



FIDUCIARY SERVICES ACTS 2000 and 2005

FIDUCIARY SERVICES (FEES) REGULATIONS 2007

Approved by Tynwald 21st March 2007

Coming into operation 1 April 2007

In exercise of the powers conferred on the Financial Supervision Commission by section 26 of the Corporate Service Providers Act 2000^(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 Fiduciary Services (Fees) Regulations 2007 and shall come into operation on 1 April 2007.

Interpretation

2. In these Regulations:

"annual fee year" means the period from the annual review date to the next following 31 July;

"annual review date" means 1 August each year;

"the Act" means the Corporate Services Providers Act 2000;

"category of fiduciary licence" means the sub-divisions of a class of fiduciary licence designated as a Category 1 CSP licence, a Trust Corporation licence, a Category 1 TSP licence, a Category 2 CSP licence or a Category 2 TSP licence;

"Category 1 CSP licence", "Category 1 TSP licence", "Category 2 CSP licence", "Category 2 TSP licence" and "Trust Corporation licence" have the meanings given in paragraph 3 of the Fiduciary Services (General Requirements) Regulatory Code 2005^(b);

"class of fiduciary licence" means a licence in respect of the provision of either corporate services or trust services;

^(a) 2000 c.13

^(b) SD 469/05

"client company" has the meaning given in paragraph 1(2) of the Fiduciary Services (General Requirements) Regulatory Code 2005;

"corporate services" are regulated activities within the meaning of section 1(2)(a) of the Act;

"CSP licence" means a fiduciary licence in respect of the provision of corporate services;

"fiduciary" has the meaning given in section 1 of the Act;

"fiduciary licence" means a CSP licence or a TSP licence;

"group of companies" means a parent and subsidiary company(ies) or co-subsiary companies;

"nominee company exemption" means the relevant exemption from the requirement to hold a fiduciary licence under Part 1 (corporate services) or Part 1A (trust services) of Schedule 2 to the Act;

"partnership" has the meaning given in section 27 of the Act;

"reference date" means 30 June immediately preceding the annual review date;

"regulated activity" has the meaning given in section 1(2) of the Act;

"related companies" means one or more companies that are wholly owned by a partnership where the partnership or one of the companies is the holder of a fiduciary licence;

"transitional arrangements" means the arrangements described in article 3 of the Fiduciary Services Act 2005 (Appointed Day) Order 2005^(c) in respect of an application made before 1 November 2005 for a fiduciary licence relating to the provision of trust services;

"trust services" are regulated activities within the meaning of section 1(2)(b) of the Act;

"TSP licence" means a fiduciary licence in respect of the provision of trust services.

Application fees

3. (1) An application for a person to be licensed as a fiduciary under section 3 of the Act shall be accompanied by the application fee relating to the class or classes and category of licence to which the application refers as follows –

Trust Corporation licence including, if applicable, a Category 1 CSP licence	£1,550
Category 1 CSP licence and/or Category 1 TSP licence	£1,300
Category 2 CSP licence and/or Category 2 TSP licence	£1,000

^(c) SD 467/05

(2) An application for an existing sole trader or partnership Category 1 fiduciary licenceholder to convert to a corporate body shall not be subject to an application fee and the unexpired balance of any annual fee paid by the sole trader or partnership shall be applied towards the first annual fee due from the body corporate.

4. The application fee is non-refundable.

Annual fees

5. (1) Subject to regulation 6, the fee for an annual fee year is payable on the annual review date each year.

(2) The annual fee is a single combined fee applicable to the holder of a CSP licence, a TSP licence or both classes of licence.

(3) The annual fee payable by the holder of a Trust Corporation licence and, if applicable, a Category 1 CSP licence, and by the holder of a Category 1 TSP and/or Category 1 CSP licence is calculated by reference to the total number of client companies, partnerships and trusts for which, at the reference date in that year, the fiduciary provides any regulated activity in accordance with paragraphs (6) and (7) respectively.

(4) Where more than one company within a group of companies holds either class of fiduciary licence and/or provides corporate services or trust services under the nominee company exemption, the single combined fee for an annual fee year is calculated in accordance with paragraphs (6) or (7), as applicable, with reference to the total number of client companies, partnerships and trusts for which the group as a whole provides fiduciary services.

(5) Where a partnership and its related companies hold either class of fiduciary licence and/or provide corporate services or trust services under the nominee company exemption, the single combined fee for an annual fee year is calculated in accordance with paragraph (7) with reference to the total number of client companies, partnerships and trusts for which the partnership and its related companies provide fiduciary services.

(6) The relevant annual fee payable by the holder of a Trust Corporation licence and, if applicable, a Category 1 CSP licence is calculated as follows –

0 – 1,000	Client companies, partnerships and trusts	£6,100
1,001 – 2,500	Client companies, partnerships and trusts	£9,100
2,501 – 5,000	Client companies, partnerships and trusts	£12,150
5,001 – 7,500	Client companies, partnerships and trusts	£18,200
More than 7,500	Client companies, partnerships and trusts	£24,250

(7) The relevant annual fee payable by the holder of a Category 1 TSP and/or Category 1 CSP licence is calculated as follows –

0 – 100	Client companies, partnerships and trusts	£650
101 – 250	Client companies, partnerships and trusts	£1,550
251 – 500	Client companies, partnerships and trusts	£3,050
501 – 1,000	Client companies, partnerships and trusts	£6,100

1,001 – 2,500	Client companies, partnerships and trusts	£9,100
2,501 – 5,000	Client companies, partnerships and trusts	£12,150
5,001 – 7,500	Client companies, partnerships and trusts	£18,200
More than 7,500	Client companies, partnerships and trusts	£24,250

(8) The fee for an annual fee year in respect of a Category 2 TSP and/or a Category 2 CSP licence is a fixed fee of £400.

6. (1) In the first year, the proportion of the annual fee relating to the period from the date of issue of the licence until the commencement of the next annual fee year (calculated pro rata in accordance with regulation 7(1)) is due and payable on the date of issue of a licence.

(2) Where an applicant for a Trust Corporation or Category 1 TSP licence already holds a Category 1 CSP or TSP licence and has paid the annual fee applicable to that licence, whether or not the applicant is subject to the transitional arrangements, the annual fee due on the issue of the new licence the annual fee due is –

- (a) the difference (if any) between the annual fee already paid and the annual fee payable when the number of trusts for which it provides or will provide trust services are aggregated with the companies and partnership for which it provides corporate services, or
- (b) in the case of an applicant upgrading from a Category 1 TSP to a Trust Corporation licence, the difference (if any) between the annual fee already paid in respect of the Category 1 TSP licence and the relevant Trust Corporation annual licence fee; and
- (c) in either case, the proportion of the difference between the higher fee and the lower fee (if a higher fee applies) relating to the period from the date of issue of the new licence until the commencement of the next annual fee year is calculated pro rata in accordance with regulation 7(2).

Proportionate fee adjustment formula

7. (1) For the purpose of regulation 6(1) the adjusted annual fee payable in the first year on the issue of –

- (a) a Trust Corporation and, if applicable, a Category 1 CSP licence, and
- (b) a Category 1 CSP and/or Category 1 TSP licence is calculated in accordance with the formula:

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

- (c) a Category 2 CSP and/or Category 2 TSP licence is calculated in accordance with the formula:

$$£400 \times \frac{N}{12}$$

(2) For the purpose of regulation 6(2) the adjusted annual fee payable in the first year on the issue of a Trust Corporation or Category 1 TSP licence is calculated in accordance with the formula:

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

where:

"F" is the relevant fee specified in regulation 5(6) or 5(7), as applicable;

"H" is the higher fee (if a higher band fee applies);

"L" is the lower fee already paid;


"N" is the number of months between the date on which the fiduciary licence is issued and the next following 31 July, and for this purpose a part of a month shall be treated as a complete month;

and in every case, the calculation shall be rounded up to the nearest £1.

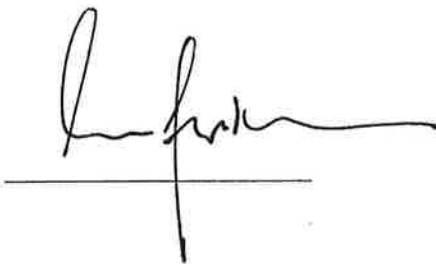
Revocation

8. The Fiduciary Services (Fees) Regulations 2005^(b) are revoked.

Made this 15 day of February 2007



Commissioner



Chief Executive

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

The Regulations prescribe the fee payable by an applicant for a fiduciary licence. Different fees apply in respect of an application for the different classes (corporate service provider (CSP) or trust service provider (TSP)) and categories (Trust Corporation, Category 1 CSP, Category 1 TSP, Category 2 CSP or Category 2 TSP) of licence. However, if the applicant applies for more than one class of licence at the same time, only one application fee is payable.

The Regulations also provide for fiduciaries to pay an annual licensing fee. A fiduciary holding both a Trust Corporation and a Category 1 CSP licence, or both a Category 1 TSP and a Category 1 CSP licence, or both a Category 2 TSP and a Category 2 CSP licence is required to pay just one combined annual fee for both classes of licence. The annual fee is calculated by reference to the total number of client companies, partnerships and trusts for which the fiduciary provides any corporate or trust services. The annual fee applicable to a Category 2 CSP and/or TSP licence holder is a fixed fee.

If more than one company within the same Group of Companies or if a partnership and a company or companies established by that partnership, hold more than one class or category of licence, the Group or partnership and its related companies are only required to pay one combined fee.

The Regulations also prescribe the annual fee due on the date on which a fiduciary licence is first issued. Where a licence is issued part-way through an annual fee year, the fee from the date of the licence's issue until 31 July in the next year is calculated pro rata for the remainder of the year.