



To all supervised entities

**OUR REFERENCE**  
19/172

**YOUR REFERENCE**

**DATE**  
May 2019

## Apportionment of Finanstilsynet's expenditure in 2019 – supervisory levy

### Legal basis

Finanstilsynet's expenditure on supervision is recovered pursuant to the Act on the Supervision of Financial Institutions etc. (Financial Supervision Act) of 7 December 1956 No 1. Pursuant to Section 9 of the Act, the expenditure is apportioned among entities under supervision. The above Act is supplemented by regulations adopted by the Ministry of Finance on 18 December 2015 (Supervisory Levy Regulations), with amendments of 21 December 2016.

### Who is required to pay the supervisory levy?

All entities that were subject to supervision on 31 December 2018 are required to pay the supervisory levy in 2019. This means that entities that were wound up or lost their licence during 2018 are not required to pay the supervisory levy. Entities coming under supervision in 2018 must pay the minimum amount applying to the category concerned, as must entities that have a licence, but no turnover.

### Principles for apportionment

As a general rule, supervised entities in each category pay an amount proportionate to the size of the entity's business measured by total assets, premium income, income from licensable activities etc. (termed 'calculation base').

The date for determining the calculation base is 31 December of the year prior to the year of supervision. 2018 is the year of supervision on which the apportionment of the levy is based. This means that the calculation base as at 31 December 2017 is used for this apportionment. Entities that do not generate income are charged the minimum amount set for the category concerned. External accountants and lawyers holding an estate agency licence pay an identical amount per entity.

Branches of financial institutions and branches of investment firms from other EEA countries fall within the same category as corresponding Norwegian entities, but the calculation base for their levy is reduced since they are also under home country supervision. For financial institutions (banks, finance companies and mortgage companies) the calculation base is 40 per cent of total assets, and for insurance companies the calculation base is 40 per cent of premium income. For investment firms, AIFMs and fund management companies the calculation base is 60 per cent of the income generated by the licensable activities and ancillary services.

Where provided for by the regulations, maximum and minimum levy amounts are set for each entity in a supervisory category. The maximum and minimum amounts payable, as well as the size criteria determining when an entity is to pay the maximum or minimum amount, may vary from year to year. These amounts and criteria are conformed to the overall amount to be paid by the category of entities, and to the number and size of the entities in the category. Entities to which neither the maximum nor the minimum amount applies, termed "*intermediate category*", are charged a percentage of the reported calculation base. A complete overview is provided in the attached table.

The overall levy apportioned in 2019 is based on the extent of supervision carried out at each of the respective categories of entities. The extent of supervision is calculated based on the number of person weeks registered and on accounting reports on Finanstilsynet's activities in 2018.

Changes in markets and in the regulatory framework may affect the apportionment of the levy among supervisory categories. Finanstilsynet's ongoing supervision is risk-based, and activities are prioritised based on their overall contribution to reaching the main goal of financial stability and well-functioning markets. Finanstilsynet has also been assigned new supervisory tasks. Among other things, Finanstilsynet has been designated as the Norwegian resolution authority under new European regulations for the resolution of banks. Finanstilsynet has been given wider supervisory responsibilities pursuant to the new Anti-Money Laundering Act, as well as additional tasks related to trading in securities and commodity derivatives. In addition, substantial resources are devoted to a complex and growing European regulatory framework. Altogether, this may have a bearing on the levy payable by the individual supervisory

categories. For small categories in particular, changes from one year to the next are likely to have a relatively large impact in percentage terms.

Administrative expenses (HR, finance, management, archives, IT expenses) that cannot be charged to specific supervisory categories are charged to all categories on a pro rata basis. The same applies to expenses incurred on supervisory tasks that cannot be allocated to a particular group of supervised entities.

### **More about some of the supervisory categories**

The levy payable by pension funds is set on a discretionary basis since only one fund was under supervision at the end of 2018.

The levy payable by issuers listed on Oslo Børs is explained and charged in a separate letter to these issuers. The same is true for the category of authorised external accountants.

### **Overall levy for apportionment**

For the budget year 2019, NOK 426,268,000 will be allocated to the different supervisory groups. Any increase in the appropriation over the course of 2019 will be added to the amount to be apportioned in 2020.

Fees paid for vetting prospectuses and processing applications for debt collection agencies, e-money institutions and payment institutions licences are collected over the course of the year. Fees paid are deducted from the levy charged to the three supervisory categories concerned before each category's share of the apportioned amount is calculated.

### **Payment of the supervisory levy**

The supervisory levy to be paid by your company in 2019 is set out in the attached invoice. Entities that conduct activities within two or more supervisory categories pay a levy for each type of activity, and a separate demand for payment is sent to each entity.

If the calculation base is incorrect, this must be notified in writing to Finanstilsynet at the earliest opportunity, and by the deadline for payment at the latest.

### **Contact for further information**

Any query regarding payment of the invoice should be addressed to Statens Innkrevingsentral (the Norwegian National Collection Agency), e-mail: [firmapost@sismo.no](mailto:firmapost@sismo.no). Other queries may be addressed to Finanstilsynet, e-mail: [okonomi@finansstilsynet.no](mailto:okonomi@finansstilsynet.no).

The attached table provides an overview of the rationale behind the levies payable in 2019. The table shows the total amount to be levied, the apportionment among the various groups of supervised entities and the basis for calculating the levy payable by the individual entity.

Yours sincerely

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*This document has been electronically approved and does not require handwritten signatures.*