



# Consultation Paper

## No. 2 2017

**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**

**Financial Services (Jersey) Law 1998/Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014: QSMA Fees**

A consultation on proposals to change fee rates.

## Consultation Paper

The Jersey Financial Services Commission (**JFSC**) invites comments on this consultation paper. Comments should reach Jersey Finance Limited by 12 May 2017.

Responses should be sent to:

**Thomas Cowsill**

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

Direct Line: +44 (0) 1534 836029  
Office Line: +44 (0) 1534 836000  
Email: [thomas.cowsill@jerseyfinance.je](mailto:thomas.cowsill@jerseyfinance.je)

Alternatively, responses may be sent directly to the JFSC by 12 May 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:

**Roy Geddes**

Head of Unit, 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)

**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/JFSC	Jersey Financial Services Commission
Commission Law	Financial Services Commission (Jersey) Law 1998, as amended

# Contents

- Consultation Paper.....2**
- Glossary of Terms.....3**
- Contents .....4**
- 1 Consultation.....5**
  - 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
- 2 The Jersey Financial Services Commission .....6**
  - 2.1 Overview..... 6
  - 2.2 The JFSC’s functions ..... 6
  - 2.3 Guiding principles ..... 6
- 3 Proposals .....7**
  - 3.1 Proposed fee rate changes..... 7
  - 3.2 Fee proposals ..... 7
  - 3.3 Questions..... 8
- Appendix A - List of bodies who have been sent this consultation paper.....9**
- Appendix B - Draft Alternative Investment Fund and Alternative Investment Fund Services Business Fees Notice .....10**
- Appendix C - Draft Collective Investment Funds Fees Notice .....12**
- Appendix D - Draft Control of Borrowing Order Fees Notice .....18**
- Appendix E - Draft Fund Services Business Fees Notice.....20**
- Appendix F - Draft Qualified Segregated Managed Accounts Fees Notice .....23**

# 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 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 Commission”.*
- 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 to fees will affect any person applying for, or having already been granted a registration, certificate, permit, consent or exemption under the:
- 1.2.1.1 Financial Services (Jersey) Law 1998, as amended, in respect of fund services business;
  - 1.2.1.2 Alternative Investment Funds (Jersey) Regulations 2012;
  - 1.2.1.3 Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014;
  - 1.2.1.4 Control of Borrowing (Jersey) Order 1958;
  - 1.2.1.5 Collective Investment Funds (Jersey) Law 1998, as amended.

## 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 12 May 2017.

## 1.4 Next steps

- 1.4.1 Following this consultation, the JFSC will publish feedback and the final fees notice in the second quarter of 2017. Firms will be notified when their invoices are ready via the myJFSC portal.

## 2 The Jersey Financial Services Commission

### 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:
    - › 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 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 Proposals

### 3.1 Proposed fee rate changes

- 3.1.1 In line with the approach to fees set out in last year’s consultation, the JFSC proposes to increase FSB, AIF, CIF and CoBO fee rates by 19%<sup>1</sup> and QSMA fee rates<sup>2</sup> by 7.5%. The detailed proposals are set out below. The change in fees experienced by any specific firm will depend on its business ‘volume’ combined with the new fee rates.
- 3.1.2 No penalties have been received which would reduce these fees.
- 3.1.3 Draft fees notice reflecting the proposals can be found in Appendices B to F<sup>3</sup>.
- 3.1.4 As in 2017, fees will be administered via firms’ myJFSC portal accounts. Firms will receive an email prompt to notify them that an invoice is awaiting payment.

### 3.2 Fee proposals

- 3.2.1 In last year’s fee consultation<sup>4</sup>, the JFSC explained its intention to increase the amount of regulatory fees collected from industry by 15% above their 2015 level by 2019. We explained cost drivers, including the need to recruit, maintain and train effective regulatory staff in a competitive market environment<sup>5</sup>.
- 3.2.2 This approach has now been rolled out across the funds, banking, trust company, general insurance mediation, money service business, Schedule 2<sup>6</sup> and investment business sectors<sup>7</sup>.
- 3.2.3 With regard to fund and associated fees, we set out that this would mean collecting the following amounts of money from the sector, above the £4,850,000 collected in 2015:

2016/17	£5,189,500 (being £4,850,000 + 7%)
2017/18	£5,432,000 (being £4,850,000 + 12%)
2018/19	£5,577,500 (being £4,850,000 + 15%)

- 3.2.4 So last year we implemented a 7% increase in fee rates in order to try to collect the £5,189,500 for 2016/17. Although it is not yet the end of the fee period, our estimate is that we will fall around £300,000 short of this target.
- 3.2.5 We explained last year that it was likely that the target would be missed, because an increase in fee rates only causes an equal percentage increase in actual fees collected

<sup>1</sup> Including application fees and the fee cap, rounded to the nearest £5.

<sup>2</sup> Including application fees, rounded to the nearest £5.

<sup>3</sup> With respect to the CoBO fees notice in Appendix D, this is currently under consultation with respect to the introduction of the Jersey Private Fund (JPF) regime (see: [http://www.jerseyfsc.org/pdf/15.03.2017-Feedback\\_Paper.pdf](http://www.jerseyfsc.org/pdf/15.03.2017-Feedback_Paper.pdf)). This consultation does not amend the proposed JPF fee rates, and the only change proposed is to the application fee for a non-JPF CoBO consent issued by the FSB/TCB authorisation team.

<sup>4</sup> CP 2 (2016), available on our website.

<sup>5</sup> In cases where Commission staff move into the industry, such training becomes of benefit to the respective firm.

<sup>6</sup> Entities registered under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008.

<sup>7</sup> As well as CP 2, see CPs 5, 9, 10, 11 and 12 (2016) and CP 1 (2017), available on our website. Please note that the proposals are still under consultation with respect to investment business.

if the volume of business which is being charged for remains identical across the two fee periods.

- 3.2.6 In the case of funds and fund services business, where the key charging mechanism is the number of pools of assets, we have in fact seen a continued decline in the total number of pools, despite total assets under management increasing. This means that higher fee rates would be needed even to collect the same amount of actual fees.
- 3.2.7 In the Commission's wider fees review<sup>8</sup>, we canvassed opinion on changing the method of charging for funds business away from asset pools and towards "relevant income", but respondents were generally opposed to this idea. It must be recognised that there is no perfect method of charging.
- 3.2.8 The JFSC does not intend to try to use the 2017/18 fee period to recover the shortfall experienced in 2016/17, but needs to change the fee rates to aim to collect the £5,432,000 for 2017/8. This is the same target amount as set out in last year's consultation.
- 3.2.9 Based on our current data about numbers of asset pools, and making an allowance for income from application fees, we believe an across-the-board increase in fee rates of 19% would leave us slightly short of the £5,432,000 target. We are consulting on increasing fee rates by this amount, however, because again changes in the volume of business will affect the actual amount collected. The path of increase we consulted on up to 2019 for fund fees was 'front loaded', in that if our 2017/18 target is met, only a 2.7% fee rate increase will then be needed next year to meet the 2018/19 target (again subject to business volume changes).
- 3.2.10 The actual percentage change in fees experienced by any fee-payer will depend on changes in its volume of business, combined with the new fee rates.
- 3.2.11 As noted above, we previously consulted the industry on an alternative charging method than pools of assets. While relevant income did not find favour, we wish to re-open this question, and invite comments from respondents on appropriate alternative charging mechanisms. There is no perfect answer to this question.
- 3.2.12 With respect to fees payable for the operation of Qualifying Segregated Managed Accounts, the relevant fee rates have not been updated since they came into force in 2014. We propose to increase the rates by 7.5% for 2017/18, with a similar increase likely to be proposed for 2018/19.

### 3.3 Questions

- 3.3.1 Do you agree with the proposed fee rate changes consulted on in this paper?
- 3.3.2 Do you have suggestions as to the appropriate charging mechanism to raise the desired amount of fee income?

---

<sup>8</sup> See CP 10 (2015) and the associated feedback statement, available on our website.

## **Appendix A - List of 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:	<b>Article 15 of the Financial Services Commission (Jersey) Law</b>
Payable by or in relation to:	<b>AIF and AIF Services Business</b>
Pursuant to:	<b>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</b>
Commencement date:	The fees set out in this notice and the attached schedule are effective for the period from 1 July 2017 – 30 June 2018

#### 1 Interpretation

1.1 In this notice, unless the context otherwise requires

AIF	means an Alternative Investment Fund within the meaning of the Regulations
Certified Fund	means an unclassified fund in respect of which a certificate has been granted by the Commission under Article 8B of the Collective Investment Funds (Jersey) Law 1988, as amended
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 Collective Investment Funds (Jersey) Law 1988, as amended

#### 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 £1,275 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 a 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 £1,275 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:	<b>Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Payable by or in relation to:	<b>Collective Investment Funds</b>
Pursuant to:	<b>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</b>
Commencement date:	The fees set out in this notice and the attached schedule are effective for the period from 1 July 2017 – 30 June 2018

### 1 Interpretation

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

cell, cell company, company, incorporated cell company, 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
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:
- 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
  - 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

## Recognized Funds

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

- 2.1 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 £2,165.

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

#### On the grant of a first permit

- 3.1 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.
- 3.2 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<sup>th</sup> 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

- 3.3 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

- 3.4 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 £965 in respect of each new pool of assets to be added to a collective investment fund.

#### Transfers of certain functions to cells

- 3.5 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 a fee of £2,545.
- 3.6 If a permit holder is liable to pay the fee set by paragraph 3.5, no further fee shall be payable under either paragraph 3.1 or, in the event that one or more pools of assets are added concurrently, under paragraph 3.4.

## 4 Cell companies

- 4.1 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

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

5.1 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:

5.1.1 £2,165; and

5.1.2 £2,165 in respect of each fund service provider in relation to the collective investment fund.

5.2 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:

5.2.1 the amount payable by one applicant in relation to the collective investment fund, in accordance with paragraph 5.1; and

5.2.2 £2,165 for each of the second and any additional applicant,

divided by the number of applicants.

5.3 A person who applies for a certificate in relation to a collective investment fund:

5.3.3 in respect of which at least one other person already holds a certificate; or

5.3.4 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 £2,165.

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

6.1 A fee shall be paid by a certificate holder in respect of the grant of a certificate.

6.2 The fee must be paid no later than one month after the day on which the certificate is issued.

6.3 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.

6.4 If a certificate is granted on a day other than 1 July, the fee payable under paragraph 6.1 shall be 1/12<sup>th</sup> of the amount specified in paragraph 6.3 for each complete month between the grant of the certificate and 1 July next following.

6.5 Where:

6.5.1 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

6.5.2 the Commission is satisfied that the structure of the company and the cells of the company is equivalent to that of an umbrella fund,

- 6.5.3 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.

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

- 7.1 A fee shall be paid by a person who, on 1 July, is a certificate holder.
- 7.2 The fee must be paid no later than 31 July in that year.
- 7.3 The fee is whichever is the lesser of:
- 7.3.1 the sum of the annual amounts for every collective investment fund in relation to which the person is a certificate holder on 1 July in that year; and
  - 7.3.2 £89,250.
- 7.4 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.
- 7.5 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.

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

- 8.1 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 £965 for each pool of assets so added.
- 8.2 A fee of £2,545 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.
- 8.3 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.
- 8.4 A fee of £320 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:
- 8.4.1 a change of the name of the collective investment fund or of a pool of assets of the collective investment fund;
  - 8.4.2 a change of the name of the certificate holder on a fund certificate;
  - 8.4.3 the removal of a pool of assets from the collective investment fund; and
  - 8.4.4 the addition, alteration or removal of conditions pursuant to the application of the certificate holder.
- 8.5 A fee payable under this section must be paid at the time the application is made.
- 8.6 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.

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

- 9.1 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 £2,165 shall be paid by the certificate holder in respect of each fund service provider so added.
- 9.2 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.
- 9.3 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**

### **10 Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended**

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

- 10.1 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**

- 10.2 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 unfiled 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 the 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 (paragraph 3.3)

Number of pools of assets	Fee (£)
0 – 1	6,880
2 – 4	7,710
5 – 9	8,530
10 – 19	10,260
20 or more	11,970

### Schedule 2 – Certified Funds

Calculation of fees payable on the grant of a certificate (paragraph 6.3) and on 1 July (paragraph 7.4)

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 - £3,570 (b) in any other case - £1,405
2 – 4	4,595
5 – 9	5,925
10 – 19	7,900
20 – 49	9,875
50 – 99	13,815
100 – 149	19,740
150 – 199	26,300
200 or more	35,535

## Appendix D - Draft Control of Borrowing Order 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 2017 – 30 June 2018

### 1 Interpretation

1.1 In this notice, unless the context otherwise requires

CoBO	means the Control of Borrowing (Jersey) Order 1958
DSP	means a ‘designated service provider’ required to be appointed by a JPF
Jersey UT (non-fund)	means a Jersey unit trust which is not an investment fund
JFSC	means the Jersey Financial Services Commission
JPF	means a Jersey Private Fund which has been issued with a relevant consent and which is operated in accordance with the JPF Guide
JPF Guide	means the Jersey Private Fund Guide as may be amended from time to time
JPF Return	means the annual compliance return for a JPF required to be provided to the JFSC in each relevant year by the relevant DSP (the form of which is included as part of the JPF Guide)
NDS (non-fund)	means a non-domiciled structure which is not an investment fund

### 2 Application fee

2.1 For the purposes of Article 12A of CoBO:

- 2.1.1 a fee of £1,070 shall be payable in respect of any JPF applying to the JFSC’s FSB/TCB authorisation team for the issue of an initial JPF CoBO consent;
- 2.1.2 a fee of £395 shall be payable in respect of any application to the JFSC’s FSB/TCB authorisation team for the issue of a CoBO consent, which is not subject to the fee specified in 2.1.1 above;
- 2.1.3 a fee of £330 shall be payable in respect of any Jersey UT (non-fund) applying to the Jersey Companies Registry for the issue of an initial CoBO consent pursuant to Articles 9(1)(a) and/or 9(1)(b) of CoBO; and

- 2.1.4 a fee of £330 shall be payable in respect of any NDS (non-fund) applying to the Jersey Companies Registry for the issue of an initial CoBO consent pursuant to Articles 1, 3, 9(1)(a), 9(1)(b), 10(1)(a), 10(1)(b), 11(1)(a) and/or 11(1)(b) of CoBO.

### **3 JPF annual fee**

- 3.1 A fee shall be paid in respect of a JPF on 1 July in each relevant year for so long as the JPF's CoBO consent remains in force.
- 3.2 The fee must be paid no later than 31 July in each relevant year, and shall be paid directly by the governing body of the JPF or by the DSP on behalf of the JPF.
- 3.3 The fee payable on an annual basis shall be £500 and shall be pro-rated.

### **4 JPF late payment of fees**

- 4.1 If a JPF (or the JPF's DSP on behalf of the JPF) fails to pay the whole or any part of a fee on or before the date it becomes due the JPF shall be liable to pay, unless otherwise agreed by the JFSC, an additional late payment fee of 5% of the amount unpaid for each complete month that it remains unpaid.

### **5 JPF late filing fees**

- 5.1 If the DSP fails to file or deliver the JPF Return to the JFSC under the provisions of CoBO on or before the date that the JPF Return becomes due, the DSP shall be liable to pay a fee of £100 for each complete month or part thereof that the JPF Return remains unfiled or undelivered unless the DSP has given the JFSC prior written notice of the reason for the late filing or delivery of the JPF Return and the JFSC has agreed in writing with the relevant DSP that the filing may be late.

## Appendix E - Draft 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:

**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 2017 – 30 June 2018

#### 1 Interpretation

1.1 In this notice, unless the context otherwise requires

Law	means the Financial Services (Jersey) Law 1998, as amended
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
registered person	means a person registered under the Law to carry on fund services business
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 £2,675.

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

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<sup>th</sup> 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 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 unfiled or undelivered unless the registered person has given the Commission prior written notice of the reasons for the late filing or delivery of the 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 (paragraph 3.3)

Number of pools of assets	Fee (£)
0 – 1	4,460
2 – 4	5,925
5 – 9	7,260
10 – 19	9,235
20 – 49	11,850
50 – 99	15,790
100 – 149	23,050
150 – 199	31,585
200 or more	42,150

## Appendix F - Draft Qualified Segregated Managed Accounts 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:

**Utilisation of the QSMA Order**

Pursuant to:

**Article 3(1) of the Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014; and Article 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 for the period from 1 July 2017 – 30 June 2018

### 1 Interpretation

1.1 In this notice, unless the context otherwise requires:

charging period	includes both an initial charging period and a subsequent charging period
initial charging period	means the period from (and including) the date on which an operator first placed reliance on Article 3(1) of the QSMA Order to (but excluding) 1 July next following
operator	means a person appointed to undertake relevant activity (as defined in the QSMA Order) in connection to a segregated managed account
QSMA Order	means the Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014
relevant QSMA	means a QSMA in respect of which an operator is placing reliance upon the exemption conferred by Article 3(1) of the QSMA Order
subsequent charging period	means a charging period (other than an initial charging period) commencing on 1 July and lasting for a period of 12 months

### 2 Reliance on the QSMA Order in the initial charging period

2.1 When an operator first places reliance upon the exemption conferred by Article 3(1) of the QSMA Order it shall pay the fee due in respect of the initial charging period specified in paragraph 2.2 or, as the case may be, paragraph 2.3.

- 2.2 Subject to paragraph 2.3, the fee due from an operator in respect of the initial charging period shall be £3,655.
- 2.3 If the date on which reliance is first placed by an operator on Article 3(1) of the QSMA Order is other than 1 July, the fee payable by that operator in respect of the initial charging period shall be £304 (being 1/12<sup>th</sup> of the amount of £3,655) for each complete month between the date of such first reliance and 1 July next following.
- 2.4 The due date for a fee in respect of the initial charging period due from an operator pursuant to paragraphs 2.2 or 2.3 shall be the date on which reliance was first placed by the operator on Article 3(1) of the QSMA Order.

### **3 Reliance on the QSMA Order in subsequent charging periods**

- 3.1 An operator who, on:
- a. 1 July immediately following the expiration of the initial charging period; or
  - b. 1 July in any subsequent year;
- is placing reliance upon Article 3(1) of the QSMA Order shall pay a fee in respect of the subsequent charging period which commences on that 1 July, determined in accordance with the attached Schedule.
- 3.2 The due date for a fee in respect of a subsequent charging period due from an operator pursuant to paragraph 3.1 shall be 31 July in that subsequent charging period.

### **4 Relief from QSMA fees for certain operators**

- 4.1 For each complete month within a charging period that an operator is registered pursuant to the Law to conduct discretionary investment management within the meaning given in Article 2(2)(b) of the Law (and has paid the Commission the fee or fees due in respect of such registration), the fee due from or paid by the operator pursuant to this Notice in respect of that charging period shall be reduced by:
- a. £304, if the charging period is an initial charging period;
  - b. 1/12<sup>th</sup>, if the charging period is a subsequent charging period.
- 4.2 At the end of the relevant charging period, the Commission will remit (or, at its discretion, credit) to an operator any sums received from the operator which, as a result of the operation of paragraph 4.1, constituted an overpayment of the fee in fact due pursuant to this Notice. No interest thereon shall accrue in favour of the operator.

### **5 Clarification where an operator ceases to place reliance on Article 3(1) of the QSMA Order**

- 5.1 For the avoidance of doubt, no fee rebate or refund shall be due to an operator in the event that, having paid a fee in respect of a charging period, the operator subsequently ceases to place reliance on Article 3(1) of the QSMA Order within the charging period.

## Schedule

### Calculation of fees payable for subsequent charging periods (paragraph 3.1)

Number of relevant QSMA's on 1 July	Fee (£)
1	3,655
2 – 4	4,835
5 – 9	5,910
10 – 19	7,525
20 – 49	9,675
50 – 99	12,900
100 – 149	18,810
150 – 199	25,800
200 or more	34,400