

Appendix 2

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



The DFSA Rulebook

Fees Module

(FER)

1. INTRODUCTION

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1.2 General provisions

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- 1.2.7** (1) In respect of any fee payable in accordance with FER, the fee must, ~~subject to (2),~~ 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 ~~the~~ a Person specified in (a) into the DFSA's bank account.
- (2) ~~The DFSA will accept payment of a fee in United States Dollars from a member of the applicant's Group, the applicant's Parent, the applicant's legal advisor (where such an advisor is a DNFBP) or a Person who has applied to be a Controller in relation to the applicant but only where:~~
- ~~(a) the relevant fee is an application fee under section 2.1 or 2.3; and~~
 - ~~(b) the applicant is in formation and does not have a commercial licence to enable it to open a bank account in its own name.~~
- (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 of a proposed issue of Securities, if the lead arranger is 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.

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2. APPLICATION FEES

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2.2 Application to carry on additional Financial Services

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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 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.

2.2.7 (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 for the application.

(2) Paragraph (1) does not apply to an application that is only to remove an authorisation from a Licence.

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3 PERIODIC AND OTHER 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”,~~ “administrative 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”,~~ “administrative 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 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) (b).

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