



Jersey Financial
Services Commission

Feedback on Consultation Paper

No. 11 2016

General Insurance Mediation Business Fees – Feedback to a consultation on proposals to increase fees

Issued: February 2017

Consultation Feedback

This paper reports on responses received by the Jersey Financial Services Commission to its Consultation Paper No.11 2016 (General Insurance Mediation Business Fees – Consultation on proposals to increase fees).

Glossary of Terms

Commission/JFSC	Jersey Financial Services Commission
GIMB	General Insurance Mediation Business

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1 Executive Summary

1.1 Overview

- 1.1.1 We issued Consultation Paper No.11 2016 in December 2016, proposing a 15% increase in GIMB fee rates.
- 1.1.2 No responses to the consultation were received, either by the JFSC directly or by Jersey Finance.
- 1.1.3 We are therefore proceeding to increase the fees for GIMBs to the levels consulted on. 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 either that an invoice is ready for them (where a flat fee is due) or inviting the submission of brokerage income (after which an invoice will be generated).
- 1.2.2 The due date for payment is 30 days from the invoice date. If payment is not made, late fees may be incurred as detailed in the fees notice.

Appendix A – General Insurance Mediation 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: **General Insurance Mediation 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 schedules are effective for the period from 1 January – 31 December 2017

Interpretation

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

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, 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.

3.2 For the purposes of Article 9(6) of the Law (which Article allows the intervals at which a fee prescribed under that Article is payable to be published), the fee referred to in paragraph (1) is payable, for any year in which the person is registered (other than the year in which the person is first so registered), 30 days from the issue of the relevant invoice.

4 Late payment of registration fees

4.1 If a registered person fails to pay, with value, 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 it remains unpaid.

5 Late filing fees

5.1 If a registered person fails to file or deliver any document to the Commission 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 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: 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.	£4,600
Q	Carrying on general insurance mediation business (including incidental general insurance mediation business): (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.	£2,300
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 (Jersey) Law 1988 or the Insurance Business (Jersey) Law 1996.	£2,300

Column 1	Column 2	Column 3
Class Reference	Description of class of business	Application fee
S	Carrying on incidental general insurance mediation business, if: <ul style="list-style-type: none"> <li data-bbox="379 371 1161 472">(a) the business does not include the giving of advice on the terms, conditions or suitability of the policy being proposed; and <li data-bbox="379 483 1161 775">(b) the business to which the general insurance mediation business is incidental: <ul style="list-style-type: none"> <li data-bbox="437 562 1139 598">(i) is not within a class of financial service business, and <li data-bbox="437 636 1158 775">(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. 	£80

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	£1,552
		(b) £50,000 to £99,999	£2,328
		(c) £100,000 to £499,999	£3,105
		(d) £500,000 to £999,999	£3,881
		(e) £1,000,000 to £2,499,999	£4,657
		(f) £2,500,000 to £4,999,999	£6,210
		(g) £5,000,000 or more	£7,762
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	£776
		(b) £50,000 to £99,999	£1,178
		(c) £100,000 to £499,999	£1,552
		(d) £500,000 to £999,999	£1,955
		(e) £1,000,000 to £2,499,999	£2,328
		(f) £2,500,000 to £4,999,999	£3,105
		(g) £5,000,000 or more	£3,881
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	£402
		(b) £50,000 to £99,999	£603
		(c) £100,000 to £499,999	£776
		(d) £500,000 to £999,999	£977
		(e) £1,000,000 to £2,499,999	£1,178
		(f) £2,500,000 to £4,999,999	£1,552
		(g) £5,000,000 or more	£1,955
S	A person who is within Class S as determined in accordance with Schedule 1 and who is not a person within Table 2.		£46

Schedule 2: Annual Fees (Table 2)

Column 1	Column 2
Description	Annual fee
<p>A person who:</p> <p>(a) has a place of business in Jersey from which the person carries on general insurance mediation business in or from within Jersey; or</p> <p>(b) is a company incorporated in Jersey,</p> <p>and who:</p> <p>(c) is within Class P, Q, R or S as determined in accordance with Schedule 1, and</p> <p>(d) is exempted, under an Order made under Article 17ⁱ or 20ⁱⁱ of the Law in relation to general insurance mediation business, from the application of that Orderⁱⁱⁱ.</p>	£46

ⁱ Where Article 17 of the Law relates to the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005.

ⁱⁱ Where Article 20 of the Law relates to the Financial Services (General Insurance Mediation Business (Client Assets)) (Jersey) Order 2005.

ⁱⁱⁱ 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:

1. Article 21(3) of the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005; and/or
2. Article 20(3) of the Financial Services (General Insurance Mediation Business (Client Assets)) (Jersey) Order 2005.