

PERIODIC FEES (2003/2004) (NO 2) INSTRUMENT 2003**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the "Act"):
- (1) section 156 (General supplementary powers);
 - (2) section 157(1) (Guidance); and
 - (3) paragraph 17(1) of Schedule 1 (Fees).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments).

Commencement

- C. This instrument comes into force on 1 June 2003.

Amendments to the Handbook

- D. The modules of the FSA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2):

(1)	(2)
SUP	Annex A
PROF	Annex B
CIS	Annex C
REC	Annex D
COMP	Annex E
DISP	Annex F
AUTH	Annex G

Citation

- E. This instrument may be cited as the Periodic Fees (2003/2004) (No 2) Instrument 2003.

By order of the Board
15 May 2003

Annex A

Amendments to the Supervision manual

In this annex, underlining indicates new text and striking through indicates deleted text.

SUP 20: Fees ~~R~~rules

Annex 1R

Periodic fees payable in relation to the period from 1 April 2003 to 31 March 2004.

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4 Table Part 2 – Fee tariffs

(This part will be made at a later date.)

- (1) For each activity group specified in the table below, the fee is the total of the sums payable for each of the tariff bands applicable to the *firm's* business, calculated as follows:
 - (a) the relevant minimum fee; plus
 - (b) an additional fee calculated by multiplying the *firm's* tariff base by the appropriate rates applying to each tranche of the tariff base, as indicated.
- (2) A *firm* may apply the relevant tariff bases and rates to non-UK business, as well as to its UK business, if:
 - (a) it has reasonable grounds for believing that the costs of identifying the *firm's* UK business separately from its non-UK business in the way described in Part 7 are disproportionate to the difference in fees payable; and
 - (b) it notifies the FSA in writing at the same time as it provides the information concerned under SUP 20.3 (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.
- (3) For a *firm* which has not complied with SUP 20.3.2R (Information on which fees are calculated) for this period:
 - (a) the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by a factor of 1.10;
 - (b) an additional administrative fee of £250 is payable; and
 - (c) the minimum total fee (including the administrative fee in (b)) is £350.

<u>Activity group (defined in Part 7)</u>	<u>Valuation date for tariff bases (defined in Part 7)</u>	<u>Fee payable (tariff bases defined in Part 7)</u>	
	<u>Gross technical liabilities (GTL) valued at the end of the period to which the most recent annual return relates [Note: for most firms this will be the 12 months ended 31 December 2002].</u>	<u>Minimum fee</u> <u>£ million of</u> <u>GTL</u> <u>0 - 1</u> <u>>1 - 5</u> <u>>5 - 50</u> <u>>50 - 100</u> <u>>100 - 1,000</u> <u>>1,000</u>	<u>Fee</u> <u>£200</u> <u>Fee (£/£m or</u> <u>part £m of GTL)</u> <u>0</u> <u>42.75</u> <u>39.54</u> <u>36.32</u> <u>11.49</u> <u>4.60</u>
<u>A.4 Firms conducting insurance activities subject to both prudential and conduct of business regulation</u>	<u>Adjusted annual gross premium income (AGPI) valued at the financial year ended in the calendar year ending 31 December 2002.</u>	<u>Minimum fee</u> <u>£ million of</u> <u>AGPI</u> <u>0 - 1</u> <u>>1 - 50</u> <u>>50 - 1,000</u> <u>>1,000 - 2,000</u> <u>>2,000</u>	<u>Fee</u> <u>200</u> <u>Fee (£/£m or</u> <u>part £m of AGPI)</u> <u>0</u> <u>578.83</u> <u>522.55</u> <u>345.69</u> <u>233.14</u>
	AND		
	<u>Mathematical reserves (MR) valued at the end of financial year ended in the calendar year ending 31 December 2002.</u>	<u>Minimum fee</u> <u>£ million of</u> <u>MR</u> <u>0 - 1</u> <u>>1 - 10</u> <u>>10 - 100</u> <u>>100 - 1,000</u> <u>>1,000 - 5,000</u> <u>>5,000 - 15,000</u> <u>> 15,000</u>	<u>Fee</u> <u>200</u> <u>Fee (£/£m or</u> <u>part £m of MR)</u> <u>0</u> <u>36.18</u> <u>32.66</u> <u>21.61</u> <u>14.57</u> <u>11.11</u> <u>8.54</u>
<u>A.5 Managing agents at Lloyd's</u>	<u>Active capacity (AC), in respect of the 2003 Underwriting Year (as reported to the Society of Lloyd's)</u>	<u>Minimum fee</u> <u>£ million of</u> <u>AC</u> <u>0 - 50</u> <u>>50 - 150</u> <u>>150 - 250</u> <u>>250</u>	<u>Fee</u> <u>£1,000</u> <u>Fee (£/£m or part</u> <u>£m of AC)</u> <u>0</u> <u>105</u> <u>89</u> <u>25</u>
<u>A.6 The Society of Lloyd's</u>	<u>Not applicable</u>		<u>£1,109,000</u>

<u>Activity group (defined in Part 7)</u>	<u>Valuation date for tariff bases (defined in Part 7)</u>	<u>Fee payable (tariff bases defined in Part 7)</u>	
<u>A.7 Fund managers</u>	For class (1)C, (2), and (3) firms : Funds under management (FuM), valued at 31 December 2002.	<u>Minimum fee</u>	<u>Fee</u> £1,200
		<u>£ million of FuM</u>	<u>Fee (£/£m or part £m of FuM)</u>
		>0 - 10	0
		>10 - 100	69.95
		>100 - 2,500	22.21
		>2,500 - 10,000	12.11
		>10,000	1.34
	For class (1)B firms :	The fee calculated as for class (1)C firms above less 15%.	
	For class (1)A firms :	The fee calculated as for class (1)C firms above less 50%.	
<u>A.8</u>	This fee-block does not apply for this period.		
<u>A.9 Operators, trustees and depositaries of collective investment schemes</u>	Annual gross income (GI), valued at the most recent financial year ended before 31 December 2002.	<u>Minimum fee</u>	<u>Fee</u> £2,000
		<u>£ million of GI</u>	<u>Fee (£/£m or part £m of GI)</u>
		>0 - 1	0
		>1 - 20	1,859.18
		>20 - 500	1,506.29
		>500 - 1,000	1,287.64
>1,000	969.37		
<u>A.10 Firms dealing as principal in investments</u>	Number of traders as at 31 December 2002.	<u>Minimum fee</u>	<u>Fee</u> £2,100
		<u>No. of traders</u>	<u>Fee (£/trader)</u>
		0 - 2	0
		3 - 5	1,978
		6 - 10	1,405
		11 - 50	1,277
		51 - 200	1,081
>200	864		
<u>A.11</u>	This fee-block does not apply for this period.		
<u>A.12 Advisory arrangers, dealers, or brokers (holding or controlling client money or assets, or both)</u>	Relevant <i>approved persons</i> as at 31 December 2002.	<u>Minimum fee</u>	<u>Fee</u> £1,600
		<u>No. of persons</u>	<u>Fee (£/person)</u>
		>0 - 1	0
		2 - 4	909
		5 - 10	452
		11 - 25	314
		26 - 150	169
		151 - 1,500	126
>1,500	84		
	For a <i>professional firm</i> in A.12 the fee is calculated as above less 20%.		

<u>Activity group (defined in Part 7)</u>	<u>Valuation date for tariff bases (defined in Part 7)</u>	<u>Fee payable (tariff bases defined in Part 7)</u>	
<u>A.13 Advisory arrangers, dealers, or brokers (not holding or controlling client money or assets, or both)</u>	For class (2) firms : Relevant <i>approved persons</i> as at 31 December 2002.	Minimum fee	Fee £1,525
		No. of persons	Fee (£/person)
		>0 - 1	0
		2 - 4	813
		5 - 10	779
		11 - 25	743
		26 - 150	677
		151 - 2,500	609
	>2,500	566	
	For class (1) firms :		£1,525
For a <i>professional firm</i> in A.13 the fee is calculated as above less 20%.			
<u>A.14 Corporate finance advisers</u>	Relevant <i>approved persons</i> as at 31 December 2002.	Minimum fee	Fee £1,100
		No. of persons	Fee (£/person)
		>0 - 1	0
		2	1,057
		3 - 4	952
		5 - 10	856
		11 - 100	771
		101 - 200	540
	>200	323	
<u>A.15</u>	This fee-block does not apply for this period.		
<u>A.16 Pensions review levy firms</u>	Not applicable.	197.9% of the pensions review levy amount paid to <i>PIA</i> in 2001/2.	
<u>A.17</u>	This fee-block does not apply for this period.		
<u>B</u>			
<u>Firms that have been prescribed as an operator of a prescribed market under the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001, SI 2001/996.</u>	Not applicable		£20,000
<u>C</u> <u>Service companies</u>	Not applicable	Baltic Exchange Ltd	£20,000
		Bloomberg LP	£30,000
		Clearstream Banking	£20,000
		EMX Co Ltd	£20,000
		LIFFE Services Ltd	£20,000

<u>Activity group (defined in Part 7)</u>	<u>Valuation date for tariff bases (defined in Part 7)</u>	<u>Fee payable (tariff bases defined in Part 7)</u>
		Ofex plc
		£30,000
		OMGEO Ltd
		£20,000
		OMIRIS Networks Ltd
		£20,000
		Reuters Ltd
		£30,000
		Reuters Intertrade
		£20,000
		Direct Ltd
		Swapswire Ltd
		£20,000
		Thomson Financial Ltd
		£20,000
		Treasurydealer Ltd
		£20,000

5 Table Part 3 – Permitted deductions

(This part will be made at a later date.)

(1) The following deductions apply:

<u>Activity group (defined in Part 7)</u>	<u>Nature of deduction</u>	<u>Amount of deduction</u>
<u>A.1</u>	<u>Financial penalties received</u>	<u>1.5% of the fee payable by the firm for the activity group (see Part 2)</u>
<u>A.4</u>	<u>Financial penalties received</u>	<u>3.1% of the fee payable by the firm for the activity group (see Part 2)</u>
<u>A.7</u>	<u>Financial penalties received</u>	<u>1.7% of the fee payable by the firm for the activity group (see Part 2)</u>
<u>A.12</u>	<u>Financial penalties received</u>	<u>29.0% of the fee payable by the firm for the activity group (see Part 2)</u>
<u>A.13</u>	<u>Financial penalties received</u>	<u>3.1% of the fee payable by the firm for the activity group (see Part 2)</u>
<u>A.16</u>	<u>Financial penalties received</u>	<u>11.6% of the fee payable by the firm for the activity group (see Part 2)</u>

6 Table Part 4 – Fee tariffs applicable to firms with new or extended permissions

(This part will be made at a later date.)

- (1) The provisions of Part 2 apply, except that the amount payable for each additional activity grouping is the greater of:
- the minimum fee specified for the activity grouping; and
 - the fee calculated in accordance with Part 2 for that activity grouping, using the relevant information supplied by the firm to the FSA in the course of its application, for the projected valuation of the first year of the business to which the tariff applies.

7 Table Part 5 – Modification of fee tariffs for incoming EEA firms and incoming Treaty firms

(This part will be made at a later date.)

<u>Activity group (see Part 2 for descriptions)</u>	<u>Percentage of tariff payable under Part 2 applicable to the firm subject to a minimum amount payable of £100 (unless specified below)</u>
<u>A.1</u>	<u>20% (for a firm operating on cross-border services basis only, 0% and the minimum sum is not applicable)</u>
<u>A.3</u>	<u>0% and the minimum sum is not applicable</u>
<u>A.4</u>	<u>75%</u>
<u>A.7, A.8 and A.9</u>	<u>95%</u>
<u>A.10, A.11, A.12 and A.13</u>	<u>90%</u>

8 Table Part 6 – Transaction reporting fees

(This part will be made at a later date.)

<u>Fee per transaction</u>	<u>Date payable</u>	<u>Method of payment</u>
<u>£0.02 (including VAT)</u>	<u>First working day of each month</u>	<u>As specified in Part 1</u>

9 Table Part 7 – Activity groups and tariff bases

<u>Activity group</u>	<u>Fee-payer falls in the activity group if</u>	<u>Tariff-base</u>
A.1 Deposit acceptors	<p>its <i>permission</i> includes <i>accepting deposits or issuing e-money</i>;</p> <p>BUT DOES NOT include any either of the following:</p> <ul style="list-style-type: none"> • <i>effecting contracts of insurance</i>; • <i>carrying out contracts of insurance</i>. 	<p>(This part will be made at a later date.)</p> <p><u>MODIFIED ELIGIBLE LIABILITIES</u></p> <p><u>For banks and e-money issuers:</u></p> <p><u>Part 1:</u></p> <p><u>Liabilities</u></p> <p><u>In sterling:</u></p> <p><u>£2 + £3 + £4 + £5A + £5B + £6B + £6C + £6D + £6E + £6F + £6G + £6H + £6J + £7B + £7C + £7D + £7E + £7F + £7G + £7H + £7J + £8 + £10 + 60% of £11A + £44</u></p> <p><u>plus</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.1 Deposit acceptors</p> <p>Continued...</p>		<p><u>In foreign currency, one-third of:</u> <u>E2 + E3 + E4 + E5A + E5B + E6B + E6C + E6D + E6E + E6F + E6G + E6H + E6J + E7B + E7C + E7D + E7E + E7F + E7G + E7H + E7J + E8 + E10</u> <u>+ 60% of E11A + E44</u> <u>+ C2 + C3 + C4 + C5A + C5B + C6B + C6C + C6D + C6E + C6F + C6G + C6H + C6J + C7B + C7C + C7D + C7E + C7F + C7G + C7H + C7J + C8 + C10</u> <u>+ 60% of C11A: less</u></p> <p>Assets</p> <p><u>In sterling:</u> <u>£21B + 60% of £22A + £23D + £23E + £23F + £30A + £30B + £31A + £31B + £32AA</u></p> <p>plus</p> <p><u>In foreign currency, one-third of:</u> <u>E21B + 60% of E22A + E23D + E23E + E23F + E30A + E30B + E31A + E31B + E32AA + C21B + 60% of C22A + C23D + C23E + C23F + C30A + C30B + C31A + C31B + C32AA</u></p>
		<p>Part 2: Non-resident office offset</p> <p><u>The fee base is adjusted by deducting from the amount calculated in accordance with part 1 above, the Non-Resident Office Offset amount obtained by subtracting item 45D from item 45BA in the Form BT. The Non-Resident Office Offset amount, if it would otherwise have been a negative number, is zero.</u></p>
		<p><u>Notes:</u></p> <p>1) <u>All references in the above formula are to entries on Form BT (that is, the Balance Sheet Form completed to provide information required following the Banking Statistics Review 1997 and returned by banks to the Bank of England as required by the Bank of England Act 1998).</u></p> <p>2) <u>‘E’ refers to assets and liabilities denominated in euro (as referred to in column 2 of Form BT) and ‘C’ refers to assets and liabilities denominated in currencies other than sterling and euro (as referred to in column 3 of Form BT). In accordance with Form BT, assets and liabilities in currencies other than sterling are to be recorded in sterling.</u></p> <p>3) <u>The figures reported on the Form BT relate to business conducted out of offices in the United Kingdom.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
		<p><u>For credit unions:</u></p> <p><u>Deposits with the credit union (share capital)</u> <u>LESS</u> <u>the credit union's bank deposits (investments + cash at bank)</u></p> <p><u>Note:</u> <u>Only United Kingdom business is relevant for calculating credit unions' MELs.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
		<p><u>For building societies:</u></p> <ul style="list-style-type: none"> • <u>deposit liabilities (including debt securities up to five years original maturity)</u> (that is, the amounts in sterling (in column 1) and one-third of foreign currency referenced amounts (in columns 2 and 3) for items <u>B1.1+B1.2+B2.0a+B2.0b+B2.10 +B2.13+B2.14+B2.15+B2.16)</u>) <p><u>LESS amounts in respect of:</u></p> <ul style="list-style-type: none"> • <u>sterling repo liabilities with the Bank of England</u> (that is, <u>ONLY</u> the amounts in sterling (in column 5) for item <u>B2.5a)</u>) • <u>balances held with the Bank of England</u> (excluding cash ratio deposits) (that is, the amounts in sterling (in column 1) and one-third of foreign currency referenced amounts (in columns 2 and 3) for item <u>B6.2a</u>, less the amounts in sterling (in column 1) and one-third of foreign currency referenced amounts (in columns 2 and 3) for item <u>OW1.1)</u>) • <u>market loans to banks, building societies</u> (balances with and loans to, plus CDs, Commercial paper) (that is, the amounts in sterling (in column 1) and one-third of foreign currency referenced amounts (in columns 2 and 3) for items <u>B6.3.a+B6.4.a+B6.4b+B6.5a +B6.5b+B6.12a)</u>) • <u>investments with banks and building societies</u> (bonds, notes and other debt instruments up to five years original maturity) (that is, the amounts in sterling (in column 1) and one-third of foreign currency referenced amounts (in columns 2 and 3) for items <u>B6.6a1+B6.6a2+B6.10a1 +B6.10a2)</u>) <p><u>Notes:</u> All references in the definition for building society MELs are to entries in the <u>MFS1</u> which is submitted <i>monthly</i> by all <i>building societies</i> to the <u>FSA</u>.</p>
A.2	This activity group does not apply for this period.	

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.3 Firms conducting insurance activities subject only to prudential regulation</p>	<p>its <i>permission</i> includes one or more of the following:</p> <ul style="list-style-type: none"> • <i>effecting contracts of insurance</i>; • <i>carrying out contracts of insurance</i>; <p>BUT ONLY in respect of <i>specified investments</i> that are:</p> <ul style="list-style-type: none"> - <i>general insurance contracts</i>; or - <i>long-term insurance contracts</i> other than <i>life-policies</i>. 	<p>(This part will be made at a later date.)</p> <p><u>GROSS PREMIUM INCOME AND GROSS TECHNICAL LIABILITIES</u></p> <p><u>For insurers:</u> <u>The amount of <i>premiums</i> receivable which must be included in the documents required to be deposited under <i>IPRU (INS) 9.6</i> in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</u> <u>less,</u> <u><i>premiums</i> relating to <i>pension fund management</i> business where the <i>firm</i> owns the <i>investments</i> and there is no transfer of risk;</u></p> <p>AND</p> <p><u>the amount of gross technical liabilities (<i>IPRU (INS) Appendix 9.1 – Form 15, line 19</i>) which must be included in the documents required to be deposited under <i>IPRU (INS) 9.6R</i> in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</u> <u>less,</u> <u>the amount of gross technical liabilities relating to <i>pension fund management</i> business where the <i>firm</i> owns the <i>investments</i> and there is no transfer of risk.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.3 Firms conducting insurance activities subject only to prudential regulation</p> <p>Continued...</p>		<p><u>Notes:</u></p> <p>(1) In the case of either:</p> <p>(a) <u>a pure reinsurer carrying on general insurance business through a branch in the United Kingdom; or</u></p> <p>(b) <u>an insurer whose head office is not in an EEA State carrying on general insurance business through a branch in the United Kingdom; or</u></p> <p>(c) <u>a non-EEA insurer other than a Swiss general insurer which has permission to carry on direct insurance business and which has made a deposit in an EEA state other than the United Kingdom in accordance with IPRU(INS) 8.1(2), the amount only includes premiums received and gross technical liabilities held in respect of its United Kingdom business; and</u></p> <p>(2) <u>for a Swiss general insurance company, premiums and gross technical liabilities include those relevant to the operations of the company's United Kingdom branch.</u></p>
		<p><u>For friendly societies:</u></p> <p><u>Either:</u></p> <p>(a) <u>the value of "contributions" as income under Schedule 7: Part I item 1(a) to the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (Statutory Instrument No. 1983 of 1994) (the regulations) for a non-directive friendly society, included within the income and expenditure account, or</u></p> <p>(b) <u>the value of "gross premiums written" under Schedule 1: Part I items I.1(a) and II.1.(a) of the regulations for a directive friendly society included within the income and expenditure account.</u></p> <p><u>Note:</u></p> <p><u>In both (a) and (b) above only premiums receivable in respect of United Kingdom business are relevant.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.4 Firms conducting insurance activities subject to both prudential and conduct of business regulation</p>	<p>its <i>permission</i> includes one or more of:</p> <ul style="list-style-type: none"> • <i>effecting contracts of insurance;</i> • <i>carrying out contracts of insurance;</i> <p>both in respect of <i>specified investments</i> including <i>life policies;</i></p> <ul style="list-style-type: none"> • <i>entering as provider into a funeral plan contract.</i> 	<p>(This part will be made at a later date.)</p> <p><u>ADJUSTED GROSS PREMIUM INCOME AND MATHEMATICAL RESERVES</u></p> <p><u>Amount of new regular premium business (yearly premiums including reassurances ceded but excluding cancellations and reassurances accepted), times ten;</u> <u>plus</u> <u>amounts of new single premium business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included;</u> <u>less</u> <u>premiums relating to pension fund management business where the firm owns the investments and there is no transfer of risk.</u></p> <p><u>For each of the above, business transacted through independent practitioners will be divided by two in calculating the adjusted gross premium income;</u></p>
		<p>AND</p>
		<p><u>the amount of mathematical reserves (IPRU (INS) Appendix 9.1R – Form 9, Line 23) which must be included in the documents required to be deposited under-IPRU (INS) 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU(INS) under transitional provisions relating to written concessions in SUP;</u> Less, <u>mathematical reserves relating to pension fund management business where the firm owns the investments and there is no transfer of risk.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.4 Firms conducting insurance activities subject to both prudential and conduct of business regulation</p> <p>Continued...</p>		<p>Notes:</p> <p>1) <u>Business conducted through a marketing associate should be excluded in reporting the product provider's premium income.</u></p> <p>2) <u>Only premiums receivable and mathematical reserves held in respect of United Kingdom business are relevant.</u></p>
<p>A.5 Managing agents at Lloyd's</p>	<p>its <i>permission</i> includes <i>managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's.</i></p>	<p>(This part will be made at a later date.)</p> <p><u>ACTIVE CAPACITY</u></p> <p><u>The capacity of the syndicate(s) under management in the year in question. This includes the capacity for syndicate(s) that are not writing new business, but have not been closed off in the year in question.</u></p>
<p>A.6 The Society of Lloyd's</p>	<p>it is the <i>Society of Lloyd's.</i></p>	<p>(This part will be made at a later date.)</p> <p><u>Not applicable</u></p>

GENERALLY, FOR FEE-BLOCKS A.7 TO ~~A.15~~A.14 BELOW, ONLY THOSE REGULATED ACTIVITIES THAT ARE NOT LIMITED TO NON-MAINSTREAM REGULATED ACTIVITIES SHOULD BE TAKEN INTO ACCOUNT IN DETERMINING WHICH FEE-BLOCK(S) FEE-PAYERS BELONG TO.

HOWEVER, IN THE CASE THAT ALL THE REGULATED ACTIVITIES WITHIN A FIRM'S PERMISSION ARE LIMITED TO NON-MAINSTREAM REGULATED ACTIVITIES, THEN THAT FIRM SHALL BE ALLOCATED TO FEE-BLOCK A.13 ALONE.

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.7 Fund Managers	<p>(1) <i>its permission includes managing investments</i>;</p> <p>OR</p> <p>(2) <i>its permission includes ONLY either one or both of:</i></p> <ul style="list-style-type: none"> • <i>safeguarding and administering of investments (without arranging); and</i> • <i>arranging safeguarding and administration of assets;</i> <p>OR</p> <p>(3) <i>the firm is a venture capital firm.</i></p> <p>Class (1) firms This activity group is subdivided into three classes:</p> <ul style="list-style-type: none"> - class (1)A, where the funds managed by the <i>firm</i> belong to one or more <i>occupational pension schemes</i>; - class (1)B, where: <ul style="list-style-type: none"> (a) the <i>firm</i> is not a class (1)A <i>firm</i>; and (b) the <i>firm's</i> permission includes NEITHER of the following: <ul style="list-style-type: none"> • <i>safeguarding and administering of investments (without arranging);</i> • <i>arranging safeguarding and administration of assets;</i> and (c) the <i>firm</i> EITHER: <ul style="list-style-type: none"> • has a <i>requirement</i> that prohibits the <i>firm</i> from holding and or controlling <i>client money</i>, or both; OR • if it does not have such a <i>requirement</i>, only holds or controls <i>client money</i> (or both), arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>; and - class (1)C, where the <i>firm</i> is not within class (1)A or class (1)B. 	<p>(This part will be made at a later date.)</p> <p><u>FUNDS UNDER MANAGEMENT (FuM)</u></p> <p>The total value, in pounds sterling, of all assets (see note (a) below) in portfolios which the <i>firm</i> manages, on a discretionary basis (see note (b) below), in accordance with its terms of business, less:</p> <ul style="list-style-type: none"> (a) funds covered by the exclusion contained in article 38 (Attorneys) of the <i>Regulated Activities Order</i>; (b) funds covered by the exclusion contained in article 66(3) (Trustees, nominees and personal representatives) of the <i>Regulated Activities Order</i>; (c) funds covered by the exclusion contained in article 68(6) (Sale of goods or supply of services) of the <i>Regulated Activities Order</i>; (d) funds covered by the exclusion contained in article 69(5) (Groups and joint enterprises) of the <i>Regulated Activities Order</i>; and (e) the value of those parts of the managed portfolios in respect of which the responsibility for the discretionary management has been formally delegated to another <i>firm</i> (and which <i>firm</i> will include the value of the assets in question in its own FuM total); any such deduction should identify the <i>firm</i> to which management responsibility has been delegated.

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.7 Fund Managers</p> <p>Continued...</p>		<p>Notes on FuM</p> <p>a) <u>For the purposes of calculating the value of funds under management, “assets” means all assets that consist of or include any investment which is a designated investment, or those assets in respect of which the arrangements for their management are such that the assets may consist of or include such investments, and either the assets have at any time since 29 April 1988 done so or the arrangements have at any time (whether before or after that date) been held out as arrangements under which the assets would do so.</u></p> <p>b) <u>Assets managed on a non-discretionary basis, being assets that the firm has a contractual duty to keep under continuous review but in respect of which prior specific consent of the client must be obtained for proposed transactions, are NOT included as this activity is covered in those charged to fees in activity groups A.12 and A.13.</u></p> <p>c) <u>In respect of collective investment schemes, “assets” means the total value of the assets of the scheme.</u></p> <p>d) <u>For an OPS firm, the FuM should also be reduced by the value of the assets held as a result of a decision taken in accordance with article 4(6) of The Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (investments in collective investment schemes or bodies corporate which have as their primary purpose the acquisition, directly, or indirectly, of “relevant investments”, as defined in that article).</u></p> <p>e) <u>Only assets that are managed from an establishment maintained by the firm in the United Kingdom are relevant.</u></p>
<p>A.8</p>	<p>This activity group does not apply for this period.</p>	

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.9 Operators, Trustees and Depositaries of collective investment schemes</p>	<p>(1.) its <i>permission</i>;</p> <p>(a) includes one or more of the following:</p> <ul style="list-style-type: none"> • <i>establishing, operating or winding up a regulated collective investment scheme;</i> • <i>establishing, operating or winding up an unregulated collective investment scheme;</i> • <i>acting as trustee of an authorised unit trust scheme;</i> • <i>acting as the depositary or sole director of an open-ended investment company;</i> <p>AND</p> <p>(b) PROVIDED the <i>firm</i> is NOT one of the following:</p> <ul style="list-style-type: none"> • a <i>corporate finance advisory firm</i>; • a <i>firm</i> in which the above activities are limited to carrying out <i>corporate finance business</i>; • a <i>venture capital firm</i>; <p>OR</p> <p>(2.) if the fee-payer has none of the <i>regulated activities</i> above within its <i>permission</i>, but ALL the remaining <i>regulated activities</i> in its <i>permission</i> are limited to carrying out trustee activities.</p>	<p>(This part will be made at a later date.)</p> <p><u>GROSS INCOME</u></p> <p><u>For operators (including ACDs and managers of unit trusts):</u></p> <p><u>gross income from the activity relating to fee-block A.9 is defined as:</u></p> <ul style="list-style-type: none"> • <u>the amount of the annual charge on funds invested in <i>regulated</i> or <i>unregulated collective investment schemes</i> received or receivable in the latest accounting period (this is calculated as a % of funds invested, typically 1% p.a.);</u> <p><u>PLUS</u></p> <ul style="list-style-type: none"> • <u>the front-end or exit charge levied on sales or redemptions of <i>collective investment schemes</i> (typically 4-5% of sales/redemptions) in that same accounting period;</u> <p><u>PLUS</u></p> <ul style="list-style-type: none"> • <u>any additional initial or management charges levied through a product wrapper such as a <i>PEP</i> or an <i>ISA</i>;</u> <p><u>BUT EXCLUDING</u> box management profits.</p> <p><u>For depositaries (including trustees of collective investment schemes and ICVC depositaries):</u></p> <p><u>The amount of the annual charge levied on funds in <i>regulated collective investment schemes</i> for which they act as <i>depositary</i> (typically a % of the total funds for which they act as <i>depositary</i>).</u></p> <p><u>Note:</u> <u>Only the gross income corresponding to United Kingdom business is relevant.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.10 Firms dealing as principal</p>	<p>its <i>permission</i> includes <i>dealing in investments as principal</i>;</p> <p>BUT NOT if one or more of the following apply:</p> <ul style="list-style-type: none"> • the above activity is carried on exclusively in respect of <i>life policies</i>; • the <i>firm</i> is acting exclusively as a matched principal broker; • the above activity is limited either to acting as an <i>operator</i> of a <i>collective investment scheme</i>, or to carrying out <i>trustee</i> activities; • the <i>firm</i> is a <i>corporate finance advisory firm</i>; • the above activity is otherwise limited to carrying out <i>corporate finance business</i>; • the <i>firm</i> is subject to a <i>limitation</i> to the effect that the <i>firm</i>, in carrying on this <i>regulated activity</i>, is limited to entering into transactions in a manner which, if the <i>firm</i> was an <i>unauthorised person</i>, would come within article 16 of the <i>Regulated Activities Order</i> (Dealing in contractually based investments); • <u>the above activity is limited to not acting as a <i>market maker</i>;</u> • <u>the <i>firm</i> is an <i>oil market participant</i>, <i>energy market participant</i> or a <i>local</i>;</u> • <u>its <i>permission</i> includes either:</u> <ul style="list-style-type: none"> - <u><i>effecting contracts of insurance</i>; or</u> - <u><i>carrying out contracts of insurance</i>.</u> 	<p>(This part will be made at alter date.)</p> <p><u>NUMBER OF TRADERS</u></p> <p><u>Any <i>employee</i> or agent, who:</u></p> <ul style="list-style-type: none"> • <u>ordinarily acts within the <i>United Kingdom</i> on behalf of an <i>authorised person</i> liable to pay fees to the <i>FSA</i> in its <i>fee-block A.10</i> (firms dealing as principal); and who,</u> • <u>as part of their duties in relation to those activities of the <i>authorised person</i>, commits the <i>firm</i> in market dealings or in transactions in <i>securities</i> or in other <i>specified investments</i> in the course of <i>regulated activities</i>.</u>
<p>A.11 Execution-only arrangers, dealers and brokers</p>	<p><u>This activity group does not apply for this period.</u></p>	

Activity group	Fee-payer falls in the activity group if	Tariff-base
	<p>its permission;</p> <p>(a) includes one or more of the following:</p> <ul style="list-style-type: none"> • dealing in investments as agent; • arranging (bringing about) deals in investments; • making arrangements with a view to transactions in investments; • dealing as principal in investments where the activity is carried on exclusively in respect of life policies or where the firm acts as a matched principal broker; <p>(b) BUT NONE of the following:</p> <ul style="list-style-type: none"> • effecting contracts of insurance; • carrying out contracts of insurance. • advising on investments (except pension transfers and pension opt outs); • advising on pension transfers and pension opt outs; or • accepting deposits; <p>AND</p> <p>(c) PROVIDED the fee-payer is NOT any of the following:</p> <ul style="list-style-type: none"> • a corporate finance advisory firm; • a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business; • a firm whose activities are limited to carrying out venture capital business; <p>a firm whose activities are limited to acting as an operator, depositary or trustee of a of a collective investment scheme, or trustee activities.</p>	

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.12 Advisory arrangers, dealers or brokers (holding or controlling client money <u>and/or assets, or both</u>)</p>	<p>its <i>permission</i>;</p> <p>(a) includes one or more of the following:</p> <ul style="list-style-type: none"> • <i>dealing in investments as agent</i>; • <i>arranging (bringing about) deals in investments</i>; • <i>making arrangements with a view to transactions in investments</i>; • <i>dealing as principal in investments where the activity is carried on as a matched principal broker, <u>oil market participant, energy market participant or local</u></i>; <p>AND</p> <p>(b) AT LEAST one of the following:</p> <ul style="list-style-type: none"> • <i>advising on investments (except pension transfers and pension opt-outs)</i>; • <i>advising on pension transfers and pension opt-outs</i>; • <i>advising on syndicate participation at Lloyd's</i>; <p>(<u>b</u>e) BUT NONE of the following:</p> <ul style="list-style-type: none"> • <i>effecting contracts of insurance</i>; or • <i>carrying out contracts of insurance</i>. <p>AND</p> <p>(c) CAN HAVE one or more of the following:</p> <ul style="list-style-type: none"> • <i>safeguarding and administering of assets</i>; • <i>arranging safeguarding and administration of assets</i>; • the ability to hold and/or control <i>client money, or both</i>: <ul style="list-style-type: none"> - that is, there is no requirement which prohibits the <i>firm</i> from doing this; <u>and</u> - and provided that the <i>client money</i> in question does not only arise from an agreement under which <i>commission</i> is rebated to a <i>client</i>; 	<p>(This part will be made at a later date.)</p> <p><u>APPROVED PERSONS</u></p> <p><u>The number of persons approved to undertake one, or more, of the following customer functions:</u></p> <p><u>CF21 Investment adviser function;</u> <u>CF22 Investment adviser (trainee) function;</u> <u>CF24 Pension transfer specialist function;</u> <u>CF25 Adviser on syndicate participation at Lloyd's function; or</u> <u>CF26 Customer trading function.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.12 Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets, or both)</p> <p>Continued...</p>	<p>AND (de) PROVIDED the fee-payer is NOT any of the following:</p> <ul style="list-style-type: none"> • a <i>corporate finance advisory firm</i>; • a <i>firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business</i>; • a <i>firm</i> whose activities are limited to carrying out <i>venture capital business</i>; • a <i>firm</i> whose activities are limited to acting as an operator of a <i>regulated collective investment scheme</i>; • a <i>firm</i> whose activities are limited to carrying out <i>trustee activities</i>; • a <i>service company</i>. 	
<p>A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets, or both)</p>	<p>(1) it is an <i>authorised professional firm</i> and ALL the <i>regulated activities</i> in its <i>permission</i> are limited to <i>non-mainstream regulated activities</i>;</p> <p>OR</p> <p>2. its <i>permission</i> contains both:</p> <ul style="list-style-type: none"> • making arrangements with a view to transactions in investments; and • accepting deposits. <p>OR</p> <p>(2.) its <i>permission</i>,</p> <p>(a) includes one or more of the following:</p> <ul style="list-style-type: none"> • <i>dealing in investments as agent</i>; • <i>arranging (bringing about) deals in investments</i>; • <i>making arrangements with a view to transactions in investments</i>; • <i>dealing as principal in investments</i> where the activity is carried on as a matched principal broker, <i>oil market participant</i>, <i>energy market participant</i> or <i>local</i>; 	<p>(This part will be made at a later date.)</p> <p><u>APPROVED PERSONS</u></p> <p><u>The number of persons approved to undertake one, or more, of the following customer functions:</u></p> <p><u>CF21 Investment adviser function;</u> <u>CF22 Investment adviser (trainee) function;</u> <u>CF24 Pension transfer specialist function;</u> <u>CF25 Adviser on syndicate participation at Lloyd's function; or</u> <u>CF26 Customer trading function.</u></p>

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p data-bbox="204 237 427 506">A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets, <u>or both</u>)</p> <p data-bbox="204 539 368 573">Continued...</p>	<p data-bbox="450 237 831 304">AND</p> <p data-bbox="450 271 767 338">(b) AT LEAST one of the following:</p> <ul data-bbox="450 338 831 573" style="list-style-type: none"> • <i>advising on investments (except pension transfers and pension opt-outs);</i> • <i>advising on pension transfers and pension opt-outs;</i> • <i>advising on syndicate participation at Lloyd's;</i> <p data-bbox="450 595 730 663"><u>(be)</u> BUT NONE of the following:</p> <ul data-bbox="450 663 831 931" style="list-style-type: none"> • <i>effecting contracts of insurance;</i> • <i>carrying out contracts of insurance;</i> • <i>safeguarding and administration of assets;</i> • <i>arranging safeguarding and administration of assets;</i> <p data-bbox="450 954 512 976">AND</p> <p data-bbox="450 987 719 1021"><u>(cd)</u> MUST EITHER:</p> <ul data-bbox="450 1021 815 1155" style="list-style-type: none"> • have a <i>requirement</i> that prohibits the <i>firm</i> from holding and/or controlling <i>client money, <u>or both</u></i>; <p data-bbox="450 1167 496 1189">OR</p> <ul data-bbox="450 1200 831 1424" style="list-style-type: none"> • if it does not have such a <i>requirement</i>, only holds or controls <i>client money <u>(or both)</u></i>, arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>; <p data-bbox="450 1435 512 1458">AND</p> <p data-bbox="450 1469 815 1559"><u>(de)</u> PROVIDED the fee-payer is NOT one of the following:</p> <ul data-bbox="450 1559 831 2067" style="list-style-type: none"> • <i>a corporate finance advisory firm;</i> • a <i>firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business</i>; • a <i>firm</i> whose activities are limited to carrying out <i>venture capital business</i>; • a <i>firm</i> whose activities are limited to acting as an operator of a <i>regulated collective investment scheme</i>; 	

Activity group	Fee-payer falls in the activity group if	Tariff-base
<p>A.13 Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)</p> <p>Continued...</p>	<ul style="list-style-type: none"> • a <i>firm</i> whose activities are limited to carrying out <i>trustee activities</i>; • a <u><i>service company</i></u>. <p>OR</p> <p>4. its permission</p> <p>(a) includes one or more of the following:</p> <ul style="list-style-type: none"> • advising on investments (except pension transfers and pension opt-outs); • advising on pension transfers and pension opt-outs; • advising on syndicate participation at Lloyd's; <p>(b) BUT MUST NOT include: of the following:</p> <ul style="list-style-type: none"> • dealing in investments as agent; • arranging (bringing about) deals in investments; • making arrangements with a view to transactions in investments; • dealing as principal in investments where the activity is carried on as a matched principal broker; <p>AND</p> <p>(a) PROVIDED the fee payer is NOT one of the following:</p> <ul style="list-style-type: none"> • a corporate finance advisory firm; • a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business; • a firm whose activities are limited to carrying out venture capital business; • a firm whose activities are limited to acting as an operator of a collective investment scheme; • a firm whose activities are limited to carrying out trustee activities. 	

Activity group	Fee-payer falls in the activity group if	Tariff-base
A.14 Corporate finance advisers	the <i>firm</i> is carrying on <i>corporate finance business</i> ; <u>PROVIDED</u> the fee-payer is <u>NOT a venture capital firm.</u>	(This part will be made at a later date.) <u>APPROVED PERSONS</u> <u>The number of persons approved to undertake the following controlled function:</u> <u>CF23 corporate finance adviser function.</u>
A.15	This activity group does not apply for this period.	
A.16 Pensions review levy firms	it was liable to pay the Pensions Levy to the <i>PIA</i> in 2001/2002.	(This part will be made at a later date.) <u>Percentage share of the amount paid towards <i>PIA</i>'s 2001/2002 pensions review levy by fee-payers in fee-block A.16.</u>
A.17 Pensions review—SERPS adjustment firms	it is subject to <i>PIA</i> rule 7.2.4 under the Designation of Pensions Review Provisions Instrument 2001. <u>This activity group does not apply for this period.</u>	(This part will be made at a later date.)
B	<i>Firms</i> that have it has been prescribed designated as an operator of a prescribed market under the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001, <u>Statutory Instrument No. 996 of 2001/996</u> ;	(This part will be made at a later date.) <u>Not applicable.</u>
C	<u>it is a service company.</u>	<u>Not applicable.</u>

10 Table Part 8 – Periodic fees for certificates under article 54 of the Regulated Activities Order

(This part will be made at a later date.)

- (1) The amount of the periodic fee payable under *SUP* 20.6.1R is £1,000.

Annex B

Amendments to the Professional firms sourcebook

In this annex, underlining indicates new text and striking through indicates deleted text.

PROF 6 Annex 1

Fees payable for the period from 1 April 2003 to 31 March 2004

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PROF 1 Table: Fees payable by ~~designated professional bodies~~ designated professional bodies

1

Name of designated professional body <u>designated professional body</u>	Amount payable	Due date
(Periodic fees will be made at a later date.)		
<u>The Law Society</u>	<u>£80,780</u>	<u>30 April 2003</u>
	<u>£13,970</u>	<u>1 September 2003</u>
<u>The Law Society of Scotland</u>	<u>£15,380</u>	<u>1 July 2003</u>
<u>The Law Society of Northern Ireland</u>	<u>£17,200</u>	<u>1 July 2003</u>
<u>The Institute of Actuaries</u>	<u>£10,270</u>	<u>1 July 2003</u>
<u>The Institute of Chartered Accountants in England and Wales</u>	<u>£51,590</u>	<u>30 April 2003</u>
	<u>£11,020</u>	<u>1 September 2003</u>
<u>The Institute of Chartered Accountants of Scotland</u>	<u>£14,750</u>	<u>1 July 2003</u>
<u>The Institute of Chartered Accountants in Ireland</u>	<u>£12,820</u>	<u>1 July 2003</u>
<u>The Association of Chartered Certified Accountants</u>	<u>£19,200</u>	<u>1 July 2003</u>
Any <i>person</i> seeking an order under section 326(1) of the <i>Act</i> (Designation of professional bodies)	£5,000	30 days after the order is granted

Annex C

Amendments to the Collective Investment Schemes sourcebook

In this annex, underlining indicates new text and striking through indicates deleted text.

CIS 18 Annex 1

Fees payable in relation to the period from 1 April 2003 to 31 March 2004

1 Table: Part A – Application and notification fees payable in relation to the period from 1 April 2003 to 31 March 2004.

Section of the Act <u>Act</u> etc	Nature and purpose of fee <u>fee</u>	Payable by	Amount of fee <u>fee</u>	<u>Umbrella scheme factor (Note 35)</u>
Regulation 12 of the <i>OEIC Regulations</i>	On application for an order declaring a <i>scheme</i> to be an <i>ICVC</i>	An applicant (Note <u>13</u>)	£1,200	<u>2</u>
Section 242	On application for an order declaring a <i>scheme</i> to be an <i>AUT</i>	An applicant (Note <u>13</u>)	£1,200	<u>2</u>
Section 264	On giving notice under section 264 of the <i>Act</i>	The <i>operator</i> (Note <u>24</u>)	£600	<u>2</u>
Section 270	On giving notice under section 270 of the <i>Act</i>	The <i>operator</i> (Note <u>24</u>)	£600	<u>2</u>
Section 272	On application for an order declaring a <i>scheme</i> to be an individually recognised overseas <i>scheme</i>	An applicant (Note <u>13</u>)	£14,000	<u>2</u>

2 Table: Part B - Periodic fees payable in relation to the period from 1 April 2003 to 31 March 2004

~~(This part will be made at a later date.)~~

<u>Nature and purpose of fee</u>	<u>Payable by</u>	<u>Amount of fee</u>	<u>Umbrella scheme factor (Note 35)</u>
<u>Periodic fee for an <i>ICVC</i></u>	<u>The <i>authorised corporate director</i></u>	<u>£760</u>	<u>2</u>
<u>Periodic fee for an <i>AUT</i></u>	<u>The <i>manager</i></u>	<u>£760</u>	<u>2</u>
<u>Periodic fee for a <i>scheme</i> recognised under section 264 of the <i>Act</i></u>	<u>The <i>operator</i></u>	<u>£760</u>	<u>2</u>
<u>Periodic fee for a <i>scheme</i> recognised under section 270 of the <i>Act</i></u>	<u>The <i>operator</i></u>	<u>£760</u>	<u>2</u>
<u>Periodic fee for a <i>scheme</i> recognised under section 272 of the <i>Act</i></u>	<u>The <i>operator</i></u>	<u>£4,400</u>	<u>2</u>

3 Table: Notes

13 The ~~fee~~ fee must accompany the application.

24 The ~~fee~~ fee must accompany the notice.

35 For an *umbrella scheme* the fee is multiplied by the factor shown in the final column of the above tables.

Annex D

**Amendments to the Recognised Investment Exchange and
Recognised Clearing House sourcebook**

In this annex, underlining indicates new text and striking through indicates deleted text.

REC 7 Annex 1

Fees payable in relation to the period from 1 April 2003 to 31 March 2004

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1 Table: Fees payable in relation to the period from 1 April 2003 to 31 March 2004

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Part 1 – Periodic fees for UK recognised bodies in relation to the period from 1 April 2003 to 31 March 2004.

Name of UK recognised body recognised body	Amount payable	Due date
(This part will be made at a later date.)		
<u>CRESTCo Limited</u>	<u>£274,000</u>	<u>30 April 2003</u>
	<u>£258,000</u>	<u>1 September 2003</u>
<u>The International Petroleum Exchange of London Limited</u>	<u>£125,000</u>	<u>30 April 2003</u>
	<u>£230,000</u>	<u>1 September 2003</u>
<u>LIFFE Administration and Management</u>	<u>£280,000</u>	<u>30 April 2003</u>
	<u>£418,000</u>	<u>1 September 2003</u>
<u>The London Clearing House Limited</u>	<u>£274,000</u>	<u>30 April 2003</u>
	<u>£316,000</u>	<u>1 September 2003</u>
<u>The London Metal Exchange Limited</u>	<u>£227,500</u>	<u>30 April 2003</u>
	<u>£224,500</u>	<u>1 September 2003</u>
<u>The London Stock Exchange Limited</u>	<u>£342,500</u>	<u>30 April 2003</u>
	<u>£275,500</u>	<u>1 September 2003</u>
<u>OM London Exchange Limited</u>	<u>£143,000</u>	<u>30 April 2003</u>
	<u>£105,000</u>	<u>1 September 2003</u>
<u>virt-x plc</u>	<u>£126,000</u>	<u>30 April 2003</u>
	<u>£110,000</u>	<u>1 September 2003</u>
<u>Any other UK recognised investment exchange recognised as such by a recognition order made between 1 April 2003 and 31 March 2004</u>	<u>£150,000</u>	<u>30 days after the date on which the recognition order is made.</u>
<u>Any other UK recognised clearing house recognised as such by a recognition order made between 1 April 2003 and 31 March 2004</u>	<u>£250,000</u>	<u>30 days after the date on which the recognition order is made.</u>

Part 2 – Periodic fees for overseas recognised ~~overseas~~ bodies in relation to the period from 1 April 2003 to 31 March 2004.

Name of <u>overseas</u> recognised overseas body	Amount payable	Due date
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(This part will be made at a later date.)		
<u>Cantor Financial Futures Exchange</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>Chicago Mercantile Exchange</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>Chicago Board of Trade</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>Eurex Zurich</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>NASDAQ</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>NASDAQ LIFFE, LLC Futures Exchange</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>New York Mercantile Exchange</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>Swiss Exchange</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>Sydney Futures Exchange</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>Warenterminbourse Hannover</u>	<u>£9,000</u>	<u>1 July 2003</u>
<u>Any other overseas recognised body recognised as such by a recognition order made between 1 April 2003 and 31 March 2004</u>	<u>£9,000</u>	<u>Date the application is made.</u>
...		

Annex E

Amendments to the Compensation sourcebook

In this annex, underlining indicates new text and striking through indicates deleted text.

13.6.9 R Table: ~~Table~~: The contribution groups and tariff bases for the investment business sub-scheme ...

SUB-SCHEME	CONTRIBUTION GROUP (references to A7 etc are to the activity groups in part 7 of SUP 20 Ann 1R)	LEGAL BASIS FOR ACTIVITY (this is merely a summary of the basis in part 7 of SUP 20 Ann 1R; references to articles are to articles of the <i>Regulated Activities Order</i>)	TARIFF BASE (this is merely a summary of the base in part 7 of SUP 20 Ann 1R)
...
Designated investment business	A10 – dealing as principal	<i>Dealing in investments as principal</i> (Article 12), but not (a) dealing as principal in investments if the investments are life policies; or acting as a matched principal broker.	Number of traders
<u>Designated investment business</u>	A.11 <u>execution only brokers</u>	Any of the following: (a) <i>dealing in investments as agent</i> (article 19); (b) <i>arranging (bringing about) deals in investments</i> (article 21(1)); (c) <i>making arrangements with a view to transactions in investments</i> (article 22(2)); (d) <i>dealing as principal in investments where the investments are life policies</i> (article 12); (e) <i>acting as a matched principal broker</i>; but without <i>permission to advise on investments</i> (article 52).	Commission income
Designated investment business	A12 – <u>advisory</u> brokers (excluding execution only brokers and <i>corporate finance advisers</i>) – holding either <i>client money</i> or assets	Any of the following: (a) <i>dealing in investments as agent</i> (article 19); (b) <i>arranging (bringing about) deals in investments</i> (article 21(1)); (c) <i>making arrangements with a view to transactions in investments</i> (article 22(2)); with <i>permission</i> to: (i) <i>advise on investments</i> (article 49); (ii) hold <i>client money</i> ; and (iii) <i>safeguard and administer investments</i> (article 36).	Number of <i>approved persons</i>

Designated investment business	A13 – <u>advisory</u> brokers (excluding execution only brokers and corporate finance advisers) – not holding either client money or assets	Any of the following: (a) <i>dealing in investments as agent</i> (article 19); (b) <i>arranging (bringing about) deals in investments</i> (article 21(1)); (c) <i>making arrangements with a view to transactions in investments</i> (article 22(2)); with <i>permission to advise on investments</i> (article 49); but not to (i) hold <i>client money</i> ; and (ii) <i>safeguard and administer investments</i> (article 36).	Number of <i>approved persons</i>
...

Annex F

Amendments to Dispute resolution: Complaints sourcebook

In this annex, underlining indicates new text and striking through indicates deleted text.

DISP 5 Annex 1R: Annual

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2 Table: Fee tariffs for industry blocks

Industry block	Tariff base	General levy payable by firm
...
10 – Corporate finance advisers	Flat fee	Levy of <u>£75</u>
11 Execution only arrangers, dealers or brokers	Flat fee	Levy of 75
...

Annex G

Amendments to the Authorisation manual

In this annex, underlining indicates new text and striking through indicates deleted text.

AUTH 4 Annex 1R

Authorisation fees payable in relation to the period from 1 April 2003 to 31 March 2004

...

3 Table Moderately Complex Cases R

Activity grouping	Description
A.1	<i>E-money issuers only</i>
A.5	<i>Managing agents at Lloyd's</i>
A.7	Fund managers (holding or controlling client money and or assets)
A.9	<i>Operators, trustees and depositaries of collective investment schemes</i>
A.10	<i>Firms dealing as principal</i>
A.11	Execution only arrangers, dealers or brokers
C	<u><i>Service companies</i></u>

...