

# 109

*newsletter*

## Financial Services Authority Financial Services Compensation Scheme Management Expenses Levy Limit

Period: N2 to 31 March 2002

September 2001

### About this newsletter

This Newsletter provides a summary of FSA Consultation Paper 109 – Financial Services Compensation Scheme Management Expenses Levy Limit

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## Executive summary

This paper consults on the limit to be set on the total amount that the Financial Services Compensation Scheme (FSCS) may levy (or charge) for management expenses incurred in the period from N2 (which will be midnight on 30 November 2001) to 31 March 2002.

From 1 December 2001, FSCS will be the single compensation scheme for financial services in the UK. FSCS do not intend to make a levy for management expenses straight after 30 November 2001 to cover the period until 31 March 2002. However, we must set a limit so that the management expenses for this period may be recovered retrospectively with the levies for 2002/2003, and to allow a levy to be raised earlier if necessary.

We did not have enough information at the time of writing to be able to give reasonable indications of the amounts of management expenses levies that each type of firm is likely to have to pay for this post-N2 period. So, we intend to give these indications when we consult on the limit for 2002/2003.

## The proposed limit for N2 to 31 March 2002

We propose to set the management expenses limit for this period at £4,209,000. This figure is based on FSCS's budget for the period and includes a 10% contingency provision.

The Financial Services Authority invites comments on this Consultation Paper. Comments should reach us by Thursday 4 October 2001.

You can send your response by electronic submission using the form on the FSA's website (at [www.fsa.gov.uk/pubs/cp/cp109\\_response.html](http://www.fsa.gov.uk/pubs/cp/cp109_response.html)), by e-mail or in writing to the following:

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