

Article 1

General provisions

Parties subject to supervision as provided for in Article 5 shall pay the cost of operating the Financial Supervisory Authority in accordance with the provisions of this Act.

The supervision fee provided for in this Act shall accrue directly to the operations of the Financial Supervisory Authority and shall be collected by the Authority.

Article 2

Report on the levying of next year's fee

The Financial Supervisory Authority shall, no later than 15 September each year, submit a report to the Minister of Commerce on the estimated operational cost for the coming year. The report shall, furthermore, assess the development of its operations during the past three years, having regard for the time which can be estimated to have been spent on the different classes of parties subject to supervision in accordance with Article 5

The report of the Financial Supervisory Authority shall be

accompanied by an opinion from the consultation committee of parties subject to supervision concerning the estimated scope of operations for the coming year together with the reaction of the Board of the Authority to this opinion. In order for the consultation committee to be able to give its opinion, the Financial Supervisory Authority must, no later than 15 August 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 of Commerce shall submit a bill thereupon to the Althingi.

Article 3

Allocation of operating surplus or deficit

If the Financial Supervisory Authority 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 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.

Article 4

Basis for assessment

The basis for assessing the supervision fee shall be the annual accounts of parties subject to supervision for the year preceding that in which the report of the Financial Supervisory Authority as provided for in Article 2 is compiled.

If two or more parties subject to supervision merge, their assessment shall be based on their combined annual accounts for the preceding year, as provided for in the first paragraph

If annual accounts are not available due to the fact that a party subject to supervision is beginning the activities subject to supervision, the assessment shall be based on the minimum fee provided for in Article 5. If annual accounts are available for previous activities by the enterprise in question, this may be used as the basis for

assessment. The second paragraph of this Article may be applied as appropriate.

Article 5

Parties subject to fees, assessment base and fee levied

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

1. Commercial banks, savings banks and credit institutions other than commercial and savings banks, shall pay 0.0145% of their total assets, but never less than ISK 250,000.
2. Insurance companies shall pay 0.28524% of their paid direct insurance pre-miums and 0.03573% of their paid reinsurance premiums received, but never less than ISK 250,000. For life assurances with saving part, however, a supervision fee shall be paid amounting to 0.00779% of the net difference when the portion of reinsurances is deducted from the unearned premiums.
3. A company or individual carrying out insurance brokerage shall pay 0.04581% of the amount of premiums

handled in the preceding year, but never less than ISK 150,000.

4. Enterprises in securities services shall pay 0.08031% of their total assets, but never less than ISK 250,000. UCITS shall pay 0.01129% of their total assets, but never less than ISK 250,000. Companies operating UCITS shall pay 0.08031% of their total assets, but never less than ISK 150,000.

5. Stock exchanges and other regulated OTC markets shall pay 0.92353% of their operating income, but never less than ISK 250,000.

6. Pension funds shall pay a total of 0.00779% of their net assets for the payment of pensions. A fixed supervision fee of ISK 150,000 shall be paid for pension funds whose net assets for the payment of pensions are less than ISK one billion, ISK 300,000 for pension funds whose net assets for the payment of pensions are from ISK one to ten billion, and ISK 600,000 for pension funds whose net assets for the payment of pensions are in excess of that. Any amount then remaining to be paid as provided for in the first paragraph