

Changes to FCA Authorisation & Application Fees

A new Financial Conduct Authority (“FCA”) pricing structure comes into force on 24th January 2022.

In this article, Newgate summarises the new charging structure for the business activities undertaken by our clients in the table below.

The pricing structure arises from the FCA’s consultation which took place in November 2020. At that time, the FCA consulted on setting out a new charging structure for application fees, most of which had not changed in over 20 years. The proposal included condensing the existing charging structure into 10 simple pricing categories.

A copy of the FCA’s Policy Statement can be found [here](#).

WHAT ARE THE NEW CHARGES?

The FCA will be introducing a new charge of £250 for stand-alone long Form A applications both for Senior Managers and for Controlled Functions for Appointed Representatives. The date for this has yet to be confirmed.

For the time being, the FCA have deferred proposals to introduce a fee for Section 178 Change in Control notifications.

The application fee for a Variation of Permission that takes the firm into another fee block(s) is 50% of the highest pricing category relevant to the application.

Breakdown of new application charge changes

Category	Application Type	New Charge
1	<ul style="list-style-type: none"> AIFM UK Reg 57 – Marketing notification by Full Scope UK or EEA AIFM for 3rd country, UK, or EEA AIFs. AIFM UK Reg 58 – Marketing notifications for small 3rd country AIFMs. AIFM UK Reg 59 – Marketing notification by 3rd country AIFM that is not a small AIFM. Registrations under the Money Laundering Regulations. 	£250
2	<ul style="list-style-type: none"> Variation of Permission (VoP) – within same fee block UK AIF, not non-UCITS retail or qualified investor scheme Non-UK AIF, not marketed in UK 	£500
3	<ul style="list-style-type: none"> Non-UK AIF, marketed in UK Non-UK AIF, not managed by AIFM but marketed in UK 	£1,000
4	<ul style="list-style-type: none"> Straightforward authorisation applications for (A) fee blocks: (A13) Advisors, arrangers, dealers, or brokers; (A14) Corporate finance advisors; and (A21) Firms holding client money, assets, or both. MLR Cryptoasset business with revenue up to £250K. OEIC Reg 12 UCITS Scheme & Non-UCITS retail scheme. FSMA s 242 UCITS Scheme & Non-UCITS retail scheme. FSMA s 261C UCITS Scheme & Non-UCITS retail scheme. FSMA s 272 – UK AIF equivalent to qualified investor scheme. 	£2,500
5	<ul style="list-style-type: none"> OEIC Reg 12 – Qualified investor scheme FSMA s 242 Applications for Unit Trust Schemes & money market funds – Qualified investor scheme FSMA s 261C Applications by Depositary and operators – Qualified investor scheme 	£5,000

Category	Application Type	New Charge
6	<ul style="list-style-type: none"> Moderately complex authorisation applications for (A) fee blocks: (A7) Portfolio managers; (A9) Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes; and (A10) Firms dealing as principal. MLR Cryptoasset business with revenue > £250K 	£10,000
7	<ul style="list-style-type: none"> Complex authorisation applications for MTF/OTF and some benchmark administrators. 	£50,000

Increased FCA scrutiny of Authorisation and Senior Managers applications

In 2021, we saw an increased level of scrutiny from the FCA across all types of applications. Newgate observed the Authorisations Department taking a far more intrusive approach and line of questioning on:

- The business model and regulatory business plan for new firms seeking authorisation and for those seeking to vary their permission
- A firm's financial model. More challenging questions about a firm's forecast revenue and operating expenses;
- The skills, knowledge and experience of the individuals applying to hold Senior Management Functions, particularly those applying to hold the SMF16 Compliance Officer and SMF17 Money Laundering Reporting Officer functions;
- The types of client applicant firms wish to service;
- AML systems and controls including client due diligence; and
- Financial promotions and marketing material;

Our team is unrivalled in their experience when dealing with FCA authorisation applications. We have a 100% success rate in obtaining authorisation for over 500 applications. Our team have a combined knowledge of over 20 years' experience working within the authorisations department at the regulator. When we work with you, we will project manage your application, liaise with the FCA using our technical knowledge and understanding to minimise application times and ensure that the licence obtained fully covers the needs of your business. Most importantly, we make things easy for you so you can focus on what you are good at; running and growing your business.

If you are intending to make an FCA application referred to above, or would like any further information, please contact a Newgate Consultant.

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About Newgate Compliance

Newgate Compliance is a compliance consultancy offering a modern solution to implement your compliance function using an innovative compliance software solution called **The GATEway**.

Newgate has an unrivalled combination of experienced professionals, many of whom are ex-regulators.

Our customer focused approach seeks to provide appropriate, pragmatic and flexible solutions to our clients helping them to meet both the regulator's rules but also the spirit, principles and culture of the regulatory regime.

We look to build long-term relationships with our customers helping to encourage business growth, productivity and innovation. Our proactive approach is tailored to each customer's needs changing to meet those needs as the customer progresses and develops.

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