

PRA PERIODIC FEES (2014/2015) AND OTHER FEES INSTRUMENT 2014

Powers exercised by the Prudential Regulation Authority

- A. The Prudential Regulation 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 137G (The PRA's general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) paragraph 31 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZB (The Prudential Regulation Authority) of the Act.
- B. The rule making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 2 July 2014.

Amendments to the Handbook

- D. The Fees manual (FEES) is amended in accordance with the Annex to this instrument.

Citation

- F. This instrument may be cited as the PRA Periodic Fees (2014/2015) and Other Fees Instrument 2014.
- G. The Prudential Regulation Authority gives as guidance each provision in the Annex that is marked with a G.

By order of the Board of the Prudential Regulation Authority

1 July 2014

Annex

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

3 Application, Notification and Vetting Fees

...

FEES 3 Annex 9 Special Project Fee for restructuring

(11) R	...	
	...	
(11) AR	Table of <i>PRA</i> hourly rates:	
	PRA pay grade	Hourly rate (£)
	Administrator	30
	Associate	55
	Technical Specialist	400 <u>90</u>
	Manager	140 <u>115</u>
	Any other person employed by the <i>PRA</i>	460 <u>165</u>
(12) G	...	

...

4.4 Information on which Fees are calculated

- 4.4.1 R A *firm* (other than the *Society* and an *MTF* operator in relation to its *MTF* business) must notify to the *FCA* (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) the value (as at the valuation date specified in Part 5 of *FEES* 4 Annex 1AR in relation to fees payable to the *FCA* or Part 5 of *FEES* 4 Annex 1BR in relation to fees payable to the *PRA*) of each element of business on which the periodic fee payable by the *firm* is to be calculated.

...

4
Annex
2BFEES 4 Annex 2B PRA fee rates and EEA/Treaty firm modifications for the period from ~~1 April 2013 to 28 February 2014~~ 1 March 2014 to 28 February 2015

Part 1
This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of FEES 4 Annex 1BR.

(1)	...
...	

Note	In the case of activity groups A.3 and A.4 there are three <u>two</u> tariff rates. The rate in column 1 applies to all <i>firms</i> in their respective fee-blocks. The rate in column 2 relates to the Solvency 2 Implementation fee and <i>firms</i> must determine their obligation to pay this fee by reference to Part 5 of this Annex. The rate in Column 3 relates to the Solvency 2 Special Project fee and <i>firms</i> must determine their obligation to pay this fee by reference to Part 4 of this annex. The total periodic fee for each of these fee-blocks is determined by adding the amounts obtained under all three <u>both</u> columns, as applicable.			
Activity group	Fee payable			
A.1	Band width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)		
		General Periodic fee		
	>10 - 140	33.38 <u>36.81</u>		
	>140 - 630	33.38 <u>36.81</u>		
	>630 - 1,580	33.38 <u>36.81</u>		
	>1,580 - 13,400	41.73 <u>46.01</u>		
	>13,400	55.08 <u>60.74</u>		
A.3	Gross premium income (GPI)	Column 1 General periodic fee	Column 2 Solvency 2 implementation fee	Column 3 Solvency 2 special project fee
	Minimum fee (£)	Not applicable	25.00	25.00
	Band Width (£ million of GPI)	Fee (£/£m or part £m of GPI)		
	>0.5 - 10.5	370.25 <u>439.00</u>	-27.03 <u>66.82</u>	20.84

	>10.5 - 30	370.25 <u>439.00</u>	-27.03 <u>66.82</u>	20.84
	>30 - 245	370.25 <u>439.00</u>	-27.03 <u>66.82</u>	20.84
	>245 - 1,900	370.25 <u>439.00</u>	-27.03 <u>66.82</u>	20.84
	>1,900	370.25 <u>439.00</u>	-27.03 <u>66.82</u>	20.84
	Plus			
	Gross technical liabilities (GTL)	Column 1 General periodic fee	Column 2 Solvency 2 implementation fee	Column 3 Solvency 2 special project fee
	Band Width (£ million of GTL)	Fee (£/£m or part £m of GTL)		
	>1 - 12.5	49.93 <u>24.41</u>	-1.44 <u>3.62</u>	4.22
	>12.5 - 70	49.93 <u>24.41</u>	-1.44 <u>3.62</u>	4.22
	>70 - 384	49.93 <u>24.41</u>	-1.44 <u>3.62</u>	4.22
	>384 - 3,750	49.93 <u>24.41</u>	-1.44 <u>3.62</u>	4.22
	>3,750	49.93 <u>24.41</u>	-1.44 <u>3.62</u>	4.22
	For UK ISPVs the tariff rates are not relevant and a flat fee of £430.00 is payable in respect of each <i>fee year</i> .			
A.4	Adjusted annual gross premium income (AGPI)	Column 1 General periodic fee	Column 2 Solvency 2 implementation fee	Column 3 Solvency 2 special project fee
	Minimum fee (£)	Not applicable	25.00	25.00
	Band Width (£ million of AGPI)	Fee (£/£m or part £m of AGPI)		
	>1 - 5	360.32 <u>451.00</u>	-38.34 <u>97.49</u>	20.39
	>5 - 40	360.32 <u>451.00</u>	-38.34 <u>97.49</u>	20.39
	>40 - 260	360.32 <u>451.00</u>	-38.34 <u>97.49</u>	20.39
	>260 - 4,000	360.32 <u>451.00</u>	-38.34 <u>97.49</u>	20.39
	>4,000	360.32 <u>451.00</u>	-38.34 <u>97.49</u>	20.39
	PLUS			
A.4	Mathematical reserves (MR)	Column 1 General periodic fee	Column 2 Solvency 2 implementation fee	Column 3 Solvency 2 special project fee

	Minimum fee (£)	Not applicable	25.00	25.00
	Band Width (£ million of MR)	Fee (£/£m or part £m of MR)		
	>1 - 20	8.06 <u>10.41</u>	-0.86 <u>2.26</u>	0.44
	>20 - 270	8.06 <u>10.41</u>	-0.86 <u>2.26</u>	0.44
	>270 - 7,000	8.06 <u>10.41</u>	-0.86 <u>2.26</u>	0.44
	>7,000 - 45,000	8.06 <u>10.41</u>	-0.86 <u>2.26</u>	0.44
	>45,000	8.06 <u>10.41</u>	-0.86 <u>2.26</u>	0.44
A.5	Band Width (£ million of Active Capacity (AC))	Fee (£/£m or part £m of AC)		
	>50 - 150	54.36 <u>55.10</u>		
	>150 - 250	54.36 <u>55.10</u>		
	>250 - 500	54.36 <u>55.10</u>		
	>500 - 1,000	54.36 <u>55.10</u>		
	>1,000	54.36 <u>55.10</u>		
A.6	Flat fee Solvency 2 Special Project Flat Fee (£) Solvency 2 Implementation Flat Fee (£)	1,394,436.00 <u>1,772,360.08</u> 272,293.06 -92,775.96 <u>264,360.00</u>		
A.10	Band Width (No. of traders)	Fee (£/trader)		
	2 - 3	4,507.98 <u>4,951.00</u>		
	4 - 5	4,507.98 <u>4,951.00</u>		
	6 - 30	4,507.98 <u>4,951.00</u>		
	31 - 180	4,507.98 <u>4,951.00</u>		
	>180	4,507.98 <u>4,951.00</u>		

Part 2

This table sets out the tariff rate applicable to each of the fee blocks set out in Part 2 of FEES 4 Annex 1BR

PA.0	(1)	The minimum fee payable by any <i>firm</i> referred to in (3) is 500 ² unless:
------	-----	---

	(a)	...
	...	
PT.1	Periodic fees payable under Part 1 multiplied by rate £0.0745 <u>£0.0639</u>	

Part 3

This table shows the modifications to fee tariffs that apply to *incoming EEA firms* and *incoming Treaty firms* which have established branches in the UK.

Activity Group	Percentage deducted from the tariff payable under Part 1 applicable to the <i>firm</i>
A.1	...
...	

Part 4

This part sets out when a Solvency 2 Special Project fee is due for *firms* falling into fee block A.3 or A.4.

(1)	The Solvency 2 Special Project fee forms part of the periodic fee payable under fee blocks A.3 and A.4.	
(2)	The Solvency 2 Special Project fee is only payable by a <i>firm</i> if it meets the conditions in Part 5 and the condition set out in paragraph (3) of this Part.	
(3)	The condition is that before 1 June 2013 the <i>firm</i> , or a member of the group of which the <i>firm</i> is also a member (in either case, the recipient), received a written communication from the <i>FSA</i> or, on or after 1 April 2013, the <i>PRA</i> that it has met the criteria for entry into pre-Internal Model Approval Process status (pre-IMAP) and the recipient remains in pre-IMAP status on 1 June 2013.	
(4)	For the purposes of (3), the recipient will be deemed to remain in pre-IMAP status unless, before 1 June 2013:	
	(a)	the recipient informs the <i>FSA</i> or, on or after 1 April 2013, the <i>PRA</i> in writing that it wishes to withdraw from pre-IMAP status; or
	(b)	the recipient has been informed by the <i>FSA</i> or, on or after the 1 April 2013, the <i>PRA</i> in writing that it is no longer in pre-IMAP status.
(5)	For the purposes of this Part, a reference to pre-IMAP means the status achieved by the recipient by joining the process established by the <i>FSA</i> whereby the <i>FSA</i> or, on or after 1 April 2013, the <i>PRA</i> and the recipient engage with a view to the <i>FSA</i> or, on or after 1 April 2013, the <i>PRA</i> establishing whether an internal model developed by the recipient is likely to meet the tests and standards specified in the <i>Solvency 2 Directive</i> .	

(6)	FEES 4.2.6R and FEES 4.2.7R do not apply to the Solvency 2 Special Project Fee.
-----	--

...

6.5 Compensation costs

...

6.5.13R (1) Unless exempt under *FEES 6.2.1R* or *FEES 6.2.1AR*, a *participant firm* must provide the *FSCS* by the end of February each year (or, if it has become a *participant firm* part way through the financial year, by the date requested by the *appropriate regulator*) with a statement of:

(a) ...

...