

Feedback Paper on Consultation Paper No. 5 2019

Insurance Business (Jersey) Law 1996: Insurance Business Fees

A feedback paper relating to a consultation on proposals regarding proposals to change fee rates

Issued: October 2020

Consultation Feedback

This paper reports on responses received by the JFSC to the Consultation Paper No. 6 2020 published by the JFSC in September 2020.

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Glossary of Terms

Defined terms are indicated throughout this document as follows:

Commission/JFSC	Jersey Financial Services Commission
Commission Law	Financial Services Commission (Jersey) Law 1998
JFL	Jersey Finance Limited

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1 Executive Summary

1.1 Overview

- 1.1.1 In September 2020 the JFSC issued Consultation Paper No.6 2020, Insurance Business Fees, which sought views on proposals to change fee rates.
- 1.1.2 No responses to the consultation were received, either by the JFSC directly or by JFL.
- 1.1.3 We are therefore proceeding to implement the fee rate changes as consulted on. The final fees notice can be found in Appendix A and on our website.

1.2 Next Steps

- 1.2.1 The revised fees notice will take effect from 1 October 2020.
- 1.2.2 Relevant firms will receive notification via the myJFSC portal that an invoice is ready for them.

Appendix A – Insurance Business Fees Notice

Notice of Fees

Published in accordance with:	Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended
Pursuant to:	Insurance Business
Payable by or in relation to:	Articles 6(1) and 43D of the Insurance Business (Jersey) Law 1996, as amended;
Commencement date:	The fees set out in this notice are effective from 1 October 2020.

1 Interpretation

1.1 In this notice, unless the context otherwise requires

cell and cell company	have the meanings assigned to them by the Companies Law
Companies Law	means the Companies (Jersey) Law 1991, as amended
JFSC	means the Jersey Financial Services Commission
Law	means the Insurance Business (Jersey) Law 1996, as amended
limited company	has the meaning assigned to it by the Companies Law
limited liability partnership	has the meaning assigned to it by the Limited Liability Partnerships (Jersey) Law 2017
permit holder	has the meaning assigned to it by the Law
transfer of insurance business	means a scheme for the transfer of insurance business as required by Article 27 of and Schedule 2 to the Law

2 Application fee

2.1 The fee to accompany an application for a permit to carry on insurance business under the Law shall be the amount set out in Schedule 1.

3 Annual Fee

- 3.1 A permit holder shall pay an annual fee in accordance with the amount set out in Schedule 2.
- 3.2 The annual fee is payable by permit holders on 1 October of each year.
- 3.3 The due date for the annual fee is 31 October in the same year.

4 Registration change fee

4.1 Where:

- a) an insurance company that is registered under the Companies Law as a limited company changes that registration to registration as a cell company or a cell or

- b) a partnership carrying on insurance business as a limited liability partnership changes that registration to registration as a cell company or a cell

The fee for a category B permit arising out of that change in registration (**registration change fee**) is £2,100.

4.2 If:

- a) A cell company referred to in paragraph 4.1(a) or (b) has paid the fee specified in paragraph 4.1
- b) There is an application for a category B permit made by the first cell of that cell company; and
- c) The insurance business to be written in that first cell is the insurance business that was, prior to the change in registration to a cell company, written by the insurance company referred to in paragraph 4.1(a) or the partnership referred to in paragraph 4.1(b)

Then the registration change fee paid under paragraph 4.1 shall be taken to include the fee payable for the application by that first cell for its category B permit.

- 4.3 Where the fee specified in paragraph 4.1 has been paid, paragraph 3.1 shall apply to the annual fee due next following the grant of the permit (and for each subsequent annual fee due) for that cell company and for that cell.

- 4.4 Where a cell company or a cell that is registered as such under the Companies Law changes that registration to registration as a:

- a) A limited company or
- b) A limited liability partnership

The fee for a category B permit arising out of that change in registration is £1,990 and where that fee has been paid, paragraph 3.1 shall apply to the annual fee due next following the grant of the permit and each subsequent annual fee due for the limited company or the limited liability partnership.

5 Transfer of insurance business

- 5.1 If a permit holder plans to undergo a Transfer of Insurance Business (**transfer**) a fee of £7,840 is payable. This fee is payable at the earlier of (a) the date of the court hearing to consider sanctioning the transfer or (b) the time of submission of draft documentation relating to the transfer to the JFSC.

6 Late payment of fees

- 6.1 If the annual fee is not received by the JFSC by the due date, an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after the due date, and on the 1st day of each calendar month after that.

7 Late filing fees

- 7.1 If a permit holder fails to file or deliver any document to the JFSC under the provisions of the Law or under the provisions of any Order issued in accordance with the Law on or before the date that the document becomes due, the permit holder shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains unfiled or undelivered unless the permit holder has given the JFSC prior written notice of the reasons for the late filing or delivery of a document and the JFSC has agreed in writing that the filing may be late. Any such later agreed date shall become the due date for the purposes of the calculation and the payment of late filing fees.

Schedule 1 – application fees

Category of permit	Application fee
Category A	<ul style="list-style-type: none"> i. £8,400 if the permit applied for is to include long-term business of any class; and ii. £4,200 in any other case.
Category B (where the applicant is not a cell company or a cell)	<ul style="list-style-type: none"> i. £14,680 if the permit applied for is to include long-term business of any class; and ii. £7,340 in any other case.
Category B (where the applicant is a cell company or a cell)	<ul style="list-style-type: none"> i. £7,340 if the permit applied for is to be granted to a cell company; ii. £4,200 if the permit applied for is to be granted to a cell and is to include long-term business of any class; and iii. £2,100 if the permit applied for is to be granted to a cell and is to include general business of any class.

Schedule 2 – annual fees

Category of permit	Annual fee
Category A	<ul style="list-style-type: none"> i. £8,400 if the permit includes long-term business of any class; and ii. £4,200 in any other case.
Category B (where the applicant is not a cell company or a cell)	<ul style="list-style-type: none"> i. £14,680 if the permit includes long-term business of any class; and ii. £7,340 in any other case.
Category B (where the applicant is a cell company or a cell)	<ul style="list-style-type: none"> i. £7,340 if the permit is held by a cell company; ii. £4,200 if the permit is held by a cell and includes long-term business of any class; and iii. £2,100 if the permit is held by a cell and includes general business of any class.