

## Appendix 1

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

\* Note: in the Consultation Paper, it is proposed that some changes may be introduced at a later date (see the Consultation Paper for further details of proposed implementation dates).



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# The DFSA Rulebook

## Fees Module

### **(FER)**

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## 1. INTRODUCTION

### 1.1 Application

#### 1.1.1 This module applies to a Person to whom a provision in legislation administered by the DFSA applies.

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

- (a) ~~an application for a Licence;~~
- (b) ~~an application to amend the scope of authorisation under a Licence;~~
- (c) ~~an application for Recognition as a Recognised Body;~~
- (d) ~~an application for registration as a Registered Auditor;~~
- (e) ~~an application to register a Public Fund;~~
- (f) ~~seeking the DFSA's consent to winding up a Domestic Fund or the transfer of the property of a Domestic Fund to another body;~~
- (g) ~~filing a Prospectus or Issue Note pursuant to MKT Rule 2.6.1(1)(a);~~
- (h) ~~an application for admittance of Securities to the Official List of Securities;~~
- (i) ~~an application for an endorsement on a Licence;~~
- (j) ~~an application relating to an Authorised Individual; and~~
- (k) ~~filing a notice to commence a reference or regulatory proceeding before the FMT.~~

#### ~~1.1.2 This module also applies to a Person who:~~

- ~~(a) is an Authorised Person;~~
- ~~(b) is a Registered Auditor;~~
- ~~(c) meets part (1) (d), (e) or (f) of the definition of a DNFBP;~~
- ~~(d) is a Bidder;~~
- ~~(e) is a Recognised Person;~~
- ~~(f) is a Listed Entity; or~~
- ~~(g) is an Exempt Offeror.~~

## 1.2 General provisions

### Due date for payment of fees

**1.2.1** Where pursuant to chapter 2 or 4, a fee is payable for any application to the DFSA, the application will not be regarded as submitted until the fee and any supplementary fee has been paid in full.

**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:
  - (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.

~~(2) When a fee of the kind specified under (1) is not paid in full on or before the due date or within the prescribed period, such non-payment incurs a late payment fee of:~~

- ~~(a) \$1,000; or~~
- ~~(b) an amount equivalent to 3% of the annual fee due.~~

~~whichever is the greater. In addition the annual fee due shall be increased by 1% for each calendar month, or part of a calendar month, that it remains outstanding beyond the due date.~~

~~(3) Nothing in the Rule limits the right of the DFSA to take any other action.~~

### **Guidance**

- ~~1. In regard to the payment of subsequent annual fees, invoices will be issued at least 21 days before the specified date for payment.~~
- ~~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.~~

**1.2.3** In respect of a fee payable pursuant to chapter 5, payment must be made to the DFSA by the Bidder:

- (a) at the time of filing of the Bid Document with the DFSA; and

- (b) before the document is posted.

**Guidance**

If a fee under chapter 5 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 suspend or cancel listing.

**1.2.4** ~~Deleted~~ In respect of a fee payable under chapter 6:

- (a) if a fee is payable for an application, notification or request, the application, notification or request will not be regarded as submitted until the fee has been paid in full; and
- (b) if a fee is imposed under Rule 6.1.7, the fee must be paid in full within 21 days after the requirement is issued by the DFSA.

**1.2.5** If a fee is payable under chapter 7, the fee must be paid in full within 21 days after the DFSA issues an invoice for that fee.

**Reduction, waiver or refund of fees**

**1.2.65** The DFSA may reduce, waive or refund all or part of any fee if it considers that, in the exceptional circumstances of a particular case, it would be equitable to do so.

**Supplementary fees**

- 1.2.76** (1) The DFSA may require a Person to pay to the DFSA a supplementary fee in circumstances where it expects to incur substantial additional costs in dealing with an application, notification or conducting ongoing supervision.
- (2) The procedures in Schedule 3 to the Regulatory Law apply to a decision of the DFSA to require a Person to pay a supplementary fee.
- (3) If the DFSA decides to require a Person to pay a supplementary fee, the Person may refer the matter to the FMT for review.
- (4) If the DFSA requires a supplementary fee to be paid, it must issue an invoice to the Person concerned and the Person must pay the fee by the date specified in the invoice.
- ~~(2) In such cases the DFSA will notify the Person as soon as reasonably possible of the amount of the supplementary fee.~~
- ~~(3) Such a supplementary fee is applicable in respect of any fee payable under:~~
- ~~(a) chapter 2 or 3 other than a fee under section 2.6, 3.7, 3.8 or Rule 3.11.2; and~~
- ~~(b) section 4.1.~~

- (4) ~~A supplementary fee payable under this Rule must be paid within the period specified in the notification under (2).~~

**Guidance**

1. ~~The application and annual fees already include an element for specified complexity and other circumstances meriting an appropriate increase to the basic fee. However, if, in the DFSA's opinion, the reasonably estimated cost of dealing with a matter (based on the time likely to be spent on it), is likely to exceed the amount provided for in these Rules, the DFSA may impose a supplementary fee to cover the additional time it reasonably expects to spend on the matter. A supplementary fee may be levied by the DFSA in circumstances where it expects to incur substantial additional costs in dealing with a matter.~~ Such circumstances could include, for example:
  - (a) complex applications by reason of the applicant's start-up profile, origin, ownership structure or proposed business model;
  - (b) cases where it may be necessary to conduct intense supervisory scrutiny of an entity from a risk perspective;
  - (c) ~~complex waiver or modification requests; complex restructurings or changes in an Authorised Person's structure; or activities which necessitate a change in the Rulebook;~~
  - (c) novel proposals and applications that cover untested ground or untested areas of the regulatory regime; ~~or~~
  - (d) if a transaction or event involving a Listed Entity, such as an acquisition, disposal, takeover, merger or significant corporate event, is likely to cause the DFSA to incur substantial additional costs; ~~or~~
  - (e) if the DFSA is likely to spend significant time on an issue affecting a Recognised Person, such as if the DFSA has to liaise with its home supervisor or carry out additional supervisory scrutiny of the Person.
  
2. The purpose of the supplementary fee is to enable the DFSA to cover its costs for resources used in exceptional circumstances to deal with particular cases. The supplementary fee is not intended to be a general revenue raising tool, nor is it the DFSA's intention to use it as a vehicle to make profits in relation to particular cases.

~~An example is where the entity is a Branch from a jurisdiction where there are not or are not expected to be in place arrangements for co-operation between the DFSA and the relevant regulators in that jurisdiction. Equally, where the entity is incorporated in the DIFC, a full analysis of the prudential and systems arrangements will be required.~~
  
3. ~~A further example is where the Fund Manager of a Domestic Fund delegates activities or out sources functions to an entity in another jurisdiction or to several entities in different jurisdictions where there are not or are not expected to be in place arrangements for co-operation between the DFSA and the relevant regulators in those jurisdictions.~~
  
4. ~~A supplementary fee may also be levied by the DFSA in cases where the ongoing supervision of the Authorised Person or Domestic Fund appears to the DFSA to be likely to cause it to incur substantial additional costs.~~

**Method of payment**

**1.2.87** A fee payable under FER must be paid:

- (a) in United States Dollars; and
  - (b) by a bank transfer made to the DFSA's bank account.
- (1) ~~In respect of any fee payable in accordance with FER, the fee must be paid:~~
- ~~(a) by the Person to whom the Rule applies or, if applicable, by a Person specified in (2) or (3);~~
  - ~~(b) in United States Dollars; and~~
  - ~~(c) by bank transfer directly from a bank account maintained by a Person specified in (a) into the DFSA's bank account.~~
- (2) ~~A fee may be paid by another member of a Person's Group or by a Person's legal advisor (if the legal advisor is a DNFBP) where:~~
- ~~(a) the fee is payable under section 2.1 to 2.8, section 3, section 4.2 or 4.3 or section 5; and~~
  - ~~(b) the Person to whom the fee applies does not have a bank account in its own name.~~
- (3) ~~A fee payable under Rule 2.9.1 or 4.1.1 may be paid by any of the following:~~
- ~~(a) the Issuer, Offeror or Reporting Entity of the Securities;~~
  - ~~(b) if the Issuer is a Special Purpose Vehicle, by the Person who set up or controls, directly or indirectly, that vehicle;~~
  - ~~(c) the lead arranger for a proposed issue of Securities, if the lead arranger is either a Bank or is authorised to accept deposits, and supervised, by the Central Bank of the State; or~~
  - ~~(d) the legal adviser (if it is a DNFBP) acting for a Person referred to in (a), (b) or (c).~~
- (4) ~~In (3), a reference to an Issuer, Offeror or Reporting Entity includes the proposed Issuer, Offeror or Reporting Entity.~~

**Late payment fee**

**1.2.9** (1) If a fee referred to in Rule 1.2.2, 1.2.4(b), 1.2.5 or 1.2.7 is not paid in full by the due date, the non-payment incurs a late payment fee of:

- (a) \$1,000 or an amount equal to 3% of the fee due (whichever is

the greater); plus

(b) the fee due shall be increased by 1% for each calendar month, or part of a calendar month, that it remains outstanding after the due date.

(2) Nothing in this Rule limits the right of the DFSA to take any other action.

**Guidance**

If a fee is not paid by the date on which it is 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 or registration.

## 2. APPLICATION FEES

### 2.1 Application for a Licence

2.1.1 (1) An applicant applying for a Licence authorising it to carry on one or more Financial Services specified in the left hand column of the table in (2) must pay to the DFSA:

(a) the highest of the corresponding fees in the right hand column of ~~the~~ that table; plus

(b) the fee in (3) if any of the specified factors apply.

(2) This is the table referred to in (1):

Accepting Deposits or Providing Credit.	\$70,000
Dealing in Investments as Principal (except as a matched principal).	\$40,000
Effecting Contracts of Insurance or Carrying Out Contracts of Insurance (except as a Captive Insurer, as a PCC, or as an ISPV).	\$40,000
Managing a Collective Investment Fund (except as an Umbrella Fund) if any Fund to be managed is not a Qualified Investor Fund.	\$10,000
Managing a Collective Investment Fund (except as an Umbrella Fund) if the Funds to be managed will only be Qualified Investor Funds.	\$5,000
Dealing in Investments as a matched principal.	\$25,000
Dealing in Investments as Agent.	\$25,000
Managing Assets.	\$25,000
Providing Custody.	\$25,000
Managing a Profit Sharing Investment Account.	\$25,000
Providing Trust Services.	\$25,000
Acting as the Trustee of a Fund.	\$25,000
Arranging Deals in Investments.	\$15,000
Advising on Financial Products.	\$15,000
Arranging Custody.	\$15,000
Arranging Credit and Advising on Credit.	\$15,000
Insurance Intermediation.	\$15,000
Insurance Management.	\$15,000
Operating a Credit Rating Agency.	\$10,000

Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as a Captive Insurer or as an ISPV.	\$5,500
Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as a PCC:	
(a) for the core; and	\$8,000
(b) for each cell	\$1,000
Providing Fund Administration.	\$15,000
Managing an Umbrella Fund:	
(a) for the Umbrella; and	\$8,000
(b) for each Sub-Fund.	\$1,000

(3) An additional amount equal to 100% of the fee specified under (2) is payable if any one or more of the following factors apply:

- (a) the applicant has a corporate structure with:
  - (i) multiple levels (including the applicant's level); or
  - (ii) Group members incorporated in two or more jurisdictions (excluding the DIFC);
- (b) the applicant has, or proposes to establish, a Holding Company in the DIFC;
- (c) the applicant is from a jurisdiction, or intends to carry on business from the DIFC in a jurisdiction, where there is no bilateral memorandum of understanding between the DFSA and the relevant Financial Services Regulator in that jurisdiction;
- (d) the DFSA will act as the consolidated prudential supervisor of the applicant's Financial Group; or
- (e) the DFSA will act as the lead supervisor of part of the applicant's Group.

**2.1.2** (1) An applicant applying for a Licence authorising it to carry on one or more of the Financial Services of Operating an Exchange and Operating a Clearing House must pay to the DFSA:

- (a) for Operating an Exchange an application fee of \$150,000;
- (b) for Operating a Clearing House an application fee of \$150,000; and
- (c) for Operating an Exchange and Operating a Clearing House an application fee of \$300,000.

(2) An applicant referred to in (1) applying for an endorsement to carry on the Financial Service of Operating an Alternative Trading System must pay to the DFSA an additional application fee of \$65,000.

**2.1.3** An applicant under Rule 2.1.2(a) or (c) seeking an endorsement to its Licence authorising it to maintain an Official List of Securities must pay to the DFSA an additional application fee of \$150,000.

**2.1.4** An applicant applying for a Licence authorising it to carry on the Financial Service of Operating a Representative Office must pay to the DFSA an application fee of \$4,000.

**2.1.5** An applicant for a Licence ~~(other than an applicant referred to in Rule 2.1.2(1))~~ applying for an authorisation, or for an endorsement, to carry on the Financial Service of Operating an Alternative Trading System must pay to the DFSA an additional application fee of \$65,000.

**2.1.6** An applicant for a Licence must pay to the DFSA the following additional fees for an application for any of the following endorsements:

- (a) to act as a Trade Repository, \$25,000;
- (b) to carry on a Financial Service with or for a Retail Client, \$20,000;
- (c) to conduct Islamic Financial Business, \$5,000;
- (d) to hold or control Client Assets, \$5,000;
- (e) to hold Insurance Monies, \$5,000; or
- (f) to conduct Insurance Intermediation activities in respect of contracts of Long-Term Insurance, \$5,000.

### **Authorised Individuals and Key Individuals**

**2.1.7** An applicant for a Licence applying for Authorised Individual or Key Individual status for an individual must pay to the DFSA an application fee of \$500 for each individual for whom it is seeking authorisation.

#### **Guidance**

If an applicant for a Licence is applying for a waiver or modification in connection with the Licence, the fee in Rule 2.11.1 will also be payable.

## **2.2 Application to carry on additional Financial Services**

#### **Guidance**

Section 2.2 applies to a Person that is already licensed i.e. an Authorised Firm or Authorised Market Institution, that applies for further authorisations or endorsements.

**2.2.1** An Authorised Firm applying for authorisation to carry on additional Financial

Services must pay to the DFSA an application fee equal to the difference between:

- (a) the basic fee which would be payable under Rule 2.1.1 (1) if it were an applicant for a Licence in terms currently being sought; and
- (b) the basic fee which would be payable under Rule 2.1.1 (1) if it were an applicant for a Licence in terms of that currently held.

**Guidance**

In calculating the difference in application fee referred to in Rule 2.2.1, any additional amount specified in Rule 2.1.1(3) also needs to be taken into account.

**2.2.2** An Authorised Market Institution applying for authorisation to carry on an additional Financial Service must pay to the DFSA:

- (a) an application fee of \$150,000 for the Financial Service of Operating a Clearing House; or
- (b) an application fee of \$150,000 for the Financial Service of Operating an Exchange.

**2.2.3** An Authorised Market Institution applying for an endorsement on its Licence authorising it to maintain an Official List of Securities must pay to the DFSA an additional application fee of \$150,000.

**2.2.4** An Authorised Firm applying for an authorisation or an Authorised Market Institution applying for an endorsement, to carry on the additional Financial Service of Operating an Alternative Trading System must pay to the DFSA an additional application fee of \$65,000.

~~**2.2.5** An Authorised Firm or Authorised Market Institution applying for an endorsement on its Licence to act as a Trade Repository must pay to the DFSA an additional application fee of \$5,000.~~

~~**2.2.6** (1) An Authorised Firm applying for an endorsement on its Licence to carry on a Financial Service with or for a Retail Client must pay to the DFSA an additional application fee of \$5,000.~~

~~(2) An Authorised Firm applying for an endorsement on its Licence to conduct Islamic Financial Business must pay to the DFSA an additional application fee of \$5,000.~~

~~(3) An Authorised Firm applying for an endorsement on its Licence to hold or control Client Assets must pay to the DFSA an additional application fee of \$5,000.~~

~~(4) An Authorised Firm applying for an endorsement on its Licence to hold Insurance Monies must pay to the DFSA an additional application fee of \$5,000.~~

~~(5) An Authorised Firm applying for an endorsement on its Licence to conduct Insurance Intermediation activities in respect of contracts of~~

~~Long-Term Insurance must pay to the DFSA an additional application fee of \$5,000.~~

**2.2.5** An Authorised Person must pay to the DFSA the following fee for an application for any of the following endorsements:

- (a) to act as a Trade Repository, \$25,000;
- (b) to carry on a Financial Service with or for a Retail Client, \$20,000;
- (c) to conduct Islamic Financial Business, \$5,000;
- (d) to hold or control Client Assets, \$5,000;
- (e) to hold Insurance Monies, \$5,000; or
- (f) to conduct Insurance Intermediation activities in respect of contracts of Long-Term Insurance, \$5,000.

**Guidance**

Only paragraphs (a) and (c) of Rule 2.2.5 are relevant to an Authorised Market Institution.

- 2.2.67** (1) If an Authorised Firm applies to the DFSA to amend the scope of authorisation under its Licence, and no fee is already specified under this section for the application, the Authorised Firm must pay to the DFSA an application fee of ~~\$5,000~~ \$10,000 for the application.
- (2) Paragraph (1) does not apply to an application that is only to remove an authorisation from a Licence.

**2.3 Application to register as a Registered Auditor or Audit Principal**

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

**2.3.2** An applicant for registration as an Audit Principal must pay to the DFSA an application fee of \$500.

**2.4 Application to register a Public Fund**

**2.4.1** The Fund Manager or the Person proposing to be the Fund Manager of a Domestic Fund which is a Public Fund, who is applying to register the Fund, must pay to the DFSA an application fee of \$1,000 plus, where the Public Fund is an Umbrella Fund, \$1,000 for each of its sub-funds.

**2.5 Deleted**

**2.5.1** Deleted

**2.6 Application to be a Recognised Personfor Recognition**

**2.6.1** An applicant for Recognition as a Recognised Body must pay to the DFSA an application fee of \$15,000.

**2.6.2** An applicant for Recognition as a Recognised Member must pay to the DFSA an application fee of \$3,500.

## **2.7 Applications relating to Authorised Individuals and Key Individuals**

**2.7.1** (1) An Authorised Firm applying to the DFSA:

- (a) for Authorised Individual status for an individual;
- (b) to amend an Authorised Individual's authorisation to include a new Licensed Function; or
- (c) to substitute one Authorised Individual for another performing a particular Licensed Function in the Authorised Firm,

must pay to the DFSA an application fee of \$500 for each Authorised Individual for whom it is seeking authorisation; to amend the scope of his authorisation; or to substitute as an Authorised Individual (as the case may be).

~~(2) Paragraph (1) does not apply in relation to an application to grant Authorised Individual status that is made in conjunction with an application for a Licence.~~

**2.7.2** An Authorised Market Institution applying to the DFSA:

- (a) for Key Individual status for an individual;
- (b) to amend a Key Individual's authorisation to include a new Licensed Function; or
- (c) to substitute one Key Individual for another performing a particular Licensed Function in the Authorised Market Institution.

must pay to the DFSA an application fee of \$500 for each Key Individual for whom it is seeking authorisation; to amend the scope of his authorisation; or to substitute as a Key Individual (as the case may be).

### **Guidance**

Rules 2.7.1 and 2.7.2 apply if a Person is already licensed by the DFSA and applies to add or change an Authorised Individual or Key Individual. If a Person is applying for a Licence, then the relevant fee for applying for an authorisation for an Authorised Individual or Key Individual is the fee specified in Rule 2.1.7.

## **2.8 Application to add a new cell to an existing PCC**

**2.8.1** A Licenced PCC applying to add one or more new cells must pay to the DFSA \$1,000 in respect of each cell to be added.

## **2.9 Application for admittance of Securities to the Official List of Securities**

**2.9.1** An applicant for admission of Securities to the Official List of Securities must pay to the DFSA an application fee of \$2,500.

### **Guidance**

An applicant for admission of Securities to the Official List of Securities under Rule 2.9.1 may include an applicant who is an Exempt Offeror (as defined in Article 13(2) of the Markets Law).

## **2.10 Application relating to a business transfer scheme**

**2.10.1** An Authorised Firm applying under GEN Rule 12.1.5 for DFSA consent to a transfer scheme must pay to the DFSA an application fee of \$5,000.

## **2.11 Application for a waiver or modification**

**2.11.1** An applicant for a waiver or modification of any Rule in the Rulebook or any Article of the Markets Law must pay to the DFSA an application fee of \$5,000, except if the application is for a standard waiver or modification.

### **Guidance**

The DFSA will in some cases determine that a waiver or modification should be standardised, that is, made available to any applicant meeting certain criteria. Standard waivers and modifications are published on the DFSA website. No fee is payable for an application for a standard waiver or modification.

### **3 ANNUAL PERIODIC AND OTHER FEES**

#### **3.1 Authorised Firms (initial period)**

- 3.1.1** (1) An Authorised Firm must pay to the DFSA the initial annual fee specified in (2) for the initial period of regulation between the date of the grant of its Licence and the end of the year.
- (2) The initial annual fee is the fee which was payable at the time of its application for the Licence, multiplied by the number of whole calendar months between the date of the grant of the Licence and the end of the year divided by 12.

#### **3.2 Authorised Firms (subsequent periods)**

- 3.2.1** (1) An Authorised Firm must pay to the DFSA an annual fee for any period of regulation after the initial period described in Rule 3.1.1.
- (2) The annual fee is:
- (a) the highest of the fees specified in the right hand column of the table in (3) corresponding to the Financial Services specified in the left hand column of the table which the Authorised Firm is authorised to carry on under its Licence; plus
  - (b) the amount specified in the table to Rule 3.2.3 for each applicable factor specified in that table; plus
  - (bc) \$1,000 for each complete \$1,000,000 of expenditure, where “expenditure” has the meaning given in Rule 3.2.2; plus
  - (ed) \$65,000, if the Authorised Firm is carrying on the Financial Service of Operating an Alternative Trading System; plus
  - (e) \$1,000 for each additional Financial Service specified on its Licence (excluding the relevant Financial Service under (a) and, if applicable, the Financial Service in (d)).

- (3) This is the table referred to in (2)(a):

Accepting Deposits or Providing Credit.	\$ <del>10070</del> ,000
Dealing in Investments as Principal (except as a matched principal).	\$ <del>5040</del> ,000
Effecting Contracts of Insurance or Carrying Out Contracts of Insurance where the Authorised Firm is not carrying on business as a Captive Insurer, as a PCC, or as an ISPV.	\$ <del>5040</del> ,000
Managing a Collective Investment Fund (except as an Umbrella Fund) if any Fund managed is not a Qualified Investor Fund.	\$10,000

Managing a Collective Investment Fund (except as an Umbrella Fund) if the Funds managed are only Qualified Investor Funds.	\$5,000
Dealing in Investments as a matched principal.	\$25,000
Dealing in Investments as Agent.	\$25,000
Managing Assets.	\$25,000
Providing Custody.	\$25,000
Managing a Profit Sharing Investment Account.	\$25,000
Providing Trust Services.	\$25,000
Acting as the Trustee of a Fund.	\$25,000
Arranging Deals in Investments.	\$15,000
Advising on Financial Products.	\$15,000
Arranging Custody.	\$15,000
Arranging Credit and Advising on Credit.	\$15,000
Insurance Intermediation.	\$15,000
Insurance Management.	\$4015,000
Operating a Credit Rating Agency.	\$1510,000
Effecting Contracts of Insurance or Carrying Out Contracts of Insurance where the Authorised Firm is carrying on business as a Captive Insurer or as an ISPV.	\$5,500
Effecting Contracts of Insurance or Carrying Out Contracts of Insurance where the Authorised Firm is carrying on business as a PCC:	
(a) for the core; and	\$8,000
(b) for each cell.	\$1,000
Providing Fund Administration.	\$15,000
Managing an Umbrella Fund:	
(a) for the Umbrella; and	\$8,000
(b) for each Sub-Fund.	\$1,000

- (4) The annual fee for an Authorised Firm authorised as a Representative Office is \$4,000.

**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 “administrative expenses”, “depreciation” 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 “administrative expenses”, “depreciation” 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 or IN30 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.

- (2) If the last financial year referred to in (1) was not twelve months in duration, the expenditure figure shall be increased or decreased on a pro rata basis to produce an equivalent twelve month figure.

### Guidance

The effect of Rule 3.2.2 is that if an Authorised Firm has not, in accordance with the Rules, submitted its first Annual Regulatory Return, then the amount of expenditure is set at zero for the purpose of Rule 3.2.1 (2)(bc).

### 3.2.3 This is the table referred to in Rule 3.2.1(2)(b):

<u>Factor</u>	<u>Amount</u>
<p><b><u>Systemically Important Financial Institutions</u></b></p> <p><u>An Authorised Firm that meets both of the following conditions:</u></p> <ul style="list-style-type: none"> <li>(a) <u>it is in prudential Category 1, 2 or 5 under PIB or it is an Insurer; and</u></li> <li>(b) <u>it is part of a Group included on the list of global systemically important financial institutions published by the Financial Stability Board.</u></li> </ul>	<p><u>An amount equal to 100% of the fee referred to in Rule 3.2.1(2)(a).</u></p>
<p><b><u>DFSA is the consolidated or lead supervisor</u></b></p> <p><u>An Authorised Firm for which the DFSA acts as the consolidated prudential supervisor of its Financial Group or as a lead supervisor of part</u></p>	<p><u>An amount equal to 100% of the fee referred to in Rule 3.2.1(2)(a).</u></p>

<u>of its Group.</u>	
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**Guidance**

If both of the factors set out in the table to Rule 3.2.3 are relevant to an Authorised Firm, then the specified amounts are cumulative.

**3.3 Authorised Market Institutions (initial period)**

- 3.3.1** (1) An Authorised Market Institution must pay to the DFSA an initial annual fee specified in (2) for the initial period of regulation between the date of the grant of its Licence and the end of the year.
- (2) The initial annual fee is \$100,000, multiplied by the number of whole calendar months between the date of the grant of the Licence and the end of the year and divided by 12.

**3.4 Authorised Market Institutions (subsequent periods)**

**3.4.1** An Authorised Market Institution must pay to the DFSA the applicable annual fee prescribed in Rules 3.4.2, 3.4.3 and 3.4.4 for any period of regulation after the initial period described in Rule 3.3.1.

- 3.4.2** (1) An Authorised Market Institution carrying on the Financial Service of Operating an Exchange must pay to the DFSA an annual fee of \$100,000.
- (2) An Authorised Market Institution carrying on the Financial Service of Operating a Clearing House must pay to the DFSA an annual fee of \$100,000.
- (3) An Authorised Market Institution carrying on both of the Financial Services of Operating an Exchange and Operating a Clearing House must pay to the DFSA an annual fee of \$200,000.

**3.4.3** An Authorised Market Institution maintaining an Official List of Securities must pay to the DFSA an annual fee of \$75,000.

**3.4.4** An Authorised Market Institution carrying on the Financial Service of Operating an Alternative Trading System must pay to the DFSA an annual fee of \$65,000.

**3.5 Registered Auditors (initial period)**

- 3.5.1** (1) A Registered Auditor permitted under its registration to conduct audits of Authorised Persons (where those Persons are Domestic Firms or Domestic Funds) must 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** (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.

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

- 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.

### **3.7 Designated Non-Financial Businesses and Professions (initial period)**

**3.7.1** A ~~Person meeting part (1) (d), (e) or (f) of the definition of a DNFBP~~ must pay to the DFSA an annual fee of ~~\$4,000~~\$6,000 for the initial period of registration between the date of the grant of registration and the end of the year.

### **3.8 Designated Non-Financial Businesses and Professions (subsequent periods)**

**3.8.1** A ~~Person meeting part (1) (d), (e) or (f) of the definition of a DNFBP~~ must pay to the DFSA an annual fee of ~~\$4,000~~\$6,000 for any period of registration after the initial period described in Rule 3.7.1.

### **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 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.

### **3.11 Listed Entities and Recognised Persons**

**3.11.1** (1) A Listed Entity that has equity securities admitted to the Official List of Securities must pay to the DFSA an annual fee consisting of \$2,500 plus the additional fee (if any) calculated in accordance with the table to this Rule.

Table

<b>Additional Fee</b>	
Market capitalisation in USD millions of the Listed Entity	Fee payable in respect of each USD million of market

	capitalisation
0 to 100	\$0
>100 to 500	\$5
>500 to 5,000	\$1
>5,000 to 10,000	\$0.50
>Greater than 10,000	\$0.25

- (2) In (1), “equity securities” means Shares, Certificates over Shares and Warrants over Shares.
- (3) For the purposes of the table to (1), the market capitalisation of the Listed Entity must be determined as at the last business day in November of the year before the calendar year to which the annual fee relates and is to be based on the official closing price on the AMI at the end of that day.

### Guidance

1. The market capitalisation of a Listed Entity is calculated by multiplying the number of listed equity securities by the closing price per equity security on the relevant day.
2. The following is an example of how the annual fee under Rule 3.11.1 is calculated. A Listed Entity has equity securities admitted to the Official List of Securities. On the last business day of November of the year before the relevant calendar year, it had a market capitalisation of USD 250 million. Its annual fee for the calendar year will be calculated as follows:

Fixed fee	\$2,500
Additional fee, consisting of:	
initial USD 100mn of capitalisation	\$0 (100 x 0)
remaining USD 150mn of capitalisation	\$750 (150 x 5)
Total	\$3,250

- 3.11.2** (1) ~~The DFSA may by notice require a Recognised Person to pay to the DFSA a fee not exceeding \$10,000, being for a year or a part of a year, if the DFSA reasonably expects to incur substantial additional costs during that period in dealing with a matter connected to:~~
- ~~(a) the Recognised Person’s compliance with legislation administered by the DFSA; or~~
  - ~~(b) the Person’s status as a Recognised Person.~~
- (2) ~~If the DFSA proposes to require payment of a fee under (1), it must notify the Person as soon as reasonably practicable of the amount of the fee.~~
- (3) ~~A fee payable under (1) must be paid within the period specified in the relevant notice.~~

### Guidance

~~The DFSA may require the payment of a fee under Rule 3.11.2 in cases including, but not limited to, where a transaction or event involving a Recognised Person is likely to cause the~~

~~DFSA to incur significant additional costs, such as a matter which will require the DFSA to liaise with the Person's home supervisor, a significant corporate event or a matter that will require additional supervisory scrutiny by the DFSA.~~

### **3.12 Transitional**

~~**3.12.1** The amendments to this chapter made by Rule-making instrument No. 152 of 2015 do not:~~

- ~~(a) affect the calculation of any annual fee payable under this chapter for the 2015 calendar year (or any part of that year); or~~
- ~~(b) require the payment for the 2015 calendar year (or any part of that year) of any new periodic fee introduced in this chapter by those amendments.~~

### **3.12 Recognised Persons (initial period)**

~~**3.12.1** (1) A Recognised Person must pay to the DFSA the initial annual fee specified in (2) for the initial period of recognition between the date of its recognition and the end of the year.~~

~~(2) The initial annual fee is calculated as the annual fee specified in Rule 3.13.1, multiplied by the number of whole calendar months between the date of recognition and the end of the year divided by 12.~~

### **3.13 Recognised Persons (subsequent periods)**

~~**3.13.1** A Recognised Person must, after the initial period referred to in Rule 3.12.1, pay to the DFSA an annual fee of:~~

- ~~(a) \$5,000 in the case of a Recognised Body; and~~
- ~~(b) \$2,500 in the case of a Recognised Member.~~

## **4 FILING FEES**

### **4.1 Filing a Prospectus, Issue Note or other document for approval**

**4.1.1** (1) A Person filing a Prospectus or other document with the DFSA, for approval in accordance with Rule 2.4.1(i)(iii), section 2.6, section 2.7, section 6.3 or Rule 9.7.4 of MKT must pay to the DFSA the applicable fee specified in the table in (2).

(2) This is the table referred to in (1):

<b>Filing event</b>	<b>Equity Securities</b>	<b>Non-Equity Securities</b>
Prospectus or equivalent document	\$35,000	\$10,000
Registration Statement	\$27,500	\$7,500
Securities Note and Summary	\$7,500	\$2,500
Supplementary Prospectus	\$2,000	\$2,000
Programme update	n/a	\$8,000
Any other document which is required by the Markets Law or Markets Rules to be approved by the DFSA	\$5,000	\$3,000

(3) In (2), “equity securities” means Shares, Certificates over Shares and Warrants over Shares, and “non-equity securities” means all other Securities.

(4) The fee payable under (1) must be paid to the DFSA before the filing of the Prospectus or other document.

(5) A Prospectus or other document will not be considered to have been properly filed until the fee payable under (1) has been paid to the DFSA.

#### **Guidance**

The DFSA may levy a supplementary fee under Rule 1.2.67 if it appears to it that approval of a Prospectus or other document is likely to cause it to incur substantial additional costs, for example, because the Prospectus or transaction is complex. In such cases, the DFSA will usually discuss with the Issuer the level of supplementary fee before or as soon as possible after the submission of an application for approval of the document.

### **4.2 Filing a reference with the FMT**

**4.2.1** A fee of \$5,000 must be paid to the DFSA before a reference to the FMT is considered filed with the FMT.

**4.2.2** The president of the FMT may waive all or part of the \$5,000 filing fee if the

Person commencing the reference is an individual and if, in the circumstances, the president considers it is equitable to do so.

**4.3 Seeking consent to commence a regulatory proceeding before the FMT**

**4.3.1** A fee of \$5,000 must be paid to the DFSA by a Person seeking the consent of the DFSA to bring a regulatory proceeding before the FMT.

**4.3.2** The DFSA may waive all or part of the \$5,000 fee if the Person seeking the consent is an individual and if, in the circumstances, the DFSA considers it is equitable to do so.

## **5 TAKEOVER FEES**

### **5.1 Bid Documents**

- 5.1.1** (1) Fees are payable on Bid Documents and the Bidder is responsible for the payment to the DFSA of the applicable fee in accordance with (2) and (3).
- (2) The Bidder must pay to the DFSA the fee specified in the right hand column of the table in (4) which corresponds to the value of the Bid specified in the left hand column of the table.
- (3) In regard to the value of the Bid for the purposes of (2):
- (a) where there are alternative Bids, the alternative with the highest value must be used to calculate the value of the Bid. Bids for all classes of equity Share capital must be included in the calculation of the value of the Bid, but Bids for non-equity Share capital, Convertibles, Options and the like must not;
  - (b) when a merger is effected by Bids for both entities by a new entity created to make the Bids, the fee will be determined by the value of the lower of the two Bids; and
  - (c) when the fee falls to be calculated on the basis of the value of the Securities to be issued as consideration, it must be computed by reference to the closing price of the relevant Securities at the last practicable date before the publication of the Bid Document as stated in that document or, as the case may be, by reference to the estimated value of any unlisted Securities consideration given in the document.
- (4) This is the table referred to in (2):

<b>Value of the Bid in US\$ million</b>	<b>Fee in US\$</b>
Less than 5	7,500
Over 5 to 25	15,000
Over 25 to 100	55,000
Over 100 to 500	150,000
Over 500	370,000

#### **Guidance**

1. Where a Bidder issues a revised Bid Document that increases the value of the Bid, the DFSA will require payment of the difference between the fee that would be applicable under the table in Rule 5.1.1 (4) in respect of the value of the revised Bid, and the fee previously paid in respect of the value of the initial Bid.
2. In relation to the giving of an estimated value of any unlisted Securities

consideration, see TKO Rule 1.4.1 (m).

- 5.1.2** In all cases a note setting out the calculation of the fee must accompany the Bid Document provided to the DFSA. If the Bid is revised, a similar note must be provided with the revised Bid Document and any necessary further payment.

## **6 FEES FOR OTHER SUPERVISORY EVENTS**

### **Application to approve change of control**

**6.1.1** An applicant for prior written approval of the proposed acquisition of, or an increase in the level of control in, an Authorised Firm that is a Domestic Firm must pay to the DFSA an application fee of:

- (a) \$10,000 if the application is complex; or
- (b) \$3,000 in any other case.

**6.1.2** An applicant for prior written approval to become the Controller of, or to increase the level of control in, an Authorised Market Institution must pay to the DFSA an application fee of:

- (a) \$10,000 if the application is complex; or
- (b) \$3,000 in any other case.

**6.1.3** An application is 'complex' for the purposes of Rule 6.1.1 or 6.1.2 if the applicant:

- (a) is from a jurisdiction that has not been assessed by the DFSA as being subject to equivalent regulatory and supervisory standards;
- (b) has no experience of operating or controlling the type of business to which the application relates;
- (c) has previously contravened any legislation or been the subject of enforcement, supervisory or civil action by a government body or agency or the DFSA or another Financial Services Regulator;
- (d) is a Controller of another Authorised Person in the DIFC and approval of the application may give rise to a material conflict of interest; or
- (e) proposes, in connection with an acquisition or change of control, to change the business model, business activities or senior management of the Authorised Firm or Authorised Market Institution.

### **Notification of change of control**

**6.1.4** A Person notifying the DFSA of a proposed new Controller of, or of a proposed increase in a Controller's holding in, an Authorised Firm or Authorised Market Institution, must pay to the DFSA a notification fee of \$1,000.

#### **Guidance**

In some cases a Person who will become a Controller of, or will increase its level of control in, an Authorised Person, is required to notify the DFSA of the proposed change rather than obtaining the DFSA's prior written approval. In such a case, the notification fee in Rule 6.1.4 applies.

### **Request to withdraw a Licence**

**6.1.5** (1) An Authorised Person requesting the DFSA to withdraw its Licence must pay to the DFSA a fee of:

- (a) \$5,000 if the request is complex; or
- (b) \$2,000 in any other case.
- (2) A request to withdraw a Licence is 'complex' for the purposes of (1) if, when it is made, the Authorised Person:
  - (a) Provides Custody;
  - (b) has Deposits that must be repaid;
  - (c) holds or controls Client Assets or Insurance Monies;
  - (d) has any significant liability to a creditor;
  - (e) is the subject of a civil claim made by a Client; or
  - (f) is the subject of any enforcement, supervisory or civil proceedings by the DFSA or a Financial Services Regulator.

### **Opening a branch or subsidiary in another jurisdiction**

- 6.1.6**
- (1) A Domestic Firm must pay to the DFSA the fee specified in (2) if it notifies the DFSA of either:
    - (a) the proposed establishment of a branch office or subsidiary outside the DIFC; or
    - (b) the proposed Major Acquisition of a Body Corporate outside the DIFC.
  - (2) The notification fee under (1) is an amount equal to 50% of the fee referred to in Rule 3.2.1(2)(a).

### **Correction of errors**

- 6.1.7**
- (1) If a Person submits a return, report or application to the DFSA that is incomplete or incorrect and the DFSA is required to contact the Person to complete or correct that information, the DFSA may require the Person to pay an administrative fee of \$100.
  - (2) A Person must pay to the DFSA an administrative fee imposed under (1).
  - (3) The DFSA must not require the Person to pay a fee under (1) if:
    - (a) the Person itself identifies the error and reports it in writing to the DFSA; and
    - (b) the error is reported no later than 14 calendar days after the day on which the return, report or application was submitted.

## **7      **LATE RETURNS****

### **Fees for late returns or reports**

**7.1.1**    This section applies to the following Persons in respect of a return or report that it is required to provide to the DFSA under any Rule:

- (a) an Authorised Person;
- (b) a Recognised Person; or
- (c) a Relevant Person as defined in AML Rule 1.1.2.

**7.1.2**    If a Person to whom this section applies fails to provide a return or report to the DFSA on or before the due date or within the period specified in the Rule, that Person must pay to the DFSA a late submission fee of:

- (a)    \$1,000 if it is the first time in the calendar year that it has failed to submit a return or report on time; or
- (b)    \$4,000 if it is the second or subsequent time in the calendar year that it has failed to submit a return or report on time.

**7.1.3**    Nothing in this section limits the right of the DFSA to take any other action.

### **Guidance**

1.    The fee referred to in Rule 7.1.2 applies to any return or report required to be provided to the DFSA under a law or rule. It includes, without limitation, any return or report required to be provided under GEN, AML, PIB, PIN, REC or AUD by a specified date or within a specified period. It is not intended to apply to a report that the DFSA, under a discretionary power, requires the Person to provide - for example, a report by an independent expert.
2.    For the purposes of determining under Rule 7.1.2 if it is the first, second or subsequent time in a calendar year that a Person has provided a late return or report, it does not matter that the late reports or returns were not of the same type.
3.    If a return or report is not submitted by the date on which it is due, the Person is in breach of a Rule and, in addition to being liable to pay the fee under Rule 7.1.2, the DFSA is entitled to take action including, but not limited to, taking steps to withdraw its authorisation or registration.