



INVESTMENT BUSINESS ACTS 1991 TO 1993

INVESTMENT BUSINESS (FEES) REGULATIONS 2007

Approved by Tynwald on 21st March 2007

Coming into operation 1 April 2007

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 2007 and shall come into operation on 1 April 2007.

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 the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code^(b) or in Code 2 of the Financial Supervision Commission (Stockbrokers) (No.2) Regulatory Code^(c);

Application fees

3. (1) An application for a person to be licensed as a category 5 investment business under section 3 of the Act shall be accompanied by a fee of £1,550.

(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 £1,300.

^(a) 1991 c.18

^(b) SD 345/02

^(c) SD 868/03

- (3) An application for an existing sole trader or partnership investment business 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.

Other fees

4. (1) A fee of £1,050 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 £3,400 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 where the investment business licenceholder acts as a manager or administrator of collective investment schemes.

(3) A fee of £4,600 shall be payable upon the issue and annual review date of an investment business licence for category 3 (b) investment businesses, except in cases where the investment business licenceholder acts as a manager or administrator of collective investment schemes or where paragraph (8) applies.

(4) A fee of £7,050 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 £4,600 shall be payable upon the issue and annual review date of an investment business licence to act solely as the manager or administrator of international collective investment schemes within the meaning of section 11(5) of the Financial Supervision Act 1988.

(6) A fee of £800 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 £4,600 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 £16,500 shall be payable upon the issue and annual review date of an investment business licence for a category 3 (a) investment business which is administered by either a category 3 (b) or category 4 investment business licenceholder specifically permitted to undertake such activity, except in cases where the category 3 (a) investment business licenceholder acts as a manager of collective investment schemes.

^(d) 1988 c.16

(9) A fee of £7,350 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 £3,050 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 £7,050 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 £14,050 shall be payable upon the issue and annual review date of an investment business licence for a category 5 group (c) investment business.

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;

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

Revocation

8. The Investment Business (Fees) Regulations 2005^(e) are revoked.

^(e) SD 54/05

Made this 15th day of February 2007.



Commissioner



Chief Executive

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

These Regulations prescribe the annual licence fees payable by certain holders of investment business licences.

The Regulations also prescribe the fees that shall accompany applications for specified types of investment business licences.