

## Section 4 Levies

### Accounting, auditing and corporate governance

#### Preparers levy

The levy applies to publicly traded companies, large private entities and public sector organisations and is also used to raise the UK contribution to the IASB. The amounts we will raise from each group in relation to the FRC's funding requirement and the IASB are as follows.

	FRC receipts		plus	IASB contribution		=	Preparers levy		% Change
	2012/13	2011/12		2012/13	2011/12		2012/13	2011/12	
	Budget	Forecast	Budget	Forecast	Budget	Forecast			
<b>Preparers of financial: statements</b>	<b>£m</b>	<b>£m</b>		<b>£m</b>	<b>£m</b>		<b>£m</b>	<b>£m</b>	
Publicly traded companies:	4.7	4.7		0.5	0.6		5.2	5.3	-2%
Large private companies	2.1	2.0		0.2	0.2		2.3	2.2	+5%
Public sector organisations	0.4	0.4		0.1	0.1		0.5	0.5	0%
<b>Total</b>	<b>7.2</b>	<b>7.1</b>		<b>0.8</b>	<b>0.9</b>		<b>8.0</b>	<b>8.0</b>	<b>0%</b>

The key features of the preparers levy are a minimum levy and further amounts payable by entities above a certain size, with the rate per £m declining in five levy bands. Details of the application of the levy are published on our website: <http://www.frc.org.uk/about/funding.cfm>. Receipts are determined by the size of the levy population and the rates we charge.

We have kept the minimum levy at the same level as in 2011/12 (£948). The rates have been adjusted upwards by 10% to reflect the change in market capitalisation. However, we estimate that on this basis preparers will pay the same on average in cash terms in 2012/13 as in 2011/12 (although there is a potentially wide range of variations for individual levy-payers).

## Preparers levy rates for 2012/13

Band	Organisation size *£m per £m*	Proposed 2012/13 levy rate per £m*	2011/12 levy rate per £m*
1 Minimum levy	Up to 100m	Min levy £948	Min levy £948
2	100m-250m	£8.45	£7.68
3	250m-1,000m	£6.45	£5.86
4	1,000m-5,000m	£4.60	£4.18
5	5,000m-25,000m	£0.077	£0.07
6	>25,000m	£0.015	£0.014

\*Size is either based on market capitalisation, published turnover, or overall expenditure depending on the type of organisation.

## Actuarial standards and regulation

For 2012/13 we will levy the same overall amount (£2.9m) as in 2011/12.

### Insurance levy

The Insurance levy will be allocated to insurance companies in the same proportion as the FSA regulatory fees and charged to insurance companies on the same invoice as the FSA fees. In 2012/13 we are reducing the rate from 1.7% last year to 1.35%.

### Pension levy

The Pension levy will be allocated to schemes on the basis of their latest scheme returns to the Pensions Regulator. In 2012/13 we are maintaining the rate implemented in 2011/12 – a levy of £3.15 per 100 members with a minimum levy of £31.50.