

ACT

[on the Payment of Costs for Public Supervision of Financial Activities and Resolution Authority]¹⁾

1) Act no. 133/2020, Article 17.

Came into effect on 30 December 1999. Amended with: Act no. 158/2000 (came into effect on 1 January 2001). Act no. 34/2001 (came into effect on 16 May 2001). Act no. 144/2001 (came into effect on 1 January 2002). Act no. 37/2002 (came into effect on 7 May 2002). Act no. 157/2002 (came into effect on 1 January 2003). Act no. 137/2003 (came into effect on 1 January 2004). Act no. 134/2004 (came into effect on 1 January 2005). Act no. 32/ 2005 (came into effect on 25 May 2005; EEA Agreement: Annex IX. Directive 2002/92/EC Act no. 130/2005 (came into effect on 1 January 2006). Act no. 168/2006 (came into effect on 1 January 2007). Act no. 154/2007 (came into effect on 1 January 2008). Act no. 153/2008 (came into effect on 1 January 2009). Act no. 98/2009 (came into effect on 1 Oct. 2009, except for Articles 69 and 70, which entered into force on 1 January 2010). Act no. 139/2009 (came into effect on 1 January 2010). Act no. 150/2010 (came into effect on 1 January 2011). Act no. 120/2011 (came into effect on 1 Dec 2011; EEA Agreement: Annex IX to Directive 2007/64/EC, Act no. 126/2011 (came into effect on 30 Sept. 2011). Act no. 182/2011 (came into effect on 1 January 2012). Act no. 132/2012 (came into effect on 1 January 2013). Act no. 140/2013 (came into effect on 31 Dec 2013 except articles 1 – 2, 4 – 12, 16 – 18, 23 – 29, 31 – 32, 34 – 38 and 40 – 48 which entered into force on 1 January 2014 and Article 21, which entered into force on 1 January 2016; implemented according to instructions in Article 49.) Act no. 125/2014 (came into effect on 31 Dec. 2014, except for Articles 6, 8, 13–18, 21–25 and 29, which entered into force on 1 January 2015; implemented according to instructions in Article 30.) Act no. 125/2015 (came into effect on 1 January 2016, except for articles 2, 4–5, 8, 24, 31, 37, 45, 48–52, 54–55 and 57–58, which entered into force on 1 Dec. 2015 and points (a) to (d) of Article 1, Articles 6–7, 13 and 15, which entered into force on 1 January 2017; implemented according to instructions in Article 59.) Act no. 118/2016 (came into effect on 1 April 2017). Act no. 126/2016 (came into effect on 1 January 2017, except for Articles 1, 2, point (c), 8, 9, 18, item (r), 19, 20, 22–24, 28, 29, 41, 58, 60 and 61, which entered into force on 1 Dec. 2016, item (s) of Article 19 which entered into force on 1 April 2017 and Article 10 which took effect on 1 Sept. 2017; implemented according to instructions in Article 62). Act no. 96/2017 (came into effect on 31 Dec. 2017, except for Articles 1, 11, 13, 14, 17–27, 31–35 and 38–46, which entered into force on 1 January 2018; implemented according to instructions in Article 49). Act no. 47/2018 (came into effect on 26 May 2018). Act no. 138/2018 (came into effect on 28 Dec. 2018, except for Articles 1–13, 17, 19, 23–28 and 31, which entered into force on 1 January 2019; implemented according to instructions in Article 32). Act no. 91/2019 (came into effect on 1 January 2020, except for Article 133, which entered into force on 16 July 2019). Act no. 135/2019 (came into effect on 1 January 2020 except for Article 16, which entered into force on 24 Dec 2019; implemented according to instructions in Article 42). Act no. 137/2019 (came into effect on 31 Dec. 2019). Act no. 41/2020 (came into effect on 28 May 2020). Act no. 45/2020 (came into effect on 4 June 2020; EEA Agreement: Annex IX of Directive 2011/61 / EU 2013/14/EC Act no. 133/2020 (came into effect on 1 January 2021, except for Articles 37 and 38, which entered into force on 17 Dec 2020; implemented according to instructions in Article 40). Act no.

131/2021 (came into effect on 1 January 2022 except for point (d) of Article 20, which entered into force on 31 Dec 2021; implemented according to instructions in Article 61).

Any mention in this Act of a Minister or Ministry, which does not specify the name or area of competence of the ministry refers to the **Minister of Finance and Economic Affairs** or the **Ministry of Finance and Economic Affairs**, which administers this Act.

Article 1

General provision.

Supervised entities and other parties subject to fees as provided for in Article 5 shall cover the cost of the [official Supervision of Financial Activities]¹⁾ [and Resolution Authority]²⁾ in accordance with the provisions of this Act.³⁾

[The supervision fee provided for in this Act shall be collected by [the Central Bank of Iceland]⁴⁾ and accrue to the Treasury. [The Central Bank shall, in its accounting, ensure financial separation of the official supervision of financial activities [and the Resolution Authority]²⁾ from other activities of the Bank. Revenues from financial supervision [and the Resolution Authority]²⁾ shall only be used to finance the official supervision of financial activities [and the Resolution Authority].^{2) 4)}

The Minister shall, on the basis of authorised funds in the budget, determine the allocation of funds for the operation of the Financial Supervisory Authority [and the Resolution Authority]²⁾ which amounts to at least the budget estimate of revenue from supervisory fees and payments for special measures under this Act.¹⁾

1) Act no. 47/2018, Article 38. 2) Act no. 133/2020, Article 11. 3) Act no. 154/2007, Article 1. 4) Act no. 91/2019, Article 15.

Article 2

Report on the levying of next year's fee.

[The Central Bank of Iceland shall, no later than 1 February each year, submit a report to the Minister on the estimated operational cost of the Financial Supervisory Authority [and Resolution Authority] for the next year.^{1) 2)} [The report shall, furthermore, assess the development of the the Financial Supervisory Authority's operations over the next three years, having regard for the time which can be estimated to have been spent on the different classes of parties subject to Article 5.³⁾

[The report of the Central Bank shall be accompanied by an opinion from the Consultative Committee of supervised entities concerning the estimated scope of the operations of the Financial Supervisory Authority for the coming year together with the reaction of the Financial Supervision Committee to to this opinion.]²⁾ In order for the Consultative Committee to give its opinion, the [Central Bank]²⁾ shall no later than [1 January]⁴⁾ each year provide it with information on the estimated scope of operations together with explanations of the main operating items.

If the conclusion of the report gives reason to change the percentage rate of the supervision fee, the [Minister]⁵⁾ shall submit a bill thereupon to the Althingi.

1) Act no. 133/2020, Article 12. 2) Act no. 91/2019, Article 16. 3) Act no. 131/2021, Article 10. 4) Act no. 47/2018, Article 39. 5) Act no. 126/2011, Article 290.

Article 3

Allocation of operating surplus or deficit.

If the Financial Supervisory Authority [or Resolution Authority]¹⁾ appears likely to have an operating surplus for the current year, when the report for the next year is prepared, this shall be taken into consideration in determining the supervision fee for the following year. If the Financial Supervisory Authority [or Resolution Authority]¹⁾ appears likely to have an operating loss for the current year, when

the report for the next year is prepared, this shall be taken into consideration in determining the supervision fee for the following year.

...²⁾

1) Act no. 133/2020, Article 13. 2) Act no. 91/2019, Article 1.

Article 4

[Basis for assessment.

[Basis for assessing the supervision fee of supervised entities as provided for [points 1 – 12 of Paragraph 1, and Paragraphs 13 and 14] ¹⁾ in Article 5, except for those who are required to pay a fixed fee, are balance sheet items according to the annual accounts of the supervised entities for the previous year when the report... ²⁾ as provided for by Article 2 is composed.] ³⁾

[If two or more supervised entities merge, their assessment shall be based on their combined balance sheet items in their annual accounts for the preceding year.] ³⁾ The same applies to the merger of a regulated entity with another undertaking or their individual operating units.

[If annual accounts are not available due to the fact that a supervised entity is just beginning the activities subject to supervision, the assessment shall be based on the minimum fee according to Article 5. If annual accounts are available for previous activities by the enterprise in question, balance sheet items may be used as the basis for assessment. The same applies if the opening balance sheet of a new entity subject to supervision is available. [If neither the annual accounts nor the opening balance sheet are available, a provisional supervision fee may be imposed on the party in question on the basis of the estimated balance sheet. The provisional fee shall be revised when the annual accounts or opening balance sheet are available.] ⁴⁾ In the case of a new insurance company that has fully taken over the insurance portfolio of an older company, the basis for assessment shall be booked premiums in accordance with the annual accounts of the older company.] ³⁾

The basis for assessing supervision fees on issuers of financial instruments that have been admitted to trading on a regulated securities market and a multilateral trading facility in Iceland is their market value at the end of the previous year when the report... ²⁾ as provided for by Article 2 is produced, cf. further [Paragraphs 6 and 7 of Article 5] ⁵⁾ The basis for assessment for financial instruments that are listed in the year in which the report... ²⁾ according to Article 2 is produced shall be their market value at the end of the same year. Market value refers to the nominal value of a financial instrument multiplied by the rate according to the information on a regulated securities market and multilateral trading facility for financial instruments.

The levying of a supervision fee on supervised entities as provided for in Paragraphs 1 – 3 is independent of the levying of a supervision fee on regulated entities that are issuers of financial instruments in accordance with Paragraph 4.

If two or more issuers of financial instruments that have been admitted to trading on a regulated securities market and multilateral trading facility for financial instruments in Iceland have merged, the assessment may be based on the combined market value of their financial instruments.]⁶⁾

1) Act no. 133/2020, Article 14. 2) Act no. 91/2019, Article 18. 3) Act no. 139/2009, Article 1. 4) Act no. 150/2010, Article 1. 5) Act no. 126/2016, Article 18. 6) Act no. 154/2007, Article 2.

Article 5

[Parties subject to fees, assessment base and fee levied.]¹⁾

[The following parties subject to supervision shall pay a supervision fee derived from their assessment base in the ratios and amounts listed below:

1. Commercial banks, savings banks, credit institutions, payment institutions and electronic money institutions shall pay the following percentages of their total assets, but never less than [ISK 1,200,000]:²⁾

a. Commercial banks [0.0303%].³⁾

b. Savings banks, credit institutions, payment institutions and electronic money institutions [0.0345%].³⁾

2. Insurance companies shall pay [0.3440%]³⁾ of booked premiums, but never less than [ISK 1,200,000].²⁾

3. A company or individual carrying out insurance brokerage shall pay [0.15%]³⁾ of [operating income],³⁾ but never less than [ISK 850,000].⁴⁾

4. Investment firms shall pay [0.7856%]³⁾ of total assets, but never less than [ISK 1,200,000].²⁾

5. ...⁵⁾

6. [UCITS management companies and alternative investment fund managers with an operating licence shall pay [0.0237%]³⁾ of the assets of a management company or managing entity and total funds in their operations, but never less than ISK 1,200,000].⁶⁾

7. Securities depositories shall pay [0.716%]³⁾ of operating income, but never less than [ISK 1,200,000].⁷⁾

8. Stock exchanges shall pay [0.8791%]³⁾ of operating income, but never less than [ISK 1,200,000].⁷⁾

9. Pension funds shall pay a total of [0.0057%]⁴⁾ of net assets for the payment of pension benefits. A fixed supervision fee of [ISK 4,000,000]⁴⁾ shall be paid for pension funds whose net assets for the payment of pensions are less than [ISK 15 billion]⁴⁾, [ISK 5,000,000]⁴⁾ for pension funds whose net assets for the payment of pensions are from [fifteen billion up to and including forty]⁴⁾ ISK billion, [ISK 8,500,000]⁴⁾ for pension funds that had net assets for the payment of pensions from [forty billion up to and including one hundred and eighty]⁴⁾ ISK billion, [ISK 11,000,000]⁴⁾ for pension funds that had net assets for the payment of pensions from [one hundred and eighty billion up to and including six hundred]⁴⁾ ISK billion and [ISK 14,000,000]⁴⁾ for pension funds that have net assets for the payment of pensions in excess of that. Any amount then remaining to be paid as provided for in the first paragraph shall be paid in proportion to the net assets for the payment of pensions.

10. ...⁸⁾

11. ...⁹⁾

12. Municipality Credit Iceland Plc. (Lánasjóður sveitarfélaga ohf.) shall pay [0.0069%]³⁾ of total assets, but never less than [ISK 700,000].²⁾

13. Depositors' and Investors' Guarantee Fund and guarantee funds, as provided for by Act no. 98/1999 on Deposit Guarantees and Investor Compensation Schemes shall pay a fixed fee of [ISK 700,000]⁷⁾

14. Debt collection agencies as provided for by Act no. 95/2008 on Debt Collection, shall pay a fixed fee of ISK 700,000.

[15. The national catastrophe insurance provider shall pay a fixed fee of [ISK 1,200,000]¹⁰⁾

Individuals and legal entities, other than financial undertakings, which operate foreign exchanges [or provide services involving transactions in virtual money, electronic money and currencies and digital wallet service providers, cf. Article 35 of Act no. 140/2018 on Measures against Money Laundering and Terrorist Financing⁵⁾ shall pay a fixed fee of [ISK 700,000].⁷⁾

...²⁾

[Branches of securities depositories operating in Iceland shall pay half of the supervision fee as provided for in Point 7 of Paragraph 1. Branches of other supervised entities shall pay half of the minimum fee, in accordance with the relevant item in the first paragraph. Branches of supervised entities that have been granted an operating licence in Iceland shall pay a minimum fee in accordance with the relevant item in the first paragraph.]⁴⁾

Financial holding companies, insurance holding companies, mixed holding companies, mixed insurance holding companies and mixed financial holding companies shall pay a fixed fee of [ISK 1,700,000].⁷⁾

Issuers of shares that have been admitted to trading on a regulated securities market and a multilateral trading facility for financial instruments in Iceland shall pay a fixed fee based on the market value of their issued shares. A fixed fee of [ISK 450,000]⁷⁾ shall be paid for shares with a market value of less than ISK 5 billion, [ISK 1,200,000]⁷⁾ for shares with a market value from five to twenty-five billion ISK, [3,600,000 ISK]⁷⁾ for shares with a market value from twenty-five to one hundred billion

ISK, [6,600,000 ISK]⁷⁾ for shares with a market value from one hundred to five hundred billion ISK and [9,500,000 ISK]⁷⁾ for shares with a market value of over five hundred billion.

Issuers of bonds that have been admitted to trading on a regulated securities market and a multilateral trading facility for financial instruments in Iceland shall pay a fixed fee related to the market value of their issued bonds. A fixed fee [ISK 150,000]⁷⁾ shall be paid for bonds with a market value of less than ISK 1 billion, [ISK 250,000]⁷⁾ for bonds with a market value of up to and including ISK 5 billion, [ISK 550,000]⁷⁾ for bonds with a market value from five to ten billion ISK, [ISK 900,000]⁷⁾ for bonds with a market value from ten to fifteen billion ISK, [ISK 1,300,000]⁷⁾ for bonds with a market value from fifteen to two hundred billion ISK and [ISK 1,500,000]⁷⁾ for bonds with a market value of over two hundred billion ISK.

[A financial undertaking that is managed by a winding-up committee or an interim board of directors in accordance with Act no. 161/2002 on Financial Undertakings, regardless of whether the company in question has an operating license, a limited operating license or its operating license has been revoked, shall pay a fixed fee. The fee is based on the operating license which the undertaking had before it came under the control of the winding-up committee or the interim board of directors and is paid according to the following breakdown: Commercial banks [ISK 3,000,000],¹¹⁾ other credit institutions [ISK 1,500,000]¹¹⁾ and other financial undertakings [ISK 500,000]¹¹⁾ The fee as provided for in this paragraph is paid until the winding up process is completed, but the fee is subject to Article 110 of Act no. 21/1991 on bankruptcy proceedings, etc. An undertaking shall pay a supervision fee in accordance with the relevant items in the first paragraph until it comes under the control of the winding-up committee or interim board of directors, but proportionally according to the second sentence of this paragraph from that date onwards.]¹²⁾

[Registered creditors according to Chapter XIII of the Act on Mortgage Lending to Consumers shall pay a fixed fee amounting to [ISK 500,000]⁴⁾

Registered credit intermediaries according to Chapter XIV of the Act on Mortgage Lending to Consumers shall pay a fixed fee amounting to [ISK 500,000],⁴⁾ but not contractually-bound credit intermediaries.]¹³⁾

[Managing entities of funds registered according to Article 7 of the Act on Alternative Investment Fund Managers shall pay a fixed fee amounting to [ISK 600,000]⁶⁾

The supervision fee shall be calculated in thousands of krónur. At the time of assessment, the assessment base shall also be entered in thousands of krónur.¹⁴⁾

[Commercial banks that fall within the scope of the Act on Recovery and Resolution of Credit Undertakings and Investment Firms shall pay 0.0022% of their total assets, but never less than ISK 500,000, for the financing of the Resolution Authority.

Credit institutions, other than commercial banks and investment firms that fall within the scope of the Act on Recovery and Resolution of Credit Undertakings and Investment Firms shall pay 0.0022% of their total assets, but never less than ISK 250,000, for the financing of the Resolution Authority.]³⁾¹⁵⁾

[Alternative investment fund managers that have been authorised to market funds as provided for by Paragraph 1 of Article 63, Paragraphs 1 and 2 of Article 64 and Paragraph 1 of Article 65 of Act No. 45/2020 on Alternative Investment Fund Managers shall pay a fixed fee of ISK 175,000 for each such fund.

Credit intermediaries according to the Act on Consumer Loans falling under the supervision of the Financial Supervisory Authority and creditors according to the same Act, shall pay a fixed fee of ISK 400,000.

Agents of payment institutions as provided for in the Act on Payment Services shall pay a fixed fee of ISK 600,000. Distributors of electronic money as provided for in the Act on the Issuance and Handling of Electronic Money shall pay a fixed fee of ISK 600,000]⁴⁾

1) Act no. 157/2002, Article 1. 2) Act no. 125/2015, Article 46. 3) Act no. 133/2020, Article 15. 4) Act no. 131/2021, Article 11. 5) Act no. 135/2019, Article 10. 6) Act no. 45/2020, Article 120. 7) Act no. 126/2016, Article 19, 8) Act no. 41/2020, Article 5, 9) Act no. 137/2019, Article 19. 10) Act no. 138/2018, Article 12. 11) Act no.

140/2013, Article 12. 12) Act no. 132/2012, Article 1. 13) Act no. 118/2016, Article 64. 14) previously Paragraph 11, moved in accordance with Act no. 126/2016, Article 19. 15) Act no. 182/2011, Article 1.

Article 6

Levying of fees and collection.

Levying of the supervision fee as provided for by this Act shall take place no later than 15 January each year. [The Central Bank]¹⁾ shall make the fee levied known to the supervised entities [and other entities subject to fees] in a letter.

The supervision fee shall be paid at four-month intervals in three equal instalments. It shall be paid as follows: the due date for the first four months shall be 1 February and final date for payment 15 February; the due date for the second four months shall be 1 May and the final date for payment 15 May; and the due date for the final four months shall be 1 September and the final date for payment 15 September. [The aforementioned division of payments does not, however, apply to the levied supervision fee amounting to [ISK 1,000,000].³⁾ or a lower amount or for a supervision fee as provided for in [Article 5(8)]⁴⁾ for these fees shall be collected in a single payment on 1 February.]⁵⁾

Should a supervised entity commence activities after the fee has been levied as provided for in the first paragraph, a supervision fee in accordance with the applicable Point of Article 5, cf. and the third paragraph of Article 4, shall be levied and the assessment based on the next due date following the issuing of its operating licence. The fee amount shall take into consideration the period remaining of the operating year, as calculated from the next due date. The fee shall then be paid on the remaining due dates. If all the due dates have passed the supervision fee shall not be assessed for the current operating year. [If a supervised entity ceases its activities before the supervision fee is fully paid, that portion of the fee shall be cancelled which has not yet fallen due when the operating licence is cancelled, cf. however [Article 5(8)]⁴⁾] ^{6)...}³⁾

[The provision [sub-paragraph 5]⁷⁾ of Article 3 shall apply as appropriate [to issuers of financial instruments]⁷⁾ which have been withdrawn from trading on a regulated securities market and a multilateral trading facility for financial instruments in Iceland during the assessment year.]²⁾

If the supervision fee is paid after the final date of payment for any instalment, penalty interest shall be calculated on the payment as of the due date as provided for in the Interest Act.

[If a supervised entity neglects to pay the supervision fee, the operating licence may be revoked, in accordance with the laws which apply to the operations in question, provided six months have elapsed from the first due date in arrears.]⁸⁾

The [Central Bank]¹⁾ may reassess the supervision fee for specific supervised entities if the assessment base or other premises for the previous assessment prove to be incorrect.

1) Act no. 91/2019, Article 19. 2) Act no. 154/2007, Article 4. 3) Act no. 131/2021, Article 12. 4) Act no. 126/2016, Article 20. 5) Act no. 139/2009, Article 3. 6) Act no. 150/2010, Article 3. 7) Act no. 96/2017, Article 26. 8) Act no. 130/2005, Article 4.

Article 7

Payments for special actions

[If the Financial Supervisory Authority deems that supervision of several supervised entities is considerably more expensive and demands more personnel than the estimates on regular supervision assumed, the Central Bank may decide that the concerned supervised entity shall pay as invoiced for the necessary extra supervision.]¹⁾

[The fixed fees for processing applications for operating licences [and registration]²⁾ for supervised entities are as follows:

1. For commercial banks, savings banks, credit institutions [and insurance companies ISK 2,500,000.]³⁾
2. For investment companies...²⁾ UCITS management companies, [alternative investment fund managers],²⁾ [stock exchanges, securities depositories, payment institutions and electronic money institutions ISK 1,000,000].³⁾
3. For other supervised entities ISK [300,000.]³⁾

[For the Financial Supervisory Authority's assessment of the eligibility of a party to hold a qualifying holding in a commercial bank, savings bank, credit institution or insurance company, a fixed fee of ISK 1,500,000 shall be collected.]²⁾

[The Central Bank]¹⁾ may charge a fee for the processing and registration of a specific confirmation and evaluation resulting from activities [of the Financial Supervisory Authority]¹⁾ but is not considered a part of regular supervision. Fees for these services shall be specified in the tariffs.]⁴⁾

[The tariffs for supervision as provided for in Paragraph 1, processing of applications according to Paragraph 2, [eligibility assessment according to Paragraph 3 and services according to Paragraph 4]²⁾ shall...¹⁾ be published in the Legal Gazette.]⁴⁾

1) Act no. 91/2019, Article 20. 2) Act no. 131/2021, Article 13. 3) Act no. 133/2020, Article 16. 4) Act no. 139/2009, Article 4.

Article 8

[A supervised entity that is unwilling to accept a decision on an assessment, assessment base and calculation of the supervision fee, and a decision on payment for special actions, cf. Article 7, may take legal action for annulment of the decision before the courts of law. The time limit for appeal shall be one month of the party being notified of the levy by letter from [the Central Bank].¹⁾ Litigation does not suspend [the Bank's] collection actions¹⁾ or powers to enforce the claims. Decisions...¹⁾ on the assessment base for supervision fees cannot be appealed to the Minister.]²⁾

1) Act no. 91/2019, Article 21. 2) Act no. 168/2006, Article 3. There is no stipulation that the title of this article "Appeal" be deleted, but substantive changes mean that it is no longer relevant.

Article 9

Entry into force, etc.

[The Minister]¹⁾ may stipulate further on the implementation of this Act in a regulation.²⁾

This Act shall enter into force at once. ...

1) Act no. 126/2011, Article 290. 2) Reg. 562/2001, cf. 32/2009 and 17/2021.

Transitional Provision ...¹⁾

1) Act no. 91/2019, Article 22.