



Jersey Financial  
Services Commission

# A consultation on proposals regarding fee rates and associated issues

Financial Services (Jersey) Law 1998:

Trust Company Business Fees

General Insurance Mediation Business Fees

Money Service Business Fees

Issued: October 2017

Consultation No. 9 2017

## Consultation Paper

The Jersey Financial Services Commission (JFSC) invites comments on this consultation paper. Comments should reach Jersey Finance Limited by 1 December 2017.

Responses should be sent to:

### **Peggy Gielen**

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 836006  
Office Line: +44 (0) 1534 836000  
Email: [peggy.gielen@jerseyfinance.je](mailto:peggy.gielen@jerseyfinance.je)

Alternatively, responses may be sent directly to the JFSC by 1 December 2017. 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 JFSC.

The JFSC contact is:

### **John Everett**

Deputy Director General  
Jersey Financial Services Commission  
PO Box 267  
14-18 Castle Street  
St Helier  
Jersey  
JE4 8TP

Telephone: +44 (0) 1534 822021  
Email: [j.everett@jerseyfsc.org](mailto:j.everett@jerseyfsc.org)

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

**It is the policy of Jersey Finance Limited (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

Commission Law	Financial Services Commission (Jersey) Law 1998, as amended
CP	Consultation paper
GIMB	General Insurance Mediation Business
JFSC	Jersey Financial Services Commission
MSB	Money Service Business
TCB	Trust Company Business

# 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 .....	5
1.4	Next steps.....	5
<b>2</b>	<b>The JFSC .....</b>	<b>7</b>
2.1	Overview .....	7
2.2	The JFSC's functions .....	7
2.3	Guiding principles.....	7
<b>3</b>	<b>Trust Company Business fee proposals.....</b>	<b>9</b>
3.1	Proposed changes to fee rates and associated issues.....	9
3.2	Details.....	9
3.3	Question .....	10
<b>4</b>	<b>General Insurance Mediation Business fee proposals .....</b>	<b>11</b>
4.1	Proposed changes to fee rates and associated issues.....	11
4.2	Details.....	11
4.3	Question .....	12
<b>5</b>	<b>Money Service Business fee proposals .....</b>	<b>13</b>
5.1	Proposed changes to fee rates and associated issues.....	13
5.2	Question .....	13
	<b>Appendix A - List of representative bodies who have been sent this consultation paper.....</b>	<b>14</b>
	<b>Appendix B - Draft Trust Company Business Fees Notice .....</b>	<b>15</b>
	Schedule: Fees.....	18
	<b>Appendix C - Draft General Insurance Mediation Business Fees Notice .....</b>	<b>20</b>
	<b>Appendix D - Draft Money Service Business Fees Notice .....</b>	<b>25</b>

# 1 Consultation

## 1.1 Basis for consultation

- 1.1.1 The JFSC is issuing this consultation paper in accordance with Article 8(3) of the Financial Services Commission (Jersey) Law 1998, as amended (Commission Law), under which the JFSC “*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 JFSC 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 JFSC”.*
- 1.1.3 The JFSC 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 all persons registered under the Financial Services (Jersey) Law 1998 to conduct trust company business (**TCB**), general insurance mediation business (**GIMB**) and/or money service business (**MSB**) and persons that are issued with a registration certificate for such business on or after 1 January 2018.
- 1.2.2 No penalties have been received by the JFSC which would reduce the level of fees being proposed.

## 1.3 Responding to the consultation

- 1.3.1 The JFSC invites comments, in writing, from interested parties on the content of this consultation paper.
- 1.3.2 Comments should be received by either Jersey Finance Limited or the JFSC no later than 1 December 2017.

## 1.4 Next steps

- 1.4.1 Following this consultation, the JFSC will publish feedback and the final fees notices. **Relevant information must be submitted and registration fees paid by 31 January 2018, otherwise additional charges will be due.**

- 1.4.2 We are consulting in this paper on changes to the administration of charges made for late submission of fees information and/or late payment of fees. Registered persons' attention is also drawn to section 4.2 of CP No. 6 (2017)<sup>1</sup>, in which we propose that failure to comply with the JFSC's fees process can be considered a breach of Principle 6<sup>2</sup> of the Codes of Practice (requirement to deal with the JFSC in an open and co-operative manner).

---

<sup>1</sup> Available at <https://www.jerseyfsc.org/media/1447/consultation-paper-no-6-2017-amendments-to-codes.pdf>.

<sup>2</sup> Principle 5 in the case of Money Service Business.

## 2 The JFSC

### 2.1 Overview

- 2.1.1 The JFSC 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 JFSC are to be retained and must, together with any other income:
  - 2.1.2.1 raise sufficient income to meet the JFSC's liabilities;
  - 2.1.2.2 cover the JFSC's expenses; and
  - 2.1.2.3 provide a reserve for the JFSC of such amount as it considers necessary.

### 2.2 The JFSC's functions

- 2.2.1 Article 5 of the Commission Law prescribes that the JFSC 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:
    - 2.2.1.4.1 as are required or authorised by or under any enactment, or
    - 2.2.1.4.2 as the States may, by Regulations, transfer; and
  - 2.2.1.5 such other functions as are conferred on the JFSC 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 JFSC may take into account any appropriate matter, but that it shall have particular regard to:
  - 2.3.1.1 the reduction of the 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 Trust Company Business fee proposals

### 3.1 Proposed changes to fee rates and associated issues

- 3.1.1 The JFSC proposes to:
- 3.1.1.1 increase fee rates for TCBs by 4.5% for 2018;
  - 3.1.1.2 remove the charging limit that applies above 200 employees;
  - 3.1.1.3 increase the monetary level of the firm fee “cap” by 4.5% and the related percentage to 80%;
  - 3.1.1.4 make amendments to the definition of “trust company business employee”; and
  - 3.1.1.5 make changes to the application of charges for late payment of fees and/or late submission of fees information.
- 3.1.2 The draft fees notice reflecting the proposals can be found in Appendix B.

### 3.2 Details

- 3.2.1 In last year’s fees consultation (CP No.9 (2016)) we set out details of the JFSC’s financial position and our proposals for TCB fees up until 2019. We said that we wished to collect £2.56m in fees from the sector in 2017, £2.66m in 2018 and £2.76m in 2019.
- 3.2.2 All other things being equal, this would imply a 4% increase in fee rates would have been needed between 2017 and 2018 to raise the planned £2.66m for 2018.
- 3.2.3 Our latest management accounts indicate that we will fall just short of collecting the £2.56m planned for 2017. Although we do not intend to use the 2018 fees to recover this shortfall, we need to try to ensure that we do recover the correct amount we have budgeted for in 2018. So earlier this year we asked firms to supply their latest employee numbers so we could carry out some modelling.
- 3.2.4 Based on the information we received, we propose the following changes for 2018, with the aim of raising the planned £2.66m:
- 3.2.4.1 increase fee rates (including application fees) across the board by 4.5% rounded to the nearest £1;
  - 3.2.4.2 remove the cap which means that no charge is made for any “trust company business employees” above the first 200. Given that there is a general fee “cap” that applies at firm level, it seems inappropriate to also have a secondary cap at employee level. We propose that the fee rate that applies for employees 101 – 200 will also apply above 200;
  - 3.2.4.3 increase the rate at which the firm fee “cap” applies to be the greater of the 2017 level plus 4.5% (rounded to the nearest £10) or 80% of the fee that would otherwise apply (currently 75%);

- 3.2.4.4 amend the definition of “trust company business employee” to match what we asked firms for in our data collection exercise (which had the aim of clarifying which employees should be included compared to the current definition); and
- 3.2.4.5 amend the rules applying to late payment of fees to have the effect that:
  - 3.2.4.5.1. fees are due to be paid by 31 January 2018 and interest will start to accrue immediately if the amount due has not been paid in full; and
  - 3.2.4.5.2. if information to calculate fees has not been supplied by 31 January 2018 a flat rate charge will be made, and then made again every month if the information remains outstanding. This charge will operate in addition to the interest due on overdue payments.
- 3.2.5 As we also noted last year, changes in the number of TCB licences and/or employees (and/or authorisation income) may mean that we raise more or less than our target amount of fees in 2018. Any such difference will be taken into account in setting fee rates for 2019.

### 3.3 Question

- 3.3.1 Do you agree with the proposals for changes to TCB fee rates and associated issues?

## 4 General Insurance Mediation Business fee proposals

### 4.1 Proposed changes to fee rates and associated issues

4.1.1 The JFSC proposes to:

- 4.1.1.1 increase the fee for those GIMBs currently paying £46 to £51;
- 4.1.1.2 increase the fee rates for GIMBs in the lowest charging bands by 5%;
- 4.1.1.3 increase the fee rates for other GIMBs by 10%; and
- 4.1.1.4 make changes to the application of charges for late payment of fees and/or late submission of fees information.

4.1.2 The draft fees notice reflecting the proposals can be found in Appendix C.

### 4.2 Details

- 4.2.1 In last year's fees consultation (CP No.11 (2016)) we increased GIMB fee rates for the first time since 2010. The increase in fee rates that we put in place (15%) did not match the increase in inflation since the previous change (16.2%). The annual rate of inflation between September 2016 and September 2017 has been an additional 3.1%.
- 4.2.2 We explained in last year's fee consultation that the JFSC was undertaking a programme to increase its fees from 'regulated' entities to £13m by 2019. That amount represents an increase of 15% from their 2015 level of £11.3m. We explained that this level of fee income was necessary for the JFSC to carry out its duties on a sustainable basis.
- 4.2.3 All industry sectors have been placed on this '15% increase' fees pathway<sup>3</sup>.
- 4.2.4 Our fee income from GIMBs was £108k in 2015, implying a target fee income of £124k by 2019.
- 4.2.5 We had hoped that the fee rate increase last year would have helped us make significant progress towards the 2019 target. However, our latest management accounts indicate only £105k of fee income from GIMBs in 2017 to date.
- 4.2.6 It is important to note that a specific percentage increase in *fee rates* will only lead to an equal percentage increase in *fee income* if, for example, there have been no changes in the number of licencees and the fee bands that they fall into. This has clearly not been the case with respect to GIMBs and so the desired increase in fee income has not been achieved despite the increase in fee rates.
- 4.2.7 Equally, this does not necessarily mean there has been a decline in the "quantity" of business carried on: the business may be concentrated in fewer licence holders, or movement between fee bands may have suppressed fee income.

---

<sup>3</sup> See CP Nos. 2, 5, 9, 10 and 12 (2016) and CP No. 1 (2017).

- 4.2.8 While some further application fee income may flow in before the end of the year, the JFSC needs to set fee rates for 2018 (and subsequently 2019) to try to reach the 2019 £124k target. We propose to try to achieve fee income of £114k in 2018 as a step towards that target.
- 4.2.9 For 2018, we propose the following changes:
- 4.2.9.1 increase the £46 GIMB fee to £51 (10% rounded to the nearest £1);
  - 4.2.9.2 increase the fee rates for GIMBs in the £0 - £49,999 brokerage income bands by 5% rounded to the nearest £1;
  - 4.2.9.3 increase all other GIMB fee rates (including application fees) by 10% rounded to the nearest £1; and
  - 4.2.9.4 amend the rules applying to late fees to have the effect that:
    - 4.2.9.4.1. fees are due to be paid by 31 January 2018 and interest will start to accrue immediately if the amount due has not been paid in full; and
    - 4.2.9.4.2. if information to calculate fees has not been supplied by 31 January 2018 a flat rate charge will be made, and then made again every month if the information remains outstanding. This charge will operate in addition to the interest due on overdue payments.
- 4.2.10 As set out above, because 'business mix' is not static, these changes may mean we end up collecting more or less than our desired level of fee income. Any difference will be taken into account when we consult on fee rates for 2019, next year.

### 4.3 Question

- 4.3.1 Do you agree with the proposals for changes to GIMB fee rates and associated issues?

## 5 Money Service Business fee proposals

### 5.1 Proposed changes to fee rates and associated issues

5.1.1 The JFSC proposes to:

5.1.1.1 increase fee rates (including application fees) for MSBs by 3.1% for 2018 (rounded to the nearest £1)<sup>4</sup>; and

5.1.1.2 amend the rules fees applying to late fees to the effect that fees are due to be paid by 31 January 2018 and interest will start to accrue immediately if the amount due has not been paid in full.

5.1.2 The draft fees notice reflecting the proposals can be found in Appendix D.

### 5.2 Question

5.2.1 Do you agree with the proposals for changes to MSB fee rates and associated issues?

---

<sup>4</sup> Representing the rate of inflation since the last change (September 2016 to September 2017).

## **Appendix A - List of representative bodies who have been sent this consultation paper**

- › Chartered Insurance Institute (Jersey branch)
- › Jersey Association of Trust Companies
- › Jersey Finance Limited
- › Institute of Directors (Jersey branch)
- › Jersey Chamber of Commerce
- › Jersey Compliance Officers Association
- › Jersey International Insurance Association
- › Society of Trust and Estate Practitioners (Jersey branch)

## Appendix B - Draft Trust Company 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>Trust Company Business</b>
Pursuant to:	<b>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</b>
Commencement date:	The fees set out in this notice and the attached schedule are effective for the period from 1 January – 31 December 2018

### 1 Interpretation

#### 1.1 In this notice, unless the context otherwise requires:

affiliation	in respect of a registered person or an applicant for registration, means a group of persons carrying on or intending to carry on trust company business the members of which have agreed that one member will be the affiliation leader;
affiliation leader	in respect of an affiliation, means the member of the affiliation which has agreed to be the prime source of contact between the JFSC and the members of the affiliation with respect to compliance with the JFSC's prudential rules and conduct of business regulation;
JFSC	means the Jersey Financial Services Commission;
Law	means the Financial Services (Jersey) Law 1998, as amended;
non-affiliated person	in respect of an applicant for registration or a registered person, means a person who is neither an affiliation leader nor a participating member;

trust company business employee in respect of a registered person, means –

- (a) a person employed, either under a contract of service or a contract for services, by the registered person to assist in the provision of trust company business (other than solely to provide filing, secretarial, information technology support or any similar general support service); and
- (b) if, on the relevant date there exists an agreement for the provision to the registered person of the services of such persons by another person not trading in Jersey, shall be taken to include the number of such persons as the registered person estimates would be required to be employed full time to undertake the work undertaken by the persons whose services are to be provided.

With respect to the above:

- (a) employees who do not have anything to do with trust company business (i.e. in a multi-licensed firm or an entity which also carries out unregulated business) may be excluded;
- (b) employees who are solely employed to carry out activities for the trust company itself who would never deal with clients/client matters (for example, the firm's own HR or IT support staff) may be excluded;
- (c) genuine 'facilities'-type staff who might deal with client matters but in a more 'generic' way (for example, receptionists) may be excluded;
- (d) the mention of 'secretarial' staff as an exemption does not include those carrying out client company secretarial work; and
- (e) compliance staff who work on trust company business issues are trust company business employees;

participating member in respect of an affiliation, means a member of the affiliation who is not its affiliation leader;

relevant date in respect of a year of registration of a registered person, means the 1st January in that year except in the year the person applied to be registered when it means the date of the application for registration.

- 1.1 In calculating for registration fee purposes the number of trust company business employees of a managed trust company, those trust company business employees that form part of the calculation in respect of the manager's own registration shall not be taken into account.
- 1.2 In calculating for registration fee purposes the number of trust company business employees of a registered person on the relevant date any trust company business employee employed for 25 hours or less during the week in which the relevant date occurs shall be taken into account on a 50% headcount basis (with the total number of trust company business employees being rounded up to the next full number where necessary).



## **2 Application fee**

- 2.1 The fee to accompany an application for registration to carry on trust company business shall be the amount calculated in accordance with the table set out in the Schedule.

## **3 Registration fees**

- 3.1 Except as provided by paragraph 3.4, a person registered to carry on trust company business shall pay a registration fee of an amount calculated in accordance with the table set out in the Schedule.
- 3.2 The due date for the JFSC to receive the registration fee is:
- 3.2.1 31 January 2018, if the firm is already registered on 1 January 2018; and otherwise
- 3.2.2 on registration.
- 3.3 If a person is registered after 1st July but before the following 1st January the registration fee payable on registration shall be half the fee otherwise payable.
- 3.4 The JFSC may remit a registration fee in whole or in part if –
- 3.4.1 the person liable to pay the fee is a member of an affiliation; and
- 3.4.2 in the opinion of the JFSC the total of the registration fees payable by the members of the affiliation is unreasonably high having regard to the trust company business carried on by those members.

## **4 Late payment of registration fees and/or late submission of fees information**

- 4.1 If the registration fee is not received by the JFSC by the due date, an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after the due date, and on the 1<sup>st</sup> day of each calendar month after that.
- 4.2 If the firm does not supply the required information to calculate its registration fee by the due date, an administration fee of £200 will be charged the day after the due date, and on the 1<sup>st</sup> day of each calendar month after that while the information is still outstanding. This is in addition to the late payment fee set out in paragraph 4.1 which will be calculated once the information has been submitted.

## **5 Refund of registration fee**

- 5.1 If a person's registration to carry on trust company business is revoked on or before 1st July in any year the JFSC shall refund to the person half of the registration fee paid by the person in respect of that year.

## **6 Late filing fees**

- 6.1 If a registered person fails to file or deliver any document to the JFSC under the provisions of the Law or under any 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 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.

## 7 Fee cap

- 7.1** The registration fee is subject to a fee cap of the greater of either £65,210 or 80% of the fee that would be payable absent any fee cap being in place.

### Schedule: Fees

Classes of trust company business of registered person	Application fee	Registration fee
Any class or combination of classes (not including class O or natural persons carrying on a single class of trust company business – see below)	<p>£1,359 for an application to register a non-affiliated person</p> <p>£1,359 for an application to register an affiliation leader</p> <p>£173 for an application to register a participating member</p>	<p>In the case of a non-affiliated person –</p> <p>£1,918; plus</p> <p>£676 multiplied by the number of classes of trust company business undertaken by the non-affiliated person; plus</p> <p>a sum calculated –</p> <p>(a) on the basis of a count of the trust company business employees employed on the relevant date in the trust company business of the non-affiliated person; and</p> <p>(b) at the rate of –</p> <p>£460 for each of the first 10 employees in that count</p> <p>£227 for each of the next 10 employees in that count</p> <p>£199 for each of the next 30 employees in that count</p> <p>£149 for each of the next 50 employees in that count</p> <p>£99 for each of the remainder of the employees in that count.</p> <p>In the case of an affiliation –</p> <p>£1,918 for the affiliation leader; plus</p> <p>in respect of each member of the affiliation (that is, the affiliation leader and every participating member) – the sum of £676 multiplied by the number of classes of trust company business undertaken by the member; plus</p>

Classes of trust company business of registered person	Application fee	Registration fee
		<p>a sum calculated –</p> <p>(a) on the basis of a count of the trust company business employees employed on the relevant date in the trust company business of the affiliation; and</p> <p>(b) at the rate of –</p> <p>£460 for each of the first 10 employees in that count</p> <p>£227 for each of the next 10 employees in that count</p> <p>£199 for each of the next 30 employees in that count</p> <p>£149 for each of the next 50 employees in that count</p> <p>£99 for each of the remainder of the employees in that count.</p>
<b>Class O</b>	<p>£679 for an application to register a non-affiliated person</p> <p>£679 for an application to register an affiliation leader</p> <p>£136 for an application to register a participating member</p>	<p>In the case of a non-affiliated person - £1,546.</p> <p>In the case of an affiliation – £1,546 for the leader of the affiliation, plus £532 for each participating member.</p>
<b>Natural persons carrying on a single class of trust company business</b>	£598	£676

## Appendix C - Draft General Insurance Mediation 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>General Insurance Mediation Business</b>
Pursuant to:	<b>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</b>
Commencement date:	The fees set out in this notice and the attached schedules are effective for the period from 1 January – 31 December 2018

### 1 Interpretation

#### 1.1 In this notice, unless the context otherwise requires:

brokerage income	means:  (a) in relation to a registered person who carries on general insurance mediation business activities from within Jersey, means the net retained brokerage and other income arising from such activities whether the brokerage or income arises within or outside Jersey; and  (b) in relation to a registered person who carries on general insurance mediation business activities in Jersey from outside Jersey, means the net retained brokerage and other income arising from such activities in Jersey by the registered person;
JFSC	means the Jersey Financial Services Commission;
Law	means the Financial Services (Jersey) Law 1998, as amended.

### 2 Application fee

#### 2.1 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), the fee specified in an entry in column 3 of Schedule 1 is prescribed in respect of applications for registration in relation to the class of general insurance mediation business specified in the entry opposite in column 2 of the Schedule.

- 2.2 Notwithstanding paragraph (1), if an application for registration is made by a person after 30th June in a year in relation to a class of general insurance mediation business specified in column 2 of Schedule 1, the fee prescribed under paragraph (1) shall be half the fee specified opposite that class in column 3 of the Schedule.

### 3 Annual fee

- 3.1 For the purposes of Article 9(6) of the Law (which Article allows fees payable by registered persons to be published):

(a) a person within class S of Table 1, Schedule 2, shall pay for each year of registration (other than the year in which the person is first so registered) the annual fee set out opposite that class in column 4 of Table 1, Schedule 2; and

(b) a person:

- i. who is within class P, Q or R of Table 1, Schedule 2, and
- ii. whose brokerage income for the accounting year that ended in the year before the registration year for which the fee is payable is within a range specified opposite that class in column 3 of Table 1, Schedule 2,

shall pay, for each year of registration (other than the year in which the person is first so registered) the annual fee set out in column 4 of Table 1, Schedule 2.

(c) a person:

- i. who is within class P, Q, R or S specified in Schedule 1, as determined in accordance with column 2 of that Schedule, and
- ii. who is within the description of general insurance mediation business in column 1 of Table 2, Schedule 2,

shall pay for each year of registration (other than the year in which the person is first so registered) the annual fee set out in column 2 of Table 2, Schedule 2.

### 4 Late payment of fees and/or late submission of fees information

- 4.1 The due date for the JFSC to receive the annual fee is 31 January 2018.
- 4.2 If the annual fee is not received by the JFSC by the due date, an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after the due date, and on the 1<sup>st</sup> day of each calendar month after that.
- 4.3 If the firm does not supply the required information to calculate its registration fee by the due date, an administration fee of £200 will be charged the day after the due date, and on the 1<sup>st</sup> day of each calendar month after that while the information is still outstanding. This is in addition to the late payment fee set out in paragraph 4.2 which will be calculated once the information has been submitted.

## 5 Late filing fees

- 5.1 If a registered person fails to file or deliver any document to the JFSC under the provisions of the Law or under any 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 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: Prescribed classes and application fees

Column 1	Column 2	Column 3
Class Reference	Description of class of business	Application fee
P	Carrying on general insurance mediation business (other than incidental general insurance mediation business), not carrying on any other class of financial service business and not being a business that is within Class Q.	£5,060
Q	Carrying on general insurance mediation business (including incidental general insurance mediation business):	£2,530
	(a) in addition to carrying on:	
	(i) any class of financial service business other than general insurance mediation business; or	
	(ii) any other business authorized under the Banking Business (Jersey) Law 1991, the Collective Investment Funds (Jersey) Law 1988 or the Insurance Business (Jersey) Law 1996; or	
	(b) as a company that is part of a group, where another part of the group carries on:	
	(i) any class of financial service business other than general insurance mediation business; or	
	(ii) any other business authorized under the Banking Business (Jersey) Law 1991, the Collective Investment Funds (Jersey) Law 1988 or the Insurance Business (Jersey) Law 1996.	
R	Carrying on incidental general insurance mediation business, if: (a) the business includes the giving of advice on the terms, conditions or suitability of the policy being proposed; and (b) the business to which the general insurance mediation business is incidental: (i) is not within a class of financial service business, and (ii) is not business authorized under the Banking Business (Jersey) Law 1991, the Collective Investment Funds	£2,530

Column 1	Column 2	Column 3
Class Reference	Description of class of business	Application fee
	(Jersey) Law 1988 or the Insurance Business (Jersey) Law 1996.	
S	Carrying on incidental general insurance mediation business, if: <ul style="list-style-type: none"> <li>(a) the business does not include the giving of advice on the terms, conditions or suitability of the policy being proposed; and</li> <li>(b) the business to which the general insurance mediation business is incidental:               <ul style="list-style-type: none"> <li>(i) is not within a class of financial service business, and</li> <li>(ii) is not business authorized under the Banking Business (Jersey) Law 1991, the Collective Investment Funds (Jersey) Law 1988 or the Insurance Business (Jersey) Law 1996.</li> </ul> </li> </ul>	£88

## Schedule 2: Annual fees (Table 1)

Column 1	Column 2	Column 3	Column 4
Class	Description	Brokerage Income Range	Annual fee
P	A person who is within Class P as determined in accordance with Schedule 1 and who is not a person within Table 2.	(a) £0 to £49,999	£1,630
		(b) £50,000 to £99,999	£2,561
		(c) £100,000 to £499,999	£3,416
		(d) £500,000 to £999,999	£4,269
		(e) £1,000,000 to £2,499,999	£5,123
		(f) £2,500,000 to £4,999,999	£6,831
		(g) £5,000,000 or more	£8,538
Q	A person who is within Class Q as determined in accordance with Schedule 1 and who is not a person within Table 2.	(a) £0 to £49,999	£815
		(b) £50,000 to £99,999	£1,296
		(c) £100,000 to £499,999	£1,707
		(d) £500,000 to £999,999	£2,151
		(e) £1,000,000 to £2,499,999	£2,561
		(f) £2,500,000 to £4,999,999	£3,416
		(g) £5,000,000 or more	£4,269
R	A person who is within Class R as determined in accordance with Schedule 1 and who is not a person within Table 2.	(a) £0 to £49,999	£422
		(b) £50,000 to £99,999	£663
		(c) £100,000 to £499,999	£854
		(d) £500,000 to £999,999	£1,075

Column 1	Column 2	Column 3	Column 4
Class	Description	Brokerage Income Range	Annual fee
		(e) £1,000,000 to £2,499,999	£1,296
		(f) £2,500,000 to £4,999,999	£1,707
		(g) £5,000,000 or more	£2,151
S	A person who is within Class S as determined in accordance with Schedule 1 and who is not a person within Table 2.		£51

## Schedule 2: Annual fees (Table 2)

Column 1	Column 2
Description	Annual fee
A person who:	£51
(a) has a place of business in Jersey from which the person carries on general insurance mediation business in or from within Jersey; or	
(b) is a company incorporated in Jersey,	
and who:	
(c) is within Class P, Q, R or S as determined in accordance with Schedule 1, and	
(d) is exempted, under an Order made under Article 17 (see (i) below) or Article 20 (see (ii) below) of the Law in relation to general insurance mediation business, from the application of that Order (see (iii) below).	

- 1 Where Article 17 of the Law relates to the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005.
- 2 Where Article 20 of the Law relates to the Financial Services (General Insurance Mediation Business (Client Assets)) (Jersey) Order 2005.
- 3 Where an exemption under one or other of the General Insurance Mediation Business Orders has been granted by the Commission on the basis that the registered person is an appropriately regulated person in respect of general insurance mediation business in accordance with the criteria set out under:
  - i. Article 21(3) of the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005; and/or
  - ii. Article 20(3) of the Financial Services (General Insurance Mediation Business (Client Assets)) (Jersey) Order 2005.



## Appendix D - Draft Money Service 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>Money Service Business</b>
Pursuant to:	<b>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</b>
Commencement date:	The fees set out in this notice are effective for the period from 1 January – 31 December 2018

#### 1 Interpretation

##### 1.1 In this notice, unless the context otherwise requires:

JFSC	means the Jersey Financial Services Commission;
Law	means the Financial Services (Jersey) Law 1998, as amended.

#### 2 Application fee

- 2.1 The fee to accompany an application for registration to carry on money service business shall be £2,371. If an application for registration is made by a person after 30<sup>th</sup> June in a calendar year, the fee shall be £1,186.

#### 3 Annual fee

- 3.1 A person registered to carry on money service business at any point during the calendar year shall pay a fee of £2,371.

#### 4 Late payment of fees

- 4.1 The due date for the JFSC to receive the annual fee is:

4.1.1 31 January 2018, if the firm is already registered on 1 January 2018; and otherwise

4.1.2 on registration.

- 4.2 If the annual fee is not received by the JFSC by the due date, an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after the due date, and on the 1<sup>st</sup> day of each calendar month after that.

## **5 Late filing fees**

- 5.1 If a registered person fails to file or deliver any document to the JFSC under the provisions of the Law or under any 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 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.