

PRA RULEBOOK: PRA FEES AMENDMENT (NO 1) INSTRUMENT 2023**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) paragraph 31 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZB (The Prudential Regulation Authority) of the Act.
- B. The rule-making powers referred to above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of the proposed rules and had regard to representations made.

PRA Rulebook: PRA Fees Amendment (No 1) Instrument 2023

- D. The PRA makes the rules in the Annex to this instrument.

Commencement

- E. This instrument comes into force on 3 July 2023.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Fees Amendment (No 1) Instrument 2023.

By Order of the Prudential Regulation Committee

27 June 2023

Annex

Amendments to the Fees Part

In this Annex new text is underlined and deleted text is struck through.

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2 OBLIGATION TO PAY FEES

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2.9 If it appears to a *firm* in relation to any fee that in the exceptional circumstances of a particular case requiring payment or retaining a sum previously paid would be unduly burdensome or would not achieve the purpose for which the fee rule was made, a *firm* may apply to the *PRA* under section 138A *FSMA* for the *PRA* to:

- (1) waive the payment;
- (2) reduce the amount payable; or
- (3) make a whole or partial refund of sums already paid.

[Deleted.]

2.10 A claim by a *fee payer* under section 138A *FSMA*, in accordance with 2.9 and based on the *fee payer's* error must be made within two years of the beginning of the period to which the fee relates.

[Deleted.]

3 PERIODIC FEES

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3.14 If, after the start of the *fee year*, a *firm* applies to cancel its *Part 4A permission* or if a new business activity or event which has given rise to a fee no longer applies to the *firm*, the *firm* is still liable to pay and will not be refunded *periodic* and other fees for that *fee year*, other than in cases where the *PRA* exercises its discretion under section 138A *FSMA*, in accordance with 2.9.

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Periodic Fees Schedule – Fee Rates and Modification for the Period from 1 March ~~2022~~2023 to ~~2829~~ February 20232024

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TABLE IIIA – PERIODIC FEE RATES APPLICABLE TO PRA FEE BLOCKS OTHER THAN THE MINIMUM FEE BLOCK FOR THE FEE YEAR ~~2022~~2023-2324

Column 1 <i>Fee block</i>	Column 2 <i>Tariff base</i>	Column 3 <i>Tariff bands</i>	Column 4 <i>Tariff rates</i>
A1 deposit acceptors fee block	<i>modified eligible liabilities</i>	Bank width (£million of <i>MELs</i>)	Fee payable per million or part million of <i>MELs</i> (£)
		>10 - 140	34.95 <u>132.831</u>
		>140 – 630	34.95 <u>132.831</u>

		>630 - 1,580	<u>34.95132.831</u>
		>1,580 - 13,400	<u>43.68941.039</u>
		> 13,400	<u>57.66954.171</u>
A3 general insurers fee block <i>gross written premium for fees purposes, best estimate liabilities for fees purposes</i>	<i>gross written premium for fees purposes</i>	Band width (£million of gross written premium for fees purposes)	Fee payable per million of gross written premium for fees purposes (£)
		>0.5	<u>558.66488.57</u>
	<i>best estimate liabilities for fees purposes</i>	Band Width (£ million of best estimate liabilities for fees purposes)	Fee payable per million of best estimate liabilities for fees purposes (£)
		>1	<u>32.2030.81</u>
For UK ISPVs the <i>tariff rates</i> are not relevant and a flat fee of £430.00 is payable in respect of each <i>fee year</i> .			
A4 Life insurers fee block <i>gross written premium for fees purposes, best estimate liabilities for fees purposes</i>	<i>gross written premium for fees purposes</i>	Band width (£million of gross written premium for fees purposes)	Fee payable per million of gross written premium for fees purposes (£)
		>1	<u>308.62301.96</u>
	<i>best estimate liabilities for fees purposes</i>	Band Width (£ million of best estimate liabilities for fees purposes)	Fee payable per million of best estimate liabilities for fees purposes (£)
		>1	<u>17.3520.30</u>
A5 managing agents at Lloyd's	<i>active capacity</i>	Band width (£million of active capacity)	Fee payable per million of active capacity (£)
		>50	<u>48.4139.39</u>
A6 Society of Lloyd's	flat fee	N/A	General periodic fee (£)
			<u>2,300,201.832,311,994.57</u>
A10 Firms dealing as principal fee block <i>total assets for fees purposes, total operating income for fees purposes</i>	<i>total assets for fees purposes</i>	Band width (£million of total assets for fees purposes)	Fee payable per million or part million of <i>total assets for fees purposes (£)</i>
		N/A	<u>2.792.41</u>
	<i>total operating income for fees purposes</i>	Band width (£million of total operating income for fees purposes)	Fee payable per million or part million of <i>total operating income for fees purposes (£)</i>
		N/A	<u>361.11316.08</u>

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Table VIII – MODEL MAINTENANCE FEES

Basis of scale, (aggregated figures for all <i>UK firms</i> within the scope of each model or model type)	Annual fee for <i>CRR firms</i> per model type_(£)				Annual fee for <i>UK Solvency II firms</i> per group or solo internal model (£)	
	IMA	IMM	IRB	AMA	A3 fee block	A4 fee block
<i>CRD credit institutions</i> with <i>modified eligible liabilities</i> in excess of £40,000million, or <i>designated investment firms</i> with <i>total assets for fees purposes</i> in excess of £100,000million	60,000 <u>65,000</u>	80,000 <u>85,000</u>	110,000 <u>120,000</u>	30,000 <u>35,000</u>	-	-
<i>CRD credit institutions</i> with <i>modified eligible liabilities</i> greater than £5,000million and less than £40,000million, or <i>designated investment firms</i> with <i>total assets for fees purposes</i> greater than £12,500million and less than £100,000million	20,000 <u>25,000</u>	35,000 <u>40,000</u>	45,000 <u>50,000</u>	12,000 <u>15,000</u>	-	-
<i>CRD credit institutions</i> with <i>modified eligible liabilities</i> of £5,000million or less, or <i>designated investment firms</i> with <i>total assets for fees purposes</i> of £12,500million or less	10,000	15,000	20,000	5,000	-	-
The sum of a <i>firm's best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> is £1,000 million or more for <i>firms</i> in the <i>general insurance fee block (A3)</i> , or for <i>firms</i> in the <i>life insurance fee block (A4)</i> , £15,000million or more	-	-	-	-	175,000 <u>190,000</u>	230,000 <u>250,000</u>
The sum of a <i>firm's best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> is greater than £300million and less than £1,000million for <i>firms</i> in the <i>general insurance fee block (A3)</i> or greater than £5,000million and less than £15,000million, or for <i>firms</i> in the <i>life insurance fee block (A4)</i>	-	-	-	-	70,000 <u>75,000</u>	90,000 <u>100,000</u>

The sum of a firm's best estimate liabilities for fees purposes and gross written premium for fees purposes is less than £300million for firms in the general insurance fee block (A3) or less than £5,000million, for firms in the life insurance fee block (A4)	-	-	-	-	30,000	40,000
					35,000	45,000

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4 REGULATORY TRANSACTION FEES

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4.5 Regulatory transaction fees for applications for new authorisations are payable in accordance with Table B:

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Table B – New authorisations	
Application Type	£
Straightforward <u>Type 1:</u> A3 or A4 fee payer which is a friendly society or a fee payer which is an A1 credit union	1,500.00
Moderately complex <u>Type 2:</u> A3 fee payer seeking permission as a UK <u>UK</u> insurance special purpose vehicle A5 fee payer seeking permission as a managing agent at Lloyd's	5,000.00
Complex <u>Type 3:</u> A1 fee payer (other than a credit union) seeking permission to accept deposits A3 fee payer (other than a friendly society or UK insurance special purpose vehicle) A4 fee payer other than a friendly society	25,000.00

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(3) Where an application is categorised as either ~~straightforward~~ or ~~moderately complex~~ and for a new authorisation involves a simple change of legal status as defined in 4.5 (4), the fee payable for a ~~new authorisation~~ for that new authorisation is discounted by 50%.

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4.14A

Table D - Model types under CRR

Applicant (groupings based on <i>tariff data</i> submitted by <i>firms</i> as at 31 December in the <i>fee year</i> prior to the <i>fee year</i> in which the fee is payable).	Fee payable (£)	
Where the application relates to <i>CRD credit institutions</i> or <i>designated investment firms</i> and includes five or more significant overseas entities within the same group.	Model type	£
	<i>advanced IRB, IMM or IMA</i>	315,000.00 <u>345,000.00</u>
	<i>foundation IRB</i>	270,000.00 <u>300,000.00</u>
	<i>AMA</i>	210,000.00 <u>230,000.00</u>
Where the applicant: (1) has <i>modified eligible liabilities</i> in excess of £40,000million; or (2) is a <i>designated investment firm</i> with <i>total assets for fees purposes</i> in excess of £100,000million.	Model type	£
	<i>advanced IRB, IMM or IMA</i>	270,000.00 <u>295,000.00</u>
	<i>foundation IRB</i>	230,000.00 <u>250,000.00</u>
	<i>AMA</i>	170,000.00 <u>185,000.00</u>
Where the applicant: (1) has <i>modified eligible liabilities</i> greater than £5,000million and less than £40,000million; or (2) is a <i>designated investment firm</i> with <i>total assets for fees purposes</i> greater than £15,000million and less than £100,000million.	Model type	£
	<i>advanced IRB, IMM or IMA</i>	110,000.00 <u>120,000.00</u>
	<i>foundation IRB</i>	85,000.00 <u>90,000.00</u>
	<i>AMA</i>	60,000.00 <u>65,000.00</u>
Where the applicant: (1) has <i>modified eligible liabilities</i> of 5,000million or less; or (2) is a <i>designated investment firm</i> with <i>total assets for fees purposes</i> of £15,000million or less.	Model type	£
	<i>advanced IRB, IMM or IMA</i>	50,000.00 <u>55,000.00</u>
	<i>foundation IRB</i>	35,000.00 <u>40,000.00</u>

	AMA	30,000.00 <u>35,000.00</u>
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4.14B

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Table E – Internal model application fees

Applicant (groupings based on <i>tariff data</i> submitted by firms as at 31 December in the fee year prior to the fee year in which the fee is payable)	Fee payable (£)
Group Internal Model (Full and Partial)	
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for groups in the <i>general insurance fee block</i> of £1,000million or more	295,000.00 <u>320,000.00</u>
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for groups in the <i>general insurance fee block</i> greater than £300million and less than £1,000million	410,000.00 <u>120,000.00</u>
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for groups in the <i>general insurance fee block</i> less than £300million	55,000.00 <u>60,000.00</u>
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for groups in the <i>life insurance fee block</i> of £15,000million or more	295,000.00 <u>320,000.00</u>
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for groups in the <i>life insurance fee block</i> greater than £5,000million and less than £15,000million	410,000.00 <u>120,000.00</u>
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for groups in the <i>life insurance fee block</i> less than £5,000million	55,000.00 <u>60,000.00</u>
Solo Internal Model (Full and Partial)	
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for firms in the <i>general insurance fee block</i> of £1,000million or more	232,000.00 <u>280,000.00</u>
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for firms in the <i>general insurance fee block</i> greater than £300million and less than £1,000million	80,000.00 <u>100,000.00</u>
Sum of <i>best estimate liabilities for fees purposes</i> and <i>gross written premium for fees purposes</i> for firms in the <i>general insurance fee block</i> less than £300million	42,000.00 <u>50,000.00</u>

Sum of <i>best estimate liabilities for fees purposes and gross written premium for fees purposes for firms in the life insurance fee block</i> of £15,000million or more	232,000.00 <u>280,000.00</u>
Sum of <i>best estimate liabilities for fees purposes and gross written premium for fees purposes for firms in the life insurance fee block</i> greater than £5,000million and less than £15,000million	80,000.00 <u>100,000.00</u>
Sum of <i>best estimate liabilities for fees purposes and gross written premium for fees purposes for firms in the life insurance fee block</i> less than £5,000million	42,000.00 <u>50,000.00</u>