

PREPARERS LEVY 2015/16

FACT SHEET (for GDR issuers)

The Financial Reporting Council is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment.

The FRC sets the framework of codes and standards for the accounting, auditing, actuarial and investor communities and oversees the conduct of the professionals involved. Its goal is to ensure that the capital markets and others benefit from timely and relevant information about company performance and board behaviour. We work to promote high standards in accounting, auditing and actuarial practice and we represent UK interests in international standard setting. The FRC is accountable to Parliament and its wide range of stakeholders. The FRC adheres to principles of better regulation, especially wide public consultation. Details of the FRC's work are available on our website at 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 or Standard listing.
- All UK AIM and ISDX (previously known as PLUS) Market group companies.
- All large private entities with a turnover of £500m or more. Large private subsidiaries of listed companies are invoiced on the same invoice as their parent company.
- Global Depository Receipt (GDR) issuers
- Government Departments and other public sector organisations

Basis for the Preparers Levy

Section 17 (Audit, Investigations and Community Enterprise) of the Companies Act 2004, as amended by Part 44 of the Companies Act 2006, confers a power on the Secretary of State to make regulations enabling the FRC to recover its costs through a levy. Thus far, this power has not been exercised.

The FRC review accounts of GDR issuers who have UK as their home competent authority. In addition to that, one of FRC's objectives is to promote transparency and trust in Corporate Governance and reporting in UK capital markets, thus making London attractive and competitive.

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

How much to pay?

The 2015/16 Preparers levy for GDR issuers is made up of a flat fee. 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 0845 606 9966.

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 (telephone: 020 7492 2382) or the FRC Policy and Planning Officer, Tulsee Rughoobur, on t.rughoobur@frc.org.uk (telephone 020 7492 2338).

Financial Reporting Council

June 2015