

CONSULTATION PAPER

NO. 1 2012

**FINANCIAL SERVICES (JERSEY) LAW
1998 - FUND SERVICES BUSINESS FEES**

**COLLECTIVE INVESTMENT FUNDS
(JERSEY) LAW 1988 - COLLECTIVE
INVESTMENT FUND FEES**

CONSULTATION PAPER

The Jersey Financial Services Commission (the “**Commission**”) invites comments on this consultation paper. Heather Bestwick at Jersey Finance Limited (“**Jersey Finance**”) is co-ordinating an industry response that will incorporate any matters raised by local businesses. Comments should reach Jersey Finance by the date specified in its Technical Update.

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Alternatively, responses may be sent directly to the Commission by no later than 29 February 2012. If you require any assistance, clarification or wish to discuss any aspect of the proposal prior to formulating a response then please contact the Commission. The Commission contacts are:

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

GLOSSARY

certificate holder	means a person granted a certificate under Article 8B of the CIF(J)L
certified fund	means a fund in relation to which a certificate that is in force has been granted under Article 8B of the CIF(J)L.
CIF(J)L	means the Collective Investment Funds (Jersey) Law 1988, as amended
Commission	means the Jersey Financial Services Commission
the Commission Law	means the Financial Services Commission (Jersey) Law 1998, as amended
CoBO	means the Control of Borrowing (Jersey) Order 1958, as amended
FS(J)L	means the Financial Services (Jersey) Law 1998, as amended
Jersey Finance	means Jersey Finance Limited
IOSCO	means the International Organisation of Securities Commissions
permit holder	means a person granted a permit under Article 7 of the CIF(J)L
registered person	means a person registered to conduct fund services business under Article 2(10) of the FS(J)L
umbrella fund	means a collective investment fund where: <ul style="list-style-type: none"> (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.

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1 CONSULTATION

1.1 Basis for consultation

1.1.1 The Commission is issuing this consultation paper in accordance with Article 8(3) of the Financial Services Commission (Jersey) Law 1998, as amended (the “**Commission Law**”), under which the Commission “*may, in connection with the carrying out of its functions - ..consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate*”.

1.1.2 In addition, Article 15(3) of the Commission Law requires that before the Commission may introduce and publish any fee:

“..the Commission must first publish a report that must include -

- (a) *details of the duty or power for or in respect of which the fee is to be determined;*
- (b) *details of the proposed fee;*
- (c) *a request for comments on the level of the proposed fee; and*
- (d) *a date, that is at least 28 days after the publication of the report, before which those comments may be made to the Commission”.*

1.1.3 The Commission considers that this consultation paper may be taken to constitute such a report as required by the Commission Law.

1.2 Who will be affected by the proposed changes?

1.2.1 These amendments will affect any person:

1.2.1.1 applying for:

1.2.1.1.1 a registration to conduct fund services business as defined by Article 2(10) of the Financial Services (Jersey) Law 1998, as amended (the “**FS(J)L**”);

1.2.1.1.2 a new class of fund services business;

1.2.1.1.3 a certificate or permit under the Collective Investment Funds (Jersey) Law 1988, as amended (the “**CIF(J)L**”);

1.2.1.2 registered to conduct fund services business under Article 2(10) of the FS(J)L (“**registered person**”); and

1.2.1.3 that has been granted a permit under Article 7 of the CIF(J)L (“**permit holder**”), or a certificate under Article 8B of the CIF(J)L (“**certificate holder**”).

1.3 Responding to the consultation

- 1.3.1 The Commission invites comments, in writing, from interested parties on the content of this consultation paper and its likely impact on the Funds Industry.
- 1.3.2 To assist in analysing responses to the consultation paper, respondents are asked to prioritise comments and to indicate their relative importance.
- 1.3.3 Comments should be sent to Heather Bestwick at Jersey Finance by the date specified in its Technical Update or alternatively be received by the Commission no later than 29 February 2012.

2 THE COMMISSION

2.1 Overview

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

2.2 Commission's functions

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

2.3 Guiding principles

2.3.1 Article 7 of the Commission Law provides that in exercising its functions the Commission may take into account any matter which it considers appropriate but shall have particular regard to:

2.3.1.1 the reduction of risk to the public of financial loss due to dishonesty, incompetence, malpractice, or the financial unsoundness of financial services providers;

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 both in Jersey and elsewhere.

3 CURRENT POSITION AND PROPOSALS

3.1 Overview - Policy

3.1.1 With respect to setting fees, the policy of the Commission is two-fold:

3.1.1.1 As far as possible, the Commission avoids any cross-subsidisation between the individual sectors of the finance industry, i.e. the fees received from a sector are set at such a level as to cover the anticipated total operating costs associated with that sector. The Commission maintains the view that this provides a fair apportionment of the costs of regulation across the regulated financial services industry.

3.1.1.2 With respect to accumulated reserves, the Commission's policy is to maintain these at a level which is equal to six months' operating expenditure plus the average of the last five years' cost of investigations and litigation.

3.1.2 It is also the policy of the Commission that regulatory fees are reviewed on a periodic basis, and for most financial sectors this review occurs every three years.

3.2 Overview - Funds Team

3.2.1 Registered persons, certificate holders and permit holders are regulated by the Funds Team, which has an operational headcount of 29, including one part time employee, and is funded by the Funds Industry.

3.2.2 In line with the Commission's fee setting policy (see 3.1), the regulatory fees for the Funds Industry have been reviewed for the years 2012, 2013 and 2014 and this Consultation Paper proposes amendments to them sufficient to meet the anticipated operating costs of regulating the Funds Industry.

3.2.3 As the baseline application and annual fees have not been increased since June 2002, the funding is no longer sufficient to meet the annual operating costs which are anticipated to be £3.99m in 2011 leading to a forecast deficit for the year of £0.61m. This deficit is forecast to increase to £1.26m by 2014, if no fee increase is implemented (see 3.6.4).

3.3 Overview - Current Methodology

3.3.1 The following table sets out the Commission's current methodology for charging regulatory fees to the Funds Industry:

Regulatory fee type	FSB	CIF ¹
Application fees		
Initial grant of registration/certificate/permit.	X	X
Addition of a new class of business.	X	
Addition of a new pool of assets to a collective investment fund ² .		X
Fee payable on grant of Permit/Certificate		
Payable on grant of registration/certificate/permit – pro rata amount (of above fee), based on number of complete months between grant date and next 1 July.	X	X
Annual fees		
Payable 1 July, based on the number of pools of assets in the collective investment funds to which: <ul style="list-style-type: none"> the registered person provides fund services business; or the permit holder is a functionary; or the person is the certificate holder. 	X	X
Late payment of fees		
5% of the unpaid fee amount for each complete month it remains unpaid.	X	X
Late filing fee		
£100 per complete month, or part thereof, that any document is not filed or delivered to the Commission in accordance with the provisions of the Law ³ or any Order issued in accordance with the Law – unless prior agreement has been reached with the Commission for filing/delivery of the document on a later date. Then the alternative date becomes the date from which the late filing fee becomes payable.	X	X

3.4 Background to change

- 3.4.1 The Commission has regularly reviewed the regulatory fees payable by the Funds Industry and in each of the last nine years has decided not to increase the fee tariff, although amendments to the scope of regulatory fees have been implemented.

¹ In this context the fee is payable by both certificate holders and permit holders.

² Applies to both permits and certificates.

³ In this context Law means either the CIF(J)L or the FS(J)L, as appropriate.

- 3.4.2 During this period, the rising costs of undertaking an effective supervisory oversight of the Funds Industry have been met by rising fee income derived from a steady increase in the number of registered persons and certificate holders. However, due to the development and enhancement of supervisory functions to meet international standards and requirements, and domestic expectations particularly in respect of funds policy matters, the Funds Team calculates that it will experience a deficit for 2011.
- 3.4.3 Based on anticipated income and expenses, the current tariff of fees applicable to the Funds Industry is now insufficient to enable the Commission to cover the anticipated total operating costs of effective regulatory supervision of the Funds Industry.

Fund Services Business Fees

- 3.4.4 Fees for registered persons were introduced on 14 November 2007 when the supervision of certain fund functionaries was transferred from the CIF(J)L to the FS(J)L. The fee tariffs which already applied to these functionaries were used for setting application and annual fee levels for registered persons. The majority of these tariffs remained at the levels set in 2002.
- 3.4.5 Late filing fees were introduced on 1 September 2008 and on 14 May 2009 the minimum annual fee was extended to cover all registered persons, including those acting for zero pools of assets on the date on which the annual fee is assessed. Both amendments were implemented following consultation.

Collective Investment Fund Fees

- 3.4.6 The fee tariff for collective investment funds has remained unchanged since 2002, except for the expansion of the fee bands in 2006. Additionally, late payment and late filing fee were introduced in 2008 following consultation.

3.5 Financial position - 2011

- 3.5.1 For 2011, the Commission has forecasted income of £3.38 million from the Funds Industry and has anticipated total operating costs of £3.99 million, leading to an anticipated deficit for 2011 of £0.61 million.

3.6 Financial position - 2012, 2013 and 2014

- 3.6.1 Allowing for inflationary increases alone at the current level of 5.4%⁴, the total operating cost of the Funds Team is projected to be £4.21 million, £4.43 million and £4.67 million in 2012, 2013 and 2014 respectively (a compounded rate of 17.1%). However, for the purposes of forecasting, the Commission has applied indicative rates for future inflation provided by the States of Jersey Economics Unit published in the November Economic Outlook. These rates have been incorporated into the forecasted total operating costs of the Funds team in 3.6.4 and 3.6.5 below.

⁴ Jersey RPI increased by 5.4% in the 12 months to September 2011. RPI is expected to remain at 5.4% in Q4 2011 and fall to an average 4.25% in 2012 as the effects of the GST increase falls out of the annual comparison. Long term RPI is expected to be 3.1%

3.6.2 Further to 3.6.1, the Commission's deficit in respect of the Funds Industry is expected to worsen over the next three years based on forecast total operating costs and income, taking into account all of the following:

3.6.2.1 increased operating cost base to include direct and indirect cost allocation for two new members of staff for funds policy work (see 3.7) and two additional supervision staff to help the Commission resource the current regulatory package and deal with the increasing number of supervisory issues arising over the last few years;

3.6.2.2 a 2% annual increase in fee income due to a slight increase in the number of certificate holders, permit holders and registered persons;

3.6.2.3 forecast inflation of 4.25% in 2012 and 3.125% in 2013 and 2014;

3.6.2.4 no increase in regulatory fees for the Funds Industry; and

3.6.2.5 no change in the mix of registered persons, certificate holders and permit holders.

3.6.3 Furthermore, current experience would suggest that costs associated with investigation and litigation are likely to be considerably higher which could result in a greater deficit than that set out in the table below.

3.6.4 The following table provides details of the anticipated deficit if no fee increase is implemented:

	2011 (£ millions)	2012 (£ millions)	2013 (£ millions)	2014 (£ millions)
Income	3.38	3.45	3.52	3.59
Total operating cost	3.99	4.46	4.70	4.85
Deficit	(0.61)	(1.01)	(1.18)	(1.26)

3.6.5 If the proposed fee increases set out in this paper are implemented with effect from 1 July 2012, headcount is increased as set out in 3.6.2.1, inflation runs as forecast and fund volumes increase at a rate of 2% per annum, the anticipated position is as follows:

	2011 (£ millions)	2012 (£ millions)	2013 (£ millions)	2014 (£ millions)
Income	3.38	4.25	5.22	5.33
Total operating cost	3.99	4.46	4.70	4.85
(Deficit)/ Surplus	(0.61)	(0.21)	0.52	0.48

This position does not allow for an increase in investigation and litigation costs above the current levels.

3.7 Funds policy work

- 3.7.1 Both internationally and locally, the Funds Industry has seen a significant increase in activity requiring the Commission to undertake more funds policy work. Examples are:
- 3.7.1.1 the European Union Alternative Investment Fund Managers Directive (AIFMD);
 - 3.7.1.2 the revised IOSCO⁵ Methodology in respect of the implementation of IOSCO Principles;
 - 3.7.1.3 consideration, and subsequent amendment, of the Recognized Fund regime and the Expert Fund regime; and
 - 3.7.1.4 finalisation of the work in respect of issuing Codes of Practice for Certified Funds⁶, the new Prospectus Order (the Collective Investment Funds (Certified Funds - Prospectuses) (Jersey) Order 201-) and the revised Financial Services (Fund Services Business) (Client Assets) Order 201-).
- 3.7.2 Industry has requested that the Commission increases resources in this area and the cost assumption provided includes two additional staff assigned to funds policy matters (see 3.6.2.1).

3.8 Addressing the anticipated deficit

Income

- 3.8.1 The Commission is considering a number of different proposals to assist in alleviating the anticipated deficit and restore the Funds Team to compliance with the Commission's fee setting policy (3.1).
- 3.8.2 The proposals include amendments to the current fee tariffs and a change in the charging methodology:
- 3.8.2.1 **fee tariff change** – a £600 increase in the application fee for those applying to carry on fund services business under the FS(J)L;
 - 3.8.2.2 **fee tariff change** – a £600 increase in the application fee for those applying to become a permit holder, certificate holder or fund service provider in relation to the fund (see 4.1);
 - 3.8.2.3 **fee tariff change** – a £200 increase in the application fee for adding a new pool of assets to a collective investment fund;

⁵ Means the International Organisation of Securities Commissions.

⁶ A fund in relation to which a certificate that is in force has been granted under Article 8B of the CIF(J)L (“**certified fund**”)

- 3.8.2.4 **fee tariff change** - an increase in the fee payable when a permit/certificate is granted and annually thereafter by: registered persons; permit holders; and certificate holders, based on the number of pools of assets (see 4.3);
- 3.8.2.5 **methodology change** - applying the annual fee to all certificate holders where a fund has more than one certificate in issue;
- 3.8.2.6 **methodology change** - applying fees with respect to specific events, such as:
 - 3.8.2.6.1 changing the name of the fund, or sub fund, on a fund certificate
 - 3.8.2.6.2 removal of a sub-fund/cell/constituent part; and
 - 3.8.2.6.3 variance of a condition at the request of the certificate holder;
 - 3.8.2.6.4 addition of a registered person as a fund service provider, once a certificate has been granted; and
- 3.8.2.7 **methodology change** - applying a fee cap.

3.8.3 With respect to 3.8.2, the key changes to the baseline fee tariffs which were set in 2002 are summarised below:

	Current Application (£)	Proposed Application (£)	Current Annual (0-1 pools) (£)	Proposed Annual (0-1 pools) (£)
FS(J)L				
Registered persons	1,000	1,600	2,000	3,400
CIF(J)L				
Certificate holders	1,000	1,600	2,000	2,700
Permit holders	1,000	1,600	4,000	5,200

Comparison with other jurisdictions

- 3.8.4 As part of its review of regulatory fees and consideration of how to address the anticipated deficit, the Commission has considered the fees payable by the Funds Industry in comparable jurisdictions.
- 3.8.5 Setting out fee rate comparisons between Guernsey, Jersey, the Isle of Man, the Cayman Islands and Luxembourg is not straightforward, given their different structures, funding commitments and expenses. However, a high level review of the fee structure in comparable jurisdictions leads the Commission to believe that fee tariffs for the majority of registered persons and certificate holders are expected to continue to be similar to the fees already charged in connection with fund schemes and licensees in these jurisdictions.

- 3.8.6 The following table provides an indicative comparison of the baseline fees charged in Jersey and Guernsey in respect of certificate holders and registered persons:

Fee Comparison	Jersey		Guernsey ⁷	
	Current	Proposed	Current	Proposed
CIF Application	£1,000	£1,600	£3,100	£3,100
FSB Application	£1,000	£1,600	£2,100	£2,100
CIF Annual	£2,000	£2,700	£3,100	£3,100
FSB Annual	£2,000	£3,400	£3,000	£3,000

3.9 Future consultations

- 3.9.1 Consideration is being given by the Commission to consulting with industry in 2012 on a proposal to introduce a new application charge for CoBO⁸-only funds. The basis for the consultation is to more accurately reflect the cost of processing CoBO-only fund applications by the Funds Authorisation Team. The proposal is not expected to have a material bearing on this consultation paper and based on 2011 CoBO-only fund application levels the cost benefit analysis is neutral with an estimated £30,000 of revenues and costs.

⁷ Guernsey Financial Services Commission 2012 Fee Rate Proposals - Consultation Paper; <http://www.gfsc.gg>

⁸ Control of Borrowing (Jersey) Order 1958, as amended ("CoBO")

4 DETAILED DISCUSSION OF THE PROPOSALS

4.1 Increase in application fee

Fund Services Business

4.1.1 The current application fee for a fund services business registration under the FS(J)L is the same as the application fee for a permit that was bought into force on 1 June 2002. Had the Commission applied inflationary amendments to the application fee over the past 9 years, it would now be £1,388⁹ rather than £1,000. Furthermore, if inflation continues at the present rate, and the application fee amended accordingly, on 1 July 2012 the application fee would be £1,441, increasing to £1,583 by June 2015.

4.1.2 The increase from the 1 July 2012 inflation adjusted amount of £1,441 to the proposed application fee of £1,600 represents an 11% increase. Given the significant amount of work undertaken when processing an application from a person applying to carry on fund services business under the FS(J)L, the £1,600 fee is not believed to be a disproportionate charge and is less than the £2,100 licensee tariff for applications made in Guernsey.

4.1.3 The table in 4.1.9 compares the current application fee and proposed application fee with the current fee adjusted for inflation.

4.1.4 Do you agree that the proposed increase in the application fee of £600 for those applying to carry on fund services business under the FS(J)L is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.

Certificate holders

4.1.5 The total application fee for a person applying to become a certificate holder varies depending on the number of registered persons that will act for the fund.

4.1.6 It is proposed to increase the tariff from £1,000 to £1,600 for persons who apply under Article 8A of the CIF(J)L for a certificate in relation to a collective investment fund and in respect of each registered person acting as a fund service provider in relation to the fund.

4.1.7 The table in 4.1.9 compares the current application fee and proposed application fee with the current fee adjusted for inflation.

⁹ Utilising the inflation calculator available on the States of Jersey website.

Permit holders

4.1.8 It is proposed to increase the tariff from £1,000 to £1,600 for applicants for a permit to be a functionary of a recognized fund under Article 6 of the CIF(J)L.

4.1.9 The following table compares examples of the current application fee payable by registered persons, certificate holders and permit holders with:

4.1.9.1 the proposed fee tariff;

4.1.9.2 and the current fee tariff adjusted for inflation:

Current Application Fee of £1,000 adjusted for inflation		Proposed Application Fee	Inflation Adjusted Increase/(Decrease)	
to Sept 2011	to June 2015		to Sept 2011	to June 2015
(A)	(B)	(C)	(C-A)	(C-B)
£1,388	£1,583	£1,600	£212	£17

4.1.10 Do you agree that the proposed increase in the application fee of £600 for those applying to be a permit holder or certificate holder is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.

4.2 Increase in application fee for adding a new pool of assets

4.2.1 The Commission is proposing to increase the fee payable when a new pool of assets is added to an existing collective investment fund from £500 to £700. If an inflation uplift had been applied to the £500 figure, the current fee associated with adding a new pool of assets to a collective investment fund would be £694 and, if inflation were to continue at the current rate, the inflation adjusted amount as at 1 July 2012 would be £721.

4.2.2 Do you agree that the proposed increase in the application fee of £200 for adding a new pool of assets to a collective investment fund is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.

4.3 Increase in fee bands

4.3.1 The Commission is proposing to increase the annual fee payable by registered persons, permit holders and certificate holders.

4.3.2 Details of the level of increase are set out in the tables provided in 4.3.3, 4.3.5, 4.3.7 and in APPENDIX B.

4.3.3 For registered persons:

4.3.3.1 It is proposed that the fee tariff applicable to registered persons is set at a higher level than the fee tariff applicable to certificate holders to more accurately reflect the resource allocation.

4.3.3.2 A forecast average rate of inflation of 4.25% for 2012 falling to 3.0% from the second quarter of 2013 onwards has been used for the purposes of calculating the future inflation adjusted amounts. The compound rate of inflation from June 2002 to September 2011 is 38.8% for the first five fee bands. A lower rate of 19.1% has been applied to the final four fee bands as these were set in June 2006. The compound rate from June 2002 to June 2015 is forecast at a rate of 58.3%.

Number of pools of assets ¹⁰	Current Annual Fee	Inflation ¹¹ Adjusted Annual Fee to Sept 2011	Inflation Adjusted Annual Fee to June 2015	Proposed Annual Fee 1 July 2012	Proposed Increase
£	£	£	£	£	£
0-1	2,000	2,776	3,166	3,400	1,400
2-4	2,500	3,470	3,958	4,250	1,750
5-9	3,000	4,163	4,748	5,100	2,100
10-19	4,000	5,551	6,331	6,800	2,800
20-49	5,000	6,939	7,915	8,500	3,500
50-99	7,000	8,337	9,509	11,200	4,200
100-149	10,000	11,910	13,584	16,000	6,000
150-199	15,000	17,865	20,377	24,000	9,000
200 +	20,000	23,819	27,168	32,000	12,000

4.3.4 Do you agree that the proposed annual fee tariff increase for registered persons is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.

¹⁰ The tariff for the first five bands was established in the Collective Investment Funds (Permit Fees) (Jersey) Order 2002, whereas that for the final four was established in the Collective Investment Funds (Permit Fees) (Jersey) Order 2006.

¹¹ Using the RPI inflation calculator from the States of Jersey website, the compound rate from June 2002 to September 2011 is 38.8% and the rate from June 2006 to September 2011 is 19.1%.

4.3.5 For permit holders (recognized funds):

4.3.5.1 It is proposed to increase the fee tariff for permit holders by 30% which is less than the compound rate of inflation of 38.8% for the period from when the fees tariffs were set for the first five fee bands but higher than the 19.1% inflation rate since June 2006 when the last four fee bands were set. The increase is believed to be sufficient to cover the costs of effective supervisory oversight of the recognized funds and fund functionaries including what may be significant changes to the regime in the future.

Number of pools of assets ¹²	Current Annual Fee	Inflation Adjusted Annual Fee to Sept 2011	Inflation Adjusted Annual Fee to June 2015	Proposed Annual Fee	Proposed Increase
£	£	£	£	£	£
0-1	4,000	5,551	6,331	5,200	1,200
2-4	4,500	6,245	7,123	5,850	1,350
5-9	5,000	6,939	7,915	6,500	1,500
10-19	6,000	8,327	9,498	7,800	1,800
20-49	7,000	9,715	11,081	9,100	2,100
50-99	9,000	10,719	12,226	11,700	2,700
100-149	12,000	14,292	16,301	15,600	3,600
150-199	17,000	20,246	23,092	22,100	5,100
200 +	22,000	26,201	29,885	28,600	6,600

4.3.6 Do you believe the proposed annual fee tariff increase for permit holders is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.

4.3.7 For certificate holders (certified funds):

4.3.7.1 It is proposed to increase the fee tariff for certificate holders by 35% which is less than the June 2002 to September 2011 compound inflation rate of 38.8%.

¹² The tariff for the first five bands was established in the Collective Investment Funds (Permit Fees) (Jersey) Order 2002, whereas that for the final four was established in the Collective Investment Funds (Permit Fees) (Jersey) Order 2006.

Number of pools of assets ¹³	Current Annual Fee	Inflation Adjusted Annual Fee to Sept 2011	Inflation Adjusted Annual Fee to June 2015	Proposed Annual Fee	Proposed Increase
£	£	£	£	£	£
0-1	2,000	2,776	3,166	2,700	700
2-4	2,500	3,470	3,958	3,375	875
5-9	3,000	4,163	4,748	4,050	1,050
10-19	4,000	5,551	6,331	5,400	1,400
20-49	5,000	6,939	7,915	6,750	1,750
50-99	7,000	8,337	9,509	9,450	2,450
100-149	10,000	11,910	13,584	13,500	3,500
150-199	15,000	17,865	20,377	20,250	5,250
200 +	20,000	23,819	27,168	27,000	7,000

4.3.8 Do you believe the proposed annual fee tariff increase for certificate holders is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.

4.4 Application of annual fee to certified funds

- 4.4.1 In order to cover the total operating costs of supervising the additional certificate holder(s), the Commission proposes to charge the full annual fee to each holder of a certificate relating to a certified fund, rather than split the fee between the certificate holders, which is the current practice.
- 4.4.2 However, the application fee for an additional certificate holder of a certified fund would not include an additional fee for fund service providers already approved as fund services businesses in respect of that fund.
- 4.4.3 To explain further by way of examples:

Example 1

- 4.4.4 An application for an additional certificate holder of a certified fund with three fund services businesses acting for it would be £1,600. There would be no additional application fee payable by the certificate holder in respect of each of the three registered persons already authorised by the Commission to act for that fund.

¹³ The tariff for the first five bands was established in the Collective Investment Funds (Permit Fees) (Jersey) Order 2002, whereas that for the final four was established in the Collective Investment Funds (Permit Fees) (Jersey) Order 2006.

Example 2

4.4.5 An application in respect of a new certified fund that proposes having two certificate holders and three registered persons acting, would attract a total application fee of £8,000 (2 x £1,600 plus 3 x £1,600) rather than £12,800 (2 x £1,600 plus 2 x 3 x £1,600).

Fund (eg. Limited Partnership with 2 General Partners acting as Certificate Holders)	Application Fee £
Certificate Holder 1	1,600
Registered Person	1,600
Registered Person	1,600
Registered Person	1,600
Certificate Holder 2	1,600
Registered Person	No additional charge
Registered Person	No additional charge
Registered Person	No additional charge
TOTAL	£8,000

4.4.6 Do you believe the extension of the full annual fee to all certificate holders of a certified fund, where a fund has more than one certificate holder, is reasonable? If not, please suggest what you believe to be reasonable and why.

4.5 Fees for specific events in respect of certificates

4.5.1 The CIF(J)L provides that fees may be payable on the occurrence of an “event”. On a regular basis the Commission undertakes “fund maintenance tasks” in respect of collective investment funds, which have not been subject to any fee. The Commission undertakes to complete “fund maintenance tasks” in 10 working days.

4.5.2 As part of this fee review the Commission is proposing the introduction of fees for certain specific events as it looks to align better its fees with its allocation of resources.

4.5.3 The Commission is proposing fees for specific events as follows:

4.5.3.1 A fee of £250 which would be payable when any of the following specific events occur:

4.5.3.1.1 The name of a certified fund, or sub fund, is changed and a new certificate is issued to the certificate holder.

4.5.3.1.2 A sub-fund, cell or constituent part is removed from a certified fund and a new certificate is issued to the certificate holder.

4.5.3.1.3 At the request of the certificate holder, a new condition is attached to a certificate or an existing condition is varied (varied includes removal of a condition from the certificate) and a new certificate is issued to the certificate holder.

4.5.3.2 A fee of £1,600 which would be payable when a registered person is appointed to a certified fund to act as an additional fund service provider. This fee would not be payable when a registered person is appointed to replace an existing fund service provider, which is a registered person.

4.5.4 Do you believe it is reasonable to charge a fee for specific events such as the removal of a sub-fund, name change or variance of a condition at the request of the certificate holder? If not, please suggest an alternative stating why you believe this to be more reasonable.

4.6 Certificate holders' fee cap

4.6.1 The Commission is proposing a cap to the amount of annual fees payable by certificate holders.

4.6.2 It is proposed that a certificate holder whose annual fee, payable on 1 July, will be above £40,000 will pay the lesser of:

4.6.2.1 £40,000; and

4.6.2.2 the amount payable absent any fee cap being in place for the 1 July annual fee run.

4.6.3 The Commission considers that this cap will only impact two trustees of funds constituted as unit trusts.

4.6.4 For the avoidance of doubt, the Commission does not propose applying any cap to the annual pro-rata fees.

4.6.5 Do you believe the proposal to cap the fees payable by a certificate holder at £40,000 to be reasonable? If not, please suggest an alternative fee level stating why you believe this to be reasonable.

4.7 Cell Companies

4.7.1 Following the introduction of protected cell companies and incorporated cell companies in 2005, the Commission has seen both types of cell companies utilised in collective investment fund structures.

4.7.2 Given the differing characteristics of protected cell companies and incorporated cell companies their usage in collective investment fund structures has diverged. Protected cell companies continue to be utilised in a manner analogous to umbrella funds but the use of incorporated cell companies has become more varied.

- 4.7.3 Currently the treatment of cell companies in the calculation of collective investment fund fees payable takes no account of the divergent use of incorporated cell companies.
- 4.7.4 The proposed wording clarifies that wherever cell companies (protected or incorporated) are utilised in a manner analogous to an umbrella fund then the fees shall be calculated accordingly. However where this is not the case, the cells shall be treated separately and the total fee payable by the permit holder or certificate holder shall be the aggregate of fees payable by each cell.

4.8 Funds Team costs

- 4.8.1 The total operating cost of the Funds Team comprises two elements: direct costs and indirect costs.

Direct costs

- 4.8.2 This includes the employment costs associated with the Funds staff i.e., salaries, social security, recruitment, travel and training.
- 4.8.3 Additionally, the direct costs associated with each Supervision Division will include the cost of any legal advice the Commission has sought relating to the regulation or supervision of that particular business sector.

Indirect costs

- 4.8.4 The Commission, in line with the practice adopted by many commercial organisations, allocates the support/infrastructure costs of the Commission across the Supervision Divisions, where income from industry is received, to provide a total cost of doing business. These allocated costs are known as indirect costs.
- 4.8.5 The table below provides detail of the Commission’s allocation methodology utilised for indirect costs in 2011:

<ul style="list-style-type: none"> • Operations 	Across the Commission’s supervision divisions and Companies Registry
<ul style="list-style-type: none"> • Finance 	Number of regulated businesses
<ul style="list-style-type: none"> • Commissioners, Director General’s Office; • Information Communication Technology; • Human Resources; • Corporate Services; and • Computer depreciation. 	Headcount
<ul style="list-style-type: none"> • International and Policy Division; and • Enforcement. 	On a allocated % basis
<ul style="list-style-type: none"> • Premises; and • Furniture depreciation. 	Floor space occupied

4.9 Impact of the various proposals

- 4.9.1 Based on data available¹⁴ the Commission anticipates that the proposals set out in this Consultation Paper will generate additional annual income as follows:

Proposed change	Estimated additional income
Increase in the application fee of £600 for those applying to carry on fund services business under the FS(J)L	£24,000
Increase in the application fee of £600 for those applying for a certificate or permit under the CIF(J)L	£162,000
Increase in the application fee of £200 to add a new pool of assets to a collective investment fund	£12,000
Increase in the fee bands	£1,450,000
Applying the annual fee to all certificate holders where a fund has more than one certificate in issue	£76,000
Fee for specific events	£15,000
TOTAL	£1,739,000

- 4.9.2 As the new fee tariffs will not apply until 1 July 2012, the Commission will not benefit from a full twelve months of the additional income for the financial year 2012. Accordingly, the Commission forecasts that the expected deficit for the Funds Team in 2011 will be reduced for the year ended 31 December 2012 and that a modest surplus should be generated in 2013 and 2014.
- 4.9.3 If the proposals are accepted **without amendment**, and barring extraordinary items, it is not the Commission's intention to introduce any further increases until 2015 at the earliest.

4.10 Draft Proposed Fees

- 4.10.1 Details of the proposed fees in respect of fund services business registrations and collective investment funds are contained in APPENDIX C and APPENDIX D to this Consultation Paper respectively.

¹⁴ Data has been utilised covering the following periods: application fee data has been utilised for the period 1 November 2010 to 31 October 2011; and annual fee data has been utilised for the period 1 July 2010 to 30 June 2011.

5 COST BENEFIT ANALYSIS

5.1 Costs to Funds Industry

5.1.1 Costs in this paper show the full regulatory cost of supervising the Funds Industry in Jersey. The proposed fee levels are designed only to cover the costs that the Commission expects to incur in connection with its functions in relation to the Funds Industry.

5.1.2 The Commission does not believe the proposed fee amendments will have a significant impact on Jersey's competitive position.

5.2 Benefits

5.2.1 An adequately resourced Funds Team will allow the Commission to better respond to domestic expectations in respect of policy matters, including responding to developments in the European Union and any assessment of the "equivalence" of Jersey's funds regime.

5.2.2 A shortfall in funding would constrain the Commission's ability to adequately regulate and supervise the Jersey Funds Industry and this may put Jersey's reputation and investors' monies at risk.

6 SUMMARY OF QUESTIONS

Reference	Question
4.1.4	Do you agree that the proposed increase in the application fee of £600 for those applying to carry on fund services business under the FS(J)L is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.
4.1.10	Do you agree that the proposed increase in the application fee of £600 for those applying to be a permit holder or certificate holder is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.
4.2.2	Do you agree that the proposed increase in the application fee of £200 for adding a new pool of assets to a collective investment fund is reasonable? If not, please suggest an alternative application fee stating why you believe this to be reasonable.
4.3.4	Do you agree that the proposed annual fee tariff increase for registered persons is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.
4.3.6	Do you believe the proposed annual fee tariff increase for permit holders is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.
4.3.8	Do you believe the proposed annual fee tariff increase for certificate holders is reasonable? If not, please suggest alternative fee tariffs stating why you believe these to be reasonable.
4.4.6	Do you believe the extension of the full annual fee to all certificate holders of a certified fund, where a fund has more than one certificate holder, is reasonable? If not, please suggest what you believe to be reasonable and why.
4.5.4	Do you believe it is reasonable to charge a fee for specific events such as the removal of a sub-fund, name change or variance of a condition at the request of the certificate holder? If not, please suggest an alternative stating why you believe this to be more reasonable.
4.6.5	Do you believe the proposal to cap the fees payable by a certificate holder at £40,000 to be reasonable? If not, please suggest an alternative fee level stating why you believe this to be reasonable.

APPENDIX A

List of representative bodies who have been sent this consultation paper

- Jersey Finance Limited
- Jersey Funds Association
- Jersey Compliance Officers Association

APPENDIX B

“Annual Fee Bands” showing inflationary effects

Registered Persons

			Inflation adjusted Annual Fee					(under)/ over	
Set	No. of pools of assets	Current Annual Fee	to Sept 2011	to June 2012	to June 2015	Proposed Annual Fee in CP	Proposed Increase	June 2012 inflation figure	June 2015 inflation figure
		£	£	£	£	£	£	£	£
Jun-02	0 - 1	2,000	2,776	2,881	3,166	3,400	1,400	519	234
Jun-02	2 - 4	2,500	3,470	3,602	3,958	4,250	1,750	648	292
Jun-02	5 - 9	3,000	4,163	4,321	4,748	5,100	2,100	779	352
Jun-02	10 - 19	4,000	5,551	5,762	6,331	6,800	2,800	1,038	469
Jun-02	20-49	5,000	6,939	7,203	7,915	8,500	3,500	1,297	585
Jun-06	50-99	7,000	8,337	8,654	9,509	11,200	4,200	2,546	1,691
Jun-06	100-149	10,000	11,910	12,363	13,584	16,000	6,000	3,637	2,416
Jun-06	150-199	15,000	17,865	18,544	20,377	24,000	9,000	5,456	3,623
Jun-06	200 +	20,000	23,819	24,724	27,168	32,000	12,000	7,276	4,832

Permit Holders (Recognized Funds)

			Inflation adjusted Annual Fee					(under)/ over	
Set	No. of pools of assets	Current Annual Fee	to Sept 2011	to June 2012	to June 2015	Proposed Annual Fee in CP	Proposed Increase	June 2012 inflation figure	June 2015 inflation figure
		£	£	£	£	£	£	£	£
Jun-02	0 - 1	4,000	5,551	5,762	6,331	5,200	1,200	(562)	(1,131)
Jun-02	2 - 4	4,500	6,245	6,482	7,123	5,850	1,350	(632)	(1,273)
Jun-02	5 - 9	5,000	6,939	7,203	7,915	6,500	1,500	(703)	(1,415)
Jun-02	10 - 19	6,000	8,327	8,643	9,498	7,800	1,800	(843)	(1,698)
Jun-02	20-49	7,000	9,715	10,084	11,081	9,100	2,100	(984)	(1,981)
Jun-06	50-99	9,000	10,719	11,126	12,226	11,700	2,700	574	(526)
Jun-06	100-149	12,000	14,292	14,835	16,301	15,600	3,600	765	(701)
Jun-06	150-199	17,000	20,246	21,015	23,092	22,100	5,100	1,085	(992)
Jun-06	200 +	22,000	26,201	27,197	29,885	28,600	6,600	1,403	(1,285)

Certificate Holders (Certified Funds)

			Inflation adjusted Annual Fee					(under)/ over	
Set	No. of pools of assets	Current Annual Fee	to Sept 2011	to June 2012	to June 2015	Proposed Annual Fee in CP	Proposed Increase	June 2012 inflation figure	June 2015 inflation figure
		£	£	£	£	£	£	£	£
Jun-02	0 - 1	2,000	2,776	2,881	3,166	2,700	700	(181)	(466)
Jun-02	2- 4	2,500	3,470	3,602	3,958	3,375	875	(227)	(583)
Jun-02	5 - 9	3,000	4,163	4,321	4,748	4,050	1,050	(271)	(698)
Jun-02	10 - 19	4,000	5,551	5,762	6,331	5,400	1,400	(362)	(931)
Jun-02	20-49	5,000	6,939	7,203	7,915	6,750	1,750	(453)	(1,165)
Jun-06	50-99	7,000	8,337	8,654	9,509	9,450	2,450	796	(59)
Jun-06	100-149	10,000	11,910	12,363	13,584	13,500	3,500	1,137	(84)
Jun-06	150-199	15,000	17,865	18,544	20,377	20,250	5,250	1,706	(127)
Jun-06	200 +	20,000	23,819	24,724	27,168	27,000	7,000	2,276	(168)

APPENDIX C

JERSEY FINANCIAL SERVICES COMMISSION

DRAFT FUND SERVICES BUSINESS FEES

Interpretation

“Law” means the Financial Services (Jersey) Law 1998, as amended.

“registered person” means a person registered under the Law to carry on fund services business.

“pools of assets” means the number of constituent parts in relation to which the registered person acts.

Application Fee

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), a fee of £1,600 is published in respect of applications for registration in relation to the carrying on of fund services business.

Fee payable on grant of registration

- (1) Subject to paragraph (2), on the registration of a person under Article 9 of the Law to carry on fund services business, a fee is payable. The fee amount is to be determined in accordance with the Schedule attached.
- (2) Where the registration is granted on a day other than 1 July the fee payable shall be 1/12 of the amount for each complete month between the date of registration and 1 July next following.

Annual fee

- (1) For the purposes of Article 9(6) of the Law (which Article allows fees to be paid by a registered person to be published), a person who, on 1 July in any year, is a registered person shall, on that day, pay the fee determined in accordance with the Schedule, in respect of the number of pools of assets in all the collective investment funds in relation to which the person is registered to carry on fund services business under his or her registration.
- (2) In the event that the registered person only acts for unregulated funds, the annual fee payable for persons acting for zero pools of assets shall apply.

Late payment of fees

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 an additional late payment fee of 5% of the amount unpaid for each complete month it remains unpaid.

Late filing fees

If a registered person fails to file or deliver any document to the Commission under the provisions of the Law or under the provisions of any Order issued in accordance with the Law on or before the date that the document becomes due, the registered person shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains un-filed or undelivered unless the registered person has given the Commission prior 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

FEES PAYABLE ON GRANT OF REGISTRATION AND ANNUALLY ON 1 JULY

A fee is payable by each registered person.

Number of pools of assets	Fee
0-1	£ 3,400
2-4	£ 4,250
5-9	£ 5,100
10-19	£ 6,800
20-49	£ 8,500
50-99	£ 11,200
100-149	£ 16,000
150-199	£ 24,000
200 or more	£ 32,000

APPENDIX D

JERSEY FINANCIAL SERVICES COMMISSION

DRAFT COLLECTIVE INVESTMENT FUND FEES

1. Interpretation

“cell”, “cell company”, “company”, “incorporated cell company” and “protected cell company” each has the meaning as in the Companies (Jersey) Law 1991.

“Law” means the Collective Investment Funds (Jersey) Law 1988 as amended.

“pool of assets” means a collective investment fund, except that where such a fund is divided into separate and distinct parts, the rights of which are restricted to an identifiable class of participants, it means each one of those parts.

“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.

2. Application for a functionary permit

- (1) An applicant for a permit to be a functionary of a collective investment fund under Article 6 of the Law shall pay a fee of £1,600.
- (2) Paragraph (1) is subject to section 10.

3. Application for a certificate

- (1) A person who applies under Article 8A of the Law for a certificate in relation to a collective investment fund shall pay a fee comprised of the sum of –
 - (a) £1,600 per certificate holder; and
 - (b) £1,600 in respect of each fund service provider in relation to the fund that is, or has applied to become registered to conduct fund services business under the Financial Services (Jersey) Law 1998.
- (2) A person who applies under Article 8A of the Law for a certificate, which would result in the certified fund having more than one certificate holder, shall pay a fee of £1,600 per new certificate holder.
- (3) A person who applies under Article 8A of the Law to hold a certificate in place of an existing certificate holder shall pay a fee of £1,600.
- (4) Paragraphs (1), (2) and (3) are subject to section 10.

4. Fee payable on grant of functionary permit

- (1) Subject to paragraph (2) and section 9, on the grant of a permit a fee is payable under Article 7 of the Law by the person to whom the permit is granted. The fee amount is to be determined in accordance with the Schedule attached.
- (2) Where the permit is granted on a day other than 1 July the fee payable shall be 1/12 of the amount for each complete month between the date the permit is granted and 1 July next following.

5. Fee payable on grant of a certificate

- (1) Subject to paragraph (2) and section 9, on the grant of a certificate a fee is payable under Article 8B of the Law by the person to whom the certificate is granted. The fee amount is to be determined in accordance with the Schedule attached.
- (2) Where the certificate is granted on a day other than 1 July the fee payable shall be 1/12 of the amount for each complete month between the date the certificate is granted and 1 July next following.

6. Annual Fee for a functionary permit

Subject to section 9, the holder of a permit under Article 7 of the Law shall pay, on 1 July following the date of the grant of the permit and on 1 July in each succeeding year, a fee determined in accordance with the Schedule attached.

7. Annual Fee for a certificate

Subject to section 9, the holder of a certificate under Article 8B of the Law shall pay, on 1 July following the date of the grant of the certificate and on 1 July in each succeeding year, a fee determined in accordance with the Schedule attached.

8. New pool of assets

- (1) A fee of £700 is payable by a permit holder or certificate holder when a new pool of assets is added to a collective investment fund.
- (2) Paragraph (1) is subject to section 10.

9. Cell companies

- (1) If cell companies are structured such that they may be treated analogous to umbrella funds the total of the fees payable by, or in respect of, the incorporated cells of an incorporated cell company that apply to become, or are, permit holders under Article 7 of the Law, or a certificate holder under Article 8B of the Law, shall be the same as the total amount that would be payable under those sections 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 or a certificate holder under Article 8B of the Law.
- (2) If cell companies are not structured such that they may be treated analogous to umbrella funds, then the cells of the cell company that apply to become, or are, permit holders under Article 7 of the Law, or certificate holders under Article 8B of the Law, shall be treated separate and the total fees payable shall be the aggregate of the fees payable by each cell.

10. Transfers of certain functions to cells

- (1) This section applies where –
 - (a) a fund service provider or functionary is a certificate holder or permit holder in respect of a collective investment fund;
 - (b) the fund service provider or functionary is not a cell company nor a cell; and
 - (c) the functions of the fund service provider or functionary in respect of the collective investment fund are transferred under the Companies (Jersey) Law 1991 to one or more cells.
- (2) The fee payable in respect of the transfer under either section 2, 3 or 8, as the case may be, is £2,000.

11. Fee Cap

The maximum 1 July annual fee payable by a certificate holder which holds certificates in respect of more than one certified fund shall be £40,000. This maximum amount shall not apply in respect of fees payable on the grant of a certificate.

12. Fee for specific events

- (1) A fee of £250 is payable by a certificate holder where –
 - (a) the name of a certified fund, or sub fund, is changed and a new certificate is issued to the certificate holder; or
 - (b) a sub-fund, cell or constituent part is removed from a certified fund and a new certificate is issued to the certificate holder; or
 - (c) at the request of the certificate holder a new condition is attached to a certificate or an existing condition is varied (varied includes the removal of a condition from the certificate) and a new certificate is issued to the certificate holder.
- (2) A fee of £1,600 is payable for each additional person registered to conduct fund services business under the Financial Services (Jersey) Law 1998 that intends to act as a fund service provider to a certified fund after a certificate has been granted.

13. Late payment of fees

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 an additional late payment fee of 5% of the amount unpaid for each complete month it remains unpaid.

14. Late filing fees

If a permit holder or certificate holder fails to file or deliver any document to the Commission under the provisions of the Law or under the provisions of any Order issued in accordance with the Law on or before the date that the document becomes due, the permit holder or certificate holder shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains un-filed or undelivered unless the permit holder or certificate holder has given the Commission prior written notice of the reasons for the late filing or delivery of a document and the Commission has agreed in writing that the filing may be late. Any such later agreed date shall become the due date for the purposes of the calculation and the payment of late filing fees.

SCHEDULE

FEES PAYABLE ON GRANT OF PERMIT/CERTIFICATE AND ANNUALLY ON 1 JULY

Fees payable by permit holders – recognized funds

The fee payable by the holder of a permit shall be determined according to the total number of pools of assets in all the collective investment funds in respect of which the permit holder is a functionary as at the time the fee is payable, and shall be calculated in accordance with the following table -

Number of pools of assets	Fee
0-1	£ 5,200
2-4	£ 5,850
5-9	£ 6,500
10-19	£ 7,800
20-49	£ 9,100
50-99	£ 11,700
100-149	£ 15,600
150-199	£ 22,100
200 or more	£ 28,600

Fees payable in relation to certified funds

The fee payable by each certificate holder in respect of each collective investment fund shall be determined according to the total number of pools of assets in each fund as at the time the fee is payable, and shall be calculated in accordance with the following table -

Number of pools of assets	Fee
0-1	£ 2,700
2-4	£ 3,375
5-9	£ 4,050
10-19	£ 5,400
20-49	£ 6,750
50-99	£ 9,450
100-149	£ 13,500
150-199	£ 20,250
200 or more	£ 27,000