ISLE OF MAN
FINANCIAL SERVICES AUTHORITY

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Consultation Response

New Authority Funding Model from 1 April 2023

CR22-04

Issue Date: 23 September 2022

Contents

Glossary

AFM Project	Authority Funding Model Project
Authority	Isle of Man Financial Services Authority
CISA08	Collective Investment Schemes Act 2008
Consultation	Consultation Paper CP22-04 on the New Authority Funding Model from 1 April 2023
DBROA15	Designated Businesses (Registration and Oversight) Act 2015
FSA08	Financial Services Act 2008
IA08	Insurance Act 2008
IOMG	Isle of Man Government
ML/TF	Money Laundering and Terrorist Financing
NRA	National Risk Assessment of Money Laundering and the Financing of Terrorism
PIFM	Predominantly industry-funded model
Principles	Principles for the Funding Model
RBSA00	Retirement Benefits Schemes Act 2000

1. Background

This Consultation Response is issued by the Isle of Man Financial Services Authority ('the Authority') following Consultation Paper CP22-04 on the New Authority Funding Model from 1 April 2023[1] ('the Consultation'). The purpose of the consultation was to obtain views in relation to the Authority's plans to move to a predominantly industry-funded model from 1 April 2023. The consultation included the draft Funding Model and draft Fee Structure.

This Consultation Response provides a summary of responses received to the Consultation along with the Authority's response and proposed changes to the original proposals.

2. Summary of Responses

2.1 Overview

The Authority received 39 responses to the Consultation. The following table provides a breakdown of responses by type based on the primary activity of each respondent:

No.	Category
25	**Regulated Entities**
	2 – Financial Services – Deposit Taking
	1 – Financial Services – Money Transmission Services
	9 – Financial Services – Investment Business
	1 – Financial Services – Services to Collective Investment Schemes
	2 – Financial Services – Corporate and/or Trust Services
	3 – Insurance – Authorised Insurer – Life
	1 – Insurance – Insurance Group
	1 – Insurance – Insurance Manager
	3 – Insurance – Insurance Intermediary
	2 – Professional Retirement Benefits Schemes Administrators
4	**Designated Businesses – Registered**
4	**Industry Associations**
2	**Designated Business Oversight Bodies**
4	**Other**
39	**TOTAL RESPONSES**

The 29 regulated entities and designated businesses that responded held 61 permissions, between them.[2] In terms of the current population (excluding collective responses from industry associations, which is covered below), this represents a 7% response rate, where total permissions are currently 909. The largest representations were from the investment

[1] https://consult.gov.im/financial-services-authority/new-authority-funding-model-from-1-april-2023/

[2] For the purpose of this document, 'permissions' are the different 'business types' undertaken by entities included in the Authority's online register. By way of example, this includes Classes of licence under the FSA08, different business types under the IA08 and entities registered under the CISA08, RBSA00 or DBROA15.

business, insurance, collective investment scheme and fiduciary services sectors, which represented 62% of overall responses (including responses by industry associations).

In addition to responses from individual regulated entities and designated businesses, the Authority received responses from the following industry associations: the Association of Corporate Service Providers; the Financial Planners and Insurance Brokers Association; the Isle of Man Captive Association; and the Isle of Man Wealth and Funds Services Association. Collectively, these associations represent the fiduciary services sector, the investment business sector, the captive insurance sector and the collective investment scheme sector.

Responses were received from two bodies to whom the Authority has delegated oversight of designated businesses under the DBROA15: the Institute of Financial Accountants; and the Isle of Man Law Society.

In broad terms, feedback from businesses with the largest fees under the current and proposed fee structure (i.e. deposit takers and life insurance businesses) focused on governance and transparency arrangements around the new Funding Model. Feedback from smaller businesses tended to focus on the level of fees proposed and the amount of the fee increases in relative terms.

2.2 Key themes

The Consultation asked the following questions:

(1) Do you have any comments on any of the topics covered by the Research and Policy Considerations (Appendix B)?
(2) Do you have any comments on the Authority's proposed new funding model (Appendix C)?
(3) Do you have any comments on the Authority's proposed new fee structure (Appendix D)?
(4) Do you have any comments on the new fees that the Authority proposes to charge for activities that the Authority has not previously charged for?
(5) Do you have any comments on the proposed implementation period for annual fees?
(6) For entities licensed, authorised, registered or otherwise regulated by the Authority, how would you describe the impact of the proposed new funding model (Appendix C) and fee structure (Appendix D) on your business? For other entities or stakeholders, do you have any comments on the potential impact of the new funding model and fee structure on fee payers? Please provide any information you think may assist the Authority in assessing the impact of its proposals.

This section covers the key themes raised in response to the above questions.

2.2.1 Fee increases higher than expected

54% of respondents specifically stated that the proposed fee increases were much higher than expected (e.g. three or four times higher than their current fees), disproportionate (e.g. in their opinion, too high relative to the activity they undertake) or that they objected to the level of fee increases. Some of those respondents said they had expected an approximate doubling of fees to get the Authority from 56% to 100% industry funding.

Authority response:

Based on the proposed scope of the Funding Model, it is correct to say that the Authority's fee income would need to approximately double in order to remove the need for the subvention from the Isle of Man Government ('IOMG'). The 2020 Discussion Paper highlighted the factors that would input into development of a Predominantly Industry-Funded Model ('PIFM'). These factors were then refined into the Principles, which were used to design the new Funding Model and Fee Structure. As such, it was always intended that the impact of the new fees would vary, possibly by large amounts, across sectors given the wider objectives of the project. The differential at individual firm level reflects many issues with the current fee structure, the most notable of which are outlined below:

- For certain sectors, fees were flat (i.e. the same for all firms) and did not reflect the relative impact of individual firms.
- For certain sectors with an impact / volume measure, the measure has been changed to make it more appropriate to the business of the sector.
- For certain sectors, the minimum level of fees charged was significantly below reasonable levels (e.g. significantly lower than comparator jurisdictions).
- Some sectors contributed proportionately less, in some cases significantly less, to their cost of supervision relative to other sectors. This meant that those sectors were being supported by other sectors.

The proposed Funding Model sought to address the above issues as follows:

- Volume measures have been adopted for the majority of business types in order to better reflect impact at both a sector and firm level.
- Changes have been made to increase consistency in the approach across different sectors, where appropriate. For example, fee bandings have been harmonised across different sectors, but with higher fee bands to reflect higher-impact businesses and lower fee bands to reflect lower-impact businesses.
- Minimum levels of all regulatory and oversight fees have been increased to more reasonable levels, taking into account comparator jurisdictions.
- The extent of cross-subsidisation of sectors has been reduced to achieve a more balanced contribution of fee income by sector relative to the cost of regulating or overseeing those sectors.

The proposed Funding Model is in line with the Principles prepared by the Authority following feedback on the 2020 Discussion Paper (see Appendix B).

For the smallest businesses, the increase in minimum fees can result in the new fee being a high multiple of the existing fee but the increase is small both in absolute terms and relative to turnover. The most obvious example of this is within the fiduciary services sector. Under the current fee structure, approximately 40% of fiduciary service providers pay an annual regulatory fee of £1,741. Under the new fee structure, the minimum regulatory fee would be £7,283 in 2025/26. Whilst this represents a four-fold increase, it is an increase of £5,542 in absolute terms. For fiduciary services licenceholders, the median fee as a percentage of turnover under the new fee structure is approximately 1.6%.

For all sectors that would use 'turnover' as a Volume Measure under the proposed Fee Structure, the fee modelling work carried out by the Authority estimated that the median fee would be less than 2% of turnover. For 25% of businesses, the fee would be around 1% of turnover. For 75% of businesses, the fee would be less than 3% of business turnover.[3]

Following consideration of feedback, the Authority proposes changes to the Fee Structure for: Designated Businesses; Class 8(a) (Bureau de change), Class 8(2)(b) (Payment services as agent) and Class 8(3) (Cheque cashing) activity; and some Class 3 to 9 or 11 insurers following the updated classification of Class 12 (lower risk). Further information can be found in section 3.

2.2.2 Timing

46% of respondents specifically commented on the timing of the proposals to move the Authority to a PIFM. These responses referenced multiple factors, including the need for a recovery period as a result of the Covid-19 pandemic, the current high-inflation environment and economic outlook, and the likelihood of a recession in the near future. Some of these respondents noted that the cost of doing business in the Isle of Man continues to increase, with the rising cost of professional indemnity insurance given as a specific example.

Authority response:

In substance, the regulated sector as a whole has benefitted from a significant subvention from the IOMG for many years, which has suppressed the level of regulatory fees. Prior to launching the Consultation, the Authority undertook an exercise in 2021 to assess the potential impact of the Covid-19 pandemic on the financial services sector in the Island. This exercise indicated that turnover had broadly held up across the various financial services sectors. In addition, certain firms had seen some favourable impacts in terms of income, this being driven by various factors, such as a flight to security. This exercise illustrated that regulatory fees represented 2% or less of turnover for over 85% of entities sampled. As noted in 2.2.1, the fee modelling work carried out by the Authority for the proposed Fee Structure estimated that the median fee would be less than 2% of turnover.

There is always an element of uncertainty attaching to the external environment. The Authority also understands that, subsequent to its launching this project to move to a PIFM, there is now greater uncertainty resulting from the current high inflation environment. Following consultation with the Treasury, the Authority considers it appropriate to proceed with the fee increases as outlined, subject to adjustments to address some of the specific points raised by respondents. Regulatory fees will still remain a relatively low proportion of income and expenditure for businesses. The proposed increases will be phased in over three years, which provides an opportunity for firms to adapt their business plans. In addition, the fee increases build in a fixed level of inflation

[3] This estimate was based on the full amount of the new fee (i.e. without any phasing) without any adjustment for inflation in 2024/25 and 2025/26. Inflation for 2023/24 was already factored in to the Authority's budgeted expenditure.

adjustment over the next three years of only 2% a year, which is significantly lower than current inflation levels. This provides certainty to businesses as to fee levels over the next three years as well as some insulation from the current inflation environment. In the meantime, regulatory fees in other jurisdictions are likely to increase, which means the proposed fees will compare more favourably with other jurisdictions in the final year of the implementation period.

2.2.3 Transparency and efficiency

38% of respondents specifically commented on the need for the Authority to review and enhance its transparency arrangements to reflect the higher level of industry funding. Those respondents sought additional information around the Authority's activities, income and expenditure. Some respondents said they would expect to see the publication of additional Key Performance Indicators ('KPIs') and greater transparency around service level standards to provide a measure of value for money for their fees.

31% of respondents specifically mentioned the need for the Authority to evidence that it uses its resources efficiently as a result of the higher level of industry funding. Some respondents sought further clarity on the Authority's approach to KPIs and service level standards.

Many of the respondents emphasised the importance of transparency in relation to the Authority's operations and use of resources. Many also stated that they would expect the Authority to use its resources in the most efficient manner possible. Some respondents stated that the Authority should look to reduce its costs in order to reduce the cost burden on the regulated sector following the reduction in funding from the IOMG.

Authority response:

In relation to transparency measures, the Authority already adopts a number of practices that are commonly used across similar jurisdictions such as the publication of the Authority's Annual Report[4] and Strategic Plan[5]. The requirement to publish an Annual Report is a duty placed on the Authority by law.[6] It outlines the Authority's activities, focus and achievements in the preceding year. It also provides information in relation to the Authority's financial performance, as well as statistics relating the Island's financial services sector and the use of the Authority's powers. The Strategic Plan focuses on the Authority's key strategic priorities for the next few years. The Authority's performance against its Strategic Plan is covered in the Annual Report.

In relation to efficiency, the Authority is required under the Financial Services Act 2008 ('FSA08') to 'have regard to the need to use resources in an efficient and economic way'.[7] The Authority is also required to report on its performance in respect of matters 'about the effectiveness and efficiency of the operations of the Authority as the Treasury may

[4] IOMFSA Annual Report 2021, https://www.iomfsa.im/media/2893/fsa-annual-report-2021.pdf

[5] IOMFSA Strategic Plan 2021-2024, https://www.iomfsa.im/media/2916/iomfsa-strategic-report-2021-2024.pdf

[6] Paragraph 7 of Schedule 1 to the FSA08.

[7] Paragraph 3(c) of Schedule 1 to the FSA08.

direct'.[8] The Authority continues to develop its information technology capabilities to ensure data management is efficient and effective, supporting the Authority's staff to carry out its functions. One of the six Strategic Priorities outlined in the Authority's Strategic Plan 2021-2024 is Data Management and Analytics.

In relation to both transparency and efficiency, the Authority is actively engaged with the Treasury to enhance existing metric and KPI reporting as part of the Treasury's oversight of the Authority. This suite of key metrics covers data in relation to:

- 'Fitness and propriety' applications
- Licence applications
- Inspections (e.g. desk-based and on-site inspections)
- Civil penalties issued
- Enforcement activity
- Statutory powers exercised
- Freedom of Information Requests.

The Authority is keen to develop further communication routes and will be looking to develop more dialogue with industry as part of a separate initiative on enhancing transparency measures. This will involve —

(a) consolidating existing service level standards and considering areas where the Authority could publish additional service level standards to clarify expected turnaround times; and
(b) publishing additional metrics and KPIs to improve transparency around the Authority's activities and performance.

The Authority is planning to publish key metrics and KPIs in 2023, which will link in with the implementation period for the move to a PIFM.

The Authority is also considering ways in which to provide additional detail in its published financial statements. For example, the Authority plans to provide a breakdown of fee income by sector in future financial statements.

As part of the jurisdictional comparison work undertaken for the Authority Funding Model project, the Authority considered its total costs against the economic valued added by the financial services sector as well as its staffing levels against the numbers employed in the financial services sector. This exercise was also undertaken for the most obvious comparator jurisdictions, such as Guernsey, Jersey and Gibraltar. When compared across jurisdictions, this macro analysis indicated that the size (both in terms of cost and staffing levels) of the Authority relative to the financial services sector was lower than the three comparator jurisdictions. The Authority shared the results of this exercise with the Treasury, the Industry Working Group and Finance Isle of Man prior to consultation, as well as those industry associations that met with the Authority during the consultation period.

2.2.4 Jurisdictional comparisons

33% of respondents specifically commented on the jurisdictional comparisons undertaken by the Authority and the Third Party Advisers ('TPAs'). Some respondents said that it was difficult for them to assess whether the fee proposals were proportionate, particularly

[8] Paragraph 7(2)(d) of Schedule 1 to the FSA08.

where they were unable to see some of the data behind the jurisdictional comparisons and the additional work undertaken by the Authority and the TPAs. Some of those respondents asked for more detail on the jurisdictional comparisons to be published, whilst others noted that it was difficult to make direct fee comparisons between jurisdictions.

In terms of regulated entities, some respondents said that the proposed fees would make the Isle of Man more expensive to carry on regulated activity in some cases. However, no quantitative data was provided to the Authority. One respondent with business operations across all three Crown Dependencies indicated that the Authority's proposals would bring the Isle of Man fees into line with one of the other comparators but would be significantly more than the other.

A number of respondents were critical that the Authority did not publish jurisdictional comparison work undertaken in relation to sector fees. In addition, a smaller number of respondents challenged the relevance of a jurisdictional comparison in respect of their businesses, which tended to be smaller firms with only an Isle of Man presence.

Authority response:

As part of the Authority's initial considerations, the TPAs carried out a preliminary jurisdictional comparison to ascertain whether regulators in similar jurisdictions had published a detailed benchmarking assessment of sector fees across comparator jurisdictions. It was found that no regulator had published such an assessment.

The exercise to benchmark fees across jurisdictions is a complex matter. Different regulators adopt different authorisation, licensing and registration frameworks. As such, they often classify activities and permissions / sub-permissions in different ways. In addition, regulators will adopt different parameters to set fees, such as different use of base, flat and volume-based fees. This materially affects the fees charged.

Building on the work carried out by the TPAs, the Authority undertook a comparison of fee structures used by other regulators. This exercise considered the following:

(1) The main fee parameters and bandings used by comparator regulators by sector;
(2) What would constitute a 'small', 'medium' and 'large' firm by sector, based on the Isle of Man's population of firms; and
(3) An estimate of the fees under comparator regulators' fee structures for minimum fees, and maximum fees as well as for 'small', 'medium' and 'large' firms by sector.

This allowed reasonable fee comparison with other jurisdictions both by sector and by entity size. The results of this exercise were shared with the Industry Working Group and the relevant industry associations prior to the launch of the consultation to help illustrate the Authority's approach to developing the new Fee Structure. A copy of the results are included in Appendix C. The results supported the conclusions in the Consultation and this response on the competitive position of the Island based on fees.

2.2.5 Proposed fees not aligned to entity risk

28% of respondents said that they did not believe the proposed fees were sufficiently aligned to entity risk. A number of those respondents referenced the Isle of Man's National

Risk Assessment of Money Laundering and the Financing of Terrorism ('NRA').[9] Some respondents noted that some lower-risk sectors (in terms of the NRA) would pay the same level of fees as higher-risk sectors under the proposed Fee Structure. Some respondents referenced the Authority's vision for a 'more dynamic fee structure as an essential element in moving towards a predominantly industry-funded model where the fees charged are more proportionate to the regulatory work being carried out'[10] and stated that they did not believe the proposed fees were proportionate to the regulated activities they carry out. Some respondents suggested that fees should be partly driven by risk and the corresponding activity of the regulator to help allocate costs more fairly.

Authority response:

Principle 4 stated in relation to the funding of the Authority that the fees for regulated entities will reflect:

- The Authority's assessment of the risks, size / impact and regulatory demands of the sector so that fees payable by each sector are fairly distributed;
- The size / impact of the entity; and
- Affordability – fees should be proportionate and reasonable to the capacity of firms to pay.

Broadly, the issues raised by respondents were either that fees should be more weighted to individual firm risk, or that there was insufficient differentiation across sectors.

In terms of varying risk across sectors, respondents have reasonably pointed to the NRA. The NRA does consider some sectors to be a higher risk than others. However, ML/TF risks are only one type of risk that the Authority considers across sectors and firms. The Authority also has to focus on the wide range of prudential and conduct risks to regulated entities in order to fulfil its regulatory objectives.[11]

ML/TF is not the sole determinant of risk at a sector or firm level. In addition, the Authority has to balance practicality, consistency, transparency and reasonable apportionment of fees when determining its funding approach, amongst other things.

The Authority considers that the proposed Funding Model is aligned to risk at the sector level. The current allocation of supervisory resources by sector reflects the Authority's view of risk and impact and risk at a sector level, as well as the underlying nature and volume of regulatory activity, such as handling notification and consent matters. By targeting sectoral fees to cover allocated costs, the Authority is considering impact and risk at a sector level.

The proposed Fee Structure applies a different fee basis for certain sectors to reflect the specificities of those sectors. For example, there is a materially different approach to fees for deposit takers and insurers, where customer liabilities are held on balance sheet (i.e. prudential balance sheets) than other types of business.

Fees are now much more aligned to size / impact under the proposed Fee Structure than the previous framework, where there was a significant number of permissions that

[9] https://www.gov.im/about-the-government/departments/cabinet-office/national-risk-assessment/

[10] Next step in transition towards new regulatory funding model, Isle of Man Financial Services Authority, 2 December 2021

[11] Prudential regulation focuses on the financial safety and stability of institutions and the broader financial system. Conduct regulation focuses on behaviours and consumer outcomes.

attracted flat fees. The Volume Measure used for non-prudential regulated entities is turnover. This is a metric utilised by some other regulators, however some use alternative size / impact metrics. Turnover is considered to be a reasonable proxy for size / impact as well as being a robust figure that is common across different business types and able to be validated from businesses' financial statements.

2.2.6 Proposed fees may result in business consolidation

23% of respondents indicated that the level of fees proposed may result in the consolidation of businesses within the regulated and designated business sectors, which may lead to reduced services and choice for clients. Some of these respondents said the fee proposals would have a greater impact on smaller businesses (particularly small financial advisory and accountancy businesses), which could damage the wider Isle of Man economy.

Authority response:

Firms that operate in the regulated sector are subject to regulation to ensure that they operate with appropriate governance, risk management and control frameworks to reduce the risk of customer detriment and harm, as well as ensuring appropriate protections against ML/TF risks. In addition, the vast majority of sectors are required to meet minimum financial resource requirements, recognising that financial robustness is an appropriate mitigant within the financial services sector.

The Authority aims to carry out regulation and supervision in a proportionate way. As part of the move to a PIFM, the Authority is now being required to recover almost all its costs from regulated entities, designated businesses and other fee payers (as is the standard practice internationally). It is reasonable to expect firms to pay their share. The proposed Funding Model and Fee Structure seeks to allocate fees in line with the Principles. The Authority accepts that this will increase the cost of business, Changes in the structure of the market are bound to occur, including consolidations, but the Authority considers that the impact of these fee increases on their own is unlikely to be a significant driver.

As outlined in the Authority response in section 2.2.1, the increase in fees is considered reasonable, proportionate and in line with comparator jurisdictions. If the quantum of fee increases alone is considered to be a threat to the viability of the business, this potentially raises concerns as to the appropriateness of the operation of that business in the regulated sector. Section 3 outlines the Authority's proposed changes to the Fee Structure for: Designated Businesses; Class 8(a) (Bureau de change), Class 8(2)(b) (Payment services as agent) and Class 8(3) (Cheque cashing) activity; and some Class 3 to 9 or 11 insurers following the updated classification of Class 12 (lower risk).

2.3 Other feedback

2.3.1 Requests for further clarity

Just under a third of respondents sought further clarity on various matters. Some said it was difficult for them to give an opinion on the fee proposals without being able to see the whole picture, e.g. the cost of each sector to regulate and the reasoning behind the proposed fee structure and bandings. Many of these respondents voiced concerns over what could happen at the end of the implementation period, i.e. from 1 April 2026. For example:

- How will the Authority manage its expenditure?
- What will happen if the number of fee payers reduces?
- Will fees continue to increase after 2025/26?
- What will happen with any deficit (or surplus) in fee income during and after implementation of the new Funding Model?
- Will the Authority undertake jurisdictional comparisons in future to check fees do not become out-of-line with those in other jurisdictions?

Authority response:

As with any planning or budgeting process, there is more certainty as to the short-term plan and outcome. The proposed approach to fees outlined in the consultation provides that clarity to regulated entities and designated businesses in terms of Fee Structure, implementation timeframe and allowance for inflation up until 31 March 2026.

The Authority is not in a position to provide certainty as to what the fee basis will be for regulated entities and designated businesses beyond 2025/26. The Authority's future funding requirements will be impacted by various matters, which include the following:

- Changes to the composition of the regulated and designated business sectors, which changes the demographic of fee payers.
- Changes to the Authority's statutory functions and responsibilities, which could result in a wider or narrower remit.
- Changes to international standards that apply to the regulation of the financial services sector or the oversight of designated businesses.
- Changes across the IOMG resulting in the Authority being charged for using certain shared services, e.g. in relation to Government Technology Services (for IT support), the Office of Human Resources (for HR support).
- Other external economic impacts, such as the level of inflation.

As part of the consultation process, the Authority outlined what was in-scope of the proposed Funding Model. In the interests of transparency, the Authority also flagged aspects of some costs that do not currently sit within budgeted expenses, for example, the current approach to shared services received from the IOMG, and that this may be subject to change in the future. The Government's planned approach to allocating the costs of shared services across Departments, Statutory Boards and Offices in the future is not certain at this point and will need to be kept under review.

The Authority remains accountable to the Treasury and, ultimately, Tynwald for the effective discharge of its functions. As a Statutory Board, the Authority is subject to relevant IOMG policies and codes, such as The Government Code[12], the Code of Conduct for Public Servants[13] and the Corporate Governance Principles and Code of Conduct[14].

The Authority remains responsible for managing its resources 'in an efficient and economic way'[15] and is subject to The IOMG Financial Regulations[16] and a rigorous budgeting process through the Treasury's Financial Governance Division. Potential adjustments to the Authority's budgeting process are being discussed with the Treasury to deal with potential deficits (and surpluses) of fee income, e.g. the introduction of a quasi-balance sheet by the end of the implementation period.

In addition, the Authority is required to consult on changes to regulatory fees, which provides industry with an ability to respond to proposed changes prior to implementation.

The benchmarking of fees to other relevant jurisdictions will be an important part of any future changes to fees, in line with the Principles for the Funding Model (see Appendix B).

2.3.2 Approach to innovation costs

18% of respondents specifically said that innovation costs relating to the regulation of new sectors should not be cross-subsidised by fee payers from other sectors. Those respondents said that such costs should either be funded by the new sectors themselves or, if the new sectors were considered to be of wider benefit to the Island, by the IOMG. Most comments on the topic of innovation costs related to the costs of regulating new sectors and not funding innovation within established sectors.

Authority response:

Section 3.5 (What costs are not to be covered by fee payers?) of the draft Funding Model (Appendix C of the Consultation) noted that any short-term funding provided by the IOMG for specific topics of certain short-term innovation or ESG (Environment, Social or Governance) initiatives (or similar undertakings) would be excluded from the scope of the Funding Model, i.e. the Authority would not seek to use fee income to cover costs for which the IOMG has agreed short-term funding.[17]

In terms of the establishment of a regulatory framework for a new sector, the Authority would need to agree with the Treasury how such costs would be funded at the outset. The IOMG may consider it to be in the wider interests of the Isle of Man and may be willing to fund associated costs for a certain period, subject to ongoing review. If a new sector establishes itself and develops well, the Treasury may eventually look to recoup the initial setup costs from increased sector fees over time (which would be in line with

[12] The Government Code, February 2016: https://hr.gov.im/media/1189/the-government-code-february-2017.pdf

[13] The Code of Conduct for Public Servants, March 2009 (Updated August 2016 and January 2017): https://hr.gov.im/media/1146/urn-8-code-of-conduct-for-public-servants-2017-v2.pdf

[14] Corporate Governance Principles and Code of Conduct, November 2005: https://hr.gov.im/media/1413/corporate-governance-principles-and-code-of-conduct.pdf

[15] Paragraph 7(2)(d) of Schedule 1 to the FSA08. https://www.gov.im/media/1366335/2020-financial-regulations-july-2020-v2.pdf

[16] The Isle of Man Government Financial Regulations, 1 July 2020:

[17] https://consult.gov.im/financial-services-authority/new-authority-funding-model-from-1-april-2023/supporting_documents/Consultation%20Paper%20%20CP2204NewAuthorityFundingModelApr23.pdf

the Principles). If the new sector does not establish itself or develop as well as expected, the Authority and the Treasury would need to consider if any ongoing resource was needed and, if so, how such costs would be funded.

The cost of innovation within a specific sector would be expected to be recovered from the sector itself in line with the Principles.

Costs relating to innovation work within the Authority (e.g. to drive efficiencies) are already part of the organisation's cost base and are included within its budget. These costs would be recovered in line with the Principles.

2.3.3 Treatment of civil penalty income

The treatment of civil penalty income was raised by some respondents. As with feedback on the 2020 Discussion Paper, some respondents were in favour of the Authority being able to retain all income from discretionary civil penalties, whereas others agreed with the proposal to offset such income against enforcement costs with the remainder (if any) to be passed on to the Treasury.

Authority response:

Fee payers would benefit if the Authority were able to retain all income from discretionary civil penalties, as any surplus after offsetting enforcement costs could be offset against general expenditure. This would mean that the costs to be covered by fee income would be reduced.

The Authority considered the treatment of discretionary civil penalty income with the TPAs, the key points of which were covered in Appendix B (Research and Policy Considerations) of the Consultation. It was noted that the ability of a regulator to impose civil penalties without appropriate controls created a potential conflict of interest, where a regulator may be seen to use civil penalties as a way of raising additional income. In order to mitigate this conflict of interest, the Authority proposed in the draft Funding Model that discretionary civil penalty income could only be offset against enforcement costs, with the remainder (if any) to be passed on to the Treasury.

The Authority notes the differing viewpoints of respondents on this topic but considers the best option is to maintain a control so that discretionary civil penalty income can only be offset against enforcement costs. A final decision on this point will be for the IOMG.

2.3.4 Use of turnover as a Volume Measure

The use of business turnover as a Volume Measure for fees for certain sectors was challenged by some respondents. By contrast, the Volume Measures proposed for prudential balance sheet businesses (i.e. deposit takers and insurers) did not attract any criticism.

Some respondents suggested that profit (or an adjusted form of profit) should be adopted as the Volume Measure instead of turnover, whereas other respondents did not suggest any alternatives.

Authority response:

The Authority considers turnover to be a reasonable proxy for the size / impact of a business, where size / impact is considered in the context of the Authority's regulatory objectives which include the protection of consumers of regulated financial services. In addition, turnover has the benefit of being a robust measure that can be validated, as it is reported in financial statements of regulated entities.

Profit is considered to be a less robust proxy for size / impact. In addition, profit can be distorted by exceptional items as well as expensing arrangements. Profits would also not reliably meet the Authority's need for a stable source of income. None of the fee structures reviewed by the Authority as part of the jurisdictional comparison work used profit (or an adjusted form of profit) in their fee methodology. Turnover is widely used as a volume measure in Guernsey, which is one of the Authority's material comparator jurisdictions due to the relative nature and size of its financial services sector.

2.3.5 Transaction fees

A number of respondents questioned the basis the proposed transaction fees. Some commented that the proposed link between Annual Fees, Application Fees and Change of Control fees (e.g. being a percentage of the relevant Annual Fee) appeared arbitrary and that the rationale behind the link was unclear. Other respondents questioned the level of proposed fees, suggesting that there should be some stratification for Change of Control fees to reflect the materiality of the change.

Authority response:

In setting Application Fees by reference to Annual Fees, the Authority compared the resulting Application Fees with comparator jurisdictions and found them to be very much in line, recognising the need for such fees to be competitive. There was not a significant differential across similar sectors for comparator jurisdictions. Application Fees tend to be approximately half of minimum level of Annual Fees.

In relation to Change of Control fees, the Authority again considered comparator jurisdiction fees when it considered the level of fees to charge. In addition, consideration was given to actual time spent by Authority staff on change of control matters split by prudential balance sheet businesses (e.g. deposit takers and insurers) and non-prudential business. For clarity, the Authority's considerations in relation to changes of control does not simply involve a high-level assessment of the fitness and propriety of new controllers. In many circumstances, changes of control trigger other direct or indirect changes to the regulated entity, for example, changes to business and operational plans as well as introducing complex financing arrangements at a group level. These are all matters that need to reasonably be considered. Obviously change of control for prudential balance sheet businesses will receive greater scrutiny, hence why the change of control fees are significantly higher for these.

The Authority will, however, consider stratification of Change of Control fees depending on the materiality of the change and publish revised proposals as part of the next consultation in September/October 2022 (see section 3 and section 4). This stratification is arguably most relevant where the Change of Control fee is largest (i.e. for those business types with the highest Annual Fees). For non-prudential businesses, the proposed Change of Control fees are relatively small amounts of money relative to income and profits.

2.3.6 Report by the Third Party Advisers

Some respondents noted that the TPAs were due to publish a report on their work at the close of the project once the new Funding Model and Fee Structure are ready for implementation. Those respondents asked if the publication date could be brought forward to provide additional transparency around the development of the new Funding Model and Fee Structure.

Authority response:

The Authority originally planned for a report to be issued on the TPAs' involvement in the AFM Project towards the end of 2022 once the proposals had been shaped ready for implementation from 1 April 2023. This was to allow scope for the TPAs to assist with the refinement of the proposed Funding Model and Fee Structure.

The TPAs' work on the AFM Project to date was outlined in section 3.3 (Third party advisers) of the Consultation.

The Authority proposes to publish a report on their involvement in the AFM Project to coincide with the launch of the next consultation on the AFM Project, which is expected in September to October 2022.

3. Changes to the Proposals

3.1 Overview

Following a review of feedback to the Consultation, the Authority proposes the following changes to the draft Funding Model and draft Fee Structure. The results of some of these changes are presented in this document whereas some will be included in the next consultation on the AFM Project, which is expected in October 2022.

3.2 Revised fees for Class 3 (Services to Collective Investment Schemes) and collective investment schemes themselves

Some errors were identified in the proposed fees for Class 3 (Services to Collective Investment Schemes) licenceholders under the FSA08 and schemes under the CISA08 in the Consultation. For example, some fees had been allocated to the wrong scheme types. In addition, some fee types were included under the CISA08 fees (as they relate to schemes) but, in practice, would be paid by Class 3 (Services to Collective Investment Schemes) licenceholders under the FSA08. This distinction should ideally have been referenced in the Fee Structure. These issues were discussed with representatives from the Isle of Man Wealth and Funds Services Association during the consultation period and also referenced in the Association's response to the consultation. The revised fee proposals for Collective Investment Schemes will be included in the next consultation (see section 4).

3.3 Revised fees for Designated Businesses with two employees

Following feedback received, the Authority also proposes to change the lowest Fee Bands (1 and 2) for Tiers 1, 2 and 3 to introduce a lower fee for businesses with only two individuals.

This change will result in a more proportionate fee to reflect the relative size/impact of these businesses compared to those with a larger number of individuals. It will also specifically address situations where a Designated Business is established as a company but where the majority of the activity is carried out by one individual.

In addition to the above, the Authority would like to clarify that Tier 4 (Sole Trader) was intended to cover individuals carrying on Designated Business in a sole trader capacity without any other individuals being involved. Tiers 1 to 3 were intended to cover Designated Businesses involving more than one individual.

The revised fee proposals for Designated Businesses are shown in Appendix D.

3.4 Revised fees for Class 3 to 9 or 11 insurers in light of Class 12 classification

The Authority has recently finalised the updated classification of Class 12 (lower risk) Non-Life Insurers. The Isle of Man Captive Association fed back that the proposed fees for non-Class 12 would lead to an significant uplift in fees for a number of firms that are no longer considered to be Class 12 (albeit that some of these insurers are not traditionally open market in nature) and that the proposed position results in an uncompetitive position with comparator jurisdictions, which in some cases do not differentiate fees between Class 12 insurers and Class 3 to 9 or 11 insurers. At the time of the Consultation, the final outcome of the reclassification exercise was unknown.

The Authority considers that is appropriate to charge higher fees for non-Class 12 insurers as they represent a higher impact than Class 12 insurers in relation to the Authority's regulatory objectives and will be subject to a greater level of supervisory oversight. The Authority also maintains that 'gross of reinsurance' Volume Measures remain appropriate as non-Class 12 insurers do not meet the revised definition of 'captive' and are legally liable for their total liabilities, gross of reinsurance.

The proposed fee structure had three levels of stratification, which arguably was too limited. The Authority proposes to increase the level of stratification of fees for non-Class 12. A greater possible maximum fee of £150,000 will also be introduced at the top of the previously proposed banding. The increased level of stratification does not result in an increase in fees relative to the original proposed basis for current non-Class 12 insurers. The revised fee proposals for non-Class 12 insurers are shown in Appendix E.

3.5 Revised fees for Class 8(1) (Bureau de change), Class 8(2)(b) (Payment services as agent) and Class 8(3) (Cheque cashing)

Following consideration, the Authority proposes a revised Fee Structure for certain types of Class 8 (Money Transmission Services) regulated activity under the FSA08. These are: Class 8(1) (Bureau de change), Class 8(2)(b) (Payment services as agent) and Class 8(3) (Cheque cashing). These types of activity will now only be subject to a Base Fee and will not pay a Volume Fee. The reason for the change is that these activities are a lower impact to the

Authority's regulatory objectives than other Class 8 activities. Licenceholders that carry on these activities (and no other regulated activities) are subject to a reduced set of rules under the Financial Services Rule Book. The revised proposals for Class 8 (Money Transmission Services) are shown in Appendix F. No changes are proposed to fees for Class 8(2)(a) (Payment services directly) and Class 8(4) (E-money).

3.6 Stratification of transaction fees for changes of control

Some respondents suggested that the proposed approach to transaction fees for changes of control (i.e. 50% of the relevant Application Fee) was too simplistic and would not provide sufficient flexibility to account for the materiality of different types of change of control. The Authority will look to further refine and stratify the change of control fees. The revised proposals will be included in the next consultation (see section 4).

3.7 Removal of reference to Fee Blocks

Some respondents queried the concept of 'Fee Blocks' in the draft Fee Structure and whether it could be better utilised or, if not, whether it was needed. Section 3 of the draft Fee Structure (Appendix D of the Consultation) provided a table categorising the different types of Regulated Activity and Designated Business into Fee Blocks. This categorisation summarised the Fee Structure for regulated entities and Designated Businesses in terms of business types, classes of activity, permissions and Volume Measures. Following review, the Authority agrees that the 'Fee Blocks' are not needed, as fees are structured by activity. As such, 'Fee Blocks' will be removed from the next version of the Fee Structure document, which will be included in the next consultation (see section 4).

4. Next Steps

Following a review of responses to the Consultation, the Authority plans to publish updated versions of the Funding Model and Fee Structure, which will incorporate some of the changes outlined in section 3. This publication will coincide with the launch of the next consultation on the AFM Project (in September / October 2022), which will focus on the secondary legislation needed to bring the new Fee Structure into effect. The next consultation will incorporate the more detailed changes outlined in section 3.

In case of any query, please contact:

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Appendix A – List of Groups to which this Consultation Response has been sent

- Alliance of Isle of Man Compliance Professionals
- Association of Chartered Certified Accountants (as oversight body)
- Association of Chartered Certified Accountants (Isle of Man branch)
- Association of Corporate Service Providers
- Chartered Governance Institute (Isle of Man branch)
- Chartered Institute for Securities and Investment (Isle of Man branch)
- The Department for Enterprise
- Financial Planners & Insurance Brokers Association
- Institute of Certified Bookkeepers (as oversight body)
- Institute of Chartered Accountants In England and Wales (as oversight body)
- Institute of Directors (Isle of Man branch)
- Institute of Financial Accountants (as oversight body)
- Insurance Institute of the Isle of Man
- International Association of Bookkeepers (as oversight body)
- Isle of Man Association of Pension Scheme Providers
- Isle of Man Bankers Association
- Isle of Man Captive Association
- Isle of Man Chamber of Commerce
- Isle of Man Law Society
- Isle of Man Law Society (as oversight body)
- Isle of Man Society of Chartered Accountants
- Isle of Man Wealth & Fund Services Association
- London Institute of Banking and Finance (Isle of Man branch)
- Manx Actuarial Society
- Manx Insurance Association
- Society of Trust and Estate Practitioners (Isle of Man branch)
- The Treasury

Appendix B – Principles for the Funding Model

The Funding Model is guided by the following Principles, which were developed by the Authority and exposed to key stakeholders ahead of the preparation of the new model:

No.	Principle
1.	The Authority will generally seek to recover regulatory and oversight costs (i.e. its core functions) from industry, leaving only non-core functions as government funded.
2.	Fees will in principle be set at a level that recovers regulatory and oversight costs for each sector, with apportionment for regulated entities and designated businesses within those sectors, recognising that practical constraints make precise cost allocation and recovery impractical.
3.	In determining how much of its regulatory and oversight costs to recover in fees from each sector, the Authority will balance: • fairness – sectors and entities should pay their way – and the need to avoid economic distortions; with • the benefits of a well-regulated and broad-based financial services industry, which may require some sectors or entities to pay more (cross-subsidisation).
4.	Fees for individual licences, authorisations and registrations will seek to reflect: • the Authority's assessment of the risks, size / impact and regulatory demands of the sector so that fees payable by each sector are fairly distributed • the size / impact of the entity; and • affordability – fees should be proportionate and reasonable to the capacity of firms to pay.
5.	Fees will seek to reflect usage – the costs of some specific regulatory and oversight related transactions will be recovered, as far as possible, from the specific regulated entities and designated businesses.
6.	Fees should be easy to understand and apply – they should be transparent, reflect the activities and scale of the entity, and be operationally practical for the Authority to calculate and collect.
7.	Fees will be based on the Authority's annual costs, with mechanisms to address contingencies (to avoid shortfalls which would require government funding) and to address potential surpluses of fee income over the costs of core activities.
8.	The Authority's funding model will reflect its statutory accountability to the Treasury and Tynwald, enhanced transparency around the Authority's use of resources and intended outcomes as well as the development and practical implementation of its fees policies.
9.	Changes to fees resulting from the implementation of the PIFM will be phased in over time.

Appendix C – Jurisdictional Fee Comparison

1. Overview

As part of the fee modelling work carried out by the Authority for the proposed Fee Structure, comparisons were made between the current and proposed Isle of Man fees against equivalent fees in Guernsey and Jersey where these were possible to identify. This work was carried out in February 2022 and so references to fees in other jurisdictions refer to the fees that were published as current at that time.

This Appendix presents snapshots of the proposed **annual**, **application** and **transaction** fees for different sectors that were previously shared with the IWG and industry associations. The snapshots use a 'Minimum', 'Small', 'Medium' and 'Large' categorisation for regulated entities and an 'Employee' categorisation for Designated Businesses. The comparison covers the main fees for each sector and does not compare combinations of different fees.

The **Isle of Man (2025-26)** column shows the full, un-phased fee, i.e. the fee that would apply from 1 April 2025 excluding the 2% budgeted adjustments for inflation in each of 2024-25 and 2025-26. This is shown next to the most equivalent fees in comparator jurisdictions to allow comparison.

The Isle of Man (2022-23) column shows the current fee (i.e. the fee that applied from 1 April 2022) and is included for ease of reference. As noted in the Consultation, detailed fee comparison with other jurisdictions is difficult due to differences in regulatory frameworks and fee structure, and lack of entity data.

NDC means no direct comparison was identified.

2. Financial Services Act 2008

2.1 Class 1 – Deposit Taking

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Deposit Taker	£27,500	£15,459	£40,545	£27,400

Note: For Gibraltar (2022) = £75,000 or £37,500 (Branch).

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£75,000	£29,813	£56,520	£70,400
Small	£75,000	£29,813	£56,520	£92,400
Medium	£100,000	£35,313	£85,756	£92,400
Large	£125,000	£39,226	£85,756	£111,700

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£13,750	New fee	£2,195	NDC

Note: For Gibraltar (2022) = £30,000.

2.2 Class 2 – Investment Business - Advisors

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Investment Business – Advisors	£4,000	£3,064	£5,790	£7,190 (50% if other permissions)

Note: For Gibraltar (2022) = £4,200 to £5,000.

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£5,000	£2,441	£3,650	£4,470
Small	£7,500	£2,441	£3,650	£4,470
Medium	£10,000	£3,142	£3,650	£5,730
Large	£13,750	£3,142	£3,650	£8,250

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	£2,195	NDC

Note: For Gibraltar (2022) = £30,000.

2.3 Class 2 – Investment Business – Non-Advisors

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£7,000	Dependent on sub permission – range £8,873 to £31,072	£5,475	£5,900
Small	£12,500		£5,475	£8,330
Medium	£17,500		£9,400	£15,620
Large	£60,000		£13,650	£52,520

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)	Gibraltar (2022)
Investment Business – Non-Advisors	£4,000	£3,064 to £3,622	£2,550	£2,140 or £1,070	£7,000 to £13,000

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	£2,195	NDC

Note: For Gibraltar (2022) = £3,000, £10,000 or £30,000.

2.4 Class 3 – Services to Collective Investment Schemes

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Services to Collective Investment Schemes	£4,000	£3,064	NDC	£3,400

Note: For Gibraltar (2022) = £7,000 to £11,000.

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£7,000	Dependent on sub permission – range £8,873 to £44,027	£5,475	£5,660
Small	£12,500		£5,475	Lack of data to compare
Medium	£17,500		£9,400	
Large	£60,000		£13,650	

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	£2,195	£3,400

Note: For Gibraltar (2022) = £3,000, £10,000 or £30,000.

2.5 Class 4 – Corporate Services and Class 5 – Trust Services

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Corporate	£4,000	£3,236 to £3,778	£2,550	£1,795
Professional Officer / Individual	£2,000	£2,519	NDC	NDC

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£7,000	£1,740	£5,660	£7,200
Small	£7,000	£1,740	£5,660	£7,200
Medium	£17,500	£3,778	£22,630	£16,400
Large	£60,000	£14,295	£56,820	£28,775

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	£2,195	NDC

Note: For Gibraltar (2022) = £3,000, £10,000 or £30,000.

2.6 Class 8 – Money Transmission Services

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Payment services directly	£4,000	£3,467	NDC	NDC
Bureau de change, cheque cashing or payment services as agent	£2,000	£1,572	NDC	£3,100

Annual fees

		Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Payment services directly and e-money	Minimum	£7,150	Range £1,572 to £19,001	NDC	NDC
	Small	£7,150			
	Medium	£20,475			
	Large	£41,600			
Bureau de change, cheque cashing or payment services as agent	Minimum	£5,850	£1,572	NDC	NDC
	Small	£5,850*	£1,572		
	Medium	£5,850*	£1,572		
	Large	£5,850*	£1,572		

Note (*): The Isle of Man only has a few licenceholders under this category. They are relatively small and would pay the minimum fee. The lack of gradation here is due to the same bandings being used for other sectors in order to make the fee calculation methodology more consistent.

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	£2,195	NDC

Note: For Gibraltar (2022) = £3,000, £10,000 or £30,000.

3. Insurance Act 2008

3.1 Insurance Life (Class 1, 2 or 10)

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£75,000	£47,041	£43,765	NDC
Small	£75,000	£94,064	£43,765	NDC
Medium	£150,000	£94,064	£85,810	NDC
Large	£275,000	£94,064	£85,810	NDC

Note: Central Bank of Ireland: PRISM: Low £23k, Med Low £74k, Med High £374k, High £1.6m.

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Commercial Life	£50,000[18]	£7,319	£9,220	£15,270
Life Permit UK/EU equivalent	£6,500	£1,882	NDC	NDC
Life Permit UK/EU non-equivalent	£10,000	£3,748	NDC	NDC

Note: Life Permit UK/EU annual fee = £7,000; Non-UK / Non-EU = £12,500.

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Changes of Controller	£25,000	New fee	£2,195	NDC

Note: Gibraltar (2022) = £30,000.

[18] Note: Gibraltar (2022) = £60,000.

3.2 Insurance Non-Life (Class 3 to 9 or 11)

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£20,000	£8,033	£8,570	NDC
Small	£20,000	£8,033	£8,570	NDC
Medium	£50,000	£8,033	£8,570	NDC
Large	£100,000	£8,033	£8,570	NDC

Note: Non-Class 12 Cells & Core (if supporting) follow 'Authorised' annual fee basis.

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Non-Life Authorised non-Class 12	£20,000[19]	£3,748	£9,220	£7,630
Core (non Class 12 supporting)	£20,000	£3,748	£9,220	£7,630
Cell (non-Class 12)	£10,000	£1,882	£3,015	£2,180

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£10,000	New fee	£2,195	NDC

Note: Gibraltar (2022) = £30,000.

[19] Note: Gibraltar (2022) = £60,000.

3.3 Insurance Non-Life (Class 12)

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Class 12 Authorised	£8,000	£8,033	£5,714	NDC
Class 12 Core	£8,000	£8,033	£5,714	NDC
Class 12 Cell	£4,000	£950 to £8,033	£1,868	NDC

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Class 12 Authorised	£6,500	£3,748	£6,150	£4,370
Class 12 Core	£6,500	£3,748	£6,150	£7,630
Class 12 Cell	£2,500	£1,882	£2,010	£2,180

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£3,250	New fee	£2,195	NDC

Note: Gibraltar (2022) = £3,000, £10,000 or £30,000.

3.4 Insurance Managers

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£7,000	£7,475	£8,446	NDC
Small	£7,000	£7,475	£8,446	NDC
Medium	£15,000	£7,475	£8,446	NDC

Note: ‘In-house’ insurance managers = £5,000.

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Insurance Manager	£4,000	£3,748	NDC	NDC

Note: Gibraltar (2022) = £20,000.

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	£2,195	NDC

Note: Gibraltar (2022) = £3,000, £10,000 or £30,000.

3.5 Insurance Intermediaries

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£5,000	£3,512	£4,621 to £4,995	£2,040
Small	£5,000	£3,512	£4,621 to £4,995	£4,475
Medium	£7,500	£3,512	£5,567	£4,475
Large	£15,000	£3,512	£9,240	£6,710

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Insurance Intermediary	£4,000	£3,513	£5,790 (plus additions, which could be up to £4,500)	£7,190 (50% if other permissions)
Financial Adviser	£4,000	£3,064	£5,790 (plus additions, which could be up to £4,500)	£7,190 (50% if other permissions)

Note: Gibraltar (2022) = £4,200 to £5,000.

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	£2,195	NDC

Note: Gibraltar (2022) = £3,000, £10,000 or £30,000.

4. Retirement Benefits Schemes Act 2000

Registered Scheme Administrators

Annual fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Minimum	£7,000	£6,760	£515 fixed fee; £1 per scheme up to £7,500	NDC
Small	£7,000	£6,760		NDC
Medium	£12,500	£6,760		NDC

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Corporate	£4,000	£3,748	Not clear – £2,550 for Primary Fiduciary	NDC

Transaction fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Change of Controller	£2,000	New fee	Not Clear – £2,195 for Fiduciary	NDC

5. Designated Businesses (Registration and Oversight) Act 2015

Designated Businesses

Annual fees

	Employees	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Tier 1: Convertible Virtual Currency Business	3 staff	£4,000	£530	N/A	N/A
	5 staff	£4,000	£530	N/A	N/A
	10 staff	£5,000	£1,130	N/A	N/A
	20 staff	£7,000	£1,505	N/A	N/A
Tier 2: Accountants, Lawyers, Estate Agents, Payroll	3 staff	£2,200	£530	£720	£2,460
	5 staff	£2,200	£530	£720	£2,870
	10 staff	£3,200	£1,130	£1,271	£3,895
	20 staff	£4,200	£1,505	£2,371	£5,945
Tier 3: Other Designated Businesses	3 staff	£1,700	£530	£1,415	£1,535
	5 staff	£1,700	£530	£1,415	£1,945
	10 staff	£2,700	£1,130	£1,415	£2,970
	20 staff	£3,700	£1,505	£1,415	£5,025
Tier 4: Sole Trader	Sole trader	£350	£228	£720	£435

Application fees

	Isle of Man (2025-26)	Isle of Man (2022-23)	Guernsey (2022)	Jersey (2022)
Tier 1: Convertible Virtual Currency Business	£3,500	£152 to £378	Pro rata annual fee	£435
Tier 2: Accountants, Lawyers, Estate Agents, Payroll	£1,700	£152 to £378	Pro rata annual fee	£435
Tier 3: Other Designated Businesses	£1,200	£152 to £378	Pro rata annual fee	£435
Tier 4: Sole Trader	£350	£152 to £378	Pro rata annual fee	£160

Transaction fees

There are no separate transaction fees for Designated Businesses.

Appendix D – Revised Designated Business fees

Designated Businesses (Registration and Oversight) Act 2015

Overview

Designated Businesses are categorised into four tiers of activity. The categorisation links into the definitions used in the Proceeds of Crime Act 2008.

Application fees

Activity	Application Fee			
	Number of employees	Year 1 (2023-24)	Year 2 (2024-25)	Year 3 (2025-26)
Tier 1 – Convertible Virtual Currency Activity	Any	£3,500	£3,570	£3,641
Tier 2 – Lawyers, Accountants, Estate Agents, Payroll	1	£350	£357	£364
	2	£1,100	£1,122	£1,144
	≥3	£1,700	£1,734	£1,769
Tier 3 – Other Designated Businesses	1	£350	£357	£364
	2	£1,100	£1,122	£1,144
	≥3	£1,200	£1,224	£1,248

Annual fees in Year 1 (2023-24)

Oversight Body	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
				Number of employees		
The Authority	Tier 1 – 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
	Tier 2 – Lawyers, Accountants, Estate Agents, Payroll	£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

Oversight Body	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
			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
	Tier 3 – Other Designated Businesses	£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
Professional Body	Designated Business where oversight of has been delegated by the Authority	£245	N/A	N/A	N/A	£245

Annual fees in Year 2 (2024-25)

Oversight Body	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
				Number of employees		
The Authority	Tier 1 – 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
	Tier 2 – Lawyers, Accountants, Estate	£303	1	1 employee	£0	£303
		£954	2	2 employees	£0	£954
		£1,474	3	3 to 5 employees	£434	£1,908
			4	6 to 10 employees	£1,301	£2,775

Oversight Body	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
	Agents, Payroll		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
	Tier 3 – Other Designated Businesses	£303	1	1 employee	£0	£303
		£954	2	2 employees	£0	£954
		£1,040	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
Professional Body	Designated Business where oversight of has been delegated by the Authority	£303	N/A	N/A	N/A	£303

Annual fees in Year 3 (2025-26)

Oversight Body	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
				Number of employees		
The Authority	Tier 1 – 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
	Tier 2 – Lawyers, Accountants,	£364	1	1 employee	£0	£364
		£1,144	2	2 employees	£0	£1,144
		£1,769	3	3 to 5 employees	£520	£2,289

Oversight Body	Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
	Estate Agents, Payroll		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
	Tier 3 – Other Designated Businesses	£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
Professional Body	Designated Business where oversight of has been delegated by the Authority	£364	N/A	N/A	N/A	£364

Transaction fees

There are no separate transaction fees for Designated Businesses.

Appendix E – Revised Class 3 to 9 or 11 insurer fees

Insurance Non-Life (Class 3 to 9 or 11)

Application fees

Activity	Application Fee		
	Year 1 (2023-24)	Year 2 (2024-25)	Year 3 (2025-26)
Authorised Insurer (Class 3 to 9 or 11)	£20,000	£20,400	£20,808
ICC Core / PCC Core (Class 3 to 9 or 11) (i.e. a non-supporting core)	£20,000	£20,400	£20,808
ICC / PCC Cell (Class 3 to 9 or 11)	£10,000	£10,200	£10,404
Permit Holder (Class 3 to 9 or 11) (EU/UK equivalent)	£4,000	£4,080	£4,162
Permit Holder (Class 3 to 9 or 11) (Non-EU/UK equivalent)	£6,500	£6,630	£6,763

Annual fees in Year 1 (2023-24)

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
			Gross technical provisions (‘GTP’) and gross written premiums (‘GWP’)		
Authorised Insurer (Class 3 to 9 or 11)	£0	1	GTP <£62.5m and GWP <£25m	£14,000	£14,000
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£26,250	£26,250
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£35,000	£35,000
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£43,750	£43,750
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£52,500	£52,500
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£70,000	£70,000
		7	GTP ≥£1,000m and GWP ≥£500m	£105,000	£105,000

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
ICC Core / PCC Core (Class 3 to 9 or 11) (i.e. a non-supporting core)	£0	1	GTP <£62.5m and GWP <£25m	£14,000	£14,000
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£26,250	£26,250
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£35,000	£35,000
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£43,750	£43,750
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£52,500	£52,500
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£70,000	£70,000
		7	GTP ≥£1,000m and GWP ≥£500m	£105,000	£105,000
ICC / PCC Cell (Class 3 to 9 or 11)	£0	1	GTP <£62.5m and GWP <£25m	£14,000	£14,000
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£26,250	£26,250
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£35,000	£35,000
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£43,750	£43,750
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£52,500	£52,500
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£70,000	£70,000
		7	GTP ≥£1,000m and GWP ≥£500m	£105,000	£105,000
			None		
Permit Holder (Class 3 to 9 or 11) (EU/UK equivalent)	£4,200	N/A	N/A	N/A	£4,200

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
Permit Holder (Class 3 to 9 or 11) (Non-EU/UK equivalent)	£8,000	N/A	N/A	N/A	£8,000

Annual fees in Year 2 (2024-25)

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
			Net technical provisions ('GTP') and gross written premiums ('GWP')		
Authorised Insurer (Class 3 to 9 or 11)	£0	1	GTP <£62.5m and GWP <£25m	£17,340	£17,340
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£32,513	£32,513
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£43,350	£43,350
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£54,188	£54,188
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£65,025	£65,025
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£86,700	£86,700
		7	GTP ≥£1,000m and GWP ≥£500m	£130,050	£130,050
ICC Core / PCC Core (Class 3 to 9 or 11) (i.e. a non-supporting core)	£0	1	GTP <£62.5m and GWP <£25m	£17,340	£17,340
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£32,513	£32,513
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£43,350	£43,350
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£54,188	£54,188

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£65,025	£65,025
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£86,700	£86,700
		7	GTP ≥£1,000m and GWP ≥£500m	£130,050	£130,050
ICC / PCC Cell (Class 3 to 9 or 11)	£0	1	GTP <£62.5m and GWP <£25m	£17,340	£17,340
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£32,513	£32,513
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£43,350	£43,350
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£54,188	£54,188
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£65,025	£65,025
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£86,700	£86,700
		7	GTP ≥£1,000m and GWP ≥£500m	£130,050	£130,050
			None		
Permit Holder (Class 3 to 9 or 11) (EU/UK equivalent)	£5,202	N/A	N/A	N/A	£5,202
Permit Holder (Class 3 to 9 or 11) (Non-EU/UK equivalent)	£8,670	N/A	N/A	N/A	£8,670

Annual fees in Year 3 (2025-26)

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
			Net technical provisions (‘GTP’) and gross written premiums (‘GWP’)		

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
Authorised Insurer (Class 3 to 9 or 11)	£0	1	GTP <£62.5m and GWP <£25m	£20,808	£20,808
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£39,015	£39,015
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£52,020	£52,020
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£65,025	£65,025
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£78,030	£78,030
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£104,040	£104,040
		7	GTP ≥£1,000m and GWP ≥£500m	£156,060	£156,060
ICC Core / PCC Core (Class 3 to 9 or 11) (i.e. a non-supporting core)	£0	1	GTP <£62.5m and GWP <£25m	£20,808	£20,808
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£39,015	£39,015
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£52,020	£52,020
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£65,025	£65,025
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£78,030	£78,030
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£104,040	£104,040
		7	GTP ≥£1,000m and GWP ≥£500m	£156,060	£156,060
ICC / PCC Cell (Class 3 to 9 or 11)	£0	1	GTP <£62.5m and GWP <£25m	£20,808	£20,808

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
		2	Either GTP ≥£62.5m and <£125m or GWP ≥£25m and <£50m	£39,015	£39,015
		3	Either GTP ≥£125m and <£187.5m or GWP ≥£50m and <£75m	£52,020	£52,020
		4	Either GTP ≥£187.5m and <£250m or GWP ≥£75m and <£100m	£65,025	£65,025
		5	Either GTP ≥£250m and <£500m or GWP ≥£100m and <£250m	£78,030	£78,030
		6	Either GTP ≥£500m and <£1,000m or GWP ≥£250m and <£500m	£104,040	£104,040
		7	GTP ≥£1,000m and GWP ≥£500m	£156,060	£156,060
			None		
Permit Holder (Class 3 to 9 or 11) (EU/UK equivalent)	£6,242	N/A	N/A	N/A	£6,242
Permit Holder (Class 3 to 9 or 11) (Non-EU/UK equivalent)	£10,404	N/A	N/A	N/A	£10,404

Transaction fees

Transaction	Fee
Change of control	50% of the relevant Application Fee
Extension of an existing authorisation within the same class	

Appendix F – Revised Class 8 (Money Transmission Services) fees

Application fees

Activity	Application Fee		
	Year 1 (2023-24)	Year 2 (2024-25)	Year 3 (2025-26)
Class 8(1) (Operation of a bureau de change)	£2,000	£2,040	£2,081
Class 8(2)(a) (Provision and execution of payment services directly)	£4,000	£4,080	£4,162
Class 8(2)(b) (Provision and execution of payment services as agent)	£2,000	£2,040	£2,081
Class 8(3) (Provision of cheque cashing services)	£2,000	£2,040	£2,081
Class 8(4) (Issue of electronic money)	£6,000	£6,120	£6,242

Annual fees in Year 1 (2023-24)

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
			Turnover		
Class 8(1) (Operation of a bureau de change)	£2,800	N/A	N/A	N/A	£2,800
Class 8(2)(a) (Provision and execution of payment services directly)	£2,800	1	<£500k	£2,100	£4,900
		2	≥£500k to <£1m	£5,950	£8,750
		3	≥£1m to <£2m	£9,450	£12,250
		4	≥£2m to <£4m	£16,450	£19,250
		5	≥£4m to <£7m	£25,200	£28,000
		6	≥£7m to <£10m	£32,200	£35,000
		7	≥£10m	£39,200	£42,000
Class 8(2)(b) (Provision and execution of payment services as agent)	£2,800	N/A	N/A	N/A	£2,800
Class 8(3) (Provision of cheque cashing services)	£2,800	N/A	N/A	N/A	£2,800
Class 8(4) (Issue of electronic money)	£2,800	1	<£500k	£2,100	£4,900
		2	≥£500k to <£1m	£5,950	£8,750
		3	≥£1m to <£2m	£9,450	£12,250
		4	≥£2m to <£4m	£16,450	£19,250
		5	≥£4m to <£7m	£25,200	£28,000
		6	≥£7m to <£10m	£32,200	£35,000
		7	≥£10m	£39,200	£42,000

Annual fees in Year 2 (2024-25)

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
			Turnover		
Class 8(1) (Operation of a bureau de change)	£3,468	N/A	N/A	N/A	£3,468
Class 8(2)(a) (Provision and execution of payment services directly)	£3,468	1	<£500k	£2,601	£6,069
		2	≥£500k to <£1m	£7,370	£10,838
		3	≥£1m to <£2m	£11,705	£15,173
		4	≥£2m to <£4m	£20,375	£23,843
		5	≥£4m to <£7m	£31,212	£34,680
		6	≥£7m to <£10m	£39,882	£43,350
		7	≥£10m	£48,552	£52,020
Class 8(2)(b) (Provision and execution of payment services as agent)	£3,468	N/A	N/A	N/A	£3,468
Class 8(3) (Provision of cheque cashing services)	£3,468	N/A	N/A	N/A	£3,468
Class 8(4) (Issue of electronic money)	£3,468	1	<£500k	£2,601	£6,069
		2	≥£500k to <£1m	£7,370	£10,838
		3	≥£1m to <£2m	£11,705	£15,173
		4	≥£2m to <£4m	£20,375	£23,843
		5	≥£4m to <£7m	£31,212	£34,680
		6	≥£7m to <£10m	£39,882	£43,350
		7	≥£10m	£48,552	£52,020

Annual fees in Year 3 (2025-26)

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
			Turnover		
Class 8(1) (Operation of a bureau de change)	£4,162	N/A	N/A	N/A	£4,162
Class 8(2)(a) (Provision and execution of payment services directly)	£4,162	1	<£500k	£3,121	£7,283
		2	≥£500k to <£1m	£8,843	£13,005
		3	≥£1m to <£2m	£14,045	£18,207
		4	≥£2m to <£4m	£24,449	£28,611
		5	≥£4m to <£7m	£37,454	£41,616
		6	≥£7m to <£10m	£47,858	£52,020

Activity	Base Fee	Band No.	Volume Measure	Volume Fee	Total Fee
		7	≥£10m	£58,262	£62,424
Class 8(2)(b) (Provision and execution of payment services as agent)	£4,162	N/A	N/A	N/A	£4,162
Class 8(3) (Provision of cheque cashing services)	£4,162	N/A	N/A	N/A	£4,162
Class 8(4) (Issue of electronic money)	£4,162	1	<£500k	£3,121	£7,283
		2	≥£500k to <£1m	£8,843	£13,005
		3	≥£1m to <£2m	£14,045	£18,207
		4	≥£2m to <£4m	£24,449	£28,611
		5	≥£4m to <£7m	£37,454	£41,616
		6	≥£7m to <£10m	£47,858	£52,020
		7	≥£10m	£58,262	£62,424

Transaction fees

Transaction	Fee
Change of control	50% of the relevant Application Fee
Licence extension within the same Class of regulated activity	