



FCA REGULATED FEES AND LEVIES: RATES PROPOSALS 2022/23 (PROFESSIONAL BODY SUPERVISORS)

Issued 9 May 2022

ICAEW welcomes the opportunity to comment on the consultation document CP22/7 FCA regulated fees and levies: Rates proposals for 2022/23 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.

ICAEW is a world-leading professional body established under a Royal Charter to serve the public interest. In pursuit of its vision of a world of strong economies, ICAEW works with governments, regulators and businesses and it leads, connects, supports and regulates more than 161,000 chartered accountant members in over 147 countries. ICAEW members work in all types of private and public organisations, including public practice firms, and are trained to provide clarity and rigour and apply the highest professional, technical and ethical standards.

OPENING REMARKS

1. As we set out in our responses to CP17/35, CP135/18, CP43/19, CP97/19 and CP20/6 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.
2. Despite assurances from OPBAS that the professional body supervisors would be included on future communications announcing the publication of the regulated fees and levies consultation, we were not formally notified.

RESPONSES TO SPECIFIC QUESTIONS:

Q2: Do you have any comments on our proposed FCA 2022/23 minimum fees and periodic fee rates for fee payers other than authorised firms?

3. We note that FCA has budgeted £1.6m of annual funding requirement (AFR) for 2022/23, representing a 5% increase compared with the previous year and is in line with inflation.
4. The FCA has proposed increasing the minimum fee by 6.2% to £5,310. This is explained as being in line with the increase in ongoing regulatory activities (ORA) – even though the ongoing regulatory activities are not relevant to OPBAS and the professional body supervisors and the budgeted increase in AFR for OPBAS is only 5%.
5. The variable fee, however, will increase by 20.9%. This is an unacceptable increase year-on-year and such volatility in the variable fee is unsustainable for ICAEW and the firms that we recharge the OPBAS levy to. We assume the increase in the variable fee is the result of a significant decrease in the number of supervised individuals. The FCA should perform assurance procedures over the number of supervised individuals reported to them by the professional body supervisors to ensure that the declared numbers are accurate and consistent.

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