick is appropriately regulated.

Do you have any comments on the proposed overall fee increase?

## *Investment Sector Fee Restructuring*

We have been considering whether the fees charged within our investment sector could be restructured to encourage growth. In addition, this sector has a fees model which does not proportionately reflect the ‘user pays’ principle, as it is a fixed fee per firm, no matter its size or complexity. Therefore, these fees do not match our overall approach to fees which attempts to align them to the costs of regulation.

The proposal, for the types of POI licensee that require greater supervisory attention, is to pay a licence fee based on the size of the firm. Those types of firm are: designated administrators, designated custodians, brokers and firms with one or more authorised financial advisor. Annual fees for these types of firm will be charged in bands based on the licensee’s total annual audited income. Whilst we considered various other metrics as a proxy for size, such as assets under management, income only from investment business, or total number of staff, annual income is preferred as it is an audited figure which is submitted on a consistent basis by all firms and requires no additional reporting by the licensee or verification by the Commission.

Please note that the majority of our POI licensees are not in this category and will continue to pay a simple, flat fee as before. However, this flat fee will either match, or reflect a portion of the fee, for the lowest band.

The proposed bandings are:

<b>Turnover (annual)</b>	<b>Annual licence fee</b>
Under £1,500,000	£3,750
£1,500,000 to £2,999,999	£5,750
£3,000,000 to £5,999,999	£7,750
£6,000,000 to £11,999,999	£10,000
£12,000,000 and above	£12,500

For licensed banks with authorised financial advisers, we recognise that these licensees already pay a fee to the Commission based on the banking activity they carry out and that in using total annual income, the highest fee banding would be disproportionate to their POI income. Therefore, we are proposing that any POI licensee with an authorised financial adviser and who also holds a banking licence pays a flat POI annual licence fee of £3,750, unless they are also a designated person or broker, where the banded fees would apply.

One of the other aims of this restructuring is to encourage growth in our investment sector. Therefore, a significant benefit of this proposal is that in restructuring our fees in this manner we can prevent any increase in the annual fee for Guernsey authorised and registered funds. This will enable our fund fees to remain competitive in the international marketplace. We also believe that the increased fees for designated administrators, designated custodians, brokers, and firms with one or more authorised financial advisor remain extremely reasonable compared to those charged by other IFCs.

Again, the aim of these amended fees is not to increase the overall fees paid by the investment sector, over and above the overall fee increase of 10.1% proposed earlier in this paper. Therefore, these proposed fees have been modelled using the information provided to the Commission in the last annual investment returns to result in an overall increase in fee income from the sector of 10.1%.

We encourage all firms to review their activity and the fee category detailed on their last annual fee invoice (1<sup>st</sup> January 2021) to understand whether they will be affected by these new fee bandings and whether the fee category recorded is reflective of their current regulated activities.

Do you have any comments on the proposed restructuring of our investment sector fees?

## *Revision of Laws*

Whilst the Commission aims to charge fees fairly and proportionately across all sectors, we are limited by different fee charging powers which are laid out within each historic individual regulatory law. These laws were developed over several years and have a range of inconsistencies within them. For example, whilst we currently have the power within the Protection of Investor ('POI') Law and the Insurance Managers and Intermediaries Law ('IMIL') to charge for a change in controller of a regulatory entity, we do not have this power for the other sectors. This has led to inconsistencies within the Commission's charging structure.

These inconsistencies in powers are due to be addressed within the updated laws for each sector that form part of the Revision of Laws, due to come into force on the 1<sup>st</sup> November 2021. In addition, these laws remove the need for certain charges and provide the ability to charge new fees based on additional powers detailed within the laws. In each case any proposed fee is based on the previously mentioned principle of the 'user pays'. On this basis, the proposed amendments to fees from the 1<sup>st</sup> January 2022 are as follows:

*Change of Controller* – this reflects the assessment and review carried out by the Commission when a new controller takes control of a financial services entity in the Bailiwick (15% and above shareholding). As noted above, this fee currently only applies to two sectors but will be extended to all sectors following enactment of the revised laws.

*Extension of a licence or request for a direction* – currently a firm pays an application fee when it applies to carry out regulated activities within the Bailiwick of Guernsey. This application will set out the specific regulated activities the firm is intending to undertake and an assessment will be made by the Commission to ensure that it has staff with the requisite skills, knowledge and experience to carry out this activity within the bounds of our rules and regulations. However currently, if at a later date, a firm requests permission to add further regulated activities or investment types to their licence, we do not charge a fee despite a further assessment having to be undertaken. The proposal is that in future a charge will be made for the extension of a licence<sup>3</sup>. Insurance firms can also request a direction as to whether they are acting as an insurance manager or intermediary and we would propose to charge the same fee for these requests. Please note if a firm is requesting the removal of a regulated activity or investment type this will not incur a charge as no additional assessment is required.

*De-PIFing a manager or a fund* – the Private Investor Fund ('PIF') was introduced in 2016 and has been a popular route for a private fund to be created under a fast track regime. As with our Qualifying Investor Fund ('QIF') this regime relies on restrictions within the fund and declarations provided by the fund administrator to ensure consumer protections are maintained. On certain occasions, once established, a fund may wish to move outside these restrictions and therefore look to de-QIF or de-PIF. At which time the Commission, due to the removal of these protections, carries out a more intensive and stringent risk assessment. Currently, whilst

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<sup>3</sup>The banking and NRSB sectors have only one licence type and will not be included. An application for a Primary Fiduciary Licence by an existing Secondary Fiduciary licence holder will be treated as an application for a new licence and the appropriate application fee will apply.

a fee is charged for a de-QIFing, there is no fee for de-PIFing and the proposal is to rectify this inconsistency and charge the same fee for both.

*Notification of Activity in respect of Ancillary Vehicles* – the revised POI Law provides for a notification regime for certain activities in respect of Ancillary Vehicles. Such notified activity will be exempt from scope of the revised Fiduciaries Law. The notification is required to enable the Commission to identify, monitor and evaluate the level of activity being undertaken within the Bailiwick and to assess the AML/CFT risks in this area as part of our perimeter monitoring process. A minimal charge is being proposed to be paid on notification to the Commission of such activities.

*Primary and Secondary Licences* – the revised Fiduciaries Law introduces the primary and secondary licence categories (replacing respectively the “lead” and “joint” licence descriptions). It is proposed that an approach to fees will be taken which is consistent to that currently applied. Application fees will be applied in respect of each licence and annual fees will be applied based on the combined fiduciary turnover of the primary licensee and associated secondary licensees.

Other changes within the laws will mean that certain fees will fall away for industry. First, in light of the Commission’s recent removal of the need to apply for permission to manage a Non-Guernsey Scheme, all fees and charges associated with this application process along with the annual fee will be removed. Second, since additional statutory exemptions have been provided within the updated Fiduciary Law, we expect that a significant number (though not all) of discretionary exemption applications and the associated application fees, will fall away.

It is also worth noting that whilst the update to the laws has brought consistency across our various sectors it has also provided additional powers for the Commission to charge fees which we do not plan to utilise at present. An example of this is that the Commission will have the power to charge a fee for the provision of documents. Whilst it is possible that we might theoretically wish to charge an administrative fee for replacing a document in the future, we don’t currently issue many ‘documents’ like this and we wouldn’t, by contrast, ever envisage charging for our rules etc. as these are, and always should be, freely available on our website.

**Do you have any comments on the proposed amendment to fees from the update to our regulatory laws? If your comment relates to one specific fee, please identify it.**

### *Pension Scheme Fees*

In 2018, the rules and regulations and associated fees surrounding the licensing and supervision of entities which provide pension schemes within the Bailiwick of Guernsey were brought in. These were in response to industry's requests for the creation of a regulated sector in the Bailiwick. Whilst information had been initially gathered on the scale and size of the pensions market, to help inform our original fee proposals, we were always aware that following receipt of more consistent and regular information, as part of the annual returns for pension providers, these fees might need to be adjusted.

In discussion with the representative industry body, the Guernsey Association of Pension Providers ('GAPP'), and individual firms, it has been brought to our attention that the current fee structure, where there is a base fee per provider and £1 paid for every scheme member, discourages larger pension schemes from considering the Bailiwick as a cost effective jurisdiction. In addition, once a scheme reaches a certain size the fee is not reflective of the Commission resources dedicated to it.

The proposal is therefore to place an upper cap on the level of fees charged per member in a pension scheme to 7,500 members. This would lead to a marginal increase in the base fee level for all pension fund providers but would hopefully encourage new and larger pension funds to establish themselves in the Bailiwick of Guernsey.

Do you have any comments on the proposal to create a cap for pension scheme members fees?

### *Future considerations*

During any year there are views or questions on fees which are raised with the Commission. Whilst most of these questions aim to clarify a particular aspect of our fee regime, a minority tend to relate to the fairness of the fees being charged. The Commission considers these questions each year when it reviews its fees as part of the consultation process.

There are two specific areas where our fees might not be reflective of the resources allocated or where the lack of a fee may be considered unfair having regard to the fees across other sectors. The first of these is the result of a change to our rules brought into force in 2020. This change allowed for fast track licensing / migrations of investment managers of overseas collective investment schemes. We have already seen a few of these applications within the last year which attract a fixed fee without an additional cost for the ‘fast tracking’ of the process. For other applications where the Commission ensures they are considered within a shorter timeframe, therefore allowing them to jump the queue, a fee is charged to recognise this additional service and the resources required.

Currently the number of these type of applications remains relatively small and therefore the implications of not charging a ‘fast track’ fee is minimal. However, should we see a material increase in these types of application the Commission will reconsider whether a ‘fast track’ fee should be charged.

Also, in 2021 the Commission saw the potential first use of a PCC as a POI licensee. When new cells are created within insurance PCC structures there is an additional application and annual fee, reflecting the additional assessments carried out. Currently we have no fee in place for new cells created under an investment licensee structure. Again, we have seen limited use of this type of structure, but we will continue to monitor its use, and if we see a material increase, we will look to introduce a fee for creating additional cells.

Do you have any comments on these fee areas which you feel should be part of our future considerations of fees?

## Appendix I

### Regulatory Fee – Banking Sector

	Current fee for 2021	Proposed fee for 2022
<b>Application fees:</b>		
Bank application	£37,680	£41,485
Amalgamation and Migration fee	£2,267	£2,495
Change of controller fee	N/A	£2,250
<b>Annual licence fees:</b>		
Assets band:		
Total assets below £500 million	£37,680	£41,485
Total assets of £500 million or more but below £1,000 million:		
2021 - total assets multiplied by 0.000057171 with a minimum of £37,680	variable price	
2022 - total assets multiplied by 0.000062945 with a minimum of £41,485		variable price
Total assets of £1,000 million and above	£57,171	£62,945
<b>Premiums added to all annual licence fees, where applicable:</b>		
Premium on annual licence fee for a Guernsey subsidiary bank Subject to a maximum	25% £14,289	25% £15,736
and		
Premium for a retail subsidiary bank or retail branch bank (retail branch bank only) Subject to a maximum	50% £28,583	50% £31,473
and		
Premium for an additional trading name for a bank effectively operating two separate businesses under one licence subject to a maximum	50% £28,583	50% £31,473
and		
Branches outside the Bailiwick	£14,289	£15,736

## Regulatory Fee – Insurance Sector

*Note: All references below to 'category' are as defined in the Insurance Business (Solvency) Rules 2015*

	<b>Current fee for 2021</b>	<b>Proposed fee for 2022</b>
<b>Application fees:</b>		
Insurance Manager	£5,315	£5,850
Insurance Manager – Lloyd's	£2,923	£3,220
Insurer / Reinsurer – category 1, 2, 5, 6	£5,714	£6,290
Commercial Insurer/Reinsurer (including business in PCC core / ICC) – category 3, 4	£8,570	£9,435
PCC/ICC – no business written (category 3,4) or category 1, 2, 5, 6	£5,714	£6,290
Cell of PCC/ICC – category 1, 2, 5, 6 (non SPI)	£1,868	£2,055
Cell of PCC – commercial insurance/reinsurance – category 3, 4	£2,803	£3,085
Cell of ICC – commercial insurance/reinsurance – category 3, 4	£2,803	£3,085
Cell of PCC/ICC – category 6 SPI – new controller of SPI cell or SPI cell transaction	£859	£945
Domestic Insurer; Mutual, Friendly or Provident Society	£3,218	£3,545
Intermediary (base fee)	£5,379	£5,920
(addition of Intermediary licence categories)	£191 to £1,834	£210 to £2,020
Change of Controller (Insurance Manager, Intermediary, Insurer / Reinsurer, PCC, ICC, or IC)	£2,042	£2,250
Amalgamation and Migration Out fee	£2,267	£2,495
Application for an extension of a licence (Insurance Managers and Insurers / Reinsurers)	N/A	£1,245
Application for a direction as to whether they are acting as an Insurance Manager or Intermediary	N/A	£1,245

**Annual fees:**

Insurance Managers – pure	£5,047	£5,555
Insurance Managers – commercial	£8,446	£9,300
Insurance Manager – Lloyd’s	£2,923	£3,220
Life Insurer (including PCC / ICC) – category 1, 2	£5,714 to £85,810	£6,290 to £94,475
Commercial Insurer/Reinsurer (including non-retail business in PCC core/ ICC) – category 3, 4	£8,570	£9,435
Insurer/Reinsurer – category 5, 6	£5,714	£6,290
PCC/ICC – no business written (category 3, 4) or category 5, 6	£5,714	£6,290
Cell of PCC/ ICC – category 1, 2, 5, 6 (non SPI)	£1,868	£2,055
Cell of PCC – commercial insurance/reinsurance – category 3, 4	£2,803	£3,085
Cell of ICC – commercial insurance/reinsurance – category 3, 4	£2,803	£3,085
Cell of PCC/ICC – category 6 (SPI) – cell transaction / continuation	£859	£945
Life policy cell	£112	£125
Transformer cell	£859	£945
Dormant cell	£149	£165
Domestic Insurer (turnover ≤ £12,000)	£477	£525
Domestic Insurer (turnover > £12,000)	£3,218 to £16,411	£3,545 to £18,070
Mutual, Provident or Friendly Society – Non-commercial <sup>4</sup>	£477	£525
Mutual, Provident or Friendly Society – Commercial <sup>3</sup>	£3,218	£3,545
Intermediary (base fee)	£2,596	£2,860
Intermediary (licence type)	£191 to £1,834	£210 to £2,020
Intermediary (turnover level)	£1,834 to £7,372	£2,020 to £8,115
Member of association for travel insurance	£1,472	£1,620

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<sup>4</sup> Due to an oversight these individual fees were not specifically identified in last year’s consultation paper

**Other fees:**

Conversion / transfer / subsumption of regulated entities under Part V of The Companies (Guernsey) Law, 2008	£1,078	£1,185
Application for consent to a scheme for the transfer of long-term business	£5,363	£5,905

## Regulatory Fee – Fiduciary Sector

	Current fee for 2021	Proposed fee for 2022
<b>Application fees:</b>		
Personal fiduciary licence	£1,040	£1,145
Secondary fiduciary licence	£576	£635
Primary fiduciary licence	£2,371	£2,610
Personal discretionary exemption	£488	£535
Company/partnership discretionary exemption	£1,093	£1,205
Consent to use a name	£1,856	£2,045
Change of control fee	N/A	£2,250
Amalgamation and migration fee	£2,267	£2,495
Notification of ancillary vehicles	N/A	£600
<b>Annual licence fees:</b>		
Personal Fiduciary licence	£1,079	£1,190
Primary licence and, where applicable, related Secondary Fiduciary licences	<b>2021</b>	<b>2022</b>
Turnover band (annual):		
Under £250,000	£5,258	£5,790
£250,000 to £499,999	£10,516	£11,580
£500,000 to £999,999	£15,774	£17,365
£1,000,000 to £1,999,999	£21,033	£23,155
£2,000,000 to £3,999,999	£26,291	£28,945
£4,000,000 to £7,999,999	£31,549	£34,735
£8,000,000 to £15,999,999	£42,065	£46,315
£16,000,000 and above	£52,582	£57,895
<b>Pension regulation annual fees</b>		
(licensees engaged in pension business)		
Fixed fee	£408	£515
Fee per scheme member	£1	£1
Subject to a £7,500 cap per scheme		

## Regulatory Fee – Investment Sector

	Current fee for 2021	Proposed fee for 2022
<b>Application fees:</b>		
Open-ended collective investment schemes:		
Authorised Schemes	£3,507	£3,500
Authorised Schemes (Fast Track additional £500)*	£4,007	£4,100
Registered Schemes (Fast Track additional £500)*	£4,007	£4,100
New classes of existing schemes*	£736	£810
“De-QIFing” (QIF = Qualified Investor Fund)	£2,629	£2,895
“De-PIFing” (PIF – Private Investment Fund)	N/A	£2,895
Non-Guernsey schemes	£1,131	N/A
Designated Territories scheme notification (EX) (Jersey schemes remain at nil)	£1,131	£1,245
Closed-ended collective investment schemes:		
Authorised Schemes	£3,507	£3,500
Authorised Schemes (Fast Track additional £500)*	£4,007	£4,100
Registered Schemes (Fast Track additional £500)*	£4,007	£4,100
Licensees	£2,371	£2,610
Amalgamation and migration fee	£2,267	£2,495
Change of Control fee	£2,042	£2,250
Application for an extension of a licence	N/A	£1,245
Consent for removal from the register	£2,114	£2,330
<b>Annual fees:</b>		
Open-ended collective investment schemes:		
Schemes*	£3,507	£3,500
Additional classes*	£226	£250
Non-Guernsey schemes	£565	N/A
Designated Territories scheme (EX)	£565	£620
Closed-ended collective investment schemes*	£3,507	£3,500

Licensees:

Designated Persons;	£3,392	see below
Brokers; and	£3,392	see below
Licensees with an authorised financial advisor <sup>5</sup>	£3,392	see below
Turnover band (annual):		
Under £1,500,000	N/A	£3,750
£1,500,000 to £2,999,999	N/A	£5,750
£3,000,000 to £5,999,999	N/A	£7,750
£6,000,000 to £11,999,999	N/A	£10,000
£12,000,000 and above	N/A	£12,500
Manager of overseas collective investment scheme	£3,392	£3,750
Principal Managers of open-ended schemes	£1,696	£1,875
Managers of closed-ended schemes	£1,696	£1,875
Investment exchanges	£66,508	£73,225
Insurance intermediary with POI licence <sup>6</sup>	£1,133	£1,245
Other Licensees	£3,392	£3,750

\* Including Private Investment Funds (PIFs) registered under the POI Law

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<sup>5</sup> Excluding bank licensees

<sup>6</sup> Single Premium (POI element): Fee payable where licensed under the POI Law for either or both of the restricted activities of promotion and advising, and no other restricted activities in respect of "Category 1: Collective Investment Schemes."

## Fee – Non-Regulated Financial Services Businesses

	Current fee for 2021	Proposed fee for 2022
Application fee	£4,023	£4,430
Annual fee	£1,315	£1,450

## Fee – Prescribed Businesses

The registration fee and, following this, the annual fee for Prescribed Businesses is detailed below:

Number of full time or full time equivalent staff	Current fee for 2021	Proposed fee for 2022
1-5	£669	£737
6	£771	£849
7	£873	£961
8	£975	£1,073
9	£1,077	£1,186
10	£1,179	£1,298
11	£1,281	£1,410
12	£1,383	£1,523
13	£1,485	£1,635
14	£1,587	£1,747
15	£1,689	£1,860
16	£1,791	£1,972
17	£1,893	£2,084
18	£1,995	£2,196
19	£2,097	£2,309
20	£2,199	£2,421
21	£2,301	£2,533
22	£2,403	£2,646
23	£2,505	£2,758
24	£2,607	£2,870
25 or more	£2,709	£2,983