



Jersey Financial  
Services Commission

# A consultation on proposals to increase fee rates

Financial Services (Jersey) Law 1998: Fund Services Business Fees

Financial Services (Jersey) Law 1998/Alternative Investment Funds (Jersey) Regulations 2012: AIF and AIF Services Business Fees

Collective Investment Funds (Jersey) Law 1988: Collective Investment Fund Fees

Control of Borrowing (Jersey) Law 1947/Control of Borrowing (Jersey) Order 1958: CoBO Fees

Issued: 15 April 2016

Consultation No. 2 2016

## Consultation Paper

Please note that terms in *italics* are defined in the Glossary of Terms.

The Jersey Financial Services Commission (the **Commission**) invites comments on this consultation paper. Comments should reach Jersey Finance Limited by 20 May 2016.

### Responses should be sent to:

#### Tom Cowsill

Jersey Finance Limited  
4<sup>th</sup> Floor  
Sir Walter Raleigh House  
48-50 Esplanade  
St Helier  
Jersey  
JE2 3QB

Direct Line: +44 (0) 1534 836021  
Office Line: +44 (0) 1534 836000  
Email: [thomas.cowsill@jerseyfinance.je](mailto:thomas.cowsill@jerseyfinance.je)

Alternatively, responses may be sent directly to the *Commission* by 20 May 2016. If you require any assistance, clarification or wish to discuss any aspect of the proposal prior to formulating a response, it is of course appropriate to contact the *Commission*.

The *Commission* contacts are:

#### Roy Geddes

Head of Unit, Funds & Trust Company Business  
Jersey Financial Services Commission  
PO Box 267  
14-18 Castle Street  
St Helier  
Jersey  
JE4 8TP

#### Bruce Horwood

Senior Manager, Supervision  
Jersey Financial Services Commission  
PO Box 267  
14-18 Castle Street  
St Helier  
Jersey  
JE4 8TP

Telephone: +44 (0) 1534 822098

Email: [r.geddes@jerseyfsc.org](mailto:r.geddes@jerseyfsc.org)

Telephone: +44 (0) 1534 822112

Email: [b.horwood@jerseyfsc.org](mailto:b.horwood@jerseyfsc.org)

**It is the policy of the *Commission* to make the content of all responses available for public inspection unless specifically requested otherwise.**

**It is the policy of *Jersey Finance* (unless otherwise requested or agreed) to collate all responses and share them *verbatim* with the JFSC on an anonymised basis (with reference made only to the type of respondent, e.g. individual, law firm, trust company etc.) This collated, anonymised response will, typically, be placed in JFL's permanent electronic archive which is currently open to all JFL members.**

## Glossary of Terms

AIF	means an Alternative Investment Fund within the meaning of the <i>Regulations</i>
AIFM	means a person registered as an Alternative Investment Fund Manager
certificate holder	means a company, trustee, general partner, or limited liability partnership to whom a certificate has been granted under Article 8B of the <i>CIF(J)L</i> in respect of a <i>certified fund</i>
certified fund	means a collective investment fund in relation to which a certificate that is in force has been granted under Article 8B of the <i>CIF(J)L</i>
CIF(J)L	means the Collective Investment Funds (Jersey) Law 1988, as amended
Commission	means the Jersey Financial Services Commission
Commission Law	means the Financial Services Commission (Jersey) Law 1998, as amended
CoBO	means the Control of Borrowing (Jersey) Order 1958, as amended
Directive	Directive 2011/61/EU of the European Union and Parliament
FSB	means Fund Services Business
FS(J)L	means the Financial Services (Jersey) Law 1998, as amended
Jersey Finance	means Jersey Finance Limited
permit holder	means a person granted a permit under Article 7 of the <i>CIF(J)L</i> in respect of a <i>recognized fund</i>
recognized fund	means a fund in respect of which a permit has been granted by the Commission under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003
recognized fund functionary	means a person who holds a permit as a functionary of a <i>recognized fund</i> under the <i>CIF</i> Law
registered person	means a person registered to conduct fund services business under Article 2(10) of the <i>FS(J)L</i>
regulations	Means the Alternative Investment Funds (Jersey) Regulations 2012, as amended
umbrella fund	means a collective investment fund where: <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>

## Contents

<b>1</b>	<b>Consultation .....</b>	<b>5</b>
1.1	Basis for consultation .....	5
1.2	Who will be affected by the proposed changes? .....	5
1.3	Responding to the consultation.....	6
1.4	Next steps.....	6
<b>2</b>	<b>The Commission.....</b>	<b>7</b>
2.1	Overview.....	7
2.2	The Commission’s functions .....	7
2.3	Guiding principles .....	7
<b>3</b>	<b>Proposals .....</b>	<b>9</b>
3.1	Proposed fee increase .....	9
3.2	Operational changes.....	9
3.3	Background.....	9
3.4	Commission Financial Position .....	10
3.5	Summary of the Commission’s actual and forecast income and expenditure for the period from 2014 to 2019 .....	11
3.6	Regulatory fees.....	11
3.7	Fees for the funds sector.....	12
3.8	Questions.....	12
<b>Appendix A.....</b>	<b>13</b>	
	List of representative bodies who have been sent this consultation paper.....	13
<b>Appendix B .....</b>	<b>14</b>	
	Draft Alternative Investment Fund and Alternative Investment Fund Services Business Fees Notice .....	14
<b>Appendix C .....</b>	<b>16</b>	
	Draft Collective Investment Funds Fees Notice.....	16
<b>Appendix D.....</b>	<b>24</b>	
	Draft Control of Borrowing Order Fund Fees Notice .....	24
<b>Appendix E .....</b>	<b>26</b>	
	Draft Funds Services Business Fees Notice.....	26

# 1 Consultation

## 1.1 Basis for consultation

- 1.1.1 The *Commission* is issuing this consultation paper in accordance with Article 8(3) of the Financial Services Commission (Jersey) Law 1998, as amended (the “**Commission Law**”), under which the *Commission* “*may, in connection with the carrying out of its functions... consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate*”.
- 1.1.2 In addition, Article 15(3) of the *Commission Law*, requires that before the *Commission* may introduce and publish any fee “*...the Commission must first publish a report that must include -*
- (a) *details of the duty or power for or in respect of which the fee is to be determined;*
  - (b) *details of the proposed fee;*
  - (ba) *details of the extent (if any) to which any penalties received have reduced the level of fee that would otherwise have been proposed;*
  - (c) *a request for comments on the level of the proposed fee; and*
  - (d) *a date, that is at least 28 days after the publication of the report, before which those comments may be made to the Commission”.*
- 1.1.3 The *Commission* considers that this consultation paper constitutes such a report as required by the *Commission Law*.

## 1.2 Who will be affected by the proposed changes?

- 1.2.1 These amendments will affect any person:
- 1.2.1.1 applying for:
    - › a registration to conduct fund services business as defined by Article 2(10) of the Financial Services (Jersey) Law 1998, as amended (the “**FS(J)L**”);
    - › a new class of fund services business;
    - › an AIF registration in Jersey;
    - › a certificate or permit under the Collective Investment Funds (Jersey) Law 1988, as amended (the “**CIF(J)L**”);
    - › a consent under the Control of Borrowing (Jersey) Order 1958, as amended (“**CoBO**”);
  - 1.2.1.2 registered to conduct fund services business under Article 2(10) of the *FS(J)L* (“**registered person**”); and
  - 1.2.1.3 that has been granted a permit under Article 7 of the *CIF(J)L* (“**permit holder**”), or a certificate under Article 8B of the *CIF(J)L* (“**certificate holder**”).

## 1.3 Responding to the consultation

- 1.3.1 The *Commission* invites comments, in writing, from interested parties on the content of this consultation paper and its likely impact on the funds industry.
- 1.3.2 To assist in analysing responses to the consultation paper, respondents are asked to prioritise comments and to indicate their relative importance.

- 1.3.3 Comments should be received by either Jersey Finance Limited or the *Commission* no later than 20 May 2016.

## 1.4 Next steps

- 1.4.1 Following this consultation, the *Commission* will publish feedback and the final fees notices. The fee tariff changes will become effective 1 July 2016.

## 2 The Commission

### 2.1 Overview

- 2.1.1 The *Commission* is a statutory body corporate established under the *Commission Law*. It is responsible for the supervision and development of financial services provided in or from within Jersey.
- 2.1.2 Article 15(2) of the *Commission Law* provides that fees set by the *Commission* are to be retained and must, together with any other income:
  - 2.1.2.1 raise sufficient income to meet the *Commission's* liabilities;
  - 2.1.2.2 cover the *Commission's* expenses; and
  - 2.1.2.3 provide a reserve for the *Commission* of such amount as it considers necessary.

### 2.2 The Commission's functions

- 2.2.1 Article 5 of the *Commission Law* prescribes that the *Commission* shall be responsible for:
  - 2.2.1.1 the supervision and development of financial services provided in or from within Jersey;
  - 2.2.1.2 providing the States, any Minister or any other public body with reports, advice, assistance and information in relation to any matter connected with financial services;
  - 2.2.1.3 preparing and submitting to the Minister recommendations for the introduction, amendment or replacement of legislation appertaining to financial services, companies and other forms of business structure;
  - 2.2.1.4 such functions in relation to financial services or such incidental or ancillary matters:
    - › as are required or authorised by or under any enactment, or
    - › as the States may, by Regulations, transfer; and
  - 2.2.1.5 such other functions as are conferred on the *Commission* by any other Law or enactment.

### 2.3 Guiding principles

- 2.3.1 Article 7 of the *Commission Law* provides that in exercising its functions the *Commission* may take into account any appropriate matter, but that it shall have particular regard to:
  - 2.3.1.1 the reduction of risk to the public of financial loss due to dishonesty, incompetence or malpractice by, or the financial unsoundness of, persons carrying on the business of financial services in or from within Jersey;
  - 2.3.1.2 the protection and enhancement of the reputation and integrity of Jersey in commercial and financial matters;
  - 2.3.1.3 the best economic interests of Jersey; and
  - 2.3.1.4 the need to counter financial crime in both Jersey and elsewhere.

## 3 Proposals

### 3.1 Proposed fee increase

- 3.1.1 The *Commission* proposes an increase in regulatory fee tariffs for *AIFs, AIFMs, certified fund certificate holders, recognized fund permit holders, CoBO funds* and *registered persons* of 7%.
- 3.1.2 The proposed fees notices can be found in Appendices B, C, D and E.

### 3.2 Operational changes

- 3.2.1 The *Commission* is currently undergoing a “change programme” with the aim of improving our regulatory effectiveness and efficiency. More information about this can be found in our recent publication: [A Changing Commission: How it affects you - Issue 1](http://www.jerseyfsc.org/pdf/Newsletters/ChangingCommissionIssue1.pdf) (available at: <http://www.jerseyfsc.org/pdf/Newsletters/ChangingCommissionIssue1.pdf>)
- 3.2.2 As part of its change programme, the *Commission* will be creating a new web portal for both the submission of data and the collection of fees; and will not be accepting cheques – registered persons will have to pay their fees using the following bank details.

<b>Bank:</b>	HSBC PO Box 14, St Helier, Jersey
<b>Account Name:</b>	Jersey Financial Services Commission
<b>Account Number:</b>	01483455
<b>Sort Code:</b>	40-25-34
<b>IBAN:</b>	GB35MIDL40253401483455
<b>BIC:</b>	MIDLGB22
<b>Payment reference:</b>	<i>JFSC invoice reference number</i>

### 3.3 Background

- 3.3.1 This consultation sets out the fees the Commission proposes to charge funds and fund service businesses for 2016/7 (1 July 2016 to 30 June 2017), and also gives an indication of possible fee increases for the sector for subsequent years. It does this by looking at the context of developments to the Commission’s funding needs as a whole.
- 3.3.2 Last year we issued a paper which consulted on possible changes to the way the Commission charges and collect fees, but not their quantum. This was [Consultation Paper No. 10 2015: Funding Review](http://www.jerseyfsc.org/pdf/Consultation-Paper-No-10-2015-Funding-Review.pdf) (available at: <http://www.jerseyfsc.org/pdf/Consultation-Paper-No-10-2015-Funding-Review.pdf>). Subject to consideration of the feedback we received on that consultation, it is intended that any changes to the way in which we charge fees will commence from 1 January 2018. If any of those changes have a knock-on effect on the amount of money we need to collect from the funds sector, then the indicative figures given in this paper for future fee periods will be adjusted accordingly (and we will continue to consult as usual on any actual future changes in fees).

- 3.3.3 The Commission's recent financial performance can be summarised as follows:
- 3.3.3.1 in 2014, the Commission's income and expenditure were in balance, but absent an exceptional Enforcement cost recovery there would have been a deficit of £958,000 (after restatement due to FRS102);
  - 3.3.3.2 in 2015, the Commission made a loss of around £639,000;
  - 3.3.3.3 while the impact of enforcement and litigation costs make forecasting uncertain, our Business Plan for 2016 predicts a loss of £379,000 for the year.
- 3.3.4 Because the Commission holds reserves, these losses have been able to be accommodated, but that position is not sustainable – and indeed as well as bringing the Commission's annual finances back into balance, the reserves need to be rebuilt to appropriate levels over a reasonable period of time. The Commission has previously signalled its intention to increase fees, including for example at our 2016 Business Plan presentation.

### 3.4 Commission Financial Position

- 3.4.1 The table below shows a summary of the Commission's actual and forecast income and expenditure for the period from 2014 to 2019. Of course, any such projections include a degree of uncertainty and the actual experience could be materially different.
- 3.4.2 The Commission's current policy on reserves is to hold an amount equal to six months of expenses plus the annual average of the last five years' investigation and litigation costs. Based on the forecast above, this would require a reserve level of some £8.4m by 2019.
- 3.4.3 As can be seen, the forecast shows that, if fees from regulated entities increase to some £13m by 2019, reserves will still be lower than the amount required by the reserves policy. As the forecast is for annual surpluses by that time, however, the Commission believes that it can extend the period by which it gets to its target reserves figure.
- 3.4.4 The costs incurred by the Commission are a combination of recurring and non-recurring. They include:
- 3.4.4.1 investment in a "change programme", covering technology and people, to create efficiencies for businesses in interacting with the Commission, and to allow the Commission to better demonstrate its effectiveness in international assessments, to facilitate and maintain market access for Jersey businesses;
  - 3.4.4.2 increased depreciation costs from the capital investment linked to the change programme;
  - 3.4.4.3 the need to recruit, maintain and train effective regulatory staff in a competitive market environment;
  - 3.4.4.4 the increasing demands placed on the Commission in terms of reacting to regulatory policy developments internationally (including the EU).

### 3.5 Summary of the Commission's actual and forecast income and expenditure for the period from 2014 to 2019

Restated	Actual	Budget	Forecast	Forecast	Forecast
2014	2015	2016	2017	2018	2019
£'000	£'000	£'000	£'000	£'000	£'000

#### Regulatory income

Regulatory fee income	10,717	11,281	11,353	11,942	12,500	13,000
Registry fee income	3,039	3,362	3,327	3,660	3,750	3,850
<b>Total regulatory income</b>	<b>13,756</b>	<b>14,643</b>	<b>14,680</b>	<b>15,602</b>	<b>16,250</b>	<b>16,850</b>
Other income	83	87	80	76	90	110
<b>Total income</b>	<b>13,839</b>	<b>14,730</b>	<b>14,760</b>	<b>15,678</b>	<b>16,340</b>	<b>16,960</b>
<b>Expenses</b>						
Staff costs	(10,445)	(11,003)	(10,608)	(11,138)	(11,500)	(11,800)
Computer systems	(832)	(873)	(1,070)	(990)	(1,000)	(1,000)
Depreciation of tangible fixed assets	(487)	(437)	(459)	(519)	(580)	(640)
Premises costs	(798)	(741)	(736)	(757)	(770)	(780)
Other operating expenses	(1,380)	(1,764)	(1,666)	(1,402)	(1,350)	(1,300)
<b>Total expenses</b>	<b>(13,942)</b>	<b>(14,818)</b>	<b>(14,539)</b>	<b>(14,806)</b>	<b>(15,200)</b>	<b>(15,520)</b>
Investigation & Litigation (Net of recoveries)	145	(551)	(600)	(650)	(650)	(650)
<b>(Deficit)/surplus for the year</b>	<b>42</b>	<b>(639)</b>	<b>(379)</b>	<b>222</b>	<b>490</b>	<b>790</b>
<b>Reserves</b>	<b>7,119</b>	<b>6,480</b>	<b>6,101</b>	<b>6,323</b>	<b>6,813</b>	<b>7,603</b>

2019 target: £8.4m

### 3.6 Regulatory fees

- 3.6.1 Total regulatory fees charged by the Commission have increased only modestly in recent times. The Commission's total regulatory fee income has increased by a compound rate of less than 2.5% per annum since 2012, a period that has seen some of the most intensive regulatory effort across the world in the post-crisis period. The fee income has also been volatile – regulatory fee income actually fell between 2013 and 2014, for example.
- 3.6.2 The Commission also receives income from its operation of the Companies Registry. The Registry will shortly be consulting on changing some of the fees it charges. The table above does not include the effect of those changes - the increasing demands on technological developments to keep the Registry operating at the forefront of international jurisdictions, as well as the development of improved/additional registers for the benefit of the Island, will likely absorb any income increases achieved, limiting the ability to apply any such extra income for the benefit of the regulated community.
- 3.6.3 Having considered all the circumstances, the Commission believes it is appropriate to undertake a rebalancing exercise to increase the level of its regulatory fees to a sustainable

base. After that point, it would be the Commission's intention to restrict further increases to that needed to meet the inflationary costs suffered by the Commission (including salaries) together with the maintenance of reserves at an appropriate level (assuming the Commission's duties are not expanded and there are no unanticipated external events which necessitate changes in resourcing).

- 3.6.4 The Commission considers that targeting a regulated fee income base of some £13m by 2019 would allow its reserves to be rebuilt over a reasonable period of time. This would be an increase of £1.7m (or some 15%) over the comparable 2015 figure. By comparison, the Guernsey Financial Services Commission's regulatory fee income in 2014 was £12.8m.

### 3.7 Fees for the funds sector

- 3.7.1 It is our intention to phase this increase in fees over the next three fee periods. Based on the existing share of regulatory fees paid by the funds sector, this would mean the Commission looking to increase the fund sector's contribution to Commission costs by some £727,500 in total by 2019. Other sectors will be asked for similar fee increases.
- 3.7.2 The Commission is proposing that the fee increase, while spread over time, is front loaded. That is, the Commission would look to collect from the funds sector:
- 3.7.2.1 £339,500 (7%) more than 2015/6 in the 2016/7 fee period;
  - 3.7.2.2 £242,500 more than 2016/7 in the second fee period; and
  - 3.7.2.3 £145,500 more than the second fee period by 2019 (making a total increase of £727,500 over 2015/6 by 2019).
- 3.7.3 The fee rates being consulted on in this paper have been set with the aim of collecting the additional first tranche of £339,500 – that is, it proposes to increase fee rates by 7% over their current levels (with appropriate rounding up).
- 3.7.4 However, because the "volume" of funds activity will vary from currently (e.g. there will be changes in the number of applications, and thus application fees, received) we are likely to end up collecting more or less than this additional amount in 2016/7 and any difference will be taken into account in subsequent consultations (including under any revised 2018 arrangements).
- 3.7.5 No financial penalties have been levied or received to the date of issuing this consultation paper.

### 3.8 Questions

- 3.8.1 Do you agree with:
- 3.8.1.1 the proposed fee tariff increases; and
  - 3.8.1.2 the proposed fee cap increase?

## Appendix A

### List of representative bodies who have been sent this consultation paper.

- › Jersey Finance Limited
- › Jersey Funds Association



## **Appendix B - Draft Alternative Investment Fund and Alternative Investment Fund Services Business Fees Notice**

### **Notice of Fees**

Published in accordance with: **Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended**

Payable by or in relation to: **AIF and AIF Services Business**

Pursuant to: **Regulation 8(2)(e) of the Alternative Investment Funds (Jersey) Regulations 2012; and  
Articles 8(3) and 9(6) of the Financial Services (Jersey) Law 1998, as amended.**

### **Commencement date**

The fees set out in this notice and the attached schedule are effective from 1 July 2015<sup>6</sup>.

### **1 Interpretation**

1.1 In this notice, unless the context otherwise requires:

AIF	means an Alternative Investment Fund within the meaning of the Regulations.
CIF Law	means the Collective Investment Funds (Jersey) Law 1988, as amended.
Certified Fund	means an unclassified fund in respect of which a certificate has been granted by the Commission under Article 8B of the CIF Law.
Directive	Directive 2011/61/EU of the European Union and Parliament.
FS(J)L	means the Financial Services (Jersey) Law 1998, as amended.
Regulations	means the Alternative Investment Funds (Jersey) Regulations 2012, as amended.
Recognized Fund	means a recognized fund in respect of which a certificate has been granted by the Commission under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003.
Recognized Fund Functionary	means a person who holds a permit as a functionary of a Recognized Fund under the CIF Law.

## 2 Application fee

2.1 For the purposes of Regulation 8(2)(e) of the Regulations (which Regulation allows the publication of fees that are to accompany applications for registration), a fee of ~~£1,000~~ £1,070 is published in respect of applications for a certificate to be granted under the Regulations. The application fee is payable in respect of:

- 2.1.1 any AIF registered in Jersey (company, limited partnership or limited liability partnership); or
- 2.1.2 any AIF which is a Jersey trust that is a unit trust.

*For the avoidance of doubt, an AIF which is Certified Fund or a Recognized Fund is not required to pay an application fee under this notice.*

## 3 Application Fee - AIF services business

3.1 For the purposes of Article 8(3)(c) of the FS(J)L (which Article allows the publication of fees that are to accompany applications for registration), a fee of ~~£1,000~~ £1,070 is published in respect of applications for registration under Article 2(11) of the FS(J)L to carry on Class ZL (Manager of an AIF) AIF services business.

*For the avoidance of doubt, a person is not required to pay an application fee under this notice where the person is:*

- › *registered to carry on any one or more classes of fund services business under Article 2(10) of the FS(J)L; or*
- › *a Recognized Fund Functionary;*

*where the classes or functions of that person include the same classes or functions as the AIF services business.*

## Appendix C Draft Collective Investment Funds Fees Notice

### Notice of Fees

Published in accordance with: **Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended**

Payable by or in relation to: **Collective Investment Funds**

Pursuant to: **Articles 6(1), 7(12), 8A(2)(e) and 8B(13) of the Collective Investment Funds (Jersey) Law 1988, as amended; and Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended.**

### Commencement date

The fees set out in this notice and the attached schedule are effective from 1 July 2015<sup>6</sup>.

### Interpretation

In this notice, unless the context otherwise requires:

cell, cell company, company, incorporated cell company, and protected cell company	each has the same meaning as in the Companies (Jersey) Law 1991.
certificate holder	means a company, trustee, general partner, or limited liability partnership to whom a certificate has been granted under Article 8B of the Law in respect of a certified fund.
certified fund	means a collective investment fund in relation to which a certificate that is in force has been granted under Article 8B of the Law.
Commission	means the Jersey Financial Services Commission.
fund service provider	means a person who is or would be required to be registered under the Financial Services (Jersey) Law 1998 to carry on fund services business in relation to a collective investment fund that is or would be required to be a certified fund.

Law	means the Collective Investment Funds (Jersey) Law 1988, as amended. Effective from 1 July 2015 Page 1 of 8
permit holder	means a person to whom a permit has been granted under Article 7 of the Law in respect of a recognized fund.
pool of assets	means a collective investment fund, except that where such a collective investment 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 – <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>

## RECOGNIZED FUNDS

### 1 Application for a functionary permit (Article 6(1)(f) of the Law)

- 1.1 Subject to paragraph 3.6, the fee that is to accompany an application for a permit to be a functionary of a collective investment fund shall be ~~£1,700~~ £1,820

### 2 Fees payable by a permit holder (Article 7(12) of the Law)

#### On the grant of a first permit

- 2.1 Subject to paragraphs 3.2 and 4.1, a person who was not a permit holder immediately prior to the grant of a permit, shall pay a fee determined in accordance with Schedule 1, in respect of the issue by the Commission of a permit under Article 7(1) of the Law. The fee is due one month after the date of the permit.
- 2.2 If the date of the permit in respect of which a fee is payable is other than 1 July, the fee payable under this section shall be 1/12 of the amount specified by paragraph 3.1 for each complete month between the grant of that permit and 1 July next following.

#### Annual Fee

- 2.3 Subject to paragraph 4.1 of this Notice, a permit holder shall pay a fee in respect of the aggregate of the number of pools of assets in relation to which the person holds one or more permits on 1 July each year. The amount of the fee shall be determined in accordance with Schedule 1. The fee is due on 31 July the same year.

### **New pool of assets**

- 2.4 Subject to paragraph 3.6 of this notice, a permit holder that is either a company issuing units or the trustee of a unit trust shall pay, at the time of application, a fee of ~~£750~~ £810 in respect of each new pool of assets to be added to a collective investment fund.

### **Transfers of certain functions to cells**

- 2.5 An application by a permit holder that is a company, (but not a cell company, incorporated cell company, protected cell company or a cell), for a permit to be varied in relation to the company becoming a cell company, incorporated cell company, protected cell company or a cell, shall be accompanied by fee of ~~£2,000~~ £2,140.
- 2.6 If a permit holder is liable to pay the fee set by paragraph 3.5, no further fee shall be payable under either paragraph 2.1 or, in the event that one or more pools of assets are added concurrently, under paragraph 3.4.

## **3 Cell Companies**

- 3.1 The total of the fees payable under paragraphs 3.1 to 3.3 by, or in respect of, the incorporated cells of an incorporated cell company and, as the case requires, that company, that apply to become or are permit holders under Article 7 of the Law shall be the same as the total amount that would be payable under those paragraphs 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.

## **CERTIFIED FUNDS**

### **4 Application for certificate (Article 8A(2)(e) of the Law)**

- 4.1 Subject to paragraphs 5.2 and 5.3, a person who applies for a certificate in relation to a collective investment fund shall pay a fee that is the sum of –
- 4.1.1 ~~£1,700~~ £1,820; and
- 4.1.2 ~~£1,700~~ £1,820 in respect of each fund service provider in relation to the collective investment fund.
- 4.2 Where two or more persons apply, at the same time, for certificates in relation to a collective investment fund in respect of which no other person currently holds a certificate, each of those applicants shall pay a fee that is the sum of:
- 4.2.1 the amount payable by one applicant in relation to the collective investment fund, in accordance with paragraph 5.1; and
- 4.2.2 ~~£1,700~~ £1,820 for each of the second and any additional applicant, divided by the number of applicants.

- 4.3 A person who applies for a certificate in relation to a collective investment fund –
- 4.3.1 in respect of which at least one other person already holds a certificate; or
  - 4.3.2 in a case where the certificate applied for would replace a certificate granted to another person in relation to the collective investment fund,
- shall pay a fee of ~~£1,700~~ £1,820.

## **5 Fee in respect of grant of certificate (Article 8B(13)(b) of the Law)**

- 5.1 A fee shall be paid by a certificate holder in respect of the grant of a certificate.
- 5.2 The fee must be paid no later than one month after the day on which the certificate is issued.
- 5.3 Subject to paragraphs 6.4 and 6.5, the fee shall be the amount specified in Schedule 2 applicable in the case of the collective investment fund to which the certificate relates, according to the total number of pools of assets in the collective investment fund on the day on which the certificate is issued.
- 5.4 If a certificate is granted on a day other than 1 July, the fee payable under paragraph 6.1 shall be 1/12th of the amount specified in paragraph 5.3 for each complete month between the grant of the certificate and 1 July next following.
- 5.5 Where:
- 5.5.1 a certificate is or certificates are granted in respect of one or more cells of an incorporated cell company and, as the case requires, in respect of that company; and
  - 5.5.2 the Commission is satisfied that the structure of the company and the cells of the company is equivalent to that of an umbrella fund,
  - 5.5.3 the total of the fees determined in accordance with paragraphs 6.3 and 6.4 in respect of the cells and, as the case requires, the company, shall be the same as the total amount that would be determined in accordance with those paragraphs in the case of the grant of a certificate in relation to a protected cell company with the same number of cells.

## **6 Annual fee (Article 8B(13)(a) of the Law)**

- 6.1 A fee shall be paid by a person who, on the 1 July in a year, is a certificate holder.
- 6.2 The fee must be paid no later than 31 July in that year.
- 6.3 The fee is whichever is the lesser of:
- 6.3.1 the sum of the annual amounts for every collective investment fund in relation to which the person is a certificate holder on 1st July in that year; and
  - 6.3.2 ~~£70,000~~ £75,000.
- 6.4 Subject to paragraph 7.5, the annual amount for a collective investment fund is the amount specified in the table in Schedule 2 applicable in the certificate holder's case according to the total number of pools of assets in the collective investment fund on that day.

6.5 Paragraph 6.5 applies for the purposes of determining the fees payable under this section in relation to a collective investment fund that is any combination of an incorporated cell company and one or more cells of that company as it applies for the purpose of section 6.

## **7 Fee for alteration of certificate (Article 8B(13)(b) of the Law)**

7.1 Subject to paragraph 8.3, a certificate holder who applies for a certificate in relation to a collective investment fund to be altered so as to add one or more pools of assets to the pools of assets specified in the certificate shall pay a fee of ~~£750~~ £810 for each pool of assets so added.

7.2 A fee of ~~£2,000~~ £2,140 shall be paid by a certificate holder in relation to a collective investment fund that is a company (but not a cell company, incorporated cell company, protected cell company or a cell) who applies for the certificate in relation to the collective investment fund to be altered so as to allow the company to become a cell company, incorporated cell company, protected cell company or cell.

7.3 A certificate holder who applies, at the same time, for a certificate to be altered as described in both paragraphs 8.1 and 8.2 shall only be liable to pay the fee due under paragraph 8.2.

7.4 A fee of ~~£250~~ £270 shall be paid by a certificate holder who applies for a certificate in relation to a collective investment fund to be altered so as to reflect all or any of the following –

7.4.1 a change of the name of the collective investment fund or of a pool of assets of the collective investment fund;

7.4.2 a change of the name of the certificate holder on a fund certificate;

7.4.3 the removal of a pool of assets from the collective investment fund; and

7.4.4 the addition, alteration or removal of conditions pursuant to the application of the certificate holder.

7.5 A fee payable under this section must be paid at the time the application is made.

7.6 A certificate holder who pays an application fee under section 8 is not also liable to pay an application fee under section 5 or, upon the issue of the altered certificate, a fee under Section 6.

## **8 Fee for increase in fund service providers (Article 8B(13)(b) of the Law)**

8.1 Subject to paragraph 9.2, where the number of fund service providers in relation to a collective investment fund is increased from the number of such fund service providers that were taken into account in calculating the fee under paragraph 5.1, a fee of ~~£1,700~~ £1,820 shall be paid by the certificate holder in respect of each fund service provider so added.

8.2 Where there is more than one certificate holder in relation to a collective investment fund, the certificate holders shall be jointly and severally liable to pay the fee that would be payable by a single certificate holder under paragraph 9.1.

8.3 The fee payable under this section must be paid at the time the number of fund service providers in relation to the collective investment fund is increased.

**RECOGNIZED FUNDS AND CERTIFIED FUNDS****9 Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended****Late payment of fees**

- 9.1 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, unless otherwise agreed by the Commission, an additional late payment fee of 5% of the amount unpaid for each complete month that it remains unpaid.

**Late filing fees**

- 9.2 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 1

### Recognized Funds

#### Calculation of fees payable

On the grant of a first permit (paragraph 3.1); and

On 1 July each year (paragraph 3.3)

Number of pools of assets	Fee
0 - 1	<del>£5,400</del> £5,780
2 - 4	<del>£6,050</del> £6,480
5 - 9	<del>£6,700</del> £7,170
10 - 19	<del>£8,050</del> £8,620
20 or more	<del>£9,400</del> £10,060

## Schedule 2

### Certified Funds

#### Calculation of fees payable

On the grant of a certificate (paragraph 6.3); and

On 1 July each year (paragraph 6.4)

Number of pools of assets	Fee
0-1	(a) where the certificate holder is a company issuing units or a trustee of a unit trust – <del>£2,800</del> £3,000 (b) in any other case – <del>£1,100</del> £1,180
2 - 4	<del>£3,600</del> £3,860
5 - 9	<del>£4,650</del> £4,980
10 - 19	<del>£6,200</del> £6,640
20 - 49	<del>£7,750</del> £8,300
50 - 99	<del>£10,850</del> £11,610
100 - 149	<del>£15,500</del> £16,590
150 - 199	<del>£20,650</del> £22,100
200 or more	<del>£27,900</del> £29,860

## Appendix D - Draft Control of Borrowing Order Fund Fees Notice

### Notice of fees

Published in accordance with: **Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended; and**  
**Article 12A of the Control of Borrowing (Jersey) Order 1958.**

Payable by or in relation to: **Control of Borrowing (Jersey) Order**

Pursuant to: **Control of Borrowing (Jersey) Order 1958; and**  
**Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended.**

### Commencement date

The fees set out in this notice are effective for the period from 1 July 2015~~6~~.

### 1 Interpretation

#### 1.1 In this notice –

AIF	means an Alternative Investment Fund within the meaning of the Alternative Investment Funds (Jersey) Regulations 2012, as amended.
CIF(J)L	means the Collective Investment Funds (Jersey) Law 1988, as amended.
CoBO	means the Control of Borrowing (Jersey) Order 1958, as amended.
CoBO only fund	means a fund which falls within the definition of a collective investment fund in Article 3 of the CIF(J)L except that the offer of units in the scheme or arrangement is not an offer to the public within the meaning of that Article, and which has not been granted a consent as either a PPF or a VPF.
Commission	means the Jersey Financial Services Commission.
PPF	means a private placement fund which falls within the definition of a collective investment fund in Article 3 of the CIF(J)L except that the offer of units in the scheme or arrangement is not an offer to the public within the meaning of that Article, which has been granted a consent pursuant to the Jersey Private Placement Fund Guide and which is not a VPF.
VPF	means a very private fund which has been issued with a consent under CoBO where offers or any other invitations for initial

subscriptions into the fund shall not exceed fifteen and the number of investors in the fund shall not exceed fifteen.

## **2 Application fee**

- 2.1 For the purposes of Article 12A of the CoBO, the following fees shall be payable in respect of an application for a CoBO consent to the Funds Division of the Commission:
- 2.1.1 a fee of ~~£1,000~~ £1,070 in respect of any fund which is applying to the Funds Division of the Commission for the issue of a CoBO consent to be a CoBO only fund or a PPF; or
  - 2.1.2 a fee of ~~£300~~ £330 in respect of any application to the Funds Division of the Commission for the issue of a CoBO consent which is not subject to the fee specified in 2.1.1 above (which, for the avoidance of doubt, shall include an application in respect of any fund which is applying for the issue of a CoBO consent to be a VPF).
- 2.2 No fee shall be levied in respect of any application for a CoBO consent from the Funds Division of the Commission where the relevant application forms part of an application for a certificate to be an AIF and is accompanied by the appropriate AIF fee in accordance with the Notice of Fees for AIF and AIF Services Business.

## Appendix E - Draft Funds Services Business Fees Notice

### Notice of Fees

Published in accordance with: **Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended**

Payable by or in relation to: **Fund Services Business**

Pursuant to: **Articles 8(3) and 9(6) of the Financial Services (Jersey) Law 1998, as amended; and**  
**Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended**

#### Commencement date

The fees set out in this notice and the attached schedule are effective for the period from 1 July 2015~~6~~.

#### 1 Interpretation

1.1 In this notice –

registered person	means a person registered under the Law to carry on fund services business.
participating member	in respect of an affiliation, means a member of the affiliation who is not its affiliation leader.
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.
Law	means the Financial Services (Jersey) Law 1998 as amended;
Schedule	means the Schedule attached to this notice of fees.
unregulated fund	has the same meaning as in the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008, as amended.

#### 2 Application fee

2.1 The fee that is to accompany an application for registration of a person to carry on fund services business shall be ~~£2,100~~ £2,250.

#### 3 Fees payable by a registered person (Article 9(6) of the Law)

**When the Commission issues the registration**

- 3.1 Subject to paragraph 3.2, a fee determined in accordance with the Schedule attached shall be paid by a registered person in respect of the issue by the Commission of the registration certificate in accordance with Article 9(2) of the Law. The fee is due one month after the date of the registration certificate.
- 3.2 If the date of the registration certificate is other than 1 July, the fee payable under this Article shall be 1/12 of the amount specified by paragraph 3.1 for each complete month between the date of the registration certificate and 1 July next following.

#### **Annual Fee**

- 3.3 A person who, on 1 July in any year is a registered person shall pay a fee determined in accordance with the Schedule attached to this notice (subject to paragraph 3.4) in respect of the number of pools of assets, other than any pool of assets that is an unregulated fund, in relation to which the person is registered to carry on fund services business. The fee is due on 31 July the same year.
- 3.4 The fee payable by a registered person who on 1 July acts only for one or more unregulated funds shall be the fee applicable to zero pools of assets.

#### **4 Fees pursuant to Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended**

##### **Late payment of fees**

- 4.1 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, unless otherwise agreed by the Commission, an additional late payment fee of 5% of the amount unpaid for each complete month that it remains unpaid.

##### **Late filing fees**

- 4.2 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 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

### Calculation of fees payable

On the grant of a registration certificate (paragraph 3.1); and

On 1 July each year (paragraph 3.3)

Number of pools of assets	Fee
0 - 1	<del>£3,500</del> £3,750
2 - 4	<del>£4,650</del> £4,980
5 - 9	<del>£5,700</del> £6,100
10 - 19	<del>£7,250</del> £7,760
20 - 49	<del>£9,300</del> £9,960
50 - 99	<del>£12,400</del> £13,270
100 - 149	<del>£18,100</del> £19,370
150 - 199	<del>£24,800</del> £26,540
200 or more	<del>£33,100</del> £35,420

DRAFT