



**Jersey Financial  
Services Commission**

# **Feedback on Consultation Paper**

**No. 4 2017**

Insurance Business Fees – Feedback to a consultation on proposals to change fee rates

Issued: August 2017

## Consultation feedback

This paper reports on responses received by the JFSC to its Consultation Paper No.4 2017 (Insurance Business Fees – A consultation on proposals to change fee rates).

## Glossary of terms

JFSC                      Jersey Financial Services Commission

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# 1 Executive summary

## 1.1 Overview

- 1.1.1 We issued Consultation Paper No.4 2017 in June, proposing an increase in insurance business fee rates as well as the introduction of a fee related to transfers of insurance business.
- 1.1.2 No responses to the consultation were received, either by the JFSC directly or by Jersey Finance.
- 1.1.3 We are therefore proceeding to change the fee rates and introduce the new transfer fee from 1 October. The final fees notice can be found in Appendix A and on our website.

## 1.2 Next steps

- 1.2.1 Relevant firms will receive notification via the myJFSC portal that an invoice is ready for them. If payment is not made by 31 October, then late fees may be incurred as detailed in the fees notice.

## Appendix A - Insurance Business Fees Notice

### Notice of Fees

Published in accordance with:	<b>Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Payable by or in relation to:	<b>Insurance Business</b>
Pursuant to:	<b>Articles 6(1) and 43D of the Insurance Business (Jersey) Law 1996, as amended;</b>
Commencement date:	The fees set out in this notice are effective from 1 October 2017.

#### 1 Interpretation

1.1 In this notice, unless the context otherwise requires:

cell and cell company	have the meanings assigned to them by the Companies Law
Companies Law	means the Companies (Jersey) Law 1991, as amended
JFSC	means the Jersey Financial Services Commission
Law	means the Insurance Business (Jersey) Law 1996, as amended
limited company	has the meaning assigned to it by the Companies Law
limited liability partnership	has the meaning assigned to it by the Limited Liability Partnerships (Jersey) Law 1997
permit holder	has the meaning assigned to it by the Law
transfer of insurance business	means a scheme for the transfer of insurance business as required by Article 27 of and Schedule 2 to the Law

#### 2 Application fee

2.1 The fee to accompany an application for a permit to carry on insurance business under the Law shall be the amount set out in Schedule 1.

#### 3 Annual fee

3.1 A permit holder shall pay an annual fee in accordance with the amount set out in Schedule 2.

3.2 The annual fee is payable by permit holders on 1 October of each year.

## 4 Registration change fee

### 4.1 Where:

- a) an insurance company that is registered under the Companies Law as a limited company changes that registration to registration as a cell company or a cell; or
- b) a partnership carrying on insurance business as a limited liability partnership changes that registration to registration as a cell company or a cell, the fee for a category B permit arising out of that change in registration (**registration change fee**) is £1,595.

### 4.2 If:

- a) a cell company referred to in paragraph 4.1(a) or (b) has paid the fee specified in paragraph 4.1;
- b) there is an application for a category B permit made by the first cell of that cell company; and
- c) the insurance business to be written in that first cell is the insurance business that was, prior to the change in registration to a cell company, written by the insurance company referred to in paragraph 4.1(a) or the partnership referred to in paragraph 4.1(b), then the registration change fee paid under paragraph 4.1 shall be taken to include the fee payable for the application by that first cell for its category B permit.

4.3 Where the fee specified in paragraph 4.1 has been paid, paragraph 3.1 shall apply to the annual fee due next following the grant of the permit (and for each subsequent annual fee due) for that cell company and for that cell.

4.4 Where a cell company or a cell that is registered as such under the Companies Law changes that registration to registration as a:

- a) a limited company; or
- b) a limited liability partnership,

the fee for a category B permit arising out of that change in registration is £1,595 and where that fee has been paid, paragraph 3.1 shall apply to the annual fee due next following the grant of the permit (and each subsequent annual fee due for the limited company or the limited liability partnership).

## 5 Transfer of insurance business

5.1 If a permit holder plans to undergo a Transfer of Insurance Business (**transfer**) a fee of £5,000 is payable. This fee is payable to the JFSC at the time of submission of draft documentation relating to the transfer, in advance of the associated Direction Hearing.

## 6 Late payment of fees

6.1 If a permit holder fails to pay the whole or any part of a fee on or before the date it becomes due the permit holder shall be liable to pay, unless otherwise agreed by the JFSC, an additional late payment fee of 5% of the amount unpaid for each complete month that it remains unpaid.

## 7 Late filing fees

7.1 If a permit holder fails to file or deliver any document to the JFSC 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 shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains unfiled or undelivered unless the permit holder has given the JFSC prior written notice of the reasons for the late filing or delivery of a document and the JFSC 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 1 – application fees

Category of permit	Application fee
Category A	<ul style="list-style-type: none"> <li>i. £6,375 if the permit applied for is to include long-term business of any class; and</li> <li>ii. £3,190 in any other case.</li> </ul>
Category B (where the applicant is not a cell company or a cell)	<ul style="list-style-type: none"> <li>i. £11,160 if the permit applied for is to include long-term business of any class; and</li> <li>ii. £5,580 in any other case.</li> </ul>
Category B (where the applicant is a cell company or a cell)	<ul style="list-style-type: none"> <li>i. £5,580 if the permit applied for is to be granted to a cell company;</li> <li>ii. £3,190 if the permit applied for is to be granted to a cell and is to include long-term business of any class; and</li> <li>iii. £1,595 if the permit applied for is to be granted to a cell and is to include general business of any class.</li> </ul>

## Schedule 2 – annual fees

Category of permit	Application fee
Category A	<ul style="list-style-type: none"> <li>i. £6,375 if the permit includes long-term business of any class; and</li> <li>ii. £3,190 in any other case.</li> </ul>
Category B (where the permit holder is not a cell company or a cell)	<ul style="list-style-type: none"> <li>i. £11,160 if the permit includes long-term business of any class; and</li> <li>ii. £5,580 in any other case.</li> </ul>
Category B (where the permit holder is a cell company or a cell)	<ul style="list-style-type: none"> <li>i. £5,580 if the permit is held by a cell company;</li> <li>ii. £3,190 if the permit is held by a cell and includes long-term business of any class; and</li> <li>iii. £1,595 if the permit is held by a cell and includes general business of any class.</li> </ul>