



Jersey Financial  
Services Commission

# Feedback on Consultation Paper

**No. 2 2019**

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

Issued: April 2019

## Consultation Feedback

This paper reports on responses received by the JFSC to its Consultation Paper No.2 2019 (Investment 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.2 2019 in February, proposing an increase in investment business fee rates at the rate of inflation for the calendar year 2018 (3.9%).
- 1.1.2 Two responses to the consultation were received, either by the JFSC directly or by Jersey Finance. Summaries of the responses and our feedback are set out in section 2, Consultation feedback.
- 1.1.3 In light of the feedback received, we are proceeding to change the fee rates. The final fees notice can be found in Appendix A and on our website.

## 1.2 Next steps

- 1.2.1 Relevant firms will shortly receive notification via the myJFSC portal that an invoice is ready for them, or that investment employee data needs to be supplied for an invoice to be generated. The due date for payment is 31 May (i.e. data must be supplied *and* the invoice paid by 31 May). If payment is not made by then, late fees may be incurred as detailed in the fees notice.

# 2 Consultation feedback

## 2.1 Feedback received

- 2.1.1 The JFSC and Jersey Finance received two responses to the consultation. Both were from regulated firms.
- 2.1.2 One of the firms stated that they had no concerns and the other that they were supportive of the JFSC's proposal.
- 2.1.3 JFSC response: We would like to thank respondents for taking the time to provide feedback, and having taken this into account, we have proceeded with the fee changes consulted on.

## Appendix A - Investment 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>Investment 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 May 2019 – 30 April 2020

#### 1 Interpretation

1.1 In this notice, unless the context otherwise requires -

investment employee	<p>in respect of a registered person, means:</p> <p>(a) a person employed on the relevant date either under a contract of service or a contract for services by the registered person as:</p> <ul style="list-style-type: none"> <li>(i) a dealer,</li> <li>(ii) a discretionary investment manager,</li> <li>(iii) an adviser, or</li> <li>(iv) a supervisor; and</li> </ul> <p>(b) a person employed on the relevant date either under a contract for service or a contract for services in any of the categories of work specified in paragraph (a) of this definition by a person who is himself or herself employed on the relevant date either under a contract of service or a contract for services by the registered person<sup>1</sup>,</p> <p>and if, on the relevant date, there exists a post in the service of the registered person that is vacant but would normally be occupied by a person to which paragraph (a) of this definition applies, includes that person</p>
JFSC	means the Jersey Financial Services Commission
Law	means the Financial Services (Jersey) Law 1998, as amended

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<sup>1</sup> In practice this captures 'indirect' investment employees who are employed by third parties to conduct these roles on behalf of the registered person.

registered person	means a person registered under the Law to carry on investment business
relevant date	means 1 April 2019, or the date of the application for registration if such application occurs between 1 May 2019 and 30 April 2020
Supervisor	means a person who is responsible, either alone or jointly with one or more other persons, for the management, supervision and control of an investment employee who is not a supervisor

## **2 Application fee**

2.1 The fee to accompany an application for registration to carry on investment business shall be the amount specified in the table set out in the Schedule.

## **3 Annual fee**

3.1 A person registered to carry on investment business at any point during the period 1 May 2019 to 30 April 2020 shall pay a fee calculated in accordance with the table set out in the Schedule.

3.2 If a person is registered after 31 December 2019 the annual fee payable on registration shall be half the fee otherwise payable.

3.3 The JFSC may remit an annual fee, in whole or in part, if:

- a. in its opinion the person liable to pay the fee is a member of an associated group of registered persons; and
- b. another member of that group has paid a like fee.

## **4 Late payment of fees**

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

4.1.1 31 May 2019, if the firm is already registered on 1 May 2019; and otherwise

4.1.2 The date an application is granted.

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 annual 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

<i>Classes of investment business</i>	<i>Application fee</i>	<i>Annual fee</i>
Class A, B or C or any combination of these classes	£1,812	(i) £2,937;  (ii) £2,050 for each of the first 15 investment employees; and  (iii) £1,063 for each additional investment employee, up to a maximum of 25 additional investment employees.
Class D only	£903	(i) £2,715;  (ii) £1,063 for each of the first 15 investment employees; and  (iii) £531 for each additional investment employee, up to a maximum of 25 additional investment employees.
Class E only	£903	£1,063 for each fund in respect of which the applicant or registered person carries on investment business on the relevant date.