

EXECUTIVE COUNCIL

CONFIDENTIAL

Title of Report: Banking Ordinance Amendment (Licence fee)
Paper No: 166/10
Date: 29 July 2010
Report of: Financial Secretary

1. **Purpose**

The attached Order makes provision to implement the approval by Budget Select Committee on 26 May 2010 of the recommendation to increase the Banking Licence to £2,000 per annum.

2. **Recommendation**

That the attached Banking Regulations (Amendment) Order 2010 be made by the Governor and published in the Gazette.

3. **Summary of Financial Implications**

	2010/11
	£
Operating Revenue	£1,000

The financial implications as set out above have been taken into account in the 2010/11 Estimates.

4. **Background**

- 4.1 During the 2010/11 Budget process the Budget Select Committee agreed to increase the banking licence by £1,000 to £2,000 per annum. This increase requires an amendment to the Banking Ordinance (Title 10.1) to allow this to come into effect on the 1 January 2011.
- 4.2 Members also asked that the licence increases by £1,000 annually until the licence reaches £20,000 per annum. These future increases will be included as part of the annual Finance Bill and therefore ExCo approval for future years is not sought at this time.

5. Financial Implications

The revenue budget included in the 2010/11 approved budget from banking licences is as follows:

	2010/11	2011/12	2012/13	2013/14	2014/15
0602-0187 Sundry Licences	£2,000	£3,000	£4,000	£5,000	£6,000

6. Legal Implications

All substantive legal implications are covered within the provisions of the Order (as attached).

7. Human Resource Implications

None.

SUBSIDIARY LEGISLATION

BANKING

Banking Regulations (Amendment) Order 2010

S. R. & O. No. of 2010

Made: 2010

Published: 2010

Coming into force: 1 January 2011

I make this order under section 27 of the Banking Ordinance (Title 10.1) on the advice of Executive Council.

1. Title

This order is the Banking Regulations (Amendment) Order 2010.

2. Commencement

This order comes into force on 1 January 2011.

3. Amendment of regulation 4 – Fees

Regulation 4 is amended by omitting “£1,000” and substituting “£2,000”.

Made 2010

A. E. Huckle,
Governor.

EXPLANATORY NOTE

(not forming part of the this order)

This order increases the annual licence fee payable by financial institutions under section 25 of the Banking Ordinance (Title 10.1) from £1,000 to £2,000, with effect from 1 January 2011.