

Regulators' approaches to firm turnover

Regulator	Approach to firm turnover
Water Services Regulation Authority (OFWAT)	<p>The maximum penalty is 10% of a regulated company's turnover (in a relevant year). This figure is in respect of each breach so OFWAT can fine up to 10% for each respective breach. Financial penalties are borne by shareholders not customers. In the past, fines have been between 0.3% and 3.5% of turnover.</p>
Financial Conduct Authority (FCA)	<p>The FCA determines the percentage of of revenue on which to pay penalty. This is dependent on the amount of revenue generated by a firm from a particular product line or business area, to ensure the financial penalty acts as a credible deterrent. The FCA will use an alternative indicator if it determines that revenue is an inappropriate measure.</p> <p>There are five levels from 0% to 20% for firms.</p>
Information Commissioner's Office (ICO)	<p>The standard maximum amount (infringement/failure to notify a breach) is £8.7m or 2% of the total annual worldwide turnover in the preceding financial year (whichever is highest).</p> <p>The higher maximum amount (for failure to comply/rights of individual) is £17.5m or 4% of total annual worldwide turnover in the preceding financial year (whichever is highest).</p>
Gas and Electric Markets Authority (GEMA)	<p>The maximum fine is up to 10% of turnover from the previous year. GEMA can include all of an entity's turnover derived from "ordinary activities (whether or not such activities are authorised by a licence)...". This is broader in scope than some regulators that limit the consideration of turnover to regulated activities.</p>