

Appendix 12

In this appendix underlining indicates proposed new text and striking through indicates deleted text.



The DFSA Rulebook

Fees Module

(FER)

1 INTRODUCTION

1.1 Application

1.1.1 This module (FER) applies to a Person in relation to:

- (a) an application for a Licence;
- (b) an application for an extension to scope of authorisation under a Licence;
- (c) an application for Recognition as a Recognised Body;
- (d) an application for registration as an Registered Auditor;

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1.1.2 This module also applies to a Person who:

- (a) is an Authorised Person;
- (b) is an Registered Auditor;
- (c) meets part (1) (d), (e) or (f) of the definition of a DNFBP; and
- (d) is a Bidder.

1.2 General provisions

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1.2.2 (1) In regard to fees payable pursuant to chapter 3:

- (a) the initial annual fee must be paid in full to the DFSA within 21 days of the date on which the Licence, Recognition or registration is granted or notification made; and
- (b) subsequent annual fees are payable in advance and must be paid in full to the DFSA; ~~on or before 1 January of the calendar year to which the fee relates.~~
 - (i) in the case of a Person other than a Registered Auditor, on or before 1 January of the calendar year to which the fee relates;
and

- (ii) in the case of a Registered Auditor, on or before 1 March of the calendar year to which the fee relates.

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Guidance

1. In regard to the payment of ~~an~~ subsequent annual fees ~~on or before 1 January~~, invoices will be issued at least 21 days before the specified date for payment ~~that date~~.
2. If a fee is not paid by the date on which it becomes due, the Person is in breach of a Rule and the DFSA is entitled to take action including, but not limited to, taking steps to withdraw authorisation to conduct one or more Financial Services.

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2 APPLICATION FEES

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2.3 Application to register as an a Registered Auditor

- 2.3.1** An applicant for registration as ~~an~~ a Registered Auditor with the DFSA must pay to the DFSA an application fee of ~~\$4,000~~ \$7,000.

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3 PERIODIC FEES

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3.2 Authorised Firms (subsequent periods)

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- 3.2.2** (1) For the purposes of Rule 3.2.1 and subject to (2) “expenditure” means:
- (a) in the case of an Authorised Firm which is a Domestic Firm and to which PIB applies, its annual expenditure calculated as the sum of the amounts entered in its PIB regulatory return in respect of “staff expenses”, “depreciation and amortisation” and “other operating expenses” in relation to business carried on in or from the DIFC including business carried on through a branch in another jurisdiction;
 - (b) in the case of an Authorised Firm which operates in the DIFC through a Branch and to which PIB applies, its annual expenditure calculated as the sum of the amounts entered in its PIB regulatory return in respect of “staff expenses”, “depreciation and amortisation” and “other operating expenses” in relation to business carried on in or from the DIFC; and
 - (c) in the case of an Authorised Firm to which PIN applies, its annual expenditure as set out in its ~~IN100 PIN40~~ or ~~IN30 PIN3~~ Annual Regulatory Return, as the case may be, in respect of business carried on in or from the DIFC including, in the case of a Domestic Firm, business carried on through a branch in another jurisdiction;

for the last financial year for which the Authorised Firm has submitted regulatory returns to the DFSA.

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3.5 Registered Auditors (initial period)

3.5.1 ~~An Auditor must pay to the DFSA an initial annual fee of \$6,000 for the initial period of registration between the date of the grant of registration and the end of the year unless it was registered during the last quarter of the year, in which case it must pay to the DFSA an initial annual fee of \$3,000.~~

- (1) A Registered Auditor permitted under its registration to conduct audits of Authorised Persons (where those Persons are Domestic Firms or Domestic Funds) must pay to the DFSA an initial annual fee for the initial period of registration between the date of the grant of registration and the end of the year calculated in accordance with (2).
- (2) The initial annual fee is \$7,000 multiplied by the number of whole calendar months between the date of the grant of the registration and the end of the calendar year and then divided by 12.

3.6 Registered Auditors (subsequent periods)

~~3.6.1~~ An auditor must pay to the DFSA an annual fee of \$6,000 for any period of registration after the initial period described in Rule 3.5.1.

3.6.1 (1) A Registered Auditor permitted under its registration to conduct audits of Authorised Persons (where those Persons are Domestic Firms) or Domestic Funds must, subject to Rule 3.6.3, pay to the DFSA an annual fee calculated in accordance with (2).

(2) The amount of the fee payable is specified in the right hand column of the table and is dependent upon the number of audits of Authorised Persons which are Domestic Firms and audits of Domestic Funds specified in the left hand column.

<u>Audits reported in Registered Auditor's Annual Information Return for the previous calendar year</u>	<u>Annual fee</u>
<u>0-15</u>	<u>\$7,000</u>
<u>16-30</u>	<u>\$7,000 plus \$500 per audit conducted above 15.</u>
<u>31 or more</u>	<u>\$14,500 plus \$1,000 per audit conducted above 30, up to a maximum fee of \$21,000.</u>

3.6.2 (1) A Registered Auditor permitted under its registration to conduct audits of Public Listed Companies must, subject to Rule 3.6.3, pay to the DFSA an annual fee calculated in accordance with (2).

(2) The amount of the fee is \$5,000 per audit conducted of a Public Listed Company as reported in the Registered Auditor's Annual Information Return for the previous calendar year, up to a maximum fee of \$20,000.

(3) No fee is payable under this Rule if the Registered Auditor has not conducted any audits of Public Listed Companies in the previous calendar year.

3.6.3 A Registered Auditor permitted under its registration to conduct audits of both:

(a) Authorised Persons (where those persons are Domestic Firms) or Domestic Funds; and

(b) Public Listed Companies,

must pay to the DFSA an annual fee equal to the amount calculated under Rule 3.6.1 plus the amount calculated under Rule 3.6.2.

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3.9 Domestic Funds (initial period)

- 3.9.1** (1) A Fund Manager must pay to the DFSA in respect of each Domestic Fund for which it is the Fund Manager the initial annual fee prescribed in (3) for the period immediately following registration or notification until the end of the year.
- (2) The initial annual fee must be paid to the DFSA:
- (a) in the case of a Public Fund, at the time of registration; and
 - ~~(b) in the case of a Private Fund, at the time of notification to the DFSA pursuant to Article 34 of the Collective Investment Law 2010; and~~
 - ~~(be) in the case of an Exempt Fund or Qualified Investor Fund, at the time of notification to the DFSA pursuant to Article 34 of the Collective Investment Law 2010.~~
- (3) The initial annual fee is \$4,000.

3.10 Domestic Funds (subsequent periods)

- 3.10.1** (1) A Fund Manager must pay to the DFSA in respect of each Domestic Fund for which it is the Fund Manager the annual fee prescribed in (2) for any period after the initial period described in Rule 3.9.1.
- (2) The annual fee for any period after the initial period is \$4,000.

4 FILING FEES

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4.2 Filing a reference an appeal to with the FMT Regulatory Appeals Committee

- 4.2.1** A fee of \$5,000 must be paid to the DFSA before a reference ~~Notice of Appeal~~ to the FMT Regulatory Appeals Committee ~~is considered filed with the FMT Regulatory Appeals Committee.~~

4.2.2 The president Chairman of the FMT ~~Regulatory Appeals Committee~~ may waive all or part of the \$5,000 filing fee if the Person commencing the reference ~~appealing a decision of the DFSA~~ is an individual and if, in the circumstances, the president ~~Chairman~~ considers it is equitable to do so.

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