ICAEW
REPRESENTATION 25/20

FCA REGULATED FEES AND LEVIES: RATES PROPOSALS 2020/21 (PROFESSIONAL BODY SUPERVISORS)

Issued 19 May 2020

ICAEW welcomes the opportunity to comment on the consultation document *CP20/6 FCA regulated fees and levies: Rates proposals 2020/21* published by the Financial Conduct Authority in April 2020, a copy of which is available from this link.

Our response is solely in respect of our role as a Supervisory Authority under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, supervising approximately 11,000 firms.

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OPENING REMARKS

1. As we set out in our responses to CP17/35, CP135/18, CP43/19 and CP97/19 we find the method of calculating the professional body supervisor fees unfair as it penalises those smaller firms and sole practitioners supervised by ICAEW, simply because they share an AML supervisor with the largest accountancy firms.

RESPONSES TO SPECIFIC QUESTIONS:

Q2: Do you have any comments on our proposed FCA 2020/21 minimum fees and periodic fee rates for fee payers other than authorised firms.

2. We note that FCA has budgeted £1.8m of costs for 2020/21 compared with actual costs of £1.9m in 2019/20, representing a decrease of 8.8% year-on-year. These costs include those relating to both designated professional bodies and professional body supervisors. It would be helpful if the FCA publishes a separate budget in respect of professional body supervisors, so that we can understand the budget that the levy is funding.
3. We have written separately to FCA finance staff on the extended payment terms offered. Although ICAEW is a ‘larger firm’, the vast majority of our supervised population pay levies to us of less than £10,000. Again, the extended payment terms is unfairly penalising our smaller firms and sole practitioners simply because they share an AML supervisor with the largest accountancy firms.
4. In our responses to CP17/35, CP135/18, CP43/19 and CP97/19 we explained the challenges we face with the timing of ICAEW’s renewal against the FCA’s billing timetable. We set our fees and levies in June and bill in November (in respect of the following calendar year) and the timing of the FCA consultations has meant we have missed key dates in our planning process for raising the OPBAS levy from our firms.

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