

PREPARERS LEVY 2023-24

FACT SHEET (for GDR issuers)

The Financial Reporting Council (FRC)'s role

The purpose of the FRC is to serve the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them. The FRC sets the UK Corporate Governance and Stewardship Codes and UK standards for accounting and actuarial work; promotes the quality of corporate reporting; and operates independent enforcement arrangements for accountants and actuaries. As Competent Authority for audit in the UK the FRC sets auditing and ethical standards and monitors and enforces audit quality.

The FRC is going through a period of significant and sustained change. Our Strategy 2023 - 26, published in March 2023, sets out the programme of work we will deliver in 2023/24 and the resources we will need. It is available on our website at www.frc.org.uk.

As a public body the FRC aims to meet the highest standards of governance and accountability, operating within the framework agreed with Government and independent from those we regulate.

FRC Preparers Levy

By agreement with the Department for Business and Trade and HM Treasury, the FRC is funded partly through a voluntary 'preparers' levy' on the following organisations that are subject to, or have regard to, FRC regulatory requirements in preparing their accounts:

- Companies listed on the London Stock Exchange.
- All UK AIM and AQUIS 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 ('GDRs')
- Government Departments and other public sector organisations that publish accounts

The FRC's responsibilities are funded through these non-statutory arrangements on the basis of an understanding with the groups who pay 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 2023-24 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 levy is **£3,450**. For the rest of GDR issuers, the levy is **£2,750**. The invoiced amount will appear on an invoice issued by the Financial Conduct Authority.

Contact Us

If you have a question about the method of payment, please contact the FCA contact centre on 0300 500 0597 or fcafees@fca.org.uk

If you have a policy related question on the levy, please email on levies@frc.org.uk

Financial Reporting Council

June 2023