

**FEEDBACK ON CONSULTATION
PAPER NO.1 2012**

**FINANCIAL SERVICES (JERSEY) LAW 1998 -
FUND SERVICES BUSINESS FEES**

AND

**COLLECTIVE INVESTMENT FUNDS (JERSEY)
LAW 1988 - COLLECTIVE INVESTMENT FUND
FEES**

CONSULTATION FEEDBACK

This Paper reports on the responses received by the Jersey Financial Services Commission (the “**Commission**”) on Consultation Paper No. 1 2012: Financial Services (Jersey) Law 1998 - Fund Services Business Fees and Collective Investment Funds (Jersey) Law 1988 - Collective Investment Fund Fees.

Further enquiries concerning the consultation may be directed to:

Roy Geddes
Deputy Director
Securities Division

Telephone: +44 (0)1534 822098
Email: r.geddes@jerseyfsc.org

Bruce Horwood
Senior Manager
Securities Information Unit

Telephone: +44 (0)1534 822112
Email: b.horwood@jerseyfsc.org

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GLOSSARY

AIFMD	means the Alternative Investment Fund Managers Directive
certificate holder	means a person granted a certificate under Article 8B of the CIF(J)L
certified fund	means a fund in relation to which a certificate that is in force has been granted under Article 8B of the CIF(J)L
CIF(J)L	means the Collective Investment Funds (Jersey) Law 1988, as amended
Commission	means the Jersey Financial Services Commission
CoBO	means the Control of Borrowing (Jersey) Order 1958, as amended
FS(J)L	means the Financial Services (Jersey) Law 1998, as amended
Jersey Finance	means Jersey Finance Limited
JFA	means the Jersey Funds Association
MOME	means Manager of a Managed Entity
permit holder	means a person granted a permit under Article 7 of the CIF(J)L
registered person	means a person registered to conduct fund services business under Article 2(10) of the FS(J)L

1 OVERVIEW

1.1 Background

- 1.1.1 In February 2012, the Commission published Consultation Paper No. 1 2012: Financial Services (Jersey) Law 1998 – Fund Services Business Fees and Collective Investment Funds (Jersey) Law 1988 – Collective Investment Fund Fees (the “**Consultation Paper**”).
- 1.1.2 The purpose of the Consultation Paper was to consult with registered persons, certificate holders and permit holders on proposals to increase fees to cover the costs of the Commission’s oversight of registered persons pursuant to the FS(J)L and certificate and permit holders pursuant to the CIF(J)L.
- 1.1.3 The baseline application and annual fees have not been increased since June 2002 and the current fees are no longer sufficient to meet the annual operating costs of regulating the Funds Industry. The annual deficit for the Funds Division in 2011 was £572,907 (2010: deficit of £165,301) and the operating loss for the first quarter of 2012 was £212,487. The forecast deficit for the six months to 30 June 2012 is currently £450,000 leading to a shortfall of £1.19m since 2010 which is being funded from the Commission’s reserves.
- 1.1.4 The proposals comprised:
 - 1.1.4.1 an increase in application fees;
 - 1.1.4.2 an increase in the fee bands for annual fees and for fees payable on the grant of a certificate/ permit;
 - 1.1.4.3 the introduction of fees for specific events;
 - 1.1.4.4 the application of fees to all certificate holders where a fund has more than one certificate in issue; and
 - 1.1.4.5 the setting of a maximum 1 July annual fee for any one certificate holder.

1.2 Feedback on the proposals contained in the Consultation Paper

- 1.2.1 The Commission received comments directly from two industry respondents and another from Jersey Finance. Jersey Finance’s response included comments that it had received from one law firm and an asset management firm together with comments that it had received from the JFA.
- 1.2.2 A full list of respondents is provided in Appendix A and a summary of comments received, along with the Commission’s response to those comments, can be found in section 2 of this Feedback Paper.
- 1.2.3 The Commission is grateful to respondents for taking the time to consider and comment on the proposed fees and each respondent has been sent a copy of this Feedback Paper.

2 Summary of Responses

2.1 Structure of this section

- 2.1.1 The questions posed in the Consultation Paper and a summary of the responses received to each one is set out in sections 2.2 to 2.10 below. Copies of the Consultation Paper can be obtained from the Commission's website¹ or by contacting the Commission directly.

2.2 Question 4.1.4

Do you agree that the proposed increase in the application fee of £600 for those applying to carry on fund services business under the FS(J)L is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.

- 2.2.1 Two respondents commented on the application fee increases. One respondent did not agree with the proposals, stating that the industry is suffering due to a number of reasons [reasons not stated] and that the paper has no comment on the future of the funds industry forecasts. The respondent also noted that businesses have had to undertake considerable cost cutting efficiencies to remain profitable and that the extra fee burden is not acceptable in the current climate. This respondent failed to suggest an alternative application fee.

Commission Response

2.2.2 The purpose of the fees consultation paper is not to comment specifically on funds industry forecasts rather to state the financial position of the Funds Division and the income and operating costs of the Commission in respect of supervising the Funds Industry. The Commission has, however, considered certain economic factors affecting the Funds Industry, such as inflationary pressures.

2.2.3 The Commission has forecast annual income and operating costs up to and including 2014 based on the assumptions stated in 3.6.2 of the Consultation Paper. The projections have been provided in 3.6.4 and 3.6.5 and show the effect of implementing the fee increases. The Commission considered implementing fee increases in 2011 but delayed implementation for the reasons set out under paragraphs 2.2.25 to 2.2.29 of this feedback paper.

2.2.4 The second response from Jersey Finance addressed a number of issues, not all of which applied specifically to the FS(J)L fee for persons applying to carry on fund services business:

2.2.5 Concerns were raised over the level of increase and noted that the tenor of the paper is that fees are being raised across the board in order to meet an increased cost base rather than the fees in themselves being assessed as fair and reasonable. It also queried whether the fee increase is the right approach in terms of perception of Jersey and particularly when the focus of investors and promoters on regulatory costs has never been greater.

¹ http://www.jerseyfsc.org/pdf/Consultation_Paper_No1_2012_FSB_CIF_Fees.pdf

Commission Response

2.2.6 It is the policy of the Commission that regulatory fees are reviewed on a periodic basis and cost base is reviewed as part of this process to ensure the Commission is sufficiently resourced to exercise its functions and that the Commission is operating effectively in carrying out its supervisory functions. Fees are set at a level representative of the work undertaken in respect of the fee. For example, a fee of £1,600 for reviewing an application under the FS(J)L for fund services business and undertaking the necessary regulatory checks is believed to be fair and reasonable and remains less than the equivalent fees charged in Guernsey, Cayman and Dublin and in line with the equivalent fee charged in the Isle of Man.

2.2.7 With respect to promoters selecting a jurisdiction for the fund, the Commission does not believe regulatory fees to be a significant driver. Other factors including, *inter alia*, investor preference, quality of service providers, level of regulation, domicile of promoter and tax optimisation are believed to be greater determinants of the choice of domicile.

2.2.8 One suggestion was to focus on limiting the increases on costs which present most risk to promoters of funds if a fund cannot launch for any reason (i.e. advance payments in respect of applications and fund establishment).

Commission Response

2.2.9 The Commission is of the view that if it is required to review an application for a fund, the cost of the review should continue to be borne by the applicant at the time the application is made. If fees are never paid by certificate holders of funds that fail to launch then others will effectively be subsidising the failed funds and failed applications. Furthermore, non-payment of an application fee at the time of application will, undoubtedly, lead to an increase in poor quality applications and is likely to encourage applications for funds when plans for launch have not been properly formed.

2.2.10 Industry should only expect (and pay for) the Commission to expend resources on policy work where: (i) international norms clearly demand it (e.g. AIFMD); and/or (ii) industry/Jersey reasonably requires it to sustain competitiveness (e.g. the Jersey Private Placement Fund regime). Accordingly, support is unlikely to be given to further fee increases after 2015 where policy work doesn't fall within those parameters.

Commission Response

2.2.11 One of the Commission's aims is to match international standards and to develop policies to ensure its aims can be met. If the Commission is to continue to be influential and respected in international regulatory circles, it needs to continue meeting international standards.

2.2.12 It was noted that the comparisons in the consultation paper with Guernsey were helpful and encouraging and that a comparative eye should also be had for comparisons with other equivalent jurisdictions.

Commission Response

2.2.13 In preparing the Consultation Paper, the Commission undertook a comparison exercise with fees charged in the Crown Dependencies of Guernsey and Isle of Man as well as with other comparable jurisdictions such as Cayman, Luxembourg and Ireland.

2.2.14 Setting out fee comparisons is not straightforward, given the different structures, funding commitments and expenses of these jurisdictions. However, a high level review of the fee structure in comparable jurisdictions leads the Commission to believe that fee tariffs for the majority of registered persons and certificate holders are expected to continue to be similar to the fees charged in connection with fund schemes and licensees in these jurisdictions and therefore will not impact Jersey's competitive position.

2.2.15 By way of example, the current application fee of £1,000 for a person wishing to conduct fund services business will increase to £1,600 which is less than the £2,100 equivalent fee in Guernsey and similar to the £1,550 fee charged in the Isle of Man. In Cayman, the application fee for a mutual fund administrator ranges from US\$3,000 to \$25,000.

2.2.16 It was further noted that there is an anomaly in the fee charging structure for funds which could be dealt with as part of the fee changes. The said anomaly concerns the difference in fees charged for a fund structured as a limited partnership (whose fund certificate is held by its general partner) compared to the fees charged for a fund structured as a company.

2.2.17 A concern was raised that the current and suggested charging mechanism unfairly discriminates against limited partnership funds because the general partner is treated as both a registered person and a certificate holder. For example, under the proposals, a certified fund with a single pool of assets would be charged £2,700 per annum if it were structured as a company compared to £6,100 per annum if it were structured as a limited partner. It seems unlikely that regulatory oversight costs 125% more for a limited partnership fund structure than it does for a corporate fund.

Commission Response

2.2.18 The example above relates to annual fees payable by registered persons (question 4.3.4 of the Consultation Paper) rather than application fees (question 4.1.4).

2.2.19 The Commission met with JFA, Jersey Finance and two members of industry on 2 May 2012 to discuss this specific matter. On reflection, the Commission agrees with the anomaly in the fee charging structure for funds constituted as a limited partnership and has reduced fees accordingly. It was agreed that the reduction in certificate holder fees for limited partnerships would be partly offset by increasing the fee bands elsewhere. The net effect is that the changes result in approximately £80,000 less income for the Commission than anticipated.

2.2.20 A general comment was also given regarding CoBO fees, remarking that it would be preferable to finalise the position for CoBO only funds and Private Placement Funds so that the fees position is generally finalised and certain but also so the impact of such arrangements is factored into the main consultation. The assumptions set out in paragraph 3.9.1 of the Consultation Paper were

queried in respect of there being no material impact on the consultation. The respondent commented that there are likely to be a reasonable number of existing CoBO only funds which if subject to application, annual and event specific fees could potentially reduce the fees for certificate holders, permit holders and registered persons.

Commission Response

2.2.21 At present, the Commission is only able to impose fees for funds which fall under the CIF(J)L. There is currently no legislative basis for the Commission to charge for CoBO funds. Irrespective of whether a decision is taken to introduce fees for issuing CoBO consents, implementation before the 2013 fee year (1 July 2012 – 30 June 2013) will not be possible as amendments will need to be made to the CoBO legislation to give the relevant enabling powers.

2.2.22 The assumptions set out in paragraph 3.9.1 of the Consultation Paper specifically relate to an application fee for CoBO only funds to reflect the cost of processing the application. The Consultation Paper does not refer to annual fees or any other type of fee for CoBO funds. The £30,000 estimate of revenue stated in the Consultation Paper is based on 2011 CoBO only applications (30 applications at an estimated £1,000 charge per application). This amount is not considered material as it is less than 1% of the Funds Division's forecast income for 2012.

2.2.23 The Commission notes the suggestions that various new fee types could be implemented for CoBO funds and consideration will be given to this in due course. A consultation paper to charge for Private Placement Fund CoBO consents will be issued during the course of 2012.

2.2.24 The final comment received from Jersey Finance in respect of section 4.1.4 of the Consultation Paper was a more general comment also relevant to sections 4.1.10, 4.2.2, 4.3.4, 4.3.6 and 4.3.8. The comment concerned the timing of the fee increases and noted that the magnitude of the fee increases would present difficulties for some members. A suggestion was for there to be small annual fee increases rather than large periodic increases. One respondent was of the view that increases should be delayed until 2013.

Commission Response

2.2.25 As set out in section 3.4.1 of the Consultation Paper, the Commission has regularly reviewed the fees payable by the Funds Industry and in each of the last nine years has decided not to increase the fee tariff. This decision has been based on the fact that the rising costs of undertaking supervisory oversight have been met by rising fee income derived from a steady increase in the number of registered persons and certificate holders. The operating income of the Funds Division is no longer sufficient to cover the increasing costs.

2.2.26 The development and enhancement of supervisory functions to meet minimum international standards coupled with domestic expectations, particularly in respect of AIFMD and other policy matters has driven up the Funds Division's operating costs. In spite of the fact that the Funds Division has been operating at a loss for over a year, the Commission decided not to consult on fee increases at the end of 2010, for the very reason that the Funds Industry was still adapting to the impact of the economic downturn.

2.2.27 Given the level of inflation at the end of 2010 and throughout 2011, the Commission was keen to avoid implementing fee increases at a time when firms were also being affected by a rise in the cost of living and, potentially, increasing pressure from their staff to raise salaries accordingly. Consequently, it was decided to delay consultation and implementation of fee increases until 2012.

2.2.28 The operating shortfall of the Funds Division for the first quarter of 2012 was £212,487 and this deficit is currently being funded by reserves. If increases are to be delayed a further year, the total deficit funded in this manner will climb to over £2 million with the result that the fee increase requested will need to be larger.

2.2.29 Regulatory fees remain a relatively modest element of the overall costs of registered persons, certificate holders and permits holders and, as they remain unchanged at 2002 levels and no longer cover the costs of the Fund's Division, a substantial increase on this occasion is considered unavoidable.

2.3 Question 4.1.10

Do you agree that the proposed increase in the application fee of £600 for those applying to be a permit holder or certificate holder is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.

2.3.1 The responses received in respect of 4.1.4 and the Commission's feedback also applies to this question.

2.4 Question 4.2.2

Do you agree that the proposed increase in the application fee of £200 for adding a new pool of assets to a collective investment fund is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.

2.4.1 The responses received in respect of 4.1.4 and the Commission's feedback also applies to this question.

2.5 Question 4.3.4

Do you agree that the proposed annual fee tariff increase for registered persons is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.

2.5.1 The feedback received in respect of 4.1.4 also applies to this question. In addition, one respondent commented that although there was a general understanding of the need for an increase (given the long standing 'freeze') and the work that the Commission performs for the benefit of the Island's financial community, the timing of the increase during the current economic climate could impact on Jersey as a jurisdiction of choice with promoters comparing costs as part of their overall consideration of where to launch funds.

Commission Response

2.5.2 As noted in paragraph 2.2.7 above, the Commission does not believe regulatory fees to be a significant driver with regard to a promoter's jurisdiction of choice. Other factors including, *inter alia*, investor preference, quality of service providers, level of regulation, domicile of promoter and tax optimisation are believed to be greater determinants of the choice of domicile.

2.5.3 Another response referred to the annual fees for registered persons who are managed entities and questioned whether work load for the Commission in respect of these entities was lower on the basis managed entities are less likely to have substance subject to regulation which is separate from their regulated MOME.

Commission Response

2.5.4 The issue here is whether a separate tariff should be applied to different classes of business. The Commission is keen to avoid having different fee tariffs for different classes of business as this adds to the complexity of fees. The Commission has been asked to simplify fees where possible so adding variable charges goes against the general requests received from Industry. Furthermore, it is difficult to measure which registered persons create the greatest workload for the Commission. It is not necessarily the large established registered persons which generate the most work.

2.6 Question 4.3.6

Do you agree that the proposed annual fee tariff increase for permit holders is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.

2.6.1 The responses received in respect of 4.1.4 and 4.3.4 and the Commission's feedback also applies to this question.

2.7 Question 4.3.8

Do you agree that the proposed annual fee tariff increase for certificate holders is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.

2.7.1 The responses received in respect of 4.1.4 and 4.3.4 and the Commission's feedback also applies to this question.

2.8 Question 4.4.6

Do you believe the extension of the full annual fee to all certificate holders of a certified fund, where a fund has more than one certificate holder, is reasonable? If not, please suggest what you believe to be reasonable and why.

2.8.1 One respondent commented that this proposal is an area that warrants further justification and asked if, in practice, the use of multiple (by and large affiliated) certificate holders gives rise to a proportionately increased workload.

Commission Response

- 2.8.2 There has been an increasing use of multiple certificate holder funds in respect of funds constituted as limited partnerships and unit trusts. As these structures give rise to an increased workload for the Commission, funds with multiple certificates should give rise to a higher fee. The Consultation Paper seeks to remove the anomaly of applying a discount to certificate holders where there is more than one certificate holder for a fund.
- 2.8.3 Regulatory fees remain a relatively modest element of a fund's overall costs and the Commission does not believe that an additional £550 per certificate holder (for limited partnership funds) / £1,350 per certificate holder (£2,700/2 in respect of a single class fund with two certificate holders for funds constituted as a company or unit trust) will have a material impact on the return to investors.

2.9 Question 4.5.4

Do you believe it is reasonable to charge for specific events such as the removal of a sub-fund, name change or variance of a condition at the request of the certificate holder? If not, please suggest an alternative stating why you believe this to be more reasonable.

- 2.9.1 One respondent said that it would be good to clarify that no specific event fee would be levied if a request for a specific event change is either turned down by the Commission or if the Commission fails to meet the published response time.

Commission Response

- 2.9.2 The Consultation Paper states that the £250 specific event fee only occurs when there is a specific event which results in a new certificate being issued to the certificate holder.
- 2.9.3 The Consultation Paper does not refer to published response times because they are not directly linked to fees payable to the Commission. The published timescales specifically state that they are on a best endeavours basis and that timescales may not always be achievable during busy periods. Applications can be complex, of variable quality and are sometimes incomplete. These factors inevitably affect turnaround times.

2.10 Question 4.6.5

Do you believe the proposal to cap the fees payable by a certificate holder at £40,000 to be reasonable? If not, please suggest an alternative fee level stating why you believe this to be reasonable.

- 2.10.1 Two responses were received to this question. One respondent believed the fee cap to be reasonable. The other respondent stated that no particular justification is given in the Consultation Paper for choosing the figure of £40,000. The respondent said that consideration should be given to conferring a discretion on the Commission to agree ad hoc fee caps or discounts, for example where a large number of commercially affiliated certificate holders (e.g. fund platforms) is created at the instigation of a single promoter.

Commission Response

2.10.2 The Commission does not currently have discretion to agree ad hoc fee caps or discounts for certificate holders but this suggestion will be explored.

2.10.3 The Commission estimates that the fee cap will apply to only a very small number of trustee certificate holders. The maximum amount payable in respect of a fund by any one certificate holder on 1 July will be £27,000. Without a cap on the annual fee, a single certificate holder acting for a large number of funds could be subject to a disproportionately large fee. The Commission is keen to avoid an anomalous outcome for a small number of service providers.

2.11 Other comments

2.11.1 The response from Jersey Finance asked if the *quid pro quo* for increased fees could also include a renewed commitment from the Commission to meet published timeframes/ minimum service levels.

Commission Response

2.11.2 As noted in section 2.9.3 above, the Consultation Paper does not refer to published response times because they are not directly linked to fees payable to the Commission. Applications can be complex, of variable quality and are sometimes incomplete. These factors inevitably affect turnaround times.

APPENDIX A

List of respondents to the Consultation Paper:

- Northern Trust Fiduciary Services (Jersey) Limited
- Dominion Corporate Group
- Jersey Finance Limited covering responses from:
 - a law firm;
 - an asset management firm; and
 - members of the Jersey Funds Association.

APPENDIX B

JERSEY FINANCIAL SERVICES COMMISSION

DRAFT FUND SERVICES BUSINESS FEES

Interpretation

“Law” means the Financial Services (Jersey) Law 1998, as amended.

“registered person” means a person registered under the Law to carry on fund services business.

“pools of assets” means the number of constituent parts in relation to which the registered person acts.

Application Fee

For the purposes of Article 8(3)(c) of the Law (which Article allows fees that are to accompany applications for registration to be published), a fee of £1,600 is published in respect of applications for registration in relation to the carrying on of fund services business.

Fee payable on grant of registration

- (1) Subject to paragraph (2), on the registration of a person under Article 9 of the Law to carry on fund services business, a fee is payable. The fee amount is to be determined in accordance with the Schedule attached.
- (2) Where the registration is granted on a day other than 1 July the fee payable shall be 1/12 of the amount for each complete month between the date of registration and 1 July next following.

Annual fee

- (1) For the purposes of Article 9(6) of the Law (which Article allows fees to be paid by a registered person to be published), a person who, on 1 July in any year, is a registered person shall, on that day, pay the fee determined in accordance with the Schedule, in respect of the number of pools of assets in all the collective investment funds in relation to which the person is registered to carry on fund services business under his or her registration.
- (2) In the event that the registered person only acts for unregulated funds, the annual fee payable for persons acting for zero pools of assets shall apply.

Late payment of fees

If a registered person fails to pay the whole or any part of a fee on or before the date it becomes due the person shall be liable to pay an additional late payment fee of 5% of the amount unpaid for each complete month it remains unpaid.

Late filing fees

If a registered person fails to file or deliver any document to the Commission under the provisions of the Law or under the provisions of any Order issued in accordance with the Law on or before the date that the document becomes due, the registered person shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains un-filed or undelivered unless the registered person has given the Commission prior notice of the reasons for the late filing or delivery of a document and the Commission has agreed in writing that the filing may be late. Any such later agreed date shall become the due date for the purposes of the calculation and the payment of late filing fees.

DRAFT

SCHEDULE**FEES PAYABLE ON GRANT OF REGISTRATION
AND ANNUALLY ON 1 JULY**

An annual fee is payable by each registered person.

Number of pools of assets	Annual Fee
0-1	£ 3,400
2-4	£ 4,500
5-9	£ 5,500
10-19	£ 7,000
20-49	£ 9,000
50-99	£ 12,000
100-149	£ 17,500
150-199	£ 24,000
200 or more	£ 32,000

APPENDIX C

JERSEY FINANCIAL SERVICES COMMISSION

DRAFT COLLECTIVE INVESTMENT FUND FEES

1. Interpretation

“cell”, “cell company”, “company”, “incorporated cell company” and “protected cell company” each has the meaning as in the Companies (Jersey) Law 1991.

“Law” means the Collective Investment Funds (Jersey) Law 1988 as amended.

“pool of assets” means a collective investment fund, except that where such a fund is divided into separate and distinct parts, the rights of which are restricted to an identifiable class of participants, it means each one of those parts.

“recognized fund” means a collective investment fund in relation to which there is a recognized fund certificate granted under the Collective Investment Funds (Recognized Funds) (General Provisions) (Jersey) Order 1988 or the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003.

“umbrella fund” means a collective investment fund where:

- (a) the contributions of the unit holders and the profits and income out of which payments are to be made to them are pooled; and
- (b) the documents constituting the fund provide that such pooling is to be accomplished separately in relation to separate parts of the property of the fund.

2. Application for a functionary permit

- (1) An applicant for a permit to be a functionary of a collective investment fund under Article 6 of the Law shall pay a fee of £1,600.
- (2) Paragraph (1) is subject to section 10.

3. Application for a certificate

- (1) A person who applies under Article 8A of the Law for a certificate in relation to a collective investment fund shall pay a fee comprised of the sum of -
 - (a) £1,600 per certificate holder; and
 - (b) £1,600 in respect of each fund service provider in relation to the fund that is, or has applied to become registered to conduct fund services business under the Financial Services (Jersey) Law 1998.
- (2) A person who applies under Article 8A of the Law for a certificate, which would result in the certified fund having more than one certificate holder, shall pay a fee of £1,600 per new certificate holder.
- (3) A person who applies under Article 8A of the Law to hold a certificate in place of an existing certificate holder shall pay a fee of £1,600.
- (4) Paragraphs (1), (2) and (3) are subject to section 10.

4. Fee payable on grant of functionary permit

- (1) Subject to paragraph (2) and section 9, on the grant of a permit a fee is payable under Article 7 of the Law by the person to whom the permit is granted. The fee amount is to be determined in accordance with the Schedule attached.
- (2) Where the permit is granted on a day other than 1 July the fee payable shall be 1/12 of the amount for each complete month between the date the permit is granted and 1 July next following.

5. Fee payable on grant of a certificate

- (1) Subject to paragraph (2) and section 9, on the grant of a certificate a fee is payable under Article 8B of the Law by the person to whom the certificate is granted. The fee amount is to be determined in accordance with the Schedule attached.
- (2) Where the certificate is granted on a day other than 1 July the fee payable shall be 1/12 of the amount for each complete month between the date the certificate is granted and 1 July next following.

6. Annual Fee for a functionary permit

Subject to section 9, the holder of a permit under Article 7 of the Law shall pay, on 1 July following the date of the grant of the permit and on 1 July in each succeeding year, a fee determined in accordance with the Schedule attached.

7. Annual Fee for a certificate

Subject to section 9, the holder of a certificate under Article 8B of the Law shall pay, on 1 July following the date of the grant of the certificate and on 1 July in each succeeding year, a fee determined in accordance with the Schedule attached.

8. New pool of assets

- (1) A fee of £700 is payable by a permit holder or certificate holder when a new pool of assets is added to a collective investment fund.
- (2) Paragraph (1) is subject to section 10.

9. Cell companies

- (1) If cell companies are structured such that they may be treated analogous to umbrella funds the total of the fees payable by, or in respect of, the incorporated cells of an incorporated cell company that apply to become, or are, permit holders under Article 7 of the Law, or a certificate holder under Article 8B of the Law, shall be the same as the total amount that would be payable under those sections by a protected cell company with the same number of cells that applies to become, or is, a permit holder under Article 7 of the Law or a certificate holder under Article 8B of the Law.
- (2) If cell companies are not structured such that they may be treated analogous to umbrella funds, then the cells of the cell company that apply to become, or are, permit holders under Article 7 of the Law, or certificate holders under Article 8B of the Law, shall be treated separate and the total fees payable shall be the aggregate of the fees payable by each cell.

10. Transfers of certain functions to cells

- (1) This section applies where –
 - (a) a fund service provider or functionary is a certificate holder or permit holder in respect of a collective investment fund;
 - (b) the fund service provider or functionary is not a cell company nor a cell; and
 - (c) the functions of the fund service provider or functionary in respect of the collective investment fund are transferred under the Companies (Jersey) Law 1991 to one or more cells.
- (2) The fee payable in respect of the transfer under either section 2, 3 or 8, as the case may be, is £2,000.

11. Fee Cap

The maximum 1 July annual fee payable by a certificate holder which holds certificates in respect of more than one certified fund shall be £40,000. This maximum amount shall not apply in respect of fees payable on the grant of a certificate.

12. Fee for specific events

- (1) A fee of £250 is payable by a certificate holder where –
 - (a) the name of a certified fund, or sub fund, is changed and a new certificate is issued to the certificate holder; or
 - (b) a sub-fund, cell or constituent part is removed from a certified fund and a new certificate is issued to the certificate holder; or
 - (c) at the request of the certificate holder a new condition is attached to a certificate or an existing condition is varied (varied includes the removal of a condition from the certificate) and a new certificate is issued to the certificate holder.
- (2) A fee of £1,600 is payable for each additional person registered to conduct fund services business under the Financial Services (Jersey) Law 1998 that intends to act as a fund service provider to a certified fund after a certificate has been granted.

13. Late payment of fees

If a permit holder or certificate holder fails to pay the whole or any part of a fee on or before the date it becomes due the person shall be liable to pay an additional late payment fee of 5% of the amount unpaid for each complete month it remains unpaid.

14. Late filing fees

If a permit holder or certificate holder fails to file or deliver any document to the Commission under the provisions of the Law or under the provisions of any Order issued in accordance with the Law on or before the date that the document becomes due, the permit holder or certificate holder shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains un-filed or undelivered unless the permit holder or certificate holder has given the Commission prior written notice of the reasons for the late filing or delivery of a document and the Commission has agreed in writing that the filing may be late. Any such later agreed date shall become the due date for the purposes of the calculation and the payment of late filing fees.

SCHEDULE

FEES PAYABLE ON GRANT OF PERMIT/CERTIFICATE

AND ANNUALLY ON 1 JULY

Annual fees payable by permit holders - recognized funds

The annual fee payable by the holder of a permit shall be determined according to the total number of pools of assets in all the collective investment funds in respect of which the permit holder is a functionary as at the time the fee is payable, and shall be calculated in accordance with the following table -

Number of pools of assets	Annual Fee
0-1	£ 5,200
2-4	£ 5,850
5-9	£ 6,500
10-19	£ 7,800
20-49	£ 9,100
50-99	£ 11,700
100-149	£ 15,600
150-199	£ 22,100
200 or more	£ 28,600

Annual fees payable in relation to certified funds which are corporates and unit trusts

The annual fee payable by each certificate holder in respect of each collective investment fund shall be determined according to the total number of pools of assets in each fund as at the time the fee is payable, and shall be calculated in accordance with the following table -

Number of pools of assets	Annual Fee
0-1	£ 2,700
2-4	£ 3,500
5-9	£ 4,500
10-19	£ 6,000
20-49	£ 7,500
50-99	£ 10,500
100-149	£ 15,000
150-199	£ 20,000
200 or more	£ 27,000

Annual fees payable in relation to certified funds which are limited partnerships

The annual fee payable by each certificate holder in respect of each collective investment fund shall be determined according to the total number of pools of assets in each fund as at the time the fee is payable, and shall be calculated in accordance with the following table -

Number of pools of assets	Annual Fee
0-1	£ 1,100
2-4	£ 3,500
5-9	£ 4,500
10-19	£ 6,000
20-49	£ 7,500
50-99	£ 10,500
100-149	£ 15,000
150-199	£ 20,000
200 or more	£ 27,000