

## FCA regulated fees and levies: rates proposals for 2022/23 (CP22/7)

The IFA welcomes the opportunity to comment on the [Consultation Paper](#) published on 7 April 2022.

We would be happy to discuss any aspect of our response and to take part in any further consultations in this area.

Established in 1916, the Institute of Financial Accountants (IFA) is an internationally recognised professional accountancy membership body. Our members work within micro and small to medium-sized enterprises or in micro and small to medium-sized accounting practices advising micro and SME clients. We are part of the Institute of Public Accountants (IPA) of Australia Group, the world's largest SME-focused accountancy group, with approximately 46,000 members and students in more than 80 countries.

The IFA is a full member of the International Federation of Accountants (IFAC) the global accounting standard-setter. We are recognised by HM Treasury and the Financial Services Authority in the Isle of Man to supervise our members for the purposes of compliance with the Money Laundering Regulations.

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## Our comments

1. The IFA's interest (and that of its members) in the consultation paper arises primarily in the activities of the Office for Professional Body Anti-money laundering Supervision (OPBAS) and the proposed levy for the professional body supervisors (PBSs). In our opinion, there is a lack of transparency in this area. Therefore, in the interests of clarity, we have chosen to provide only general comments in response.
2. Before providing those comments, it is also worth noting (in relation to the lack of transparency) that OPBAS had indicated to the IFA that it would notify all PBSs, by email, to draw our attention to this year's fees consultation. It is concerning that this did not happen. Nor were we informed by the FCA's Press Office, which we understood would be asked to add the PBSs to the list of stakeholders to be notified whenever relevant consultations were published.
3. On page 26 of the consultation paper, Table 4.5 sets out the proposed levy for the PBSs for 2022/23. It is based on an increase in the Annual Funding Requirement (AFR) of 4.96%.
4. Each of the 22 PBSs pays a minimum fee for being subject to OPBAS oversight, which is planned to increase by 6.2%, from £5,000 to £5,310 (as acknowledged in Table 4.5). On the assumption that the number of PBSs is not expected to fall within 2022/23, this might be assumed to represent an increase in fixed costs to OPBAS of 6.2%. There is no explanation of why the proposed increase in the minimum fee is more than 4.96%.
5. If 22 professional bodies each pay the minimum fee, that leaves £1,489,440 to be recovered from those PBSs that supervise more than 6,000 individuals (compared with £1,420,357 in 2021/22). The proposed increase in the variable fee of 20.9% implies that the number of supervised individuals suffering the variable fee has fallen by 5,737 (more than 13%). We assume this is explained by the supervised population of one PBS being expected to fall below 6,000 individuals.
6. The consultation paper does not provide sufficient information to be able to draw any conclusions. An alternative explanation for the 20.9% increase in the variable fee might relate to unrecovered fees in previous years. However, the consultation paper leaves respondents to make their own assumptions.
7. The FCA's Business Plan for 2022/23 is at a high level and so is unhelpful, despite being published alongside the consultation paper. It only mentions OPBAS once – under the regulatory activity of 'Recognise and reduce harm'. It simply states that the FCA will 'Proactively supervise through the Office for Professional Body Anti-Money Laundering Supervision (OPBAS)'.

## Contact details

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