

# PREPARERS LEVY 2016/17

## FACT SHEET (for GDR issuers)

The FRC is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment. We set the UK Corporate Governance and Stewardship Codes as well as UK standards for accounting, auditing and actuarial work. We represent UK interests in international standard-setting. We also monitor and take action to promote the quality of corporate reporting and auditing. We operate an independent enforcement procedure for accountants, auditors and actuaries, where we investigate and apply sanctions for breaches of the various requirements of Public Interest Entities (PIEs) and any other cases retained by the FRC. We also oversee the regulatory activities of the accountancy and actuarial professional bodies. Details of the FRC's work are available on our website at [www.frc.org.uk](http://www.frc.org.uk).

### The Preparers Levy

By agreement with the Department of Business Innovation and Skills and HM Treasury, the Financial Reporting Council is funded partly through a preparers levy on organisations that are subject to, or have regard to, FRC regulatory requirements in preparing their accounts.

### Companies and other organisations subject to the Preparers Levy

- All companies listed on the London Stock Exchange with a Premium equity share or Standard share listing.
- All UK AIM and ISDX (previously known as PLUS) Market group companies with equity share listing.
- All large private entities with a turnover of £500m or more. Large private subsidiaries of UK listed companies are invoiced on the same invoice as their parent company.
- Standard Global Depository Receipt companies ('DRs')
- Government Departments and other public sector organisations that publish their accounts

### Basis for the Preparers Levy

The FRC's responsibilities are funded through non-statutory arrangements on the basis of an understanding with the groups subject to the levy.

Should this voluntary approach prove unsustainable, the FRC would formally request that the Secretary of State make regulations for the FRC to levy its funding on a statutory basis under Section 17 Companies (Audit, Investigations and Community Enterprise) Act 2004.

### How much to pay?

The 2016/17 Preparers levy for GDR issuers is made up of a flat fee, depending on the location of their home competent authority. For issuers that have UK as their home competent authority, the fee is **£3,450**. For the rest of GDR issuers, the fee is **£2,750**. The invoiced amount will appear on the same invoice issued by the Financial Conduct Authority for their own levy and will be dispatched in June / July period.

### Purchase orders

A number of organisations paying the levy have provided us with a Purchase Order number, which makes it easier for them to manage the payment process. In general, the Purchase

Order number has been provided by the individual or team responsible for preparing the organisation's annual report and accounts.

### **Contact Us**

If you have a question about the method of payment, please contact the FCA contact centre on 0300 500 0597.

If you have any other query in relation to the levy, please e-mail the FRC Head of Organisational Development, David Andrews, on [plan@frc.org.uk](mailto:plan@frc.org.uk) (telephone: 020 7492 2382) or the FRC Policy and Planning Officer, Tulsee Rughoobur, on [t.rughoobur@frc.org.uk](mailto:t.rughoobur@frc.org.uk) (telephone 020 7492 2338).

### **Financial Reporting Council**

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