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LEVY ON AUTHORISED FINANCIAL SERVICES PROVIDERS

On 11 August 2021 the Financial Sector Conduct Authority **FSCA**) published Notice 465 of 2021-Levies on financial institutions. This notice prescribes how authorised Financial Services Providers (**FSP's**) must calculate their levies as at 31 August of the levy year.

A person authorised in terms of section 8 of the Financial Advisory and Intermediary Services Act (**FAIS Act**) as a Category I or IV FSP, excluding any such provider who is also authorised as a Category II, IIA or III provider must on or before 31 October of the levy year, pay a levy which is subject to a maximum of R1 956 451, and is calculated as follows:

(a) a base amount of R3 792; and

(b) $A \times R605$.

where-

A = the total number of key individuals plus the total number of representatives less key individuals that are also appointed as representatives, as at 31 August of the levy year.

A Category II, IIA or III FSP, must on or before 31 October of the levy year pay a levy, which is subject to a maximum of R1 956 451, and is calculated as follows:

(a) a base amount of R7 642; and

(b) $A \times R605$; and

(c) $B \times 0.0000184595$.

where-

A = the total number of key individuals plus the total number of representatives, less key individuals that are also appointed as representatives, as at 31 August of the levy year; and

B = the total value of investments managed on behalf of clients in terms of the authorisation as a financial services provider on 30 June of the levy year:

Provided that investments under management held in foreign currency must be included at the exchange rate published in the Press at that date.

A Category I or a Category IV FSP that renders financial services in respect of only the financial product subcategories: Long-term Insurance subcategory A or Friendly Society Benefits, must on or before 31

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October of the levy year pay a levy, which is subject to a maximum of R1 956 451, and is calculated as follows:

- (a) a base amount of R3 792; and
- (b) $A \times R250$.

where-

A = the total number of key individuals plus the total number of representatives appointed, less key individuals that are also appointed as representatives, as at 31 August of the levy year.


Multiple FSP's who form part of the same legal entity are jointly and severally liable for payment of a single levy. For purposes of such payment, the key individuals and the representatives of such authorised FSP are deemed to be the key individuals and representatives of one authorised FSP

If the authorisation of an FSP is suspended on 31 August 2021, but the Authority lifts the suspension thereafter, the authorised FSP is liable to pay the applicable levy within 30 days from the suspension being lifted, subject to the maximum amounts stipulated above. The levy must be calculated on the basis of the statistics of the FSP as at the date of the suspension being lifted.

Should levies not be paid, the licence of the FSP may be withdrawn.

To read more on payment of levies [click here](#).

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