

Statutory Document No. 20XX/XXXX

*Designated Businesses (Registration and Oversight) Act 2015*

## DESIGNATED BUSINESSES (FEES) ORDER 2023

*Approved by Tynwald:**Coming into Operation:**1 April 2023*

The Isle of Man Financial Services Authority makes the following Order under section 35(1) of the Designated Businesses (Registration and Oversight) Act 2015 after carrying out the consultations required by section 35(4) of that Act.

### 1 Title

This Order is the Designated Businesses (Fees) Order 2023.

### 2 Commencement

If approved by Tynwald, this Order comes into operation on 1 April 2023.<sup>1</sup>

### 3 Interpretation

In this Order —

“**the Act**” means the Designated Businesses (Registration and Oversight) Act 2015;

“**annual review date**” means 1 November each year;

“**the Authority**” means the Isle of Man Financial Services Authority;

“**Base Fees**” form part of the calculation of a Designated Business’s annual fee and are specified in Schedules 2, 3 and 4;

“**Type A (Convertible virtual currency activity)**” means a person that is engaged in convertible virtual currency activity as defined in paragraph 2 of Schedule 1 to the Act;

“**Type B (Legal professionals, accountants, tax advisers, estate agents and payroll agents)**” means a person that carries on —

<sup>1</sup> Section 35(3) of the Designated Businesses (Registration and Oversight) Act 2015 specifies that an order made by the Isle of Man Financial Services Authority under that section must be laid before Tynwald as soon as practicable after it is made and if Tynwald, at the sitting at which it is laid or at the next following sitting, fails to approve it the order ceases to have effect.

- (a) any of the activities of a “legal professional”, “external accountant”, “tax adviser” or “estate agent” as defined in paragraph 2 of Schedule 1 to the Act; or
- (b) the activities of a “payroll agent” as defined in paragraph 3(1) of Schedule 1 to the Act.

**“Type C (Lending, financial leasing, financial guarantees, high value goods and safe custody)”** means a person that carries on any designated business other than the types of designated business covered by Type A (Convertible virtual currency activity), Type B (Legal professionals, accountants, tax advisers, estate agents and payroll agents) or Type D (Specified non-profit organisations);

**“Type D (Specified non-profit organisations)”** has the meaning given in paragraph 2 of Schedule 1 to the Act;

**“change of oversight date”** means the date on which the oversight of a registered person changes from one oversight body to another;

**“delegated oversight body”** means a person to whom oversight of the registered person has been delegated by the Authority under section 6 of the Act;

**“employee”** of a registered person or applicant has the same meaning as in section 173 of the Employment Act 2006 and includes an individual who, in relation to the designated business carried on by that registered person or applicant, —

- (a) works under a contract of employment or any other contract of service;
- (b) practices alone or with others under the terms of a partnership agreement;
- (c) is otherwise engaged within the designated business of a registered person or applicant, in all cases where the individual undertakes to do or perform, directly or indirectly, work or service in relation to the designated business of that person or applicant, whether or not engaged directly by the registered person or applicant or through another entity forming part of the group of entities of which the registered person or applicant is a part, and the registered person or applicant is not by virtue of the contract a customer of the individual; or
- (d) is a director or officer of that registered person or applicant;

*Example:*

*This example relates to the definition of employee, and specifically “in relation to the designated business”. Using a firm of estate agents as an example, sales and lettings negotiators would be roles in relation to that designated business, where an office cleaner would not.*

“N/A” means not applicable;

“**oversight body**” means a person who is responsible for oversight of the registered person, which will either be the Authority or a delegated oversight body;

“**registered person**” means a person registered under the Act;

“**Volume Fees**” form part of the calculation of a registered person’s annual fee, are specified in Schedules 2, 3 and 4 and are calculated by reference to Volume Measures; and

“**Volume Measures**” form part of the calculation of Volume Fees and are specified in Schedules 2, 3 and 4.

#### 4 **Application fees**

- (1) An applicant for registration under the Act must pay to the Authority the relevant application fee specified in Schedule 1.
- (2) Where an applicant for registration carries on, or intends to carry on, multiple types of designated business activity, only the highest application fee is payable.
- (3) Application fees are payable by the applicant on submission of an application.
- (4) Subject to (5), application fees are not refundable.
- (5) The Authority may determine that an application fee, or any element of it, is not payable under (1), for example where a matter is deemed by the Authority to be inconsequential or if a matter may incur multiple application fees where the Authority deems it appropriate for fewer application fees, or one application fee, to be incurred.

#### 5 **Annual fees**

- (1) Subject to (6), (7) and (8), on every annual review date, a registered person must pay to the Authority an annual fee calculated in accordance with the “**applicable Schedule**”, which is —
  - (a) Schedule 2, applicable from 1 April 2023 to 31 March 2024;
  - (b) Schedule 3, applicable from 1 April 2024 to 31 March 2025; or
  - (c) Schedule 4, applicable from 1 April 2025.
- (2) Subject to (6), annual fees cover the year from the annual review date to the next annual review date.
- (3) Annual fees are not refundable.
- (4) Subject to (6), (7) and (8), annual fees are calculated as the sum of the relevant Base Fees and Volume Fees —

- (a) for entities registered with and overseen by the Authority, for the Categories of designated business activity specified in the applicable Schedule carried on by the registered person; and
- (b) for entities registered with the Authority and overseen by a delegated oversight body, for the annual fees specified in the applicable Schedule.
- (5) The “**employees**” Volume Measure referred to in Schedules 2, 3 and 4 is taken from the number of employees of the registered person as at the annual review date.
- (6) Where a registered person carries on multiple types of designated business activity, only the highest annual fee is payable.
- (7) In the first year of registration, the proportion of the annual fee relating to the period from the date of first registration until the next annual review date will be calculated in accordance with (9) and is payable on the date of first registration.
- (8) If the oversight of a registered person overseen by a delegated oversight body is subsequently transferred to the Authority, the proportion of the annual fee relating to the period from the change of oversight date until the next annual review date will be calculated in accordance with (9) and is payable on the change of oversight date.
- (9) Where (7) or (8) applies, the annual fee is calculated in accordance with the following formula and rounded up to the nearest £10 –

$$\frac{(F \div 12) \times N}{}$$

where –

- (a) “F” is the annual fee that would be payable under (1); and
- (b) “N” is the number of months between either the date of first registration or the change of oversight date (as the case may be) and the next annual review date, counting a part of a month as a complete month.

## 6 Revocation

The Designated Businesses (Fees) Order 2021<sup>2</sup> is revoked.

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<sup>2</sup> SD 2021/0026

**MADE**

**B. ROTH**

*Chief Executive of the Isle of Man Financial Services Authority*

**L. BOYLE**

*Chairperson of the Isle of Man Financial Services Authority*

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## SCHEDULE 1

## Article 4

## APPLICATION FEES

Activity	Application Fee			
	Number of Employees	From 1 April 2023 to 31 March 2024	From 1 April 2024 to 31 March 2025	From 1 April 2025
Type A (Convertible virtual currency activity)	Any	£3,500	£3,570	£3,641
Type B (Legal professionals, accountants, tax advisers, estate agents and payroll agents)	1	£350	£357	£364
	2	£1,100	£1,122	£1,144
	≥3	£1,700	£1,734	£1,769
Type C (Lending, financial leasing, financial guarantees, high value goods and safe custody)	1	£350	£357	£364
	2	£1,100	£1,122	£1,144
	≥3	£1,200	£1,224	£1,248
Type D (Specified non-profit organisations)	Any	£0	£0	£0

## SCHEDULE 2

## Article 5

## ANNUAL FEES APPLICABLE FROM 1 APRIL 2023 TO 31 MARCH 2024

Registration Type	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Annual Fee
Registered with and overseen by the Authority	Type A (Convertible virtual currency activity)	£2,450	1	1 employee	£0	£2,450
			2	2 to 5 employees	£350	£2,800
			3	6 to 10 employees	£1,050	£3,500
			4	11 to 15 employees	£1,750	£4,200
			5	16 to 25 employees	£2,450	£4,900
			6	>25 employees	£3,150	£5,600
	Type B (Legal professionals, accountants, tax advisers, estate agents and payroll agents)	£245	1	1 employee	£0	£245
		£770	2	2 employees	£0	£770
		£1,190	3	3 to 5 employees	£350	£1,540
			4	6 to 10 employees	£1,050	£2,240
			5	11 to 15 employees	£1,750	£2,940
			6	16 to 25 employees	£2,450	£3,640
			7	>25 employees	£3,150	£4,340
	Type C (Lending, financial leasing, financial guarantees, high value goods and safe custody)	£245	1	1 employee	£0	£245
		£770	2	2 employees	£0	£770
		£840	3	3 to 5 employees	£350	£1,190
			4	6 to 10 employees	£1,050	£1,890
			5	11 to 15 employees	£1,750	£2,590
			6	16 to 25 employees	£2,450	£3,290
			7	>25 employees	£3,150	£3,990
	Type D (Specified non-profit organisations)	£0	N/A	N/A	N/A	£0
Registered with the Authority and overseen by a delegated oversight body	Any Designated Business	£245	N/A	N/A	N/A	£245



## SCHEDULE 3

## Article 5

## ANNUAL FEES APPLICABLE FROM 1 APRIL 2024 TO 31 MARCH 2025

Registration Type	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Annual Fee
Registered with and overseen by the Authority	Type A (Convertible virtual currency activity)	£3,035	1	1 employee	£0	£3,035
			2	2 to 5 employees	£434	£3,469
			3	6 to 10 employees	£1,301	£4,336
			4	11 to 15 employees	£2,168	£5,203
			5	16 to 25 employees	£3,035	£6,070
			6	>25 employees	£3,902	£6,937
	Type B (Legal professionals, accountants, tax advisers, estate agents and payroll agents)	£303 £954 £1,474	1	1 employee	£0	£303
			2	2 employees	£0	£954
			3	3 to 5 employees	£434	£1,908
			4	6 to 10 employees	£1,301	£2,775
			5	11 to 15 employees	£2,168	£3,642
			6	16 to 25 employees	£3,035	£4,509
			7	>25 employees	£3,902	£5,376
	Type C (Lending, financial leasing, financial guarantees, high value goods and safe custody)	£303 £954 £1,040	1	1 employee	£0	£303
			2	2 employees	£0	£954
			3	3 to 5 employees	£434	£1,474
			4	6 to 10 employees	£1,301	£2,341
			5	11 to 15 employees	£2,168	£3,208
			6	16 to 25 employees	£3,035	£4,075
			7	>25 employees	£3,902	£4,942
	Type D (Specified non-profit organisations)	£0	N/A	N/A	N/A	£0
Registered with the Authority and overseen by a delegated oversight body	Any Designated Business	£303	N/A	N/A	N/A	£303

## SCHEDULE 4

## Article 5

## ANNUAL FEES APPLICABLE FROM 1 APRIL 2025

Registration Type	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Annual Fee
Registered with and overseen by the Authority	Type A (Convertible virtual currency activity)	£3,641	1	1 employee	£0	£3,641
			2	2 to 5 employees	£520	£4,161
			3	6 to 10 employees	£1,561	£5,202
			4	11 to 15 employees	£2,601	£6,242
			5	16 to 25 employees	£3,641	£7,282
			6	>25 employees	£4,682	£8,323
	Type B (Legal professionals, accountants, tax advisers, estate agents and payroll agents)	£364	1	1 employee	£0	£364
		£1,144	2	2 employees	£0	£1,144
		£1,769	3	3 to 5 employees	£520	£2,289
			4	6 to 10 employees	£1,561	£3,330
			5	11 to 15 employees	£2,601	£4,370
			6	16 to 25 employees	£3,641	£5,410
			7	>25 employees	£4,682	£6,451
	Type C (Lending, financial leasing, financial guarantees, high value goods and safe custody)	£364	1	1 employee	£0	£364
		£1,144	2	2 employees	£0	£1,144
		£1,248	3	3 to 5 employees	£520	£1,768
			4	6 to 10 employees	£1,561	£2,809
			5	11 to 15 employees	£2,601	£3,849
			6	16 to 25 employees	£3,641	£4,889
			7	>25 employees	£4,682	£5,930
	Type D (Specified non-profit organisations)	£0	N/A	N/A	N/A	£0
Registered with the Authority and overseen by a delegated oversight body	Any Designated Business	£364	N/A	N/A	N/A	£364

***EXPLANATORY NOTE******(This note is not part of the Order)***

This Order specifies the application and annual fees payable by applicants for registration and registered persons under the Designated Businesses (Registration and Oversight) Act 2015 from 1 April 2023 to 31 March 2024, from 1 April 2024 to 31 March 2025 and from 1 April 2025.

This Order provides for fees to be apportioned, where applicable, if a registration is granted during a period or if oversight of a registered person changes during a period.

This Order revokes and replaces the Designated Businesses (Fees) Order 2021.