

PRA RULEBOOK: PRA FEES: MODEL TRANSACTION FEES, FEES FOR INSURERS AND DESIGNATED INVESTMENT FIRMS INSTRUMENT 2017

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 purpose 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: Model Transaction Fees, Fees for Insurers and Designated Investment Firms Instrument 2017

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

Commencement

- E. This instrument comes into force on 1 March 2018.

Citation

- F. This instrument may be cited as the PRA Rulebook: PRA Fees: Model Transaction Fees, Fees for Insurers and Designated Investment Firms Instrument 2017.

By order of the Prudential Regulation Committee

4 December 2017

Annex

Amendments to the Fees Part

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 APPLICATION AND DEFINITIONS

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1.2 In this Part, the following definitions shall apply:

...

~~adjusted gross premium income or AGPI~~

~~means adjusted gross premium income of an insurer calculated as follows (all business transacted through independent practitioners or tied agents, whether single or multi-tie, being divided by two):~~

- ~~(1) amount of new regular premium business (yearly premiums including reassurances ceded but excluding cancellations and reassurances accepted) x10;
plus~~
- ~~(2) amounts of new single premium business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included;
less~~
- ~~(3) premiums relating to pension fund management;
less~~
- ~~(4) premiums relating to trustee investment plans.~~

...

annual quantitative reporting template

means a reporting template set out in EU Regulation 2015/2450 or any other relevant Solvency II Regulations.

...

best estimate liabilities for fees purposes

means:

- (1) for UK Solvency II firms in the general insurance fee block (A3), the sum of items entered under row codes R0010, R0370, R0380, R0410 and R0420, column code C0180, of the annual quantitative reporting template S17.01.01, plus the sum of items entered under row codes R0010 and R0030, column codes C0090, C0140 and C0190, of the annual quantitative reporting template S12.01.01, as reported to the PRA;
- (2) for non-directive firms in the general insurance fee block (A3), a firm's total gross technical provisions as reported to the PRA under item 19 of form 15, or where this is not reported because the firm is a marine mutual under the Insurance Companies – Reporting Part, item 29 of form M2, or where the firm is a friendly society, the balance sheet entry C3 claims outstanding where

this entry is required under the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983), and otherwise zero; and

- (3) for UK Solvency II firms in the life insurance fee block (A4), the sum of items entered under row codes R0010 and R0030, column codes C0150 and C0210, minus the sum of items entered under row codes R0010 and R0030, column codes C0090, C0140 and C0190 of the annual quantitative reporting template S12.01.01, minus corporate pensions business reported under column code C0180 of the annual quantitative reporting template S14.01.01, as reported to the PRA.

...

contributions as income

~~means contributions as income of a friendly society under Schedule 7: Part I item 1(a) to the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983) in respect of United Kingdom business~~

...

corporate pensions business

means one or more pension schemes managed by an insurer on behalf of an employer and for which liabilities are calculated by the insurer only at scheme level.

...

financial and operating income

means a firm's financial and operating income as reported to the PRA under line 1 column B of form FSA002.

...

gross premium income or GPI

~~means the amount of premium receivable which must be included in the documents required to be deposited under IPRU(INS)9.6 in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the documents by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU(INS) of the PRA Handbook under transitional provisions relating to written concessions; or~~

gross premiums written

~~means gross premiums written under Schedule 1(part I.1(a) and II.1.(a) of the Friendly Societies (Accounts and Related Provisions) Regulations 1994(SI 1994/1983)~~

gross technical liabilities or GTL

~~means the amount of gross technical liabilities referred to in IPRU(INS) (Appendix 9.1 –Form 15 line 19) which must be included in the documents required to be deposited under IPRU(INS)9.6R in relation to the financial year to which the documents relate~~

~~but disregarding for this purpose such amounts as are not included in the documents by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to IPRU(INS) of the PRA Handbook under transitional provisions relating to written concessions.~~

...

gross written premium for fees purposes

means:

- (1) for UK Solvency II firms in the general insurance fee block (A3), the total of items entered under row codes R0110, R0120 and R0130, as expressed in column code C0200 where this column is completed for those row codes, of the annual quantitative reporting template S.05.01.01, as reported to the PRA;
- (2) for non-directive firms in the general insurance fee block (A3), a firm's gross premium written as reported to the PRA under item 11 of form 11, or where this is not reported because the firm is a Swiss general insurer, the entry at sheet 1, line 1, column 1, of form 20A, or where the firm is a friendly society, the income and expenditure account entry for gross premium written or contributions as income receivable, as appropriate under the Friendly Societies (Accounts and Related Provisions) Regulation 1994 (SI 1994/1983); and
- (3) for UK Solvency II firms in the life insurance fee block (A4), the item entered under row code R1410, column code C0300 of the annual quantitative reporting template S05.01.01 minus corporate pensions business as reported to the PRA under column code C0060 of the annual quantitative reporting template S14.01.01, as reported to the PRA.

...

IPRU (INS)

~~means the IPRU (INS) section of the PRA Handbook which remains in force to the extent required by:~~

- ~~(1) Transitional Measures 3.7 of the PRA Rulebook for Solvency II firms; and~~
- ~~(2) Transitional Measures 3.1 of the PRA Rulebook for non-directive firms;~~

~~and references to rules, forms and appendices are to those applicable as at 31 December 2015.~~

...

mathematical reserves for fees purposes

means

~~the amount of mathematical reserves (IPRU(INS) Appendix 9.1R – Form 14 Line 11) which must be included in the documents required to be deposited under IPRU(INS) 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the documents by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried~~

forward as an amendment to *IPRU(INS)* of the *PRA Handbook* under transitional provisions relating to written concessions;

less

mathematical reserves relating to *pension fund management*;

less

mathematical reserves relating to *trustee investment plans*.

...

model maintenance fee

means the fee or fees in 3.22.

...

number of traders

means the number of employees or agents who, as part of their ordinary duties on behalf of a *firm* in the ~~*designated firms dealing as principal fee block (A10)*~~ commit the firm in market dealings or in transactions in securities or other investments in the course of ~~*PRA regulated activities*~~, but excluding anyone working solely for the firm's multi-lateral trading facility operation.

pension fund management

means the class of contract of insurance specified in paragraph VII of Part II of Schedule 1 to the Regulated Activities Order (Contracts of long-term insurance) where effected or carried out by a person who does not carry on a banking business but otherwise carries on an insurance business

...

trading assets

means a *firm's* trading assets as reported to the *PRA* under item 20A of form FSA001.

transition costs

means the costs of establishing the *PRA* which are being recovered from firms over a period of five years from 2013/14 to 2017/18

transition costs fee block

means ~~*firms*~~ which are liable to pay ~~*transition costs*~~ as shown in Table II of the ~~*Periodic Fees Schedule*~~

...

trustee investment plans

means the class of *contracts of insurance* specified in Class 3 of Part II of Schedule 4 to the ~~Regulated Activities Order~~ and which are invested in pooled funds beneficially owned by an *insurer* and not earmarked for individual beneficiaries by that *insurer*.

...

3 PERIODIC FEES

...

3.3 *Periodic fees* payable by firms in any *fee year* will be the sum of the following (so far as applicable to them):

- (1) a minimum *periodic fee* at the rate specified in Table IA of the *Periodic Fees Schedule*;
- (2) ~~a transition costs allocation calculated in accordance with Table II of the *Periodic Fees Schedule* [deleted]~~;
- (3) *periodic fees* at the rate specified in Table IIIA, subject to any modifications in Table IV and Table V, of the *Periodic Fees Schedule* calculated as follows:
 - (a) applying the *tariff bases* and *valuation points* set out in 3.4 to the *tariff data* which they have supplied to the PRA or its collection agent;
 - (b) where applicable, grouping *tariff data* into the tariff bands shown in Column 3 of Table IIIA of the *Periodic Fees Schedule*; and
 - (c) applying the appropriate *tariff rate* as shown in Column 4 of Table IIIA of the *Periodic Fees Schedule*;

the fee being the total of sums payable in respect of all *tariff bands*;

- (4) an *EU withdrawal costs* allocation calculated in accordance with Table VI, subject to any modifications in Table IV and Table V, of the *Periodic Fees Schedule*;
- (5) the *ring-fencing implementation fee*; ~~and~~
- (6) the *IFRS 9 implementation fee* calculated in accordance with Table VII, subject to any modifications in Table IV, of the *Periodic Fees Schedule*; ~~and~~
- (7) a model maintenance fee calculated in accordance with Table VIII of the *Periodic Fees Schedule*.

3.4 The *tariff bases* and *valuation points* referred to in 3.3(3)(a) are:

...

(2) for firms in the *general insurance fee block* (A3) ~~if the firm is an insurer, the sum of its annual gross premium income for and its gross technical liabilities at the end of the firm's gross written premium for fees purposes and its best estimate liabilities for fees purposes for the firm's financial year which ends in the calendar year to 31 December prior to commencement of the fee year, noting that~~; unless the firm is a UK ISPV, in which case the tariff base is not relevant and a flat fee shown in Table IIIA of the Periodic Fees Schedule is payable, noting that:

(i) In the case of a pure reinsurer carrying on general insurance business through a branch in the United Kingdom, or an insurer whose head office is not in an EEA state carrying on general insurance business through a branch

~~in the *United Kingdom*, or an EEA deposit insurer, only *premiums received and gross technical liabilities* held in respect of its *United Kingdom* business are included;~~

~~(ii) for a Swiss general insurance company *premiums* and *gross technical liabilities* include those relevant to the operations of the company's *United Kingdom* branch; and~~

~~(iii) a firm need not include *premiums* and *gross technical liabilities* relating to *pure protection contracts* which it reports, and pays a fee on, in the *A4 life insurers' fee block*.~~

or

~~(b) if the firm is a *non-directive friendly society*, the value of *contributions as income* receivable in respect of *United Kingdom* business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December prior to commencement of the *fee year*;~~

or

~~(c) if the firm is a *directive friendly society*, the value of *gross premiums written* in respect of *United Kingdom* business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December prior to commencement of the *fee year*;~~

and

~~(d) for *UK ISPVs*, the *tariff base* is not relevant and a flat fee show in Table III of the *Periodic Fees Schedule* is payable;~~

~~(a) this *tariff base* (A3) does not include *gross written premium for fees purposes* and *best estimate liabilities for fees purposes* on which a *composite firm* reports data relevant for the *life insurance fee block* (A4).~~

~~(b) where any figure used in the calculation of this *tariff base* (A3) is a negative number, it shall instead be deemed to be zero.~~

(3) for firms in the *life insurance fee block* (A4);, the sum of ~~*adjusted gross premium income*~~ for, and ~~*mathematical reserves for fees purposes*~~ valued at the end of the firm's financial year ending in the calendar year to 31 December prior to commencement of the *fee year* noting that:

~~(a) only *premiums* receivable and *mathematical reserves* held in respect of *United Kingdom* business are relevant; and~~

~~(b) an *insurer* must include in its calculation of *adjusted gross premium income* and *mathematical reserves for fees purposes* the value relating to all risks ceded to *ISPVs*.~~

~~(a) for *UK Solvency II firms*, including *composite firms* which are also *UK Solvency II firms* to the extent that they are required to report data used for this *tariff base* (A4), the firm's *gross written premium for fees purposes* and its *best estimate liabilities for*~~

fees purposes, for the firm's financial year which ends in the calendar year to 31 December prior to commencement of the fee year,

(b) for non-directive firms, including non-directive firms which are also composite firms to the extent that they come within the life insurance fee block, the tariff base is not relevant to the level of fees due and only the minimum fee as specified in Table IA of the Periodic Fees Schedule is payable.

(c) Where any figure used in the calculation of this tariff base (A4) is a negative number, it shall instead be deemed to be zero.

(4) for firms in the Lloyd's managing agents fee block (A5), active capacity as reported to the Society for the underwriting year which is in progress at the beginning of the fee year.

(5) for firms in the designated firms acting as principal fee block (A10), ~~number of traders as at 31 December prior to commencement of the fee year~~ trading assets as at 31 December preceding commencement of the fee year and the sum of the firm's financial and operating income for the four quarters ending on or before 31 December preceding commencement of the fee year.

...

3.6 The following requirements apply to all firms whose activities give rise to periodic fees, other than firms which pay only a flat rate of fee:

...

(3) for an incoming EEA firm or an incoming Treaty firm in the deposit acceptors fee block, the information required for the tariff base is in relation to the regulated activities of the firm carried on in the United Kingdom, other than those provided on a cross border services basis;

...

(6) Unless 3.7 or 3.9 applies, where a firm has not ~~complied with 3.6(1)~~ provided sufficient tariff data for any period by reference to which periodic fees are to be calculated, but a valuation is available for the previous period by reference to which periodic fees are to be calculated, the fee should be calculated using the tariff data applicable to the previous period multiplied by 1.10. An ~~additional~~ administration fee of £125.00 is payable in this case in addition to the minimum fee.

...

3.9 Subject to 3.10 where in:

(1) its second fee year, or

(2) any subsequent fee year,

a firm has not yet submitted sufficient tariff data to enable the periodic fees calculation at ~~3.6(1)~~ to be made in respect of that fee year, periodic fees will be calculated in accordance with Table A below

Table A

...	
<p>General insurance fee block (A3) and life insurance fee block (A4)</p>	<p>Where under 3.4, the <i>tariff base</i> for an activity is to be calculated by reference to data for the <i>firm's</i> financial year ending on the 31 December before the start of the <i>fee year</i>; a firm which has not completed a full financial year by that date should:</p> <p>(1) <u>a firm which has not completed a full financial year by the start of the <i>fee year</i> should, if it is in its <i>second fee year</i> and received its new or extended permission relevant to the activity between 1 January in its <i>first fee year</i> and 1 April in its <i>second fee year</i>, apply projected valuations as set out in 3.7; and</u></p> <p>(2) <u>if the <i>firm</i> is a <i>UK Solvency II firm</i> outside the scope of item (1) above, and the <i>PRA</i> has either:</u></p> <p style="padding-left: 40px;">(a) <u>not received the necessary <i>tariff data</i> on a timely basis in line with the <i>firm's</i> reporting obligations under the Reporting Part; or</u></p> <p style="padding-left: 40px;">(b) <u>deemed the <i>tariff data</i> received to be incomplete or insufficiently reliable, by reference to a specific <i>firm</i> or across all or part of a <i>fee block</i>;</u></p> <p style="padding-left: 40px;"><u>the <i>PRA</i> may use <i>tariff data</i> from the previous reporting period for the <i>periodic fees</i> calculation; and</u></p> <p>(3) <u>in any other case, apply the formula $(A \div B) \times 12$ to annualise the <i>tariff data</i> it has available, where:</u></p> <p style="padding-left: 40px;"><i>A</i> = its <i>tariff base</i> calculated by reference to <i>tariff data</i> for the period starting on the date the firm received permission for the relevant activity and ending on the earlier of the 31 December prior to the start of its <i>second fee year</i> or the 31 December prior to the start of the <i>firm's</i> financial year; and</p> <p style="padding-left: 40px;"><i>B</i> = the number of complete calendar months in the period referred to in A.</p>

...

3.12 Where:

...

(3) Where the acquisition involves a calculation of *periodic fees* for the A4 *life insurers fee block*:

(a) ~~when calculating the new regular premium business element of its adjusted gross premium income, A should not include business transferred from B under the procedure set out in Part VII of FSMA during the relevant financial year unless the transfer involved the creation of new contracts between the policyholders subject to the transfer; and [deleted];~~

(b) If any business is transferred to A from B under the procedure set out in Part VII of FSMA and that business would have been included in B's *tariff base* in the absence of the transfer,

that business should be included in A or B's tariff base depending on the date of transfer as required by 3.12(2)(b).

(c) ~~Mathematical reserves for fees purposes~~ Best estimate liabilities for fees purposes should include all new business transferred from B.

...

Transitional rules (A3 and A4 fee payers) for the 2017/18 fee year

3.19 ~~The transitional rule at 3.20 applies only to fee payers liable to pay periodic fees in the A3 general insurance fee block or the A4 life insurance fee block. Unless otherwise provided, it supplements all other Part rules relating to the calculation of periodic fees.~~~~[deleted]~~

3.20 The following shall apply to the calculation of *periodic fees* for the *fee year* commencing on 1 March 2017:

~~(1) Except as provided in 3.20(5)(a), for the purposes of calculating periodic fees payable under 3.3(3) in the fee year commencing on 1 March 2017 the following adjusted tariff base shall be used:~~

~~(a) for firms in the general insurance fee block (A3):~~

~~(i) if the firm is an insurer, the sum of its annual gross premium income for, and gross technical liabilities at the end of, the firm's financial year which ended in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

~~(ii) if the firm is a non-directive friendly society the value of contributions as income receivable in respect of United Kingdom business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

~~(iii) if the firm is a directive friendly society the value of gross premiums written in respect of UK business included in its income and expenditure account at the end of the firm's financial year which ends in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

and

~~(b) for firms in the life insurance fee block (A4), the sum of adjusted gross premium income for, and mathematical reserves for fees purposes valued at the end of, the firm's financial year ending in the calendar year to 31 December 2015 and not the calendar year to 31 December prior to commencement of the fee year.~~

~~(2) Firms subject to this rule must on or before 28 February 2017:~~

~~(a) notify the PRA's collection agent of any insurance business transfer, either to or from the firm, that has taken place using the procedure under Part VII FSMA or Part VIII of the Friendly Societies Act 1992 during the period specified in 3.20(4);~~

and

~~(b) provide such information as the PRA acting through its collection agent may require to establish the extent to which the tariff data referred to in 3.20(4) has increased or decreased as a result of the transfer and the amended data so provided will form the basis of the periodic fees calculation for the fee year commencing on 1 March 2017.~~

~~(3) Firms may on or before 28 February 2017 voluntarily submit amended tariff data to reflect the fact that the firm has gone into run-off during the period specified in 3.20(4).~~

~~(4) The period referred to in 3.20(2) and 3.20(3) is from:~~

~~(a) the date in the 2015 calendar year that, under Fees 3.4, was the last day of the firm's valuation point for the tariff data that would form the basis of periodic fees calculations in the fee year commencing on 1 March 2016;~~

~~to~~

~~(b) 31 December 2016.~~

~~(5) The following rules relating to periodic fees will not apply so long as the transitional rule remains in force:~~

~~(a) 3.9 and 3.10. The periodic fees calculation based on projected valuations in 3.7 will instead be applied to all firms (whether in their first fee year, second fee year or a subsequent fee year) that did not submit, or submitted insufficient, tariff data as at the December 2015 valuation point to enable 3.20(1) to be given effect, subject to the modification that, for firms in their second and subsequent fee years, the formula in 3.7(2) is $A+B$ and not $(A+B) \times C$;~~

~~and~~

~~(b) 3.12.~~

~~(6) To assist with the formulation of fees policy for the fee year commencing on 1 March 2018 and subsequent fee years, firms will comply with the requests of the PRA or its collection agent for tariff data in respect of their financial years ending 31 December 2016 and 31 December 2017. [deleted]~~

...

Model maintenance fee

3.22 3.22 to 3.23 apply to CRR firms and UK Solvency II firms.

3.23 In the fee year commencing on 1 March 2018 and subsequent fee years:

(1) The PRA will charge a model maintenance fee to recover in whole or part the annual cost to the PRA, as determined by the PRA, of monitoring, reviewing and policy development for firms' models for which permission has been granted under the CRR or the Solvency II directive.

(2) For firms with one or more models for which permission was granted before 1 March 2018, the model maintenance fee is payable for the fee year commencing on 1 March 2018 and in fee years thereafter.

(3) Where a first or additional model permission is granted to a firm on or after 1 March 2018 and during the first six months of any fee year, the model maintenance fee for that model is payable as from the commencement of the first subsequent fee year and in fee years thereafter.

(4) Where a first or additional model permission is granted to a firm on or after 1 March 2018 and during in the second six months of any fee year, the model maintenance fee for that model is payable as from the commencement of the second subsequent fee year and in fee years thereafter.

(5) The model maintenance fee is calculated in accordance with Table VIII of the Periodic Fees Schedule.

(6) For a CRR firm or group, the model maintenance fee shall be the sum of all fees applicable to that firm or group for each permitted model type.

(7) For composite firms which are also UK Solvency II firms, the model maintenance fee shall be determined by the fee block for which the firm or group pays the largest periodic fee under 3.3(3).

(8) For models incorporating more than one UK firm, the model maintenance fee shall be determined by reference to aggregated figures for all UK firms included within the scope of that model, and shall usually be payable by the firm which pays the largest periodic fee under 3.3(3) or otherwise by such firms and in such proportions as the PRA directs.

(9) The Society shall not be required to pay a model maintenance fee.

...

PERIODIC FEES SCHEDULE – FEE RATES AND EEA/TREATY FIRM MODIFICATIONS FOR THE PERIOD FROM 1 MARCH 2017~~8~~ TO 28 FEBRUARY 2018~~9~~

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TABLE II - TRANSITION COSTS ALLOCATION

[deleted]

Fee payer	Tariff base for allocations to firms
All firms, except those paying only the minimum fee and insurance special purpose vehicles	Total periodic fees, excluding minimum fees, payable by the firm multiplied by 0.0609

...

TABLE VIII – MODEL MAINTENANCE FEES

Basis of scale. (aggregated figures for all UK firms within	Annual fee for CRR firms per model type (£)				Annual fee for UK Solvency II firms per group or solo internal model (£)	
	IMA	IMM	IRB	AMA	A3 fee block	

<u>the scope of each model or model type)</u>						<u>A4 fee block</u>
<u>CRD credit institutions with modified eligible liabilities in excess of £40,000million, or designated investment firms with trading assets in excess of £100,000million</u>	<u>55,000</u>	<u>75,000</u>	<u>100,000</u>	<u>25,000</u>	:	:
<u>CRD credit institutions with modified eligible liabilities greater than £5,000million and less than £40,000million, or designated investment firms with trading assets greater than £12,500million and less than £100,000million</u>	<u>20,000</u>	<u>30,000</u>	<u>40,000</u>	<u>10,000</u>	:	:
<u>CRD credit institutions with modified eligible liabilities of £5,000million or less, or designated investment firms with trading assets of £12,500million or less</u>	<u>8,000</u>	<u>12,000</u>	<u>16,000</u>	<u>4,000</u>	:	:
<u>The sum of a firm's best estimate liabilities for fees purposes and gross written premium for fees purposes is £1,000 million or more for firms in the general insurance fee block (A3), or for firms in the life insurance fee block (A4), £15,000million or more</u>	:	:	:	:	<u>160,000</u>	<u>210,000</u>
<u>The sum of a firm's best estimate liabilities for fees purposes and gross written premium for fees purposes is greater than £300million and less than £1,000million for firms in the general insurance fee block (A3) or greater than £5,000million and less than £15,000million, or for firms in the life insurance fee block (A4)</u>	:	:	:	:	<u>65,000</u>	<u>80,000</u>
<u>The sum of a firm's best estimate liabilities for fees purposes and gross written premium for fees purposes is less than</u>	:	:	:	:	<u>28,000</u>	<u>35,000</u>

£300million for <i>firms in the general insurance fee block (A3) or less than £5,000million, for firms in the life insurance fee block (A4)</i>						
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4 REGULATORY TRANSACTION FEES

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4.14A (1) Where a *CRR firm* seeks permission to apply any model type the fee payable is as set out in Table D below.

~~(2) The fees set out in Table D are also payable by a *CRR firm* which seeks to modify that model type once permission is granted and for guidance as to the availability of such a model type or modified model type.~~

...

Table D - Model types under CRR

Applicant (groupings based on <i>tariff data</i> submitted by firms as at 31 December in the <i>fee year</i> prior to the <i>fee year</i> in which the fee is payable).	Column 1 Fee payable (£) except where Column 2 applies		Column 2 Fee payable (£) (firm with permission for foundation approach moving to an advanced approach.)
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	£	67,000.00
	<i>advanced IRB, IMM or IMA</i>	268,000.00	
	<i>foundation IRB</i>	232,000.00	
	<i>advanced measurement approaches</i>	181,000.00	
Where, at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant: has (1) has modified eligible liabilities in excess of £40,000million; or (2) more than 200 traders is a <i>designated investment firm with trading assets in excess of £100,000million</i> .	model type	£	58,000.00
	<i>advanced IRB, IMM or IMA</i>	232,000.00	
	<i>foundation IRB</i>	198,000.00	
	<i>advanced measurement</i>	146,000.00	

	<i>approaches</i>		
Where, as at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant: has (1) has <i>modified eligible liabilities</i> greater than £5,000million and less than £40,000million; or (2) between 26 and 200 traders is a <i>designated investment firm with trading assets greater than £15,000million and less than £100,000million.</i>	model type	£	23,500.00
	<i>advanced IRB, IMM or IMA</i>	94,000.00	
	<i>foundation IRB</i>	72,000.00	
	<i>advanced measurement approaches</i>	51,000.00	
Where, as at 31 December prior to the <i>fee year</i> in which the fee is payable, the applicant: has (1) has <i>modified eligible liabilities</i> of £5,000million or less; or (2) between 0 and 25 traders is a <i>designated investment firm with trading assets of £15,000million or less.</i>	model type	£	40,500.00
	<i>advanced IRB, IMM or IMA</i>	42,000.00	
	<i>foundation IRB</i>	30,000.00	
	<i>advanced measurement approaches</i>	24,000.00	

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Table E – Internal model application fees

Applicant (groupings based on <i>tariff data</i> submitted by <i>firms</i> as at 31 December 2015 6 , and subject to any adjustments made under 3.20)	Fee payable (£)
Group Internal Model (Full and Partial)	
Sum of gross technical liabilities <i>best estimate liabilities for fees purposes</i> for groups in the <i>general insurance fee block</i> of £200million or more	268,000.00
Sum of gross technical liabilities <i>best estimate liabilities for fees purposes</i> for groups in the <i>general insurance fee block</i> less than £200million	100,000.00
Sum of mathematical reserves for fees purposes <i>best estimate liabilities for fees purposes</i> for groups in the <i>life insurance fee block</i> of £5,000million or more	268,000.00
Sum of mathematical reserves for fees purposes <i>best estimate liabilities for fees purposes</i> for groups in the <i>life insurance fee block</i> less than £5,000million	100,000.00
Solo Internal Model (Full and Partial)	
Gross technical liabilities <i>Best estimate liabilities for fees purposes</i> for <i>firms</i> in the <i>general insurance fee block</i> of £200million or more	232,000.00
Gross technical liabilities <i>Best estimate liabilities for fees purposes</i> for <i>firms</i> in the <i>general insurance fee block</i> less than £200million	80,000.00
Mathematical reserves for fees purposes <i>Best estimate liabilities for fees purposes</i> for <i>firms</i> in the <i>life insurance fee block</i> of £5,000million or more	232,000.00
Mathematical reserves for fees purposes <i>Best estimate liabilities for</i>	80,000.00

<i>fees purposes</i> for firms in the life insurance fee block less than £5,000million	
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