

Appendix 12

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

Some text that is not being amended is included for information only.



The DFSA Rulebook

Fees Module

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Supplementary fees

- 1.2.7**
- (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.

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. 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) novel proposals and applications that cover untested ground or untested areas of the regulatory regime;
 - (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 means to make profits in relation to particular cases.

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 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
Dealing in Investments as a matched principal.	\$25,000
Dealing in Investments as Agent.	\$25,000
Managing Assets.	\$25,000
Providing Custody.	\$25,000
Providing Money Services (if it issues Stored Value).	\$25,000
Managing a Profit Sharing Investment Account.	\$25,000
Providing Trust Services (if it acts as trustee of one or more express trusts).	\$25,000
Acting as the Trustee of a Fund.	\$25,000
Acting as the Administrator of an Employee Money Purchase Scheme.	\$25,000
Operating an Employee Money Purchase Scheme.	\$20,000
Arranging Deals in Investments.	\$15,000
Advising on Financial Products.	\$15,000
Arranging Custody.	\$15,000
Arranging Credit and Advising on Credit.	\$15,000
Providing Money Services (if it does not issue Stored Value and does not only provide Money Transmission).	\$15,000
Insurance Intermediation.	\$15,000

Insurance Management.	\$15,000
Providing Trust Services (if it does not act as trustee of any express trust).	\$15,000
Providing Fund Administration.	\$15,000
Operating a Credit Rating Agency.	\$10,000
Managing a Collective Investment Fund if any Fund to be managed is not a Qualified Investor Fund, a Venture Capital Fund or an Investment Company managed by its Corporate Director.	\$10,000
Providing Money Services (if it only provides Money Transmission)	\$10,000
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
Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as a Captive Insurer or as an ISPV.	\$5,500
Managing a Collective Investment Fund if the Funds to be managed will only be Qualified Investor Funds, except where all of the Funds are Venture Capital Funds.	\$5,000
Managing a Collective Investment Fund if it is an Investment Company managed by its Corporate Director.	\$5,000
Operating a Crowdfunding Platform.	\$5,000
Arranging or Advising on Money Services	\$5,000
Managing a Collective Investment Fund if the only Funds to be managed are Venture Capital Funds.	\$2,000

- (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:

- (a) \$150,000 for Operating an ATS if it is to trade Security Tokens that are not admitted to trading on an Authorised Market Institution or other Regulated Exchange or Crypto Tokens; or
- (b) \$65,000 in any other case.

(3) An applicant must pay an additional application fee of \$10,000 for Operating an Exchange or ATS if it is to trade Investment Tokens or Crypto Tokens and have Direct Access Members.

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 (1) An applicant for a Licence applying for an authorisation to carry on the Financial Service of Operating an Alternative Trading System must pay to the DFSA an additional application fee of:

- (a) \$150,000 for Operating an ATS if it is to trade Security Tokens that are not admitted to trading on an Authorised Market Institution or other Regulated Exchange or Crypto Tokens; or
- (b) \$65,000 in any other case.

(2) An applicant referred to in (1) must pay an additional application fee of \$10,000 for Operating an ATS if it is to trade Investment Tokens or

Crypto Tokens and have Direct Access Members.

- 2.1.6** An applicant for a Licence must pay to the DFSA the following additional fee for an application for the following endorsements:
- (a) to act as a Trade Repository, \$15,000;
 - (b) to carry on a Financial Service with or for a Retail Client, \$20,000;
 - (c) to use a Fund Platform, \$20,000.

Guidance

Apart from the application fees specified for particular endorsements in Rules 2.1.2, 2.1.3, 2.1.5 and 2.1.6, fees are not payable for applications for other endorsements if made at the same time as an initial application for a Licence. However, if an application for an endorsement is made after a Licence has been granted, a fee will be payable – see for example Rule 2.2.5.

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 a further authorisation or endorsement.

- 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.
- 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** (1) 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:

- (a) \$150,000 for Operating an ATS if it is to trade Security Tokens that are not admitted to trading on an Authorised Market Institution or other Regulated Exchange or Crypto Tokens; or
 - (b) \$65,000 in any other case.
- (2) An applicant referred to in (1) must pay an additional application fee of \$10,000 for Operating an ATS if it is to trade Investment Tokens or Crypto Tokens and have Direct Access Members.

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

- (a) to act as a Trade Repository, \$15,000;
- (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;
- (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 Authorised Market Institutions.

2.2.6 If an Authorised Person applies to the DFSA to vary any authorisation on its Licence to include Crypto Tokens, the Authorised Firm must pay to the DFSA an application fee of \$20,000 for the application.

- 2.2.67** (1) If an Authorised Firm applies to the DFSA to change the scope of its Licence, and no fee is otherwise payable under this section for the application, the Authorised Firm must pay to the DFSA an application fee of \$10,000 for the application.
- (2) Paragraph (1) does not apply to an application that is only to remove an authorisation, endorsement, activity or financial product from a Licence.

Guidance

The reference to a change to the “scope” of a Licence covers any change to an authorisation, endorsement, activity, financial product, restriction or condition on the Licence (for which an application fee is not otherwise payable under this section). For example, an application to amend or remove a restriction on the Licence or to enable a firm to deal in Debentures instead of Shares or to add a product to the list of Investments that the firm may advise on.

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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).

2.9A Application for a Crypto Token to be an Accepted Crypto Token

2.9A.1 An applicant for a Crypto Token to be approved as an Accepted Crypto Token must pay to the DFSA an application fee of \$10,000.

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 (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 if, in the DFSA's opinion, the application involves an issue that is novel or complex or will for any other reason require the DFSA to spend a significant amount of time on the application.

(2) The fee in (1) does not apply if the application for a waiver or modification is made in conjunction with an application for a Licence.

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. No fee will be required for an application for a standard waiver or modification. In other cases, the DFSA will assess on a case-by-case basis whether the criteria for a fee set out in Rule 2.11.1 apply.

3 ANNUAL 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
 - (c) \$1,000 for each complete \$1,000,000 of expenditure, where “expenditure” has the meaning given in Rule 3.2.2; plus
 - (d) ~~\$65,000, if the Authorised Firm is carrying on the Financial Service of Operating an Alternative Trading System or \$150,000 if it is carrying on that Financial Service in relation to an Alternative Trading System that trades Security Tokens that are not admitted to trading on an Authorised Market Institution or other Regulated Exchange; plus~~
- (d) if the Authorised Firm is carrying on the Financial Service of Operating an Alternative Trading System:
- (i) \$150,000 if it Operates an Alternative Trading System that trades Security Tokens that are not admitted to trading on an Authorised Market Institution or other Regulated Exchange;
 - (ii) \$150,000 if it Operates an Alternative Trading System that trades Crypto Tokens; or

(iii) \$65,000 in any other case; plus

- (e) \$1,000 for each additional Financial Service specified on its Licence (excluding the relevant Financial Service with the highest fee that applies under (a) and, if applicable, the Financial Service in (d)).

(2A) For the purposes of calculating the annual fee under (2) an amount referred to:

- (a) in (2)(b) is payable only for the calendar year 2020 and any later calendar year; and
- (b) in (2)(e) is to be calculated as \$500 per additional Financial Service instead of \$1,000 for the 2018 calendar year only.

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

Accepting Deposits or Providing Credit.	
(a) for the calendar year 2018:	\$85,000
(b) for the calendar year 2019, and any later calendar year:	\$100,000
Dealing in Investments as Principal (except as a matched principal).	
(a) for the calendar year 2018:	\$45,000
(b) for the calendar year 2019, and any later calendar year:	\$50,000
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.	
(a) for the calendar year 2018:	\$45,000
(b) for the calendar year 2019, and any later calendar year:	\$50,000
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 (if it acts as trustee of one or more express trusts).	\$25,000

Acting as the Trustee of a Fund.	\$25,000
Acting as the Administrator of an Employee Money Purchase Scheme.	\$25,000
Providing Money Services (if it issues Stored Value).	\$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.	
(a) for the calendar year 2018:	\$17,500
(b) for the calendar year 2019, and any later calendar year:	\$20,000
Providing Trust Services (if it does not act as trustee of any express trust).	\$15,000
Operating a Credit Rating Agency.	
(a) for the calendar year 2018:	\$12,500
(b) for the calendar year 2019, and any later calendar year:	\$15,000
Providing Fund Administration.	\$15,000
Operating an Employee Money Purchase Scheme.	\$15,000
Providing Money Services (if it does not issue Stored Value and does not only provide Money Transmission).	\$15,000
Managing a Collective Investment Fund if any Fund managed is not a Qualified Investor Fund, a Venture Capital Fund or an Investment Company managed by its Corporate Director.	\$10,000
Operating a Crowdfunding Platform.	\$10,000
Providing Money Services (if it only provides Money Transmission)	\$10,000
Arranging or Advising on Money Services.	\$10,000
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
Managing a Collective Investment Fund if the Funds managed are only Qualified Investor Funds, except where all of the Funds are Venture Capital Funds.	\$5,000

Managing a Collective Investment Fund if it is an Investment Company managed by its Corporate Director.	\$5,000
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
Managing a Collective Investment Fund if the only Funds managed are Venture Capital Funds.	\$2,000

- (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)(c).

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

Factor	Amount
<p>Systemically Important Financial Institutions</p> <p>An Authorised Firm that meets both of the following conditions:</p> <p>(a) it is in prudential Category 1, 2 or 5 under PIB or it is an Insurer; and</p> <p>(b) it is part of a Group included on the list of global systemically important financial institutions published by the Financial Stability Board.</p>	<p>An amount equal to 100% of the fee referred to in Rule 3.2.1(2)(a).</p>
<p>DFSA is the consolidated or lead supervisor</p> <p>An Authorised Firm for which the DFSA acts as the consolidated prudential supervisor of its Financial Group or as a lead supervisor of part of its Group.</p>	<p>An amount equal to 100% of the fee referred to in Rule 3.2.1(2)(a).</p>

Guidance

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

3.2.4 An Authorised Firm that is carrying on the Financial Service of Operating an Alternative Trading System must pay an additional annual fee of \$10,000 if it Operates ~~for carrying on that Financial Service in relation to an~~ Alternative Trading System that trades Investment Tokens or Crypto Tokens and has Direct Access Members.

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, 3.4.4 and 3.4.5 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:
- (a) \$150,000 if it Operates an Alternative Trading System that trades Security Tokens that are not admitted to trading on an Authorised Market Institution or other Regulated Exchange; or
- (b) \$150,000 if it Operates an Alternative Trading System that trades Crypto Tokens; or
- (bc) \$65,000 in any other case.
- 3.4.5** An Authorised Market Institution must pay an additional annual fee of \$10,000 for Operating an Exchange or Alternative Trading System that trades Investment Tokens or Crypto Tokens and has Direct Access Members.

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