

INVESTMENT BUSINESS ACTS 1991 TO 1993

INVESTMENT BUSINESS (FEES) REGULATIONS 2003

Approved by Tynwald 18 March 2003

Coming into operation 1 April 2003

In exercise of the powers conferred on the Financial Supervision Commission by section 18 of the Investment Business Act 1991^(a), and of all other enabling powers, and after consulting the Treasury the following Regulations are hereby made:-

Citation and commencement

1. These Regulations may be cited as the Investment Business (Fees) Regulations 2003 and shall come into operation on 1 April 2003.

Interpretation

2. In these Regulations:

“annual review date” shall mean 1 July each year;

“the Act” means the Investment Business Act 1991;

“category” means a category of investment business specified in paragraph 6 of the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code^(b) or, as the case may be, in paragraph 1-2 of the Financial Supervision Commission (Stockbrokers) Regulatory Code^(c);

“third party fund administrator” means a person licensed under the Act and is subject to the regulatory requirements for a category 4 investment business.

Application fees

3. (1) An application for a person to be licensed as a stockbroker under section 3 of the Act shall be accompanied by a fee of £1,300.

(2) An application for an investment business licence under section 3 of the Act, except in cases to which paragraph (1) applies, shall be accompanied by a fee of £1,100.

^(a) 1991 c.18

^(b) SD 345/02

^(c) SD 156/96

Other fees

4. (1) A fee of £850 shall be payable upon the issue and annual review date of an investment business licence for a category 1 investment business.
- (2) A fee of £2,900 shall be payable upon the issue and annual review date of an investment business licence for categories 2 and 3 (a) investment businesses, except in cases to which paragraphs (4), (5), (7) or (8) apply.
- (3) A fee of £3,900 shall be payable upon the issue and annual review date of an investment business licence for category 3 (b) investment businesses, except in cases to which paragraphs (4), (5), (7) or (8) apply.
- (4) A fee of £6,000 shall be payable upon the issue and annual review date of an investment business licence to act as the manager of a collective investment scheme authorised under section 3 of the Financial Supervision Act 1988^(d).
- (5) A fee of £3,900 shall be payable upon the issue and annual review date of an investment business licence to act solely as the manager of international collective investment schemes within the meaning of section 11(5) of the Financial Supervision Act 1988.
- (6) A fee of £650 shall be payable upon the issue of a new licence following the addition of an international collective investment scheme to the licence of an existing manager.
- (7) A fee of £3,900 shall be payable upon the issue and annual review date of an investment business licence to act solely as the manager of exempt-international collective investment schemes within the meaning of section 11(7) of the Financial Supervision Act 1988.
- (8) A fee of £14,100 shall be payable upon the issue and annual review date of an investment business licence for a category 3 investment business which is administered by either a third party fund administrator or a category 3 investment business licenceholder specifically permitted to undertake such activity, except in cases to which paragraph (3) applies.
- (9) A fee of £6,300 shall be payable upon the issue and annual review date of an investment business licence for a category 4 investment business.
- (10) A fee of £2,600 shall be payable upon the issue and annual review date of an investment business licence for a category 5 group (a) investment business.
- (11) A fee of £3,900 shall be payable upon the issue and annual review date of an investment business licence for a category 5 group (b) investment business.
- (12) A fee of £6,000 shall be payable upon the issue and annual review date of an investment business licence for a category 5 group (c) investment business.
- (13) A fee of £12,000 shall be payable upon the issue and annual review date of an investment business licence for a category 5 group (d) investment business.

^{d)} 1988 c.16

5. In respect of investment businesses which are issued with an investment business licence with effect from a date other than 1 July, the fees under regulation 4, apart from that at regulation 4(5), shall be paid in respect of the period from the date of the issue to the next following 1 July calculated in accordance with the formula in regulation 7(1).

6. In respect of an investment business which changes to a higher category of investment business in respect of which a greater fee is specified in regulation 4, the additional fee shall be paid in respect of the period from the date of the change to the next following 1 July in accordance with the formula in regulation 7(2).

Proportionate fee adjustment formula

7. (1) For the purposes of regulation 5, the appropriate fee is to be calculated in accordance with the following formula:

$$\frac{F \times N}{12}$$

where:

“F” is the fee;

“N” is the number of months between the date on which the investment business licence is issued and the next following 30 June, and for this purpose a part of a month shall be treated as a complete month.

(2) For the purposes of regulation 6, the appropriate fee is to be calculated in accordance with the following formula:

$$\frac{(H - F) \times N}{12}$$

where:

“H” is the greater fee;

“F” is the fee already paid in accordance with regulation 4, and

“N” is the number of months between the date on which the investment business activity changed to a higher category and the next following 30 June, and for this purpose a part of a month shall be treated as a complete month.

Recognised persons

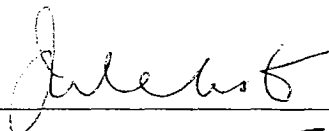
8. (1) A fee of £100 shall be payable upon entering in the register the name of any recognised person.

(2) A fee of £100 shall be payable on 31 December each year for the continued entry in the register of any recognised person.

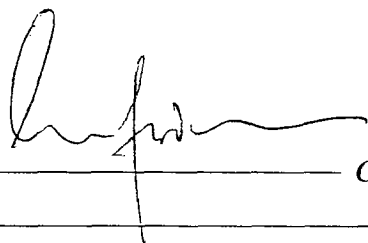
Revocation of statutory document 57/01

9. The Investment Business (Fees) Regulations 2001^(e) are revoked.

Made this 13th day of February 2003.



Commissioner

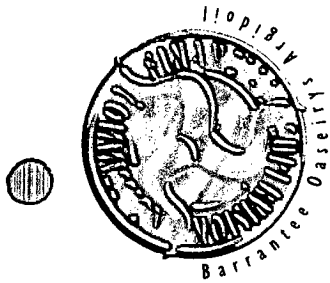


Chief Executive

^(e) SD 57/01

EXPLANATORY NOTE
(This note is not part of the Regulations)

These Regulations prescribe the new periodical fees payable by certain holders of investment business licences.



Financial Supervision Commission

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Tynwald Library
Government Buildings
Bucks Road
Douglas
Isle of Man

Contact: Andrew Haddow
Our Ref: AJH
Your Ref:
Date: 12 May 2003

Dear Sir/Madam,

REPLACEMENT ITEMS OF SUBORDINATED LEGISLATION

We would be grateful if you could replace the copy of SD 55/03 Investment Business (Fees) Regulations 2003 (sent on 25th March 2003) with the copy attached. A printing error removed paragraph 3 (2) from the original copy that we sent to you.

The above document was approved by Tynwald on 18th March 2003.

Yours faithfully

Andrew Haddow BSc (Hons) SIAff
Policy Division

Financial Supervision Commission

SUPERVISION DIVISION

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