

# Feedback on Consultation No. 3 2021

**Financial Services (Jersey) Law 1998: Fund Services Business Fees**

**Financial Services (Jersey) Law 1998/Alternative Investment Funds (Jersey) Regulations 2012: AIF and AIF Services Business Fees**

**Collective Investment Funds (Jersey) Law 1988: Collective Investment Fund Fees**

**Control of Borrowing (Jersey) Law 1947/Control of Borrowing (Jersey) Order 1958: CoBO Fees**

**Financial Services (Jersey) Law 1998/Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014: QSMA Fees**

Feedback on consultation No. 3 2021.

Issued: June 2021

## Glossary of Terms

AIF	Alternative Investment Fund
AIFSB	Alternative Investment Fund Services Business
CIF	Collective Investment Fund
Commission Law	Financial Services Commission (Jersey) Law 1998, as amended
CoBO	Control of Borrowing (Jersey) Order 1958
FSB	Fund Services Business
JFSC	Jersey Financial Services Commission
JPF	Jersey Private Fund
QSMA	Qualifying Segregated Managed Account
Registered person	A person registered under the Law to carry on fund services business
Representative Body	A body that the JFSC is satisfied is representative of the interests of those who would be required to pay the fee in accordance with Article 15 of the Commission Law

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# 1 Executive Summary

## 1.1 Overview

- 1.1.1 We issued Consultation Paper No.3 2021 in May 2021 to seek views on proposals to:
  - 1.1.1.1 Increase AIF, CIF, JPF, CoBO, FSB and QSMA fee rates by 2.0%;
  - 1.1.1.2 Introduce a transaction fee for transactions where an FSB applies to acquire a Registered Person. Such fees would be at the same level as for an application to carry on a fund services business, and would carry a £1,000 premium for Registered Persons in heightened supervision or enforcement;
  - 1.1.1.3 Introduce a £400 alteration fee for adding amending, or removing licence conditions, or licence classes; and
  - 1.1.1.4 Introduce a formal deadline for revocations of 1 May.
- 1.1.2 The Consultation explained that, whilst the JFSC's funding target has remained constant, headline fee rates will be subject to a 2% increase to compensate for changes the JFSC is seeing in the funds sector, specifically a reduction in the number of asset pools and a small reduction in the number of FSBs.
- 1.1.3 In light of the feedback received:
  - 1.1.3.1 We will proceed to increase fee rates by 2.0% and introduce the new transaction fee for alterations;
  - 1.1.3.2 Proposals to introduce the new transaction fee for changes of control will be deferred, pending further detailed discussions between the JFSC and the Jersey Funds Association (JFA) on its implementation and operation.
  - 1.1.3.3 We will not proceed with the new revocation deadline of 1 May.
- 1.1.4 The final Fees Notices can be found in Appendices B to F and on our website.

## 1.2 Feedback received

- 1.2.1 The consultation period closed on 21 June 2021. One response was received directly and one response was received by Jersey Finance Limited (JFL).
- 1.2.2 Section 2 of this paper presents a summary of the substantive comments received and our response, where appropriate.
- 1.2.3 We are grateful to the respondents for taking the time to consider and comment on the proposals. Both respondents have been sent a copy of this paper.

## 1.3 Next steps

- 1.3.1 The revised fees are effective from 1 July 2021.
- 1.3.2 The Fees Notices (Appendices B to F) have been updated and published on our website.
- 1.3.3 Relevant firms will receive notification via myJFSC on, or shortly after, 1 July that an invoice is ready for payment. The due date for payment of fees is 30 days from the date of the invoice.
- 1.3.4 Late fees may be incurred as detailed in the fees notice and any firms experiencing difficulty in arranging payment should contact their supervisor in advance of the due date.

## 1.4 Conclusion

- 1.4.1 Having carefully considered the responses received, we have concluded that the following changes will be made to the Fees Notices, effective from 1 July 2021.
- › An increase of 2.0% to the annual fees; and
  - › The introduction of a £400 alteration fee for adding amending, or removing licence conditions, or licence classes.

## 2 Consultation feedback

### 2.1 Do you agree with the proposed fee increase of 2.0%?

- 2.1.1 One respondent stated that the 2.0% increase is difficult to support, noting that this represents the third consecutive year of above-RPI fee increases. The respondent expressed concerns that such increases impact Jersey's competitiveness as a funds jurisdiction, eroding its attractiveness to new funds and funds clients. An expectation was also stated that fee increases should coincide with increased efficiency and improved service levels from the JFSC, and referenced findings from the report recently published on our website, *"Report of the independent review of authorisations at the Jersey Financial Services Commission"*.
- 2.1.1.1 Our decision to commission the independent review of the authorisations framework was driven by a commitment to continually improve our operations and forms part of the wider programme of organisational improvements. We will continue to manage costs associated with increased regulatory demands by focusing on streamlining our ways of working and realising the benefits of our recent investments in core systems.
- 2.1.1.2 As an illustration of our efforts to manage costs, and despite the increasing cost of regulation, we maintained our funding target for 2021 at £7.2m, in line with 2020. The proposed 2.0% fee increase, which is 1.2% higher than RPI as at March 2021, is a consequence of a reduction in the number of asset pools and a small reduction in the number of FSBs. However, changes in the statistics at this level do not lead to a reduction in supervisory effort.

### 2.2 Do you agree with the proposed fee in respect of a change of control?

- 2.2.1 One respondent raised *"significant concerns"* regarding the complex methodology of the proposed change of control fee. A number of examples were presented where the respondent felt the proposals would lead to *"disproportionate and excessive"* fees with potential for confusion and over-charging.
- 2.2.2 The respondent requested that further consideration should be given to the possible permutations, and simpler guidance developed. The change of control fee should not be implemented until these additional steps have been carried out.
- 2.2.2.1 We would like to thank the respondent for their detailed consideration of this proposal. The objective of avoiding complexity is an important consideration in the ongoing review of our fee bases. We aim to balance this against the need for a proportionate and sustainable approach to fee calculations. In light of the concerns raised, we agree with the request to delay introducing the fee until these concerns have been addressed. We have agreed with the JFA to form a working group to determine how this can best be achieved.

## 2.3 Do you agree with the proposed fee in respect of alterations?

- 2.3.1 One respondent confirmed that they have no significant concerns with the proposed fee for alterations, contrasting the simple and clear approach to the proposed change of control fee.
- 2.3.2 The second respondent raised the prospect of a potential double-charge in respect of the proposed new change of name fee, noting that separate registration fees of £110 would also be applicable.
  - 2.3.2.1 The registry and regulatory procedures within the JFSC are distinct and so it is appropriate that the administrative costs of each of these operations are compensated separately.

## 2.4 Do you agree with the proposed deadline of 1 May for revocations?

- 2.4.1 One respondent raised concerns with the proposal to introduce the 1 May deadline, noting that the timing of common operating practices would make this very challenging. A concern was also expressed that the JFSC may use such a deadline to *“justify a slow down in service levels”*.
  - 2.4.1.1 The objective of the proposed revocation deadline was to ensure fees for the following year could be calculated with reference to the most accurate data available. Having access to this data at the start of the fee calculation process would remove the need for estimates, and reduce the risk of a higher fee level being set than is ultimately required.
  - 2.4.1.2 We would like to thank the respondent for setting out the practical impediments for the 1 May revocation deadline and confirm this will not be introduced at this time. We are grateful for the JFA for their suggestion that such changes could be communicated on a less formal basis to achieve the desired outcome.

## **Appendix A - List of respondents to the consultation paper**

- › Jersey Funds Association
- › Fund administrator (via JFL)

## Appendix B - Draft AIF and AIFSB Fees Notice

	<b>Notice of Fees</b>
Published in accordance with:	<b>Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Payable by or in relation to:	<b>AIF and AIF Services Business</b>
Pursuant to:	<b>Articles 8(2)(e) of the Alternative Investment Funds (Jersey) Regulations 2012, as amended; and Articles 8(3) and 9(6) of the Financial Services (Jersey) Law 1998, as amended</b>
Commencement date:	The fees set out in this notice and the attached schedule are effective for the period from 1 July 2021 – 30 June 2022

### 1 Interpretation

#### 1.1 In this notice, unless the context otherwise requires -

AIF	means an Alternative Investment Fund within the meaning of the Regulations
Certified Fund	means an unclassified fund in respect of which a certificate has been granted by the JFSC under Article 8B of the Collective Investment Funds (Jersey) Law 1988, as amended
FS(J)L	means the Financial Services (Jersey) Law 1998, as amended
JFSC	means the Jersey Financial Services Commission
Recognised Fund	means a recognised fund in respect of which a certificate has been granted by the Commission under the Collective Investment Funds (Recognised Funds) (Rules) (Jersey) Order 2003
Recognised Fund functionary	means a person who holds a permit as a functionary of a Recognised Fund under the Collective Investment Funds (Jersey) Law 1988, as amended
Regulations	means the Alternative Investment Funds (Jersey) Regulations 2012, as amended

### 2 Application fee

#### 2.1 For the purposes of Regulation 8(2)(e) of the Regulations (which Regulation allows the publication of fees that are to accompany applications for registration), a fee of £1,620 is published in respect of applications for a certificate to be granted under the Regulations. The application fee is payable in respect of:

- 2.1.1 Any AIF registered in Jersey (company, limited partnership or limited liability partnership); or
- 2.1.2 Any AIF which is a Jersey trust that is a unit trust.



*For the avoidance of doubt, an AIF which is a Certified Fund or a Recognised Fund is not required to pay an application fee under this Notice.*

### **3 Application Fee – AIF services business**

- 3.1 For the purposes of Article 8(3)(c) of the FS(J)L (which Article allows the publication of fees that are to accompany applications for registration), a fee of £1,620 is published in respect of applications for registration under Article 2(11) of the FS(J)L to carry on Class ZL (Manager of an AIF) AIF services business.

*For the avoidance of doubt, a person is not required to pay an application fee under this Notice where the person is:*

- › Registered to carry on any one or more classes of fund services business under Article 2(10) of the FS(J)L; or
- › A Recognised Fund functionary; and
- › Where the classes or functions of that person include the same classes or functions as the AIF services business.

## Appendix C - Draft CIF Fees Notice

	<b>Notice of Fees</b>
Published in accordance with:	<b>Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Payable by or in relation to:	<b>Collective Investment Funds</b>
Pursuant to:	<b>Articles 6(1), 7(12), 8A(2)(e) and 8B(13) of the Collective Investment Funds (Jersey) Law 1988, as amended; and Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Commencement date:	The fees set out in this notice and the attached schedules are effective for the period from 1 July 2021 – 30 June 2022

### 1 Interpretation

#### 1.1 In this notice, unless the context otherwise requires -

cell, cell company, company, incorporated cell company, protected cell company	each has the same meaning as in the Companies (Jersey) Law 1991
certificate holder	means a company, trustee, general partner or limited liability partnership to whom a certificate has been granted under Article 8B of the Law in respect of a certified fund
certified fund	means a collective investment fund in relation to which a certificate that is in force has been granted under Article 8B of the Law
fund service provider	means a person who is or would be required to be registered under the Financial Services (Jersey) Law 1998 to carry on fund services business in relation to a collective investment fund that is or would be required to be a certified fund
JFSC	means the Jersey Financial Services Commission
Law	means the Collective Investment Funds (Jersey) Law 1988, as amended
permit holder	means a person to whom a permit has been granted under Article 7 of the Law in respect of a recognised fund
pool of assets	means a collective investment fund, except that where such a collective investment fund is divided into separate and distinct parts, the rights of which are restricted to an identifiable class of participants, it means each one of those parts

recognised fund	means a collective investment fund in relation to which there is a recognised fund certificate granted under the Collective Investment Funds (Recognised Funds) (General Provisions) (Jersey) Order 1988 or the Collective Investment Funds (Recognised Funds) (Rules) (Jersey) Order 2003
umbrella fund	means a collective investment fund where: <ol style="list-style-type: none"> <li>the contributions of the unit holders and the profits and income out of which payments are to be made to them are pooled; and</li> <li>the documents constituting the fund provide that such pooling is to be accomplished separately in relation to separate parts of the property of the fund</li> </ol>

## Recognised Funds

### 2 Application for a functionary permit (Article 6(1)(f) of the Law)

- 2.1 Subject to paragraph 7.27.2, the fee that is to accompany an application for a permit to be a functionary of a collective investment fund shall be £2,750.

### 3 Fees payable by a permit holder (Article 7(12) of the Law)

#### 4 On the grant of a first permit

- 4.1 Subject to paragraphs 4.2 and 8.1, a person who was not a permit holder immediately prior to the grant of a permit, shall pay a fee determined in accordance with Schedule 1 – Recognised Funds, in respect of the issue by the JFSC of a permit under Article 7(1) of the Law. The fee is due one month after the date of the permit.
- 4.2 If the date of the permit in respect of which a fee is payable is other than 1 July, the fee payable under this section shall be 1/12th of the amount specified by paragraph 4.1 for each complete month between the grant of that permit and 1 July next following.

#### 5 Annual fee

- 5.1 Subject to paragraph 8.1 of this Notice, a permit holder shall pay a fee in respect of the aggregate of the number of pools of assets in relation to which the person holds one or more permits on 1 July each year. The amount of the fee shall be determined in accordance with Schedule 1 – Recognised Funds. The fee is due on 31 July the same year.

#### 6 New pool of assets

- 6.1 Subject to paragraph 7.27.2 of this Notice, a permit holder that is either a company issuing units or the trustee of a unit trust shall pay, at the time of application, a fee of £1,230 in respect of each new pool of assets to be added to a collective investment fund.

#### 7 Transfers of certain functions to cells

- 7.1 An application by a permit holder that is a company (but not a cell company, incorporated cell company, protected cell company or a cell), for a permit to be varied in relation to the company becoming a cell company, incorporated cell company, protected cell company or a cell, shall be accompanied by a fee of £3,230.

- 7.2 If a permit holder is liable to pay the fee set by paragraph 7.1, no further fee shall be payable under either paragraph 4.1 or, in the event that one or more pools of assets are added concurrently, under paragraph 6.16.1.

## **8 Cell companies**

- 8.1 The total of the fees payable under paragraphs 4.1 to 5.1 by, or in respect of, the incorporated cells of an incorporated cell company and, as the case requires, that company, that apply to become or are permit holders under Article 7 of the Law shall be the same as the total amount that would be payable under those paragraphs by a protected cell company with the same number of cells that applies to become or is a permit holder under Article 7 of the Law.

## **Certified Funds**

### **9 Application for certificate (Article 8A(2)(e) of the Law)**

- 9.1 Subject to paragraphs 9.2 and 9.3, a person who applies for a certificate in relation to a collective investment fund shall pay a fee that is the sum of:
- 9.1.1 £2,750; and
  - 9.1.2 £2,750 in respect of each fund service provider in relation to the collective investment fund.
- 9.2 Where two or more persons apply, at the same time, for certificates in relation to a collective investment fund in respect of which no other person currently holds a certificate, each of those applicants shall pay a fee that is the sum of:
- 9.2.1 the amount payable by one applicant in relation to the collective investment fund, in accordance with paragraph 9.1; and
  - 9.2.2 £2,750 for each of the second and any additional applicant, divided by the number of applicants.
- 9.3 A person who applies for a certificate in relation to a collective investment fund shall pay a fee of £2,750 where:
- 9.3.1 at least one other person already holds a certificate in relation to the collective investment fund; or
  - 9.3.2 the certificate applied for would replace a certificate granted to another person in relation to the collective investment fund.

### **10 Fee in respect of grant of certificate (Article 8B(13)(b) of the Law)**

- 10.1 A fee shall be paid by a certificate holder in respect of the grant of a certificate.
- 10.2 The fee must be paid no later than one month after the day on which the certificate is issued.
- 10.3 Subject to paragraphs 10.4 and 10.5, the fee shall be the amount specified in Schedule 2 – Certified Funds applicable in the case of the collective investment fund to which the certificate relates, according to the total number of pools of assets in the collective investment fund on the day on which the certificate is issued.
- 10.4 If a certificate is granted on a day other than 1 July, the fee payable under paragraph 10.1 shall be 1/12th of the amount specified in paragraph 10.3 for each complete month between the grant of the certificate and 1 July next following.
- 10.5 Where:
- 10.5.1 a certificate is or certificates are granted in respect of one or more cells of an incorporated cell company and, as the case requires, in respect of that company; and

- 10.5.2 the JFSC is satisfied that the structure of the company and the cells of the company is equivalent to that of an umbrella fund;
- 10.5.3 the total of the fees determined in accordance with paragraphs 10.3 and 10.4 in respect of the cells and, as the case requires, the company, shall be the same as the total amount that would be determined in accordance with those paragraphs in the case of the grant of a certificate in relation to a protected cell company with the same number of cells.

## **11 Annual fee (Article 8B(13)(a) of the Law)**

- 11.1 A fee shall be paid by a person who, on 1 July, is a certificate holder.
- 11.2 The fee must be paid no later than 31 July in that year.
- 11.3 The fee is whichever is the lesser of:
  - 11.3.1 the sum of the annual amounts for every collective investment fund in relation to which the person is a certificate holder on 1 July in that year; and
  - 11.3.2 £113,100.
- 11.4 Subject to paragraph 11.5, the annual amount for a collective investment fund is the amount specified in the table in Schedule 2 – Certified Funds applicable in the certificate holder's case according to the total number of pools of assets in the collective investment fund on that day.
- 11.5 Paragraph 10.5 applies for the purposes of determining the fees payable under this section in relation to a collective investment fund that is any combination of an incorporated cell company and one or more cells of that company as it applies for the purpose of section 10.

## **12 Fee for alteration of certificate (Article 8B(13)(b) of the Law)**

- 12.1 Subject to paragraph 12.312.3, a certificate holder who applies for a certificate in relation to a collective investment fund to be altered so as to add one or more pools of assets to the pools of assets specified in the certificate shall pay a fee of £1,230 for each pool of assets so added.
- 12.2 A fee of £3,230 shall be paid by a certificate holder in relation to a collective investment fund that is a company (but not a cell company, incorporated cell company, protected cell company or a cell) who applies for the certificate in relation to the collective investment fund to be altered so as to allow the company to become a cell company, incorporated cell company, protected cell company or cell.
- 12.3 A certificate holder who applies, at the same time, for a certificate to be altered as described in both paragraphs 12.1 and 12.2 shall only be liable to pay the fee due under paragraph 12.2.
- 12.4 A fee of £400 shall be paid by a certificate holder who applies for a certificate in relation to a collective investment fund to be altered so as to reflect all or any of the following:
  - 12.4.1 a change of the name of the collective investment fund or of a pool of assets of the collective investment fund;
  - 12.4.2 a change of the name of the certificate holder on a fund certificate;
  - 12.4.3 the removal of a pool of assets from the collective investment fund; and
  - 12.4.4 the addition, alteration or removal of conditions pursuant to the application of the certificate holder.
- 12.5 A fee payable under this section must be paid at the time the application is made.
- 12.6 A certificate holder who pays an application fee under section 12 is not also liable to pay an application fee under section 9 or, upon the issue of the altered certificate, a fee under section 10.

### **13 Fee for increase in fund service providers (Article 8B(13)(b) of the Law)**

- 13.1 Subject to paragraph 13.213.2, where the number of fund service providers in relation to a collective investment fund is increased from the number of such fund service providers that were taken into account in calculating the fee under paragraph 9.1, a fee of £2,750 shall be paid by the certificate holder in respect of each fund service provider so added.
- 13.2 Where there is more than one certificate holder in relation to a collective investment fund, the certificate holders shall be jointly and severally liable to pay the fee that would be payable by a single certificate holder under paragraph 13.1.
- 13.3 The fee payable under this section must be paid at the time the number of fund service providers in relation to the collective investment fund is increased.

## **Recognised Funds and Certified Funds**

### **14 Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended**

#### **15 Late payment of fees**

- 15.1 If the JFSC does not receive the fee due from a permit holder or certificate holder by the date in paragraph 11.2 an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after that date, and on the first day of each calendar month after that.

#### **16 Late filing fees**

- 16.1 If a permit holder or certificate 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 or certificate holder shall be liable to pay a fee of £100 on the day after the document falls due and an additional £100 on the first day of each calendar month after that. This shall apply while the document remains unfiled or undelivered unless the permit holder or certificate holder has given the JFSC prior written notice of the reasons for the late filing or delivery of the 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 – Recognised Funds

Calculation of fees payable on the grant of a first permit (paragraph 4.1) and on 1 July (paragraph 5.1)

Number of pools of assets	Fee (£)
0 – 1	8,720
2 – 4	9,780
5 – 9	10,820
10 – 19	13,020
20 or more	15,180

## Schedule 2 – Certified Funds

Calculation of fees payable on the grant of a certificate (paragraph 10.3) and on 1 July (paragraph 11.4)

Number of pools of assets	Fee (£)
0 – 1	a) where the certificate holder is a company issuing units or a trustee of a unit trust - £4,540 b) in any other case - £1,800
2 – 4	5,830
5 – 9	7,520
10 – 19	10,030
20 – 49	12,530
50 – 99	17,510
100 – 149	25,020
150 – 199	33,320
200 or more	44,670

## Appendix D - Draft CoBO Fees Notice

	<b>Notice of Fees</b>
Published in accordance with:	<b>Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended and Article 12A of the Control of Borrowing (Jersey) Order 1958</b>
Payable by or in relation to:	<b>Control of Borrowing (Jersey) Order</b>
Pursuant to:	<b>Control of Borrowing (Jersey) Order 1958; and Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Commencement date:	The fees set out in this notice and the attached schedules are effective for the period from 1 July 2021 – 30 June 2022

### 1 Interpretation

#### 1.1 In this notice, unless the context otherwise requires

CoBO	means the Control of Borrowing (Jersey) Order 1958
DSP	means a 'designated service provider' required to be appointed by a JPF
Jersey UT (non-fund)	means a Jersey unit trust which is not an investment fund
JFSC	means the Jersey Financial Services Commission
JPF	means a Jersey Private Fund which has been issued with a relevant consent and which is operated in accordance with the JPF Guide
JPF Guide	means the Jersey Private Fund Guide as may be amended from time to time
JPF Return	means the annual compliance return for a JPF required to be provided to the JFSC in each relevant year by the relevant DSP (the form of which is included as part of the JPF Guide)
NDS (non-fund)	means a non-domiciled structure which is not an investment fund

### 2 Application fee

#### 2.1 For the purposes of Article 12A of CoBO:

- 2.1.1 a fee of £1,370 shall be payable in respect of any JPF applying to the JFSC's authorisation team for the issue of an initial JPF CoBO consent;
- 2.1.2 a fee of £510 shall be payable in respect of any application to the JFSC's Authorisation team for the issue of a CoBO consent, which is not subject to the fee specified in 2.1.1 above;



- 2.1.3 a fee of £420 shall be payable in respect of any Jersey UT (non-fund) applying to the Jersey Companies Registry for the issue of an initial CoBO consent pursuant to Articles 9(1)(a) and/or 9(1)(b) of CoBO;
- 2.1.4 a fee of £420 shall be payable in respect of any NDS (non-fund) applying to the Jersey Companies Registry for the issue of an initial CoBO consent pursuant to Articles 1, 3, 9(1)(a), 9(1)(b), 10(1)(a), 10(1)(b), 11(1)(a) and/or 11(1)(b) of CoBO;
- 2.1.5 a fee of £210 shall be payable in respect of any application for the issue of an amended CoBO consent where the original CoBO consent was issued in accordance with sub-paragraphs 2.1.3 to 2.1.4.

### **3 JPF annual fee**

- 3.1 A fee shall be paid in respect of a JPF on 1 July in each relevant year for so long as the JPF's CoBO consent remains in force.
- 3.2 The fee must be paid no later than 31 July in each relevant year, and shall be paid directly by the governing body of the JPF or by the DSP on behalf of the JPF.
- 3.3 The fee payable on an annual basis shall be £1,090 and shall be pro-rated.

### **4 JPF late payment of fees**

- 4.1 If the JFSC does not receive the fee due from a JPF (or the JPF's DSP on behalf of the JPF) by the date in paragraph 3.2 an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after that date, and on the first day of each calendar month after that.

### **5 JPF late filing fees**

- 5.1 If the DSP fails to file or deliver the JPF Return to the JFSC under the provisions of CoBO on or before the date that the JPF Return becomes due, the DSP shall be liable to pay a fee of £100 on the day after the document falls due and an additional £100 on the first day of each month after that in which the JPF Return remains unfiled or undelivered unless the DSP has given the JFSC prior written notice of the reason for the late filing or delivery of the JPF Return and the JFSC has agreed in writing with the relevant DSP that the filing may be late.

## Appendix E - Draft FSB Fees Notice

	<b>Notice of Fees</b>
Published in accordance with:	<b>Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Payable by or in relation to:	<b>Fund Services Business</b>
Pursuant to:	<b>Articles 8(3) and 9(6) of the Financial Services (Jersey) Law 1998, as amended; and Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Commencement date:	The fees set out in this notice and the attached schedules are effective for the period from 1 July 2021 – 30 June 2022

### 1 Interpretation

#### 1.1 In this notice, unless the context otherwise requires -

JFSC	means the Jersey Financial Services Commission
Law	means the Financial Services (Jersey) Law 1998, as amended
pool of assets	means a collective investment fund, except that where such a collective investment fund is divided into separate and distinct parts, the rights of which are restricted to an identifiable class of participants, it means each one of those parts
registered person	means a person registered under the Law to carry on fund services business
unregulated fund	Has the same meaning as in the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008, as amended

### 2 Application fee

#### 2.1 The fee that is to accompany an application for registration of a person to carry on fund services business shall be £3,400.

### 3 Fees payable by a registered person (Article 9(6) of the Law)

- 3.1 Subject to paragraph 3.2, a fee determined in accordance with the Schedule attached shall be paid by a registered person in respect of the issue by the JFSC of the registration certificate in accordance with Article 9(2) of the Law. The fee is due one month after the date of the registration certificate.
- 3.2 If the date of the registration certificate is other than 1 July, the fee payable under this Article shall be 1/12th of the amount specified by paragraph 3.1 for each complete month between the date of the registration certificate and 1 July next following.

### 4 Annual fee

- 4.1 A person who, on 1 July is a registered person shall pay a fee determined in accordance with the Schedule attached to this Notice (subject to paragraph 4.2) in respect of the number of pools of assets, other than any pool of assets that is an unregulated fund, in relation to which

the person is registered to carry on fund services business. The fee is due on 31 July the same year.

- 4.2 The fee payable by a registered person who on 1 July acts only for one or more unregulated funds shall be the fee applicable to zero pools of assets.

## **5 Alteration fee**

- 5.1 A fee of £400 shall be paid by a registered person who applies for an alteration so as to reflect all or any of the following:

- 5.1.1 a change of the name of the registered person;
- 5.1.2 the addition, alteration or removal of each licence condition pursuant to an application from the registered person; or
- 5.1.3 the removal of each class of licence pursuant to an application from the registered person.
- 5.1.4 A fee payable in accordance with paragraph 6.1 shall not be payable where a fee payable in accordance with paragraph 5 is also payable.

## **6 Fees pursuant to Article 15(6) of the Financial Services Commission (Jersey) Law 1998, as amended**

### **7 Late payment of fees**

- 7.1 If the JFSC does not receive the fee due from a registered person by the date in paragraph 4.1 an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after that date, and on the first day of each calendar month after that.

### **8 Late filing fees**

- 8.1 If a registered person 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 registered person shall be liable to pay a fee of £100 on the day after the document falls due and an additional £100 on the first day of each calendar month after that. This shall apply while the document remains unfiled or undelivered unless the registered person has given the JFSC prior written notice of the reasons for the late filing or delivery of the 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

Number of pools of assets	Fee (£)
0 – 1	5,660
2 – 4	7,520
5 – 9	9,210
10 – 19	11,710
20 – 49	15,020
50 – 99	20,250
100 – 149	29,220
150 – 199	40,020
200 or more	53,420

## Appendix F - Draft QSMA Fees Notice

	<b>Notice of Fees</b>
Published in accordance with:	<b>Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended</b>
Payable by or in relation to:	<b>Utilisation of the QSMA Order</b>
Pursuant to:	<b>Article 3(1) of the Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014; and Article 9(6) of the Financial Services (Jersey) Law 1998, as amended</b>
Commencement date:	The fees set out in this notice and the attached schedules are effective for the period from 1 July 2021 – 30 June 2022

### 1 Interpretation

1.1 In this notice, unless the context otherwise requires -

charging period	includes both an initial charging period and a subsequent charging period
initial charging period	means the period from (and including) the date on which an operator first placed reliance on Article 3(1) of the QSMA Order to (but excluding) 1 July next following
JFSC	means the Jersey Financial Services Commission
operator	means a person appointed to undertake relevant activity (as defined in the QSMA Order) in connection to a segregated managed account
QSMA Order	means the Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014
relevant QSMA	means a QSMA in respect of which an operator is placing reliance upon the exemption conferred by Article 3(1) of the QSMA Order
subsequent charging period	means a charging period (other than an initial charging period) commencing on 1 July and lasting for a period of 12 months

### 2 Reliance on the QSMA Order in the initial charging period

- 2.1 When an operator first places reliance upon the exemption conferred by Article 3(1) of the QSMA Order it shall pay the fee due in respect of the initial charging period specified in paragraph 2.2 or, as the case may be, paragraph 2.3.
- 2.2 Subject to paragraph 2.3, the fee due from an operator in respect of the initial charging period shall be £4,830.
- 2.3 If the date on which reliance is first placed by an operator on Article 3(1) of the QSMA Order is other than 1 July, the fee payable by that operator in respect of the initial charging period shall

be £400 (being 1/12<sup>th</sup>, rounded, of the amount at 2.2) for each complete month between the date of such first reliance and 1 July next following.

- 2.4 The due date for a fee in respect of the initial charging period due from an operator pursuant to paragraphs 2.2 or 2.3 shall be the date on which reliance was first placed by the operator on Article 3(1) of the QSMA Order.

### **3 Reliance on the QSMA Order in subsequent charging periods**

- 3.1 An operator who, on:
- 3.1.1 1 July immediately following the expiration of the initial charging period; or
  - 3.1.2 1 July in any subsequent year;
  - 3.1.3 is placing reliance upon Article 3(1) of the QSMA Order shall pay a fee in respect of the subsequent charging period which commences on that 1 July, determined in accordance with the attached Schedule.
- 3.2 The due date for a fee in respect of a subsequent charging period due from an operator pursuant to paragraph 3.1 shall be 31 July in that subsequent charging period.

### **4 Relief from QSMA fees for certain operators**

- 4.1 For each complete month within a charging period that an operator is registered pursuant to the Law to conduct discretionary investment management within the meaning given in Article 2(2)(b) of the Law (and has paid the JFSC the fee or fees due in respect of such registration), the fee due from or paid by the operator pursuant to this Notice in respect of that charging period shall be reduced by:
- 4.1.1 £400, if the charging period is an initial charging period;
  - 4.1.2 1/12<sup>th</sup>, if the charging period is a subsequent charging period.
- 4.2 At the end of the relevant charging period, the JFSC will remit (or, at its discretion, credit) to an operator any sums received from the operator which, as a result of the operation of paragraph 4.1, constituted an overpayment of the fee in fact due pursuant to this Notice. No interest thereon shall accrue in favour of the operator.

### **5 Clarification where an operator ceases to place reliance on Article 3(1) of the QSMA Order**

- 5.1 For the avoidance of doubt, no fee rebate or refund shall be due to an operator in the event that, having paid a fee in respect of a charging period, the operator subsequently ceases to place reliance on Article 3(1) of the QSMA Order within the charging period.

### **6 Late payment of fees**

- 6.1 If any fee due under this notice of fees is not received by the JFSC by applicable 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 first day of each calendar month after that.

## Schedule

### Calculation of fees payable for subsequent charging periods (paragraph 3.1)

Number of relevant QSMA's on 1 July	Fee (£)
1	4,830
2 – 4	6,400
5 – 9	7,800
10 – 19	9,950
20 – 49	12,780
50 – 99	17,040
100 – 149	24,840
150 – 199	34,060
200 or more	45,410