

16 February 2004

# THE FUNDING OF THE IRISH FINANCIAL SERVICES REGULATORY AUTHORITY

## Consultation Paper 1

### Frequently Asked Questions

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**AMENDMENTS AND ADDITIONS**

17 December 2003

**Q20. How many entities are included in each industry category?**

Further information has been provided for Category C.

**Q21. Why is the number of intermediaries per the Section 31 register higher than that shown in Industry Category C?**

An additional question has been added to Section E: Approach to Funding  
All subsequent questions have been renumbered.

**Q36. Are these levies subject to VAT?**

An additional question has been added to Section E: Approach to Funding  
All subsequent questions have been renumbered.

19 December 2003

**Q42. If you intend to charge the full amount of your budget will you undertake a further consultation process?**

An additional question has been added to Section F: Amount of Levy  
All subsequent questions have been renumbered.

23 December 2003

**Q20. How many entities are included in each industry category?**

Further information has been provided for Category D.

15 January 2004

**Q3. When will the Strategic Plan be published? Will there be time between the publication of the Strategic Plan and the deadline for submission of comments on the Funding Consultation paper?**

Amended

**Q4. Will copies of the Strategic Plan be issued automatically to those involved in the consultation process?**

Amended

**Q17. In paragraph 3.4, the fourth bullet point refers to ‘the implications for the industry of the equitable treatment of different financial service providers’. What does this mean?**

Clarification concerning paragraph 3.4 of the consultation paper.

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**Q18. Will entities who currently operate in Ireland on a “Cross-Border / Freedom of Service” basis be charged?**

Additional reference to Freedom of Service.

**Q21. In paragraph 3.13 the first bullet point refers to regulated entities with their Head Office in Ireland who are not subject to significant regulation from overseas regulators. Under what circumstances would a regulated entity with its Head Office in Ireland be subject to extensive overseas regulation and how would this impact on the levy they must pay?**

Clarification concerning paragraph 3.4 of the consultation paper.

**Q31. I am currently considering seeking a revocation of my firm’s authorisation. Will I still be charged a fee for 2004 regardless of the actual date of revocation?**

Clarification concerning whether or not entities consideration revocation will be subject to the levy.

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**Q8. Will a budget for the Financial Services Regulator be published?**

Clarification in relation to the publication of a budget

**Q14. Who will fund the shortfall between your budget (€39m) and what you are seeking to recover from the industry (€20m) in 2004?**

Amended

**Q29. Do you propose to implement authorisation fees?**

Clarification in relation to authorisation fees.

**Q30. If authorisation fees are not implemented, who will pay for the costs associated with the consideration of an application?**

Clarification concerning the costs associated with authorisation fees.

**Q43. Will the charge levied by the Financial Services Regulator be treated as an expense in calculating my / my firms tax liability?**

Clarification concerning the deductibility of the levy

**Q44. Under your proposals are tied agents to be charged a levy?**

Clarification concerning Tied Agents.

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**Q25. I believe that I am a Category D firm, how do I find out which sub-category (D1 – D5) that I have been allocated to?**

Clarification concerning the categorisation of Category D firms

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**Q26. I believe that I am a Category D firm, how can I find out which other firms are in my subcategory?**

Clarification concerning the categorisation of Category D firms

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**Q. 27 What funding requirement has been assigned to each of the Category D sub categories?**

Clarification of the allocation of the funding requirement between the subcategories in industry category D.

## **A PUBLICATION OF THE CONSULTATION PAPER**

### **1. Why is the Funding Consultation paper being published at this time?**

We wanted to present a consultation paper that clearly outlined our proposals and presented the key questions to be considered in regard to Funding. We needed to take into account the budget for the Financial Services Regulator for 2004, therefore it was not possible to publish the consultation paper until now.

### **2. Why is the Funding Consultation paper being published before the Strategic Plan?**

We could have waited to issue the Funding Consultation paper until after the Strategic Plan was available, but we wanted to maximise the period available for consultation. We have ensured that there will still be sufficient time available to consider the Strategic Plan before the closing date for submissions on Funding.

### **3. When will the Strategic Plan be published? Will there be time between the publication of the Strategic Plan and the deadline for submission of comments on the Funding Consultation paper?** [Amended 15/01/04]

The Strategic Plan was published on 15 January 2004, this should give sufficient time to review the Plan prior to the deadline for making a submission on the Funding Consultation paper.

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**4. Will copies of the Strategic Plan be issued automatically to those involved in the consultation process?** [Amended 15/01/04]

Copies of the Strategic Plan have been sent to all Regulated Entities and are available on our website – [www.ifsra.ie](http://www.ifsra.ie).

**5. How will progress on the Strategic Plan be reported and how frequently will it be updated?** [Added 23/01/04]

It is proposed that the strategic plan will be reviewed and updated annually and that progress in achieving the goals outlined will be published.

**B. BUDGET FOR 2004**

**6. How does the €39m estimated cost of regulation in 2004 relate to the costs incurred in previous years?**

2004 is the first full year of operation of the Financial Services Regulator. Accordingly there are no directly comparable costs available for previous years. The €39m expected cost includes costs associated with carrying out our new statutory functions and also the start up costs associated with setting up the new organisation. The steady state level of our total costs will only emerge as we develop our integrated structure and those start-up costs fall away.

**7. How do these funding proposals compare with systems in place internationally?**

The most comparable jurisdiction is the United Kingdom, where there is an established system of industry funding in place broadly similar in approach to the proposals we have put forward. Many other European jurisdictions also charge regulated entities in respect of their regulation.

**8. Will a budget for the Financial Services Regulator be published?** [Added 04/02/04]

In accordance with Section 33N of the Central Bank Act 1942 as amended by the Central Bank and Financial Services Authority of Ireland Act 2003 (“the Act as amended”) the Financial Services Regulator is required to submit a statement setting out estimates of its income and expenditure for the forthcoming year to the Minister for Finance. The statement for 2004 was submitted to the Minister for approval and has now been approved. The statement will be laid before each House of the Oireachtas as required under the Act as amended.

**C. HIGH LEVEL FUNDING GUIDELINES**

- 9. Section 2 “High Level Funding Guidelines” Para. 2.2 suggests that the level of charges should not have a disproportionately negative impact on domestic competition and international competitiveness. How will this be assessed?**

We do not believe that the level of charges currently proposed will have a negative impact on competitiveness. The total cost of the levy will be a very small proportion of expenditure for individual entities. We would seek the comments of the financial services industry on this issue, including how the impact can be measured.

**D. ACCOUNTABILITY**

**10. Section 1 “Introduction” Para. 1.3 states that industry and consumer panels will review the proposed estimates of income and expenses. What will be the composition of these panels? What powers will they have to query proposed budgets?**

These panels will be set up under the CBFSAI Bill No. 2. The exact details of their operation and powers will be detailed in this Bill which has just been published ([www.irlgov.ie/oireachtas](http://www.irlgov.ie/oireachtas)). The Minister for Finance will appoint the members of these panels.

**11. How do we know that the Financial Services Regulator will give value for money?**

We are committed to providing value for money, and have included this principle as one of our suggested high level funding guidelines (Section 2 Para. 2.2). We are developing a programme of best practice reviews of our different supervisory activities. We are proposing to carry out these reviews as part of our wider plan for the development of an integrated and streamlined Financial Services Regulator as set out in our forthcoming Strategic Plan.

**12. In Section 1 “Introduction” Para. 1.4 you state that you are developing a programme of ‘best practice’ reviews of your different supervisory activities. Will details of the reviews and their findings be published?**

Progress made in implementing the results of “best practice” reviews will be reported as part of the annual update of the Strategic Plan.

**13. When was the proposal to implement industry funding first mentioned?**

Industry funding was recommended in the Report of the Implementation Advisory Group on the establishment of a Single Regulatory Authority for the Financial Services Sector (the “McDowell Group”).

Credit Unions, Insurance companies and certain intermediaries already contribute to the cost of their regulation.

Industry funding is widespread internationally.

**E. APPROACH TO FUNDING**

**14. Who will fund the shortfall between your budget (€39m) and what you are seeking to recover from the industry (€20m) in 2004?** [Amended 04/02/04]

The legislation under which the Financial Services Regulator was established, allows for only two possible sources of funding – namely the industry and The Board of the Central Bank and Financial Services Authority of Ireland. The Board of the Central Bank funded the Financial Services Regulator in 2003, the Board will fund the difference between our budget and the total to be recovered from the industry in 2004.

**15. Why did you decide on €20m as the amount to charge the industry in 2004?**

The proposal contained in the Consultation Paper is that the total cost of regulation be funded by industry and that this would be implemented on a phased basis. With this in mind it was deemed appropriate to charge the industry €20m of the total expected cost of €39m in the first year.

**16. Will you seek to recover your full cost from the industry? If so, when?**

It is proposed to take a phased approach to industry funding. The period of time over which this phasing in will occur will be determined by public policy considerations. We do not anticipate ending the phased approach without further consultation.

**17. What if ad hoc or one-off projects mean that Financial Services Regulator incurs costs in excess of its approved budget? Will additional levies be imposed to cover these costs?**

We are only proposing to charge the industry €20m in 2004 so this should not be an issue for 2004.

This will only become an issue for subsequent years if or when the full cost of regulation is funded by the industry. It is proposed to take a phased approach to industry funding and we do not anticipate ending the phased approach without further consultation.

**18. Will the cost of the regulation be directly passed onto consumers? Will you take any steps to prevent this?**

Regulated institutions are required to operate in a fair and transparent manner and to comply with relevant codes of practice. While the Financial Services Regulator has no powers in this regard, the level of fees proposed should not have a significant impact on the costs of each entity.

**19. In paragraph 3.4, the fourth bullet point refers to ‘the implications for the industry of the equitable treatment of different financial service providers’. What does this mean?** [Added 15/01/04]

The public policy consideration highlights the need to consider the impact on the whole industry of treating a particular industry category/regulated entity differently to the rest of the industry. Each method for calculating the levy which might be used will lead to a given entity paying more or less by comparison with another entity operating in the same sector. These outcomes might be argued to be ‘fair’ or ‘unfair’. The issue on which views are being sought is this issue of fairness and what adjustments, if any, should be made to

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the method of calculating the levy for a particular sector so as to eliminate or reduce any significant unfairness in the outcome for certain types of regulated entity.

**20. Will entities who currently operate in Ireland on a “Cross-Border / Freedom of Service” basis be charged?** [Amended 15/01/04]

We are currently considering this possibility and would welcome the views of the industry. Our supervisory activities in relation to these entities relate primarily to Consumer Protection and therefore if a levy were to be placed on these firms it would relate to costs arising from this area of our work.

**21. How is the allocation of funding requirement by industry category (Section 3 “Approach to Funding”, Para. 3.13 Table 1) determined?** [Added 15/01/04]

The allocation of costs between the various industry categories detailed in paragraph 3.13 Table 1 of the consultation paper is based on a cost allocation model developed by the Financial Services Regulator. This model allocates costs using accepted industry standards to attempt to ensure that the relevant costs are allocated to the correct industry sector.

**22. How do we know the cost allocation process is fair?**

The cost allocation model is currently being worked on and will be subject to external independent assessment.

**23. In paragraph 3.13 the first bullet point refers to regulated entities with their Head Office in Ireland who are not subject to significant regulation from overseas regulators. Under what circumstances would a regulated entity with its Head Office in Ireland be subject to extensive overseas regulation and how would this impact on the levy they must pay?** [Added 15/01/04]

An entity with its head office in Ireland may conduct business overseas. These entities are supervised by the Financial Services Regulator on a consolidated basis, taking account of the level and type of supervision carried out by other regulators in relation to the overseas group entities. The level and type of such supervision undertaken by other regulators will depend on whether the business is conducted through a subsidiary, branch or on a cross border basis.

**24. How many entities are included in each industry category?** [Amended 23/12/03]

The following represents a breakdown of the industry categories during 2003.

Category	Description	No. of Entities
A	Credit Institutions	92
B	Insurance Undertakings	162
C	Intermediary Firms <sup>[Note 1]</sup> Authorised Advisers Multi-Agency Intermediaries <sup>[Note 2]</sup>	522 1,906
D	Securities and Investment Firms <sup>[Note 3]</sup>	131
E	Collective Investment Schemes (CIS) Service Providers to CIS	948 239
F	Credit Unions	437
G	Moneylenders	52
H	Approved Professional Bodies	5
I	Exchanges	2
J	Mortgage Intermediaries	1,151
K	Bureaux de Change	14
<b>TOTAL</b>		<b>5,661</b>

Note 1: As at 6 December 2003

Note 2: Includes Credit Unions acting as Multi-Agency Intermediaries

Note 3: As at 18 December 2003 - Please see the table below for further detail on Industry Category D

	Type of regulated entities	No. of entities
D1	BES Fund Managers	8
D2	Entities authorised to receive & transmit orders and/or provide advice and/or upon whom the client money requirements are not imposed.	33
D3	Entities authorised for portfolio management and/or execution of orders and upon whom the client money requirements are imposed.	66
D4	Entities authorised to conduct own account trading or underwriting and upon whom the client money requirements are imposed.	13
D5	Entities authorised under the Stock Exchange Act, 1995.	11

A simple average across each category does not necessarily reflect the distribution of the levy across regulated entities. The distribution of the levy will be a function of the basis on which it is charged – number of authorisations, regulatory effort, etc.

**25. I believe that I am a Category D firm, how do I find out which sub-category (D1 – D5) that I have been allocated to?** [Added 11/02/04]

The type of activities that your firm has been authorised to conduct, together with whether client money rules have been imposed on the firm, will determine which subcategory that you have been allocated to. You can request a confirmation of the subcategory that your firm has been allocated to by emailing [redpolicy@ifsra.ie](mailto:redpolicy@ifsra.ie).

**26. I believe that I am a Category D firm, how can I find out which other firms are in my subcategory?** [Added 11/02/04]

The categorisation of all firms in Category D depends on the nature of each firm's authorisation and whether or not the client money rules have been imposed on a particular firm. Most of the information required to determine which sub-category a firm falls into is available from the Section 10 Register, a publicly available document. The only information that is not publicly available is whether or not a firm has had the client money rules imposed upon it.

The table below shows which specific authorisation categories under Section 10 of the Investment Intermediaries Act 1995 ("IIA 1995") would result in a firm being categorised in D2, D3, and D4. (Please note that category D5 firms are not authorised under Section 10 of the IIA 1995 - these firms are authorised under the Stock Exchange Act 1995).

<b>Categories</b>	<b>Section 10 IIA Authorisations</b>
D1	Section 10 Authorisation category - (i) BES Fund Managers.
D2	Section 10 Authorisation category - (a) Entities authorised to receive & transmit orders and/or provide advice and/or upon whom the client money requirements are not imposed.
D3	Section 10 Authorisation category - (b) and (d) Entities authorised for portfolio management and/or execution of orders and upon whom the client money requirements are imposed.
D4	Section 10 Authorisation category - (c) and (e) Entities authorised to conduct own account trading or underwriting and upon whom the client money requirements are imposed.

By reviewing the Section 10 register (available on request by emailing [redpolicy@ifsra.ie](mailto:redpolicy@ifsra.ie)) and identifying which firms have the authorisations detailed above it would be possible to determine the probable classification of firms in each subcategory. As stated above information on whether or not a firm has had the client money rules imposed is not publicly available. Accordingly it will not be possible for a firm to determine the exact classification of other firms for each subcategory with certainty.

**27. What funding requirement has been assigned to each of the Category D sub categories?** [Added 16/02/04]

The table below shows the allocation of funding requirement to each of the subcategories in Industry Category D.

<b>Categories</b>	<b>Allocated Funding Requirement</b>
D1	€6,000
D2	€122,500
D3	€1,162,000
D4	€65,000
D5	€19,500

**28. Why is the number of intermediaries per the Section 31 register higher than that shown in Industry Category C?** [Added 17/12/03]

The Section 31 register contains a larger number of intermediaries as it includes certified persons (accountants and lawyers) who act as intermediaries but who are regulated by their professional body and not directly by the Financial Services Regulator.

**29. Why do Credit Institutions and Insurance companies pay in excess of 50% of the total cost?**

These regulated entities are the cornerstone of the financial services industry in Ireland and are the major providers of services to the public. As such they receive an appropriate level of regulatory effort and this accounts for the percentage of costs allocated to these sectors. In addition, one of the principles of our approach is that Intermediaries should not contribute to the cost of regulating the product producer.

**30. If certain firms can't pay, who will subsidise them?**

We are seeking views from interested parties on the ability of each industry sector to fund its own regulation. We are proposing that the total cost to be allocated in 2004 to each industry category will be fixed. This means that if certain bodies within a sector are unable to pay for their regulation this cost will have to be met by the other entities in that industry category.

**31. What if I am unwilling to pay the levy?**

In the first instance prompt payment would be encouraged by the imposition of additional charges for late payment. If the debt remains unpaid, the Financial Services Regulator would ultimately use the court system to seek to recover the amount due. A failure to pay the levy would also be referred to the relevant supervisory department.

**32. Do you propose to implement authorisation fees?** [Added 04/02/04]

The current proposals cover periodic levies only. In the case of Mortgage Intermediaries and Moneylenders who pay a recurring annual authorisation fee, for the purposes of the consultation exercise, these are considered as a periodic fee and we see strong arguments for continuing with the current arrangements. Introducing application fees could reduce the dependence on periodic levies. As referred to in the consultation paper we will consider proposals concerning the appropriateness and applicability of authorisation fees.

**33. If authorisation fees are not implemented who will pay for the costs associated with the consideration of an application?** [Added 04/02/04]

In the absence of application fees the costs associated with the consideration of an application would have to be borne by the existing regulated entities in the relevant industry category. We would welcome the views of industry concerning whether or not application fees should be introduced.

**34. In Section 3 “Levy Structure” Para. 3.16 a charge based on authorisation-type is proposed for a number of industry sectors. Does this mean that everyone in the same category will pay the same amount or will there be differentiation within these sectors?**

In industry sectors where there is more than one type of authorisation or regulated entity it may be necessary to have more than one levy. For example, we would propose that Authorised Advisors would pay a higher fee than multi-agency brokers. We would seek the comment of firms in these categories.

**35. How can you justify the levying of flat fees?**

We are considering adopting the approach that where regulatory effort does not vary significantly with the size of firm, the burden placed on such firms to collect and hold data using to calculate levies will be minimised. For this reason we are proposing to charge flat fees to certain industry sectors.

**36. If an entity has non-active authorisations / licences will they be liable for levies on these?**

There is no reduced levy policy proposed for non- active authorisations / licences. In line with best practice, entities should seek revocation of non-active licences in a timely manner.

**37. I am currently considering seeking a revocation of my firm's authorisation. Will I still be charged a fee for 2004 regardless of the actual date of revocation?** [Added 15/01/04]

If a revocation of an authorisation is processed and finalised prior to the enactment of the Regulation specifying the exact rate and nature of the levy (which is planned for June 2004) then the Financial Services Regulator would not seek to recover a levy from that individual/regulated entity.

**38. In Section 3 "Approach to Funding" Para. 3.24 you suggest that you will base the retail protection charge on the level of retail activity in Ireland. How will the level of retail activity be measured?**

We are currently considering a number of bases for measuring the level of retail activity. Favourable consideration is being given to the use of retail lending and gross commission income generated within the State.

**39. If the charge is based on the level of regulatory capital will there be an incentive for entities to reduce their capital base to reduce the charge?**

Regulated entities are obliged to maintain levels of capital based on specific regulatory requirements. Given that the charge is to be based on regulatory capital requirements there should be no incentive to reduce the capital surplus held by the firm. The Financial Services Regulator carries out ongoing monitoring of capital adequacy in the course of its supervision. The total cost of the levy will be a very small proportion of expenditure for individual entities.

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**40. If a new business commences during the year will it be liable for a full years charge? If an entity ceases trading during the year will it be eligible to apply for a refund?**

A pro rata system is not envisaged, however we would welcome the views of the industry.

**41. Is there a pro rata system available to cater for entities that change the nature or volume of their business significantly during a year? What will form the basis for this charge?**

A pro-rata system is not envisaged, however we would welcome the views of the industry.

**42. Will there be a minimum payment?**

A minimum payment option is being considered.

**43. Will there be an appeals process if I feel that the levy I am being charged is unfair or presents an undue burden?**

We do not envisage implementing a formal appeals process. The invoice sets the fee due. We will investigate claims of errors in calculating the amount shown on the invoice.

**44. How are complex groups defined?**

Complex groups are defined as major financial groups whose head office is in Ireland that are active in two or more main sectors of financial business in Ireland (e.g. banking, insurance, investment business, etc.).

**45. Are these Levies subject to VAT?** [Added 17/12/03]

The Irish Financial Services Regulatory Authority is not regarded as engaged in the supply of taxable goods or services in the course of business and, accordingly is not liable to VAT on the income it derives in the form of levies and fees in respect of its regulatory activities.

**46. Will the charge levied by the Financial Services Regulator be treated as an expense in calculating my / my firms tax liability?** [Added 04/02/04]

It is not possible to give specific tax advice for each regulated entity, any specific tax queries should be directed to an appropriately qualified tax advisor or the Revenue Commissioners. However, it is understood that the Revenue Commissioners have allowed those firms who already pay levies (Insurance undertakings etc) to treat these as a deductible expense.

**47. Under your proposals are tied agents to be charged a levy?** [Added 04/02/04]

A “tied agent” acts as a representative for and is appointed and monitored by a specific product producer and is only able to advise people on the products offered by that product producer. The Financial Services Regulator does not authorise or regulate these agents. Accordingly our Consultation Paper does not include any proposals under which Tied Agents would be levied. The Financial Services Regulator does authorise and regulate the product producers and therefore a levy will be charged on the product producer.

**F. AMOUNT OF LEVY**

**48. When will I know how much I have to pay?**

The Regulations detailing the rates of levy to be implemented, and therefore the fee per firm, will be published following the completion of the consultation with the industry. As we anticipate issuing invoices in mid – 2004, the Regulations will be finalised prior to this date.

**49. Why can't I calculate my levy from this document?**

This document is a Consultation Paper containing our proposals on how best to proceed with Industry Funding. We felt it would be inappropriate to include detailed fee estimates for every entity, as this is only the beginning of the consultation process. The final strategy for industry funding will take into account the submissions we receive from the industry, and so may differ from that proposed in this document.

**50. When will you publish the final details of the industry funding plan?**

At this stage it is expected to publish the final details of the industry funding Regulations around June 2004 following the completion of the consultation process.

**51. I have made no provision in my budget for 2004 for a fee, and may be unable to raise additional finances mid year for a levy when the total amount due may still remain unknown at the end of the first half 2004. What can I do?**

A levy will be imposed on all regulated entities for 2004. It is therefore suggested that it would be prudent for all regulated entities to make an estimate of the amount payable. It will not be possible to confirm the precise figure payable until the consultation process has been completed and the Regulations have been published. Where a variable fee has been proposed we will discuss the matter on a bilateral basis with regulated entities that have a particular concern in this area.

**52. What notice will we have in future years of the amount of the levy payable?**

It is proposed that entities will be advised as early as possible after the finalisation of the budget for the forthcoming year of the proposed levies for that year.

**53. If you intend to charge the full amount of your budget will you undertake a further consultation process?**

Yes. If we are considering a move to full industry funding we will consult with the industry prior to making a decision.

**G. ENTITIES WHO ALREADY CONTRIBUTE TO THE COST OF REGULATION**

**54. Is the overall charge likely to be significantly different for those sectors that currently contribute towards their own regulation?**

In some cases such as insurance, it is likely that the level of fees will increase in 2004. In other cases (e.g. mortgage intermediaries) a significant increase is unlikely.

**55. I am currently paying for my regulation. Who will I pay this year – ODCA or Financial Services Regulator (for example)?**

2004 payments should be made payable to Financial Services Regulator.

**56. What will be the impact of these proposals on Insurance Undertakings who already contribute to the cost of their regulation?**

Insurance Undertakings currently make a contribution to the cost of their regulation. We propose that they will make their contribution in the same way as previous years, and that they will then be sent a statement showing the total amount due, the amount already paid and the balance outstanding (if any).

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**57. What will be the impact of these proposals on Credit Unions who already contribute to the cost of their regulation?**

Credit Unions currently make a contribution to the cost of their regulation. We propose that they will make their contribution in the same way as previous years, and that they will then be sent a statement showing the total amount due, the amount already paid and the balance outstanding (if any).

**58. I am a Money Lender and my renewal date is coming up, what should I do?**

Please complete your return and send in your renewal fee as usual, payable to the Financial Services Regulator.

**H. ADMINISTRATION OF LEVY**

**59. Will it be possible for the Financial Services Regulator to calculate levies based on currently submitted information or will more information be required?**

Where a variable fee is proposed, it is envisaged that the current level of documentation and information submitted to the Financial Services Regulator will be sufficient in most cases to calculate the levy to be charged to each firm.

**60. We currently submit returns to the Financial Services Regulator. Will the timing of these returns need to change to facilitate the issuing regulations early in the year to which the levies apply?**

It is envisaged that the current level of documentation and information submitted will be sufficient in most cases.

Where existing mechanisms are in place (e.g. Insurance Undertakings) we will seek to continue with the current timing arrangements. For sectors that do not currently contribute to the cost of their regulation, we will consider views on the timing of returns and payments.

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**I. PAYMENT**

**61. Will the levy be payable in full or can it be paid in instalments?**

To minimise unnecessary administrative costs it is proposed not to offer and instalment plan. Prompt payment in full would be encouraged by the imposition of additional charges for late payment. We will consider views on the precise timing of payments.

## **J. CONSULTATION PROCESS**

### **62. Will submissions be acknowledged or responded to?**

On receipt of each submission a letter will be sent acknowledging the documentation that has been received. If necessary we may contact the Regulated Entity or Trade body to discuss or clarify issues raised in the submission.

### **63. What feedback can I expect on the consultation process?**

On receipt of each submission a letter will be sent acknowledging the documentation that has been received. If necessary we may contact the Regulated Entity or Trade body to discuss or clarify issues raised in the submission. It is our intention to publish submissions on the website following the close of the consultation period on 20 February 2004. However, if we receive a large number of submissions from a particular industry sector on the same topic we may consider publishing a summary of the key points raised rather than publishing each submission in full. We would also reserve the right to not post a particular submission if for example it did not include any alternative or constructive suggestions.

### **64. When will submissions be posted on the website?**

It is our intention to post submissions on the website following the close of the consultation period on 20 February 2004 and after we have endeavoured to delete any commercially sensitive material.

**65. Will every submission be posted on the website?**

Our intention is to publish all submissions on the website. However, if we receive a large number of submissions from a particular industry sector on the same topic we may consider publishing a summary of the key points raised rather than publishing each submission in full. We would also reserve the right to not post a particular submission if for example it did not include any alternative or constructive suggestions.

**66. If I have a query what should I do?**

If you require further copies of this paper or if you need assistance to make a submission please call us on 1890 923 802 (hours of operation are 9am - 5pm Monday to Friday, excluding bank and public holidays).

**67. What events are scheduled to occur between February and June?**

The closing date for receipt of submissions is 20 February 2004. After this date we expect to consider the submissions received, incorporate any amendments or changes to our funding proposals as necessary, and draft the Regulations detailing the levies to be implemented for consideration and approval by the Minister for Finance.

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**68. Will it be possible to make more than one submission?**

While it is possible to make more than one submission (prior to the deadline of 20 February 2004) it would be more efficient for any one entity to make only one submission.