

FEEDBACK PAPER
ON CONSULTATION FOR

FEE RATES FOR 2023

ISSUED 11 NOVEMBER 2022



Guernsey Financial
Services Commission

Contents

1. Background	3
2. Assessment of Consultation Feedback.....	4
2.1. Overall Increase in Fees.....	4
2.2. Proposed Fees for Lending, Credit and Finance Firms	7
2.3. Application Fees – PCC / ICC Incorporation Consent Requests.....	9
2.4. Fee for Prospectus Registration not part of a fund application.....	10
2.5. Fast Track Fees for Additional Elements to Open-Ended Funds	11
2.6. Amending the Returns in Scope of Late Filing Penalties	12
2.7. Inaccurate Filing Penalties.....	14
3. Next Steps	17
Appendix A –2023 Fee Rates	18
A.1. Banking Sector	18
A.2. Insurance Sector	19
A.2. Insurance Sector (continued).....	20
A.2. Insurance Sector (continued).....	21
A.2. Insurance Sector (continued).....	22
A.3. Fiduciary Sector	23
A.4. Investment Sector.....	24
A.5. Non-Regulated Financial Services Businesses.....	25
A.6. Lending, Credit and Finance Sector	26
A.7. Prescribed Businesses	27
A.8. Other Fees and Penalties	28

1. Background

- 1.1.1. On 20 July 2022, The Guernsey Financial Services Commission (the “Commission”) issued a Consultation Paper on proposals for fee rates and administrative penalties, to apply from 1 January 2023¹.
- 1.1.2. The proposals presented within the Consultation Paper focused on the following areas:
 - an overall proposed increase in fees of 9%,
 - proposals for application and annual fees under the Lending, Credit and Finance legislative framework,
 - proposals to charge fees for consent requests to incorporate a non-regulated Protected Cell Company (“PCC”) or Incorporated Cell Company (“ICC”),
 - fast track fees for additional elements to open-ended fast track funds,
 - to update the returns in scope of Late Filing Penalties, and
 - proposals to create an explicit administrative penalty regime for returns submitted to the Commission that are materially inaccurate.
- 1.1.3. The consultation period ran for an eight-week period, until 14 September 2022.
- 1.1.4. We received 21 responses that included feedback from all sectors and four industry bodies. This is similar to the volume of feedback received to the prior year consultation, which had 24 responses.
- 1.1.5. Section 2 of this Feedback Paper summarises the feedback received and, where applicable, explains how we have responded to that feedback, including any changes we have made to the proposals originally put forward. Where respondents have stated a section is not applicable, or have provided no comment, we have excluded them from the number of respondents in section 2. Before issuing this Feedback Paper we have consulted with the States of Guernsey regarding the final proposals.

¹ The original consultation, which closed on 14 September 2022, can be found at: <https://consultationhub.gfsc.gg/commission-all-staff/2023-fees-consultation/>

2. Assessment of Consultation Feedback

2.1. Overall Increase in Fees

What was the general message in the feedback received?

- 2.1.1. Of the seventeen respondents to the question “*Do you have any comments on the overall proposed fee increase?*”, four were supportive of the proposals while the remainder were either against or raised concerns with the proposed increase.
- 2.1.2. A wide range of views were provided in the responses to this question, with detailed feedback being given in several areas. Respondents were from all sectors, including industry bodies and individual licensees.
- 2.1.3. Respondents who were against the proposed increase in fees cited cost pressures on the industry and other areas of their business, the level of the Commission’s existing reserves, and the rate of inflation within the Bailiwick. Eight respondents stated they understood the pressures on the Commission from both cost inflation and a competitive labour market.
- 2.1.4. Taking the feedback received into consideration and, having re-assessed both the current inflationary environment in the Bailiwick and our current and forecast financial performance, we have decreased the size of the fee increase to 8%.
- 2.1.5. Notably several enforcement cases have concluded over the course of the year, which has led to a higher than anticipated level of discretionary penalty income being received during 2022 . The legislation under which the Commission operates stipulates, and our policy has always been, that where these fines are over-and-above the costs of enforcement action these should be rebated to industry. We intend to achieve this through the reduction in our proposed fee increase. Our consideration of the other, specific feedback we received is below.

What specific feedback did we receive?

2.1.6. *Measure of Inflation Used:*

Four respondents disagreed with the inflation metrics used within the Consultation Paper, stating their preference to use Guernsey RPIX as the measure for inflation when determining fee increases. Some of those respondents stated a preference for the fee increase to be capped at 7.0%, which was the increase in Guernsey RPIX in the 12-months to June 2022.

The various measures for inflation were provided to illustrate movements in the rate of inflation overall, particularly as those inflation measures (in the UK and internationally) are published more frequently than Guernsey (where RPIX is only published on a quarterly basis).

The increase in fees would take effect from 1 January 2023 and is intended to contribute to the funding of the Commission’s activities over the 2023 financial year. As such, benchmarking against a measure of inflation that only reflects historic movements may not be indicative of the cost increases during 2023. The proposed fee increase presented was, in part, reflective of this.

Our proposed fee increase is within the range of forecast Guernsey inflation put forward by the States of Guernsey and consistent with the increase in Guernsey

RPIX for the 12-months ending in September 2022². As noted in previous fee consultations, the level of general price inflation is often lower than the inflation in expenses experienced by regulatory bodies.

One respondent compared fee increases observed over the period from 2021 against Guernsey RPI, stating the fee increases were well above that level. The fee increases imposed in 2022 followed a period where the Commission had not imposed any increases in fees but had still been exposed to cost increases above the level of RPI inflation.

2.1.7. *Trend in Fee Increases:*

Seven respondents were concerned over a potential trend in fee increases over time, which could result in the Bailiwick becoming uncompetitive against other jurisdictions or increasing cost pressures on the industry and its ability to remain competitive internationally. Two respondents cited concerns over the level of fees creating a barrier to entry for smaller financial services business and start-ups in the Bailiwick.

As noted, both in the Consultation Paper and the Feedback Paper on 2022 fee rates, the Commission's aim for future fee increases was to ensure these are strongly influenced by both Guernsey RPIX and industry wage inflation, to try to ensure, to the extent possible, that fee increases are transparent and stable.

Due to different laws and regulatory structures, direct fee comparison between jurisdictions is difficult. However, as can be seen within the Consultation Paper, the Commission assessed the level of our fee increases against peer regulators, in part to ensure we are aligned with other jurisdictions, and we are satisfied that we continue to maintain fee increases below competitor jurisdictions.

Two further respondents queried whether increases could be phased in gradually over a two-year period (for example, 5% each year in 2023 and 2024). The Commission's assessment of any fee increase is based on our forecast requirements for the 2023 financial year, while also considering what level of resources are required for the 2023/24 inspection by MoneyVal. Were the Commission to phase in any fee increases this significantly delays the application of these resources during a key period of preparation for such an important event for the Bailiwick.

2.1.8. *Level of the Commission's Reserves*

Four respondents commented on the level of the Commission's net assets, which were £13.9 million as at 31 December 2022, and the surplus of £487k and the extent to which this should be utilised to support the Commission's forecast expenditure.

A large proportion of our net assets are either fixed assets, which cannot be used to satisfy operating expenses, or represent our assessment of the Commission's capital needs required to help us deal with unexpected costs and to allow us to continue operating effectively, for a reasonable period, should an unexpected

² The September 2022 Guernsey Quarterly Inflation Bulletin can be found at <https://www.gov.gg/CHttpHandler.ashx?id=160509&p=0>

event disable a portion of the Bailiwick's economy. As such, the majority of the Commission's net assets, in practice, are not available to fund ongoing expenditure.

The surplus attained in 2021 primarily relates to cost reductions from the COVID-19 pandemic and high staff turnover. Year-on-year we have seen our budget, including investments in additional staff and technology, increase by 12%, as compared with the proposed fee increase of 9%. As such, the Commission is already utilising its reserves, in a controlled manner, to reduce any increases in fees. However, during 2022 the Commission has received unanticipated discretionary penalty income arising from enforcement cases, which has improved our financial performance and offset a proportion of the costs anticipated to arise from such cases. As laid down within our laws, and in line with our stated policy, we are looking to provide a rebate on fees reflecting this increased income and therefore we are proposing an 8% fee increase, rather than the original 9%.

In doing this, we are assisted by the increased fining powers granted to us by the States of Guernsey in 2017 and hope, over time, to be able to move to a position where a higher proportion of our enforcement costs are met by "the polluters". At present, good firms still pay for a considerable proportion of our enforcement costs, through their fees.

What is the Commission going to do next?

- 2.1.9. Having considered the feedback provided, the Commission intends to proceed with an overall fee increase of 8%, reduced from that outlined in the Consultation Paper. The increased fees will come into effect from 1 January 2023.

2.2. Proposed Fees for Lending, Credit and Finance Firms

What was the general message in the feedback received?

- 2.2.1. We received seven responses to this area within this consultation. A further 22 responses were received in the consultation paper on the Lending, Credit and Finance rules framework. Feedback largely focused on areas where the fees were felt to be too high.

What specific feedback did we receive?

2.2.2. *Fees for VASPs*

Four respondents to this consultation stated their view that the fees for VASPs, particularly those for Exchanges and Stablecoin issuers, were too high. Some respondents were concerned that the level of the fee was such that it would create barriers for entry for new firms into the Bailiwick, particularly where this sector was newly regulated as part of the Lending, Credit and Finance regime.

The Commission considered the level of fees charged by other regulatory bodies in setting the fees we originally consulted on along with the significant work needed to regulate these complex firms effectively. The fees that were proposed appeared consistent with other regulatory regimes, albeit noting our earlier comments that differences in legislative and regulatory frameworks make such comparisons difficult.

While we continue to believe that other areas of industry should not subsidise the costs necessary to authorise and supervise VASP firms, the Commission does not wish to create an unfair barrier for entry for firms who can demonstrate they meet the required standards necessary to operate a financial services business in the Bailiwick.

We have therefore proposed reducing the fee for Exchange and Stablecoin Issuer VASPs to £95,000. In future periods, the Commission may consider creating a tiered fee structure, similar to the structures applied in other sectors, dependent on the size, scale, and complexity of the VASP firms that apply to be authorised under the regime.

2.2.3. *Fees for Small Consumer Credit Brokers and Motor Traders*

While not responding to this consultation, seven respondents to the Lending, Credit and Finance rules consultation stated their concern that the fees for providers of services ancillary to credit, particularly small consumer credit brokers and motor traders, were too high. All respondents raised concerns that the fees were such that they would be detrimental to the viability of firms' business models and were disproportionate to their size.

The Commission does not wish to restrict the availability of credit to Guernsey customers, particularly at the smaller end of the market. We have therefore created a tiered fee structure for "Services Ancillary to Credit", reducing fees for providers. This can be seen in Appendix A.6.

What is the Commission going to do next?

- 2.2.4. The Commission intends to proceed with the implementation of the fee structure for the Lending, Credit and Finance regime, with changes as outlined above. The fee will come into effect from 1 January 2023.

2.3. Application Fees – PCC / ICC Incorporation Consent Requests

What was the general message in the feedback received?

- 2.3.1. The Commission received seven responses to the question “Do you have any comments on the proposed £500 fee for applications for consent to incorporate requests for non-regulated any PCC or ICC structures?” Of those responses, five were supportive of the proposals, while two were against.

What specific feedback did we receive?

- 2.3.2. Both respondents that were against the proposed fee stated that the costs appeared, in their opinion, to not be proportionate to the work being performed and that the fee should be lowered or not charged at all.

One respondent stated their view that there were compensating controls, such as the due diligence requirements of licensed firms involved in the setup of the PCC / ICC (as part of their compliance with the Handbook on Countering Financial Crime and Terrorist Financing), or the requirement for firms to be issued a licence to carry out activities under the Regulatory Laws, that meant the Commission was duplicating work already being undertaken.

The presence of a licensing regime does not necessarily act as a control, in and of itself, that would be sufficient to prevent unlicensed activity being undertaken, particularly where there is ambiguity about whether a firm might require licensing under a Regulatory Law.

Reviews on the part of a licensed firm, as part of their responsibilities under the Regulatory Laws, do not abrogate the Commission’s own, explicit responsibilities under the Companies (Guernsey) Law, 2008 or the Regulatory Laws. We do not outsource our responsibilities to industry.

One respondent provided their estimate on the time they thought such a review would take. This did not accord with the Commission’s experience of the actual time required for such a review. This is particularly true where there are unusual features to a structure, or where there is ambiguity as to whether a firm meets the threshold for licensing under any of the Regulatory Laws, which could warrant review of legal opinions.

- 2.3.3. One respondent cited the lack of an approval regime for PCC / ICC incorporation in Jersey, resulting in there being no fee charged for the work performed. Given that there is a legal requirement for the Commission to give consent³, we do not believe this comment to be relevant for the Bailiwick’s regime at this time.

What is the Commission going to do next?

- 2.3.4. The Commission intends to proceed with the implementation of a £500 fee for PCC / ICC incorporation request applications for non-regulated structures. This will come into effect from 1 January 2023.

³ As set out in sections 438 and 468 of the Companies (Guernsey) Law, 2008

2.4. Fee for Prospectus Registration not part of a fund application

What was the general message in the feedback received?

- 2.4.1. Of the four respondents to the question “*Do you have any comments on the proposed £500 fee for review of a prospectus registration not connected to a wider registered fund application?*”, all were supportive of the proposed fee.

What specific feedback did we receive?

- 2.4.2. No specific feedback was received on the proposals. Respondents were supportive, provided that the work performed was commensurate with the fee being proposed.

What is the Commission going to do next?

- 2.4.3. The Commission intends to proceed with the implementation of the fee, as outlined in the Consultation Paper. The fee will come into effect from 1 January 2023.

2.5. Fast Track Fees for Additional Elements to Open-Ended Funds

What was the general message in the feedback received?

- 2.5.1. Of the three respondents to the question “*Do you have any comments on the proposed extension of the £500 fast track fee to include additions to an open-ended fast track fund?*”, all were supportive of the proposed fee.

What specific feedback did we receive?

- 2.5.2. One respondent suggested that a fee of £1,000 would be justifiable for such a proposal. The Commission does not propose modifying the £500 fee outlined in the Consultation Paper, as we feel at this time that it is commensurate with the level of work likely to be undertaken.
- 2.5.3. One respondent, while appearing to be in favour of the proposal, suggested that the fee is scaled as a proportion based on the size of the additional class, cell, or sub-fund in proportion to the size of the fund as a whole. For example, for an additional class that was 22.5% of the overall fund a fee of 25 – 50% of the fast track fee of the whole fund would be levied. This was based on the view that many of the base elements of the fund would have been reviewed as part of the initial application.

The Commission believes that this calculation method would be too complex relative to the fee charged. Generally, the Commission favours application fees that are either a flat value, or similar, as this makes them more transparent to applicants and easier to administer for all.

What is the Commission going to do next?

- 2.5.4. The Commission intends to proceed with the implementation of the fee, as outlined in the Consultation Paper. The fee will come into effect from 1 January 2023.

2.6. Amending the Returns in Scope of Late Filing Penalties

What was the general message in the feedback received?

- 2.6.1. Of the ten respondents to the question “*Do you have any comments on the additional returns proposed to be included within the scope of the Late Filing Penalty regime?*”, six respondents were in favour of the proposals, while the remaining four were against them.

What specific feedback did we receive?

- 2.6.2. Three respondents were opposed to the inclusion of the Pension Scheme or Gratuity Scheme Annual Statistical Return or Annual Return within the scope of the Late Filing Penalty regime. All three cited the need to collect data from third party providers in completing the returns for a large volume of schemes, which may cause unintended delays to the submission of such returns.

The Commission recognises the challenges in data collection for return submissions, which we take into consideration when introducing new returns or reviewing existing ones. Submission deadlines for returns are set with this in mind and returns are often piloted to give firms time to understand the information that needs to be completed and to work with their third parties to prepare. However, there is a global understanding that reporting is required from any financial product or service.

- 2.6.3. Two respondents stated their view that the Pension Scheme or Gratuity Scheme Annual Statistical Return or Annual Return were not fundamental to the Commission’s risk-based supervisory approach.

Periodic returns are only introduced for firms where, in the Commission’s view, the data being requested is important to its assessment of firms’ risk profiles, our application of Risk Based Supervision, and/or demonstration of a firm’s compliance with the Regulatory Laws.

- 2.6.4. Two respondents cited the need for an exemption mechanism for the Late Filing Penalty regime, to allow for extenuating circumstances where normal submission might be possible. One respondent stated Late Filing Penalties were applied to all late filings, irrespective of extenuating circumstances.

The Commission has historically granted extensions to filing deadlines for firms in reasonable circumstances, which has commensurately delayed the application of a Late Filing Penalty; this practice will continue. An example of this was the Commission’s response during the COVID-19 pandemic⁴. To be clear, a Late Filing Penalty is not charged in every circumstance.

⁴ Deadlines for key returns were extended in 2020, as per this news release (<https://www.gfsc.gg/news/commission-allows-more-time-firms-complete-key-financial-returns>), which resulted in late filing penalties only being charged where returns were outside those timeframes.

- 2.6.5. One respondent requested that licensees be given an appropriate degree of notice for any changes in return requirements, to provide sufficient time for the firm to be able to gather the relevant data to complete a new question or part of a form. The Commission will ensure this practice continues, as far as practicable, where there are changes to existing returns⁵.

What is the Commission going to do next?

- 2.6.6. The Commission intends to proceed with the implementation of the scope amendment to Late Filing Penalties, as outlined in the Consultation Paper. This will come into effect from 1 January 2023.

⁵ From time to time, the Commission may trial new returns, or make ad hoc information requests as part of its ordinary supervisory processes. No Late Filing Penalty would be charged for those returns, until such time as any consultation or trial period was completed.

2.7. Inaccurate Filing Penalties

What was the general message in the feedback received?

- 2.7.1. Of the 14 respondents to the question “*Do you have any comments on the proposed Inaccurate Filing Penalty regime?*”, two were supportive of the proposals while the remainder were against. All but one of the respondents provided comments, or asked queries or clarifications, around the regime.

What specific feedback did we receive?

- 2.7.2. Two respondents queried the extent to which inaccurate returns were an issue for the Commission, with other respondents noting the time and resources put towards ensuring returns submitted to the Commission were completed appropriately.

As mentioned within the Consultation Paper⁶, this is an area where the Commission has, and continues to, identify issues. This has been both through thematic reviews and during supervisory engagement, where firms have already been subject to penalties for returns that contain significant inaccuracies – these have been levied under the Late Filing Penalty regime.

Data that is accurate, timely, and complete is of great importance to the Commission’s risk-based supervisory approach and will be a key part of our submission to MoneyVal within the next 12 months. Whilst the Commission is not looking to match the very large fines in this area that some of our fellow regulators have levied, we hope that the Inaccurate Filing Penalty will further discourage materially incorrect submissions, whilst minimising the cost imposed upon those who currently submit accurate, timely, and complete returns.

- 2.7.3. Two respondents disagreed with the premise of the proposal on the basis that, in their opinion, the Commission had adequate regulatory powers to resolve these issues without the creation of an additional fee category.

As highlighted above, the Commission has been levying penalties on firms under the existing regime, which is not designed specifically for this purpose. By separating this out into a separate regime, it is intended to make this fairer and more transparent for licensees.

The Commission’s other supervisory tools, such as the use of risk mitigation programmes, or the imposition of licence conditions are not considered proportionate to the types of errors or issues we have identified in incomplete or inaccurate returns. The Commission seeks to use such tools only where submissions on the part of the firm are severely deficient, over a prolonged period and across multiple submissions, such that it indicates weaknesses in governance and controls that require remediation. While the Commission does use such tools, we consider these disproportionate to issues that might warrant an Administrative Penalty.

⁶ Refer to 4.7.3. of the [Consultation Paper on 2023 Fee Rates](#).

- 2.7.4. Seven respondents requested that the Commission provided more guidance or create rules on what it would consider material, in the context of the returns submitted. Respondents provided examples, such as what percentage / absolute value of high-risk customer relationships, would qualify as material.

The intention behind the use of a non-specific materiality basis was to ensure that Inaccurate Filing Penalties were levied only where this was justified. Our aim would be to not issue an Inaccurate Filing Penalty for small discrepancies (such as low-digit errors in values), single errors (unless very significant) or where guidance is considered unclear.

While by its nature materiality is subjective and will be considered, to some extent, on a case-by-case basis, we are not intending to adjust the policy that we are currently using in this area. We will consider the best method for communicating this policy to industry, to better help users understand what is material.

- 2.7.5. One respondent queried whether it might be more consistent, and less burdensome, to apply penalties to all incorrect returns, given the subjective nature of a materiality assessment. The respondent posited that this might reduce the administrative burden on the Commission in making such a materiality assessment.

We can see that such an approach would be easier to administer but do not think this would be fair or proportionate, particularly where the errors were small. It is therefore not the proposed approach of the Commission, even were it to reduce the administrative burden.

- 2.7.6. One respondent queried how the assessment of error frequency would be applied, including whether this would be conducted at the level of an individual licensee or the manager or designated administrator responsible for submission.

As with materiality this will be considered on a case-by-case basis but will be considered depending on the type of form completed. Many sectors complete forms on a per licensee basis, where frequency of error would be considered on the part of a licensee. These returns are ultimately the responsibility of the licensee, and its board, to submit and fees would be charged at that level. However, for managed entities (such as funds and captive insurers), the Commission will consider the frequency of errors made by an administrator / manager submitting on behalf of its managed entities in determining which licensed entity the penalty should be imposed upon.

- 2.7.7. Three respondents requested the Commission issue further guidance on completion of returns, to help provide clarity on areas where the Commission has identified issues requiring correction or where there may be room for interpretation on what a particular question might mean / be asking for.

The Commission is aware that guidance is also a key tool in improving the quality of data that we receive. We have recently amended or issued further guidance for a number of forms, either proactively or in response to issues identified, such as for the Insurer Annual Return. That said, we continue to welcome feedback from industry on areas where further guidance might be helpful (besides those already communicated to the Commission).

However, it is the Commission's practical experience that improved guidance on returns does not always result in improved quality of return submissions, particularly where there are weak or inconsistently applied controls around quality assurance. We are also cautious about providing a large volume of complex guidance where good judgment, and a reasonable interpretation of a given question, should be sufficient to provide a materially accurate submission.

Where there is room for multiple interpretations of a given question the Commission would not seek to apply an Inaccurate Filing Penalty, in the absence of explicit guidance.

What is the Commission going to do next?

- 2.7.8. The Commission intends to proceed with the implementation of the Inaccurate Filing Penalty regime, as outlined in the Consultation Paper. This will come into effect from 1 January 2023.

3. Next Steps

- 3.1.1. Following due consideration of the feedback provided to the Consultation Paper we propose implementing the fee schedule presented in Appendix A to this paper. For clarity this includes an 8% overall increase in fees, rather than the original increase proposed in the Consultation Paper.
- 3.1.2. In due course, amended regulations and fee rates will be published on the Commission's website.

Appendix A –2023 Fee Rates

A.1. Banking Sector

Application Fees	Current Fee for 2022	Proposed Fee for 2023
Bank Licence Application	£40,545	£43,790
Amalgamation and Migration	£2,440	£2,635
Change of Controller	£2,195	£2,370

Annual Fees	Current Fee for 2022	Proposed Fee for 2023
Total Assets Band:		
Below £500,000,000	£40,545	£43,790
£500,000,000 to £999,999,999	Total Assets x 0.000061516 Minimum of £40,545	Total Assets x 0.000066435 Minimum of £43,790
£1,000,000,000 or Greater	£61,515	£66,435
<i>Plus, Additional Fees for:</i>		
Guernsey subsidiary banks	25% of relevant annual fee	25% of relevant annual fee
Retail operations (both subsidiaries and branches)	50% of relevant annual fee	50% of relevant annual fee
Additional trading names, where a bank is effectively operating multiple separate businesses under one licence	50% of relevant annual fee	50% of relevant annual fee
Branches outside of the Bailiwick	£15,379	£16,610

A.2. Insurance Sector

Application Fees	Current Fee for 2022	Proposed Fee for 2023
International Insurer:		
Life Insurer / Reinsurer (Category 1 / 2)	£6,150	£6,640
Commercial Insurer / Reinsurer (Category 3 / 4)	£9,220	£9,960
Captive Insurer / Reinsurer (Category 5)	£6,150	£6,640
Category 6	£6,150	£6,640
PCC or ICC Core:		
Not Writing Business	£6,150	£6,640
Life Insurer / Reinsurer (Category 1 / 2)	£6,150	£6,640
Commercial Insurer / Reinsurer (Category 3 / 4)	£9,220	£9,960
Captive Insurer / Reinsurer (Category 5)	£6,150	£6,640
Category 6	£6,150	£6,640
Cell of a PCC or ICC:		
Life Insurer / Reinsurer (Category 1 / 2)	£2,010	£2,170
Commercial Insurer / Reinsurer (Category 3 / 4)	£3,015	£3,255
Captive Insurer / Reinsurer (Category 5)	£2,010	£2,170
Non-Special Purpose Insurer (Category 6)	£2,010	£2,170
Special Purpose Insurer (Category 6)	£925	£1,000
Reactivation of a Dormant Cell:		
Life Insurer / Reinsurer (Category 1 / 2)	£2,010 minus £160, pro-rated to end of the year	£2,170 minus £175, pro-rated to end of the year
Commercial Insurer / Reinsurer (Category 3 / 4)	£2,010 minus £160, pro-rated to end of the year	£2,170 minus £175, pro-rated to end of the year
Captive Insurer / Reinsurer (Category 5)	£2,010 minus £160, pro-rated to end of the year	£2,170 minus £175, pro-rated to end of the year
Category 6 Non-Special Purpose Insurer	£2,010 minus £160, pro-rated to end of the year	£2,170 minus £175, pro-rated to end of the year
Domestic Insurer	£3,465	£3,740
Mutual, Friendly, or Provident Society	£3,465	£3,740
Insurance Manager	£5,720	£6,180
Insurance Intermediary (Base Fee)	£5,790	£6,225
Additional Category of Intermediary Licence:		
General – Personal Lines	£205	£220
General – Commercial	£400	£430
Long Term – Life	£400	£430
Long Term – Regular Premium	£610	£660
Long Term – Single Premium (Insurance Element)	£1,975	£2,135

A.2. Insurance Sector (continued)

Application Fees (continued)	Current Fee for 2022	Proposed Fee for 2023
Amalgamation and Migration	£2,440	£2,635
Application for Consent to a Scheme of Transfer of Long Term Business	£5,770	£6,230
Change of Controller	£2,195	£2,370
Conversion / transfer / subsumption of regulated entities under Part V of Companies Law	£1,160	£1,255
Variation of Activities in respect of which Insurer is Licensed	£1,245	£1,345

A.2. Insurance Sector (continued)

Annual Fees	Current Fee for 2022	Proposed Fee for 2023
Active Life Insurer (PCC and Non-Cellular) (Category 1 / 2)		
Net Policyholder Liabilities Band:		
Below £1	£6,150	£6,640
£1 to £999,999	£7,980	£8,620
£1,000,000 to £9,999,999	£9,800	£10,585
£10,000,000 to £99,999,999	£15,245	£16,465
£100,000,000 to £499,999,999	£24,320	£26,265
£500,000,000 to £1,999,999,999	£47,090	£50,860
£2,000,000,000 or Greater	£92,330	£99,715
Life Insurer Closed to New Business (PCC and Non-Cellular) (Category 1 / 2)		
Net Policyholder Liabilities Band:		
Below £1	£6,150	£6,640
£1 to £9,999,999	£7,970	£8,610
£10,000,000 to £499,999,999	£10,970	£11,850
£500,000,000 or Greater	£15,245	£16,465
Non-Life International Insurer:		
Commercial Insurer / Reinsurer (Category 3 / 4)	£9,220	£9,960
Captive Insurer / Reinsurer (Category 5)	£6,150	£6,640
Category 6	£6,150	£6,640
Domestic Insurer		
Gross Written Premium Band:		
Below £12,000	£515	£555
£12,000 to £4,999,999	£3,465	£3,740
£5,000,000 or Greater	£17,660	£19,075
Mutual, Friendly, or Provident Society:		
Non-Commercial	£515	£555
Commercial	£3,465	£3,740
Member of Association for Travel Insurance	£1,585	£1,710
Commercial Insurer / Reinsurer (Category 3 / 4)	£9,220	£9,960
Captive Insurer / Reinsurer (Category 5)	£6,150	£6,640
Category 6	£6,150	£6,640
Cell of a PCC or ICC:		
Life Insurer / Reinsurer (Category 1 / 2)	£2,010	£2,170
Commercial Insurer / Reinsurer (Category 3 / 4)	£3,015	£3,255
Captive Insurer / Reinsurer (Category 5)	£2,010	£2,170
Non-Special Purpose Insurer (Category 6)	£2,010	£2,170
Special Purpose Insurer (Category 6)	£925	£1,000
Transformer Cell	£925	£1,000
Dormant Cell	£160	£175

A.2. Insurance Sector (continued)

Annual Fees	Current Fee for 2022	Proposed Fee for 2023
Insurance Manager (Based on Companies under Management)		
Pure	£5,430	£5,865
Commercial	£9,090	£9,820
Society of Lloyds	£3,145	£3,400
Insurance Intermediary (Base Fee)	£2,795	£3,020
<i>Plus, Additional Fees for Category of Intermediary:</i>		
General – Personal Lines	£205	£220
General – Commercial	£400	£430
Long Term – Life	£400	£430
Long Term – Regular Premium	£610	£660
Long Term – Single Premium (Insurance Element)	£1,975	£2,135
Long Term – Single Premium (PoI Element)	£1,220	£1,320
<i>Plus, Additional Fee for Intermediary Turnover from Licensed Bailiwick Activity:</i>		
Below £250,000	£1,975	£2,131
£250,000 to £499,999	£2,990	£3,230
£500,000 to £749,999	£3,955	£4,270
£750,000 to £999,999	£4,955	£5,350
£1,000,000 to £1,999,999	£5,945	£6,420
£2,000,000 to £2,999,999	£6,945	£7,500
£3,000,000 or Greater	£7,930	£8,565

A.3. Fiduciary Sector

Application Fees	Current Fee for 2022	Proposed Fee for 2023
Personal Fiduciary Licence	£1,120	£1,210
Primary Fiduciary Licence	£2,550	£2,755
Secondary Fiduciary Licence	£620	£670
Discretionary Exemption (Individual)	£525	£570
Discretionary Exemption (Company or Partnership)	£1,175	£1,270
Amalgamation and Migration	£2,440	£2,635
Change of Controller	£2,195	£2,370
Consent to Use a Name	£1,995	£2,155
Notification of Ancillary Vehicles	£600	£650

Annual Fees	Current Fee for 2022	Proposed Fee for 2023
Personal Fiduciary Licensee	£1,160	£1,255
Primary Fiduciary Licensee – Turnover Band:		
Below £250,000	£5,660	£6,115
£250,000 to £499,999	£11,315	£12,220
£500,000 to £999,999	£16,975	£18,335
£1,000,000 to £1,999,999	£22,630	£24,440
£2,000,000 to £3,999,999	£28,290	£30,555
£4,000,000 to £7,999,999	£33,945	£36,660
£8,000,000 to £15,999,999	£45,260	£48,880
£16,000,000 or Greater	£56,580	£61,105
Pension Regulation Fee:		
Fixed Fee	£515	£555
Fee per Scheme Member	£1 Subject to a £7,500 cap per scheme	£1 Subject to a £7,500 cap per scheme

A.4. Investment Sector

Application Fees	Current Fee for 2022	Proposed Fee for 2023
Open-Ended Collective Investment Schemes:		
Scheme	£3,500	£3,780
<i>Plus:</i> Additional Fast Track Application Fee	£500	£500
New Class of Existing Umbrella/Multi-Class Scheme	£790	£855
<i>Plus:</i> Additional Fee for Additional Elements to Fast Track Funds	N/A	£500
Closed-Ended Collective Investment Schemes:		
Scheme	£3,500	£3,780
<i>Plus:</i> Fast Track Additional Application Fee	£500	£500
“De-QIFing”	£2,830	£3,055
“De-PIFing”	£2,830	£3,055
Registration of Non-Application Prospectus	N/A	£500
Form EX Notification	£1,215	£1,310
Licensees	£2,550	£2,755
Amalgamation and Migration	£2,440	£2,635
Consent to Removal from Register	£2,267	£2,450
Change of Controller	£2,195	£2,370
Extension of Licence	£1,245	£1,345

Annual Fees	Current Fee for 2022	Proposed Fee for 2023
Open-Ended Collective Investment Schemes:		
Schemes	£3,500	£3,780
Additional Classes	£245	£265
Designated Territories Scheme (EX)	£610	£660
Closed-Ended Collective Investment Schemes	£3,500	£3,780
Designated Persons, Brokers, and Licensees with an Authorised Financial Advisor – Turnover Band:		
Below £1,500,000	£3,650	£3,940
£1,500,000 to £2,999,999	£5,750	£6,210
£3,000,000 to £5,999,999	£7,750	£8,370
£6,000,000 to 11,999,999	£10,000	£10,800
£12,000,000 or Greater	£12,500	£13,500
Manager of Overseas Collective Investment Scheme	£3,650	£3,940
Principal Managers of Open-Ended Schemes	£1,825	£1,970
Managers of Closed-Ended Schemes	£1,825	£1,970
Investment Exchanges	£71,565	£77,290
Insurance Intermediary with PoI Licence	£1,220	£1,320
Other Licensees	£3,650	£3,940

A.5. Non-Regulated Financial Services Businesses

Fees (From 1 January to 30 June 2023)⁷	Current Fee for 2022	Proposed Fee for 2023
Application Fee	£4,330	N/A
Annual Fee ⁸	£1,415	£1,500

⁷ The application and any annual fee for an NRFSB will be reduced: (i) by 50% where the business fulfils one of (a) or (b); or (ii) by 75% where the business fulfils both (a) and (b), being:

- (a) the business is registered as a Prescribed Business.
- (b) the business is a member of a group of companies where one or more other members of that group are also under an obligation to pay a fee to the Commission.

⁸ Annual fees will be pro-rated to cover the relevant 6-month period for that sector (1 January to 30 June 2023 for NRFSBs / 1 July 2023 to 31 December 2023 for Lending, Credit and Finance Firms).

A.6. Lending, Credit and Finance Sector

Application Fees⁹	Proposed Fee for 2023
Licence Application for:	
Credit Providers (Home Finance)	£6,000
Credit Providers (Consumer Credit)	£4,500
Services Ancillary to Credit (Home Finance)	£3,000
Services Ancillary to Credit (Consumer Credit – Large Firm)	£2,000
Services Ancillary to Credit (Consumer Credit – Small Firm)	£1,000
Financial Firm Businesses	£4,500
Platforms	£6,000
Virtual Asset Service Providers (Exchanges and Stablecoin Issuers)	£95,000
Virtual Asset Service Providers (Non-Exchanges)	£25,000
Amalgamation and Migration	£2,635
Change of Controller	£2,370
Exemption for a Company or Partnership	£1,270
Exemption for an Individual	£570
Extension of a Licence	£1,345

Annual Fees (From 1 July 2023)¹⁰	Proposed Fee for 2023
Credit Providers (Home Finance):	
Non-Bank with a Below £100,000,000 Lending Book	£6,000
Non-Bank with a Greater than £100,000,000 Lending Book	£9,000
Bank Credit Provider (Home Finance)	50% of Relevant Fee Above
Credit Providers (Consumer Credit):	
Non-Bank with a Below £10,000,000 Lending Book	£4,500
Non-Bank with a Greater than £10,000,000 Lending Book	£7,500
Bank Credit Provider (Consumer Credit)	50% of Relevant Fee Above
Services Ancillary to Credit:	
Home Finance	£3,000
Consumer Credit (Large Firm)	£2,000
Consumer Credit (Small Firm)	£1,000
Financial Firm Businesses	£1,500
Platforms	£6,000
Virtual Asset Service Providers:	
Exchanges and Stablecoin Issuers	£95,000
Non-Exchanges	£25,000

⁹ A 50% discount will be applied to the relevant application fee above if the application is received by 28 February 2023.

¹⁰ Annual fees will be pro-rated to cover the relevant 6-month period for that sector (1 January to 30 June 2023 for NRFBSs / 1 July 2023 to 31 December 2023 for Lending, Credit and Finance Firms).

A.7. Prescribed Businesses

Registration / Annual Fees	Current Fee for 2022	Proposed Fee for 2023
Number of Full-Time / Full-Time Equivalent Staff:		
1 to 5	£720	£780
6	£831	£890
7	£941	£1,015
8	£1,051	£1,135
9	£1,161	£1,255
10	£1,271	£1,375
11	£1,381	£1,490
12	£1,491	£1,610
13	£1,601	£1,730
14	£1,711	£1,850
15	£1,821	£1,965
16	£1,931	£2,085
17	£2,041	£2,205
18	£2,151	£2,325
19	£2,261	£2,440
20	£2,371	£2,560
21	£2,481	£2,680
22	£2,591	£2,800
23	£2,701	£2,920
24	£2,811	£3,035
25 or Greater	£2,915	£3,150

A.8. Other Fees and Penalties

Other Fees Not Specific to a Sector

Application Fees	Current Fee for 2022	Proposed Fee for 2023
Consent Request to Incorporate a PCC or ICC not Connected to an Licence Application under a Supervisory Law	N/A	£500

Administrative Financial Penalties¹¹

Late Filing Penalty	Current Fee for 2022	Proposed Fee for 2023
First Month	£125	£125
Second Month	£250	£250
Third Month	£375	£375
Each Subsequent Month	£375	£375

Inaccurate Filing Penalty (From 1 January 2023)	Error Identified by Firm	Error Identified by the Commission
On identification of the error and return of the submission for correction by the firm	£125	£500
Each subsequent month taken to correct the error	£125	£500

¹¹ These penalties are not applicable to Prescribed Businesses and Non-Regulated Financial Services Businesses.