

Annex C

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



The DFSA Rulebook

CIR, REC, ASP, OSR, GEN, AMI and
TKO Modules

CONSEQUENTIAL AMENDMENTS TO CIR

~~21~~ ~~FEES~~ ~~[Deleted]~~

~~21.1~~ ~~Application~~

~~21.1.1~~ This chapter applies to:

- ~~(a)~~ a Person seeking to register a Domestic Fund which is a Public Fund;
- ~~(b)~~ an Operator of a Domestic Fund in relation to annual fees; and
- ~~(c)~~ an Operator or in the case of an Investment Trust, the Trustee in relation to the winding up of its Domestic Fund or the transfer in whole or in part of the Fund's property to another body in accordance with the Law and Regulatory Law 2004.

Guidance

- ~~1.~~ The Rules in respect of fees in this chapter relate to the Fund, whereas, the Rules in respect of fees in Chapter 7 of GEN relate to the Operator and Trustee as Authorised Firm's or as the Person applying to be the Operator or Trustee of a Fund.
- ~~2.~~ Appendix 4 sets out the relevant fees and is subject to annual review and consequently may vary from one financial year to the next. Accordingly, following consultation, an amended Appendix will be issued in such cases.

~~21.2~~ ~~General provisions~~

~~21.2.1~~ Where a fee is payable for any application or notification to the DFSA, the application or notification will not be regarded as submitted until the fee and any supplementary fee has been paid in full.

~~21.2.2~~ Where an annual fee or supplementary fee in relation to ongoing supervision is due from any Person under a provision of these Rules, the Person must pay it by the date on which it becomes due. If he fails to do so then, without limiting the right of the DFSA to take any other action, the sum due shall be increased by 1% for each calendar month, or part of a calendar month, that it remains outstanding beyond the due date.

Guidance

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.

~~21.2.3~~ 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.

~~21.2.4~~ (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)~~ In such cases the DFSA will notify the Person as soon as reasonably possible of the amount of the supplementary fee.

Guidance

1. A supplementary fee may be levied by the DFSA because it expects that certain applications or notifications will require more intensive scrutiny than others. An example is where the Operator 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.

2. A supplementary fee may also be levied by the DFSA in cases where the ongoing supervision of the Domestic Fund appears to the DFSA to be likely to cause it to incur substantial additional costs.

21.3 Registration and event fees for a fund

~~21.3.1~~ The Operator or a Person proposing to be the Operator of a Domestic Fund which is a Public Fund must pay to the DFSA the applicable fee specified in section A4.1 and, as appropriate, any supplementary fee required by the DFSA, to register the Fund.

~~21.3.2~~ The Operator or, in the case of an Investment Trust, the Trustee of a Domestic Fund must pay to the DFSA the applicable fee specified in section A4.2 when seeking the DFSA's consent to winding up a Fund or transferring the property of a Fund to another body.

21.4 Annual fees for a fund

~~21.4.1~~ The Operator must pay to the DFSA:

~~(a)~~ the applicable fee specified in section A4.3; and

~~(b)~~ any supplementary fee required by the DFSA.

~~21.4.2~~ (1) The initial annual fee must be paid by the Operator in full to the DFSA within 21 days of the date on which the registration is granted or the notification made.

~~(2)~~ Subsequent annual fees must be paid in full to the DFSA on or before 1 January of any calendar year.

Guidance

In regard to the payment of an annual fee on or before 1 January, invoices will be issued at least 21 days before that date.

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App 4—FEES [Deleted]

A4.1—Registration fees for a Public Fund

~~A4.1.1—A Person applying to register a Domestic Fund which is a Public Fund must pay \$5,000 plus, where the Public Fund is an Umbrella Fund, \$2,500 for each of its sub-funds up to a maximum of \$20,000.~~

A4.2—Event fees

~~A4.2.1—A Person seeking the DFSA consent to the winding up of a Domestic Fund or the transfer of the property of a Fund to another body must pay \$10,000.~~

A4.3—Annual fees for Public Funds and Private Funds

- ~~A4.3.1—(1)—An Operator must pay to the DFSA in respect of its Domestic Fund an annual fee for any period of operation after:~~
- ~~(a)—in the case of a Public Fund, its registration; or~~
 - ~~(b)—in the case of a Private Fund, its notification to the DFSA pursuant to Part 8 of the Law.~~
- ~~(2)—The initial annual fee, for the initial period of operation of the Fund, is the fee which is payable in accordance with (3), multiplied by the number of whole calendar months between the date of registration or notification and the end of the year and divided by 12.~~
- ~~(3)—The annual fee is:~~
- ~~(a)—the amount calculated by multiplying the net asset value of the Fund by 0.001; or~~
 - ~~(b)—in the case of an Umbrella Fund, the amount calculated by adding together the net asset value of each of its sub-funds and multiplying that total figure by 0.001.~~
- ~~(4)—The annual fee shall be subject to a minimum amount of \$ 10,000 and maximum amount of \$ 50,000.~~

CONSEQUENTIAL AMENDMENTS TO REC

3.2.3 An applicant for Recognition must submit a written application to the DFSA demonstrating:

- (a) how the applicant satisfies or intends to satisfy the Recognition Requirements and any other requirements applicable to it;
- (b) a 12 month business plan for the operations in the DIFC; and
- (c) copies of any agreements relied upon to satisfy the Recognition Requirements.

Guidance

~~A Person submitting an application must also pay the appropriate application fees as set out in Rule 3.2.7.~~

3.2.7 ~~[Deleted]An applicant for recognition as a Recognised Body must pay to the DFSA an application fee of \$10,000.~~

CONSEQUENTIAL AMENDMENTS TO ASP

~~3.4—Fees [Deleted]~~

~~3.4.1~~ Where a fee is payable for any application to the DFSA, the application will not be regarded as submitted until the fee has been paid in full.

~~3.4.2~~ Where an annual or other periodic fee is due under a provision of these Rules, the Ancillary Service Provider must pay it by the date on which it becomes due. If it fails to do so then, without limiting the right of the DFSA to take any other action the sum due shall be increased by 1% for each calendar month, or part of a calendar month, that it remains outstanding beyond the due date.

Guidance

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 to withdraw registration.

~~3.4.3~~ 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.

~~3.4.4~~ An applicant for registration as an Ancillary Service Provider must pay the fee prescribed in App1 section A1.2.

~~3.4.5~~ An Ancillary Service Provider which is not an Authorised Firm must pay an annual fee as prescribed in App1 section A1.3.

~~3.4.6~~ (1) In the case of an Ancillary Service Provider which is already registered, the annual fee is due on 1 January of any calendar year.

(2) In the case where registration is granted after 1 January, the annual fee for that first year is due 21 days after the date when registration is granted.

Guidance

In regard to the payment of an annual fee on or before 1 January, invoices will be issued at least 21 days before that date.

App1 FEES [Deleted]

A1.1—Application

~~A1.1.1~~ Section A1.2 applies to all applicants for registration as an Ancillary Service Provider.

~~**A1.1.2** Section A1.3 applies to all Ancillary Service Providers who are not also Authorised Firms.~~

~~**Guidance**~~

~~The purpose of this appendix is to set fees for applications for registration as an Ancillary Service Provider, and annual fees for Ancillary Service Providers.~~

~~**A1.2 Application fees**~~

~~**A1.2.1** The fee referred to in Rule 3.4.4 is \$2,000.~~

~~**A5.2 Annual fees**~~

~~**A1.3.1** The fee referred to in Rule 3.4.5 is \$1,000.~~

CONSEQUENTIAL AMENDMENTS TO OSR

~~13—FEES [Deleted]~~

~~[Renumbered][VER5/06-06]~~

~~13.1 Fees~~

~~13.1.1 This section applies to any Person to whom any provision in this module applies.~~

~~13.1.2 Where a fee is payable for any application to the DFSA pursuant to a Rule in this module, the application will not be regarded as submitted until the fee has been paid in full.~~

~~13.1.3 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.~~

~~13.2 Application fees~~

~~13.2.1 An Offer or who files a Prospectus must pay the applicable fee specified in App6.~~

~~App 6 OFFERED SECURITIES RULES AND DFSA FEES [Deleted]~~

~~A6.1 Fees table~~

~~A6.1.1 The fees table~~

Security type	Prospectus Offer filing (single document or two documents)	Issue Note filing
Shares, Certificates Over Shares and Warrants Over Shares	\$20,000	\$5,000
Debentures, Certificates Over Debentures and Warrants over Debentures	\$10,000	\$2,500

~~A6.2 Fees payable~~

~~A6.2.1~~ A Person filing a Prospectus with the DFSA, in accordance with Rule 4.2.1 and as a single document or two documents, must pay the fee specified in the Fees table.

~~A6.2.2~~ A Person filing a Prospectus with the DFSA, in accordance with Rule 4.2.1 and the document is an Issue Note, must pay the fee specified in the Fees table.

CONSEQUENTIAL AMENDMENTS TO GEN

~~7—FEES [Deleted]~~

~~7.1—Application~~

~~7.1.1—This chapter applies to every:~~

- ~~(a)—Authorised Person and applicant for a Licence;~~
- ~~(b)—applicant for registration as an auditor with the DFSA; and~~
- ~~(c)—auditor registered with the DFSA.~~

~~7.2—General provisions~~

~~7.2.1—Where 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.~~

~~7.2.2—Where an annual fee or supplementary fee in relation to ongoing supervision is due from any Person under a provision of these Rules, the Person must pay it by the date on which it becomes due. If he fails to do so then, without limiting the right of the DFSA to take any other action, the sum due shall be increased by 1% for each calendar month, or part of a calendar month, that it remains outstanding beyond the due date.~~

~~Guidance~~

~~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.~~

~~7.2.3—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.~~

~~7.2.4 (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 or conducting ongoing supervision.~~

~~(2)—In such cases the DFSA will notify the Person as soon as reasonably possible of the amount of the supplementary fee.~~

Guidance

1. ~~A supplementary fee may be levied by the DFSA because it expects that certain applications will require more intensive scrutiny than others. 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.~~
2. ~~A supplementary fee may also be levied by the DFSA in cases where the ongoing supervision of the Authorised Person appears to the DFSA to be likely to cause it to incur substantial additional costs.~~

7.3 Application fees

7.3.1 The following Persons:

- (a) ~~an applicant for a Licence; and~~
- (b) ~~an Authorised Person applying for authorisation to carry on an additional Financial Service,~~

~~must pay to the DFSA:~~

- (c) ~~the applicable fee specified in section A5.2 or A5.3 as appropriate; and~~
- (d) ~~any supplementary fee required by the DFSA.~~

7.3.2 ~~An applicant for registration as an auditor with the DFSA must pay to the DFSA the applicable fee specified in App6.~~

7.4 Annual fees

7.4.1 ~~An Authorised Person must pay to the DFSA:~~

- (a) ~~the applicable fee specified in section A5.4; and~~
- (b) ~~any supplementary fee required by the DFSA.~~

7.4.2 ~~An auditor registered with the DFSA must pay to the DFSA the applicable fee specified in App6.~~

- 7.4.3 (1) ~~The initial annual fee must be paid in full to the DFSA within 21 days of the date on which the Licence or registration is granted.~~
- (2) ~~Subsequent annual fees must be paid in full to the DFSA on or before 1 January of any calendar year.~~

Guidance

In regard to the payment of an annual fee on or before 1 January, invoices will be issued at least 21 days before that date.

~~7.5 Fees to maintain an official list of securities~~

~~7.5.1~~ An Authorised Market Institution, or an applicant to be an Authorised Market Institution must, to maintain an Official List of Securities, pay to the DFSA the applicable application and annual fees in section A5.5. ~~[Added]~~^[VER3/04-05]

App 5 ~~FEES~~ ~~[Deleted]~~

~~A5.1 Fees table~~

~~A5.1.1~~ The fees table.

~~[Amended]~~^[VER2/10-04] ~~[Amended]~~^[VER3/04-05] ~~[Amended]~~^[VER4/08-05]

(a)	Accepting Deposits or Providing Credit	\$50,000
(b)	Dealing in Investments as Principal	\$30,000
(c)	(i) Dealing in Investments as Agent; or (ii) Arranging Credit or Deals in Investments; or (iii) Managing Assets; or (iv) Advising on Financial Products or Credit; or (v) Providing Custody; or (vi) Arranging Custody; or (vii) Insurance Intermediation; or (viii) Insurance Management; or (ix) Effecting Contracts of Insurance or Carrying out Contracts of Insurance:	\$10,000

<p>(A) where the applicant is intending to carry on business as a Captive Insurer; or</p> <p>(B) where the Authorised Firm is carrying on business as a Captive Insurer; or</p> <p>(x) Managing a Profit Sharing Investment Account; or [Amended][VER11/08-06]</p> <p>(xi) Providing Trust Services; or [Added][VER7/01-06]</p> <p>(xii) Providing Fund Administration; or [Added][VER8/04-06] [Amended][VER11/08-06]</p> <p>(xiii) Acting as the Trustee of a Fund. [Added][VER11/08-06]</p>	
<p>(d) (i) Operating an Alternative Trading System; or</p> <p>(ii) Operating a Collective Investment Fund. [Added][VER8/04-06]</p>	\$30,000
<p>(e) Effecting Contracts of Insurance or Carrying out Contracts of Insurance:</p> <p>(i) where the applicant is not also intending to carry on business as a Captive Insurer; or</p> <p>(ii) where the Authorised Firm is not carrying on business as a Captive Insurer.</p>	\$50,000

~~A5.2 Fees in relation to an application for a licence~~

~~A5.2.1~~ ~~An applicant applying for a Licence authorising it to carry on one or more Financial Services specified in the left hand column of the fees table in Rule A5.1.1 must pay:~~

- (a) ~~the highest of the corresponding fees in the right hand column of the fees table; plus~~
- (b) ~~\$1,000 for each individual for whom Authorised Individual status is sought, subject to a maximum amount of \$50,000 for such individuals.~~

~~**A5.2.2** — An applicant applying for a Licence authorising it to carry one or more of the Financial Services of Operating an Exchange and Operating Clearing House must pay to the DFSA:~~

~~(a) — for Operating an Exchange an application fee of \$125,000;~~

~~(b) — for Operating a Clearing House an application fee of \$125,000; and~~

~~(c) — for Operating an Exchange and Operating a Clearing House an application fee of \$250,000.~~

~~[Added][VER3/0405]~~

~~**A5.2.3** — An applicant under Rule A 5.2.2(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 \$100,000. [Added][VER3/0405]
[Amended][VER4/0805]~~

~~**A5.3 Fees in relation to an application to carry on additional Financial Services**~~

~~**A5.3.1** — An Authorised Firm applying for authorisation to carry on additional Financial Services must pay a fee equal to the difference between:~~

~~(a) — the basic fee which would be payable under Rule A5.2.1(a) if it were an applicant for a Licence in the terms currently being sought; and~~

~~(b) — the basic fee which would be payable under Rule A5.2.1(a) if it were an applicant for a Licence in the terms of that currently held.~~

~~**A5.3.2** — An Authorised Market Institution applying for authorisation to carry on an additional Financial Service must pay:~~

~~(a) — a fee of \$125,000 for the Financial Service of Operating a Clearing House; or~~

~~(b) — a fee of \$125,000 for the Financial Service of Operating an Exchange.~~

~~[Amended][VER3/0405]~~

~~**A5.4 Annual Fees**~~

~~**Initial annual fee for Authorised Firms and Authorised Market Institutions**~~

~~**A5.4.1** — (1) — An Authorised Firm or Authorised Market Institution must pay to the DFSA an initial annual fee for the initial period of regulation after the grant of its Licence.~~

- ~~(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 and divided by 12.~~

Subsequent annual fees for Authorised Firms

- ~~**A5.4.2** (1) — An Authorised Firm must pay to the DFSA a standard annual fee for any period of regulation after the period described in Rule A5.4.1.~~

- ~~(2) — The standard annual fee is:~~

~~(a) — the highest of the fees specified in the right hand column of the fees table corresponding to the Financial Services which the Authorised Firm is authorised to carry on under its Licence; plus~~

~~(b) — \$1,000 for each Authorised Individual employed by the Authorised Firm at 30 September in the previous year, or on the date of the grant of its Licence, whichever is the later; plus~~

~~(c) — \$1,000 for each complete \$1,000,000 of turnover, where turnover has the meaning given in Rule A5.4.3.~~

- ~~(3) — The total standard annual fee payable is subject to a maximum total amount of \$150,000.~~

- ~~**A5.4.3** (1) — For the purposes of this appendix, and subject to (2) and (3) 'turnover' means:~~

~~(a) — in the case of an Authorised Firm to which PIB applies, gross fees and commissions, plus realised gains on the Authorised Firm's Trading Book, if any, plus net interest received, in respect of business carried on in or from the DIFC; or~~

~~(b) — in the case of an Authorised Firm to which PIN applies, Gross Written Premium in respect of business carried on in or from the DIFC;~~

~~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 turnover figure shall be increased or decreased on a pro rata basis to produce an equivalent twelve month figure.~~

- ~~(3) — If the Authorised Firm has not yet submitted any regulatory returns to the DFSA, the turnover figure shall be that forecast in the most recent business plan submitted to the DFSA for the period including 1 January of the year for which the fee is to be charged.~~

Subsequent annual fees for Authorised Market Institutions

- A5.4.4** (1) ~~An Authorised Market Institution carrying on the Financial Service of Operating an Exchange must pay to the DFSA an annual fee of \$60,000.~~
- (2) ~~An Authorised Market Institution carrying on the Financial Service of Operating a Clearing House must pay to the DFSA an annual fee of \$60,000.~~
- (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 \$120,000.~~

~~[Added][VER3/0405]~~

- A5.4.5** ~~An Authorised Market Institution maintaining an Official List of Securities must pay to the DFSA an annual fee of \$50,000. [Added][VER3/0405]~~

App 6 FEES ~~[Deleted]~~

A6.1 Fees table

- A6.1.1** ~~The fees table.~~

Upon receipt by the DFSA of:	
(a) Application for registration of auditor	\$5,000
(b) Annual fee for registration as an auditor	\$2,000

CONSEQUENTIAL AMENDMENTS TO AMI

2.2.3 A Person wishing to make an application for a Licence must submit a written application to the DFSA:

(a)

(b)

Guidance

~~A Person submitting an application is required to pay the appropriate application fee as set out in GEN chapter 7.~~

CONSEQUENTIAL AMENDMENTS TO TKO

~~15—FEES [Deleted]~~

~~15.1—Imposition and calculation of a fee~~

~~15.1.1 Fees are payable on Bid Documents as set out in the scale of fees in App4. The amount of the fee depends on the value of the Bid according to the scale as set out in that appendix.~~

~~Guidance~~

~~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 App4 in respect of the value of the revised Bid, and the fee previously paid in respect of the value of the initial Bid.~~

~~15.1.2 When the fee falls to be calculated on the basis of the value of the Securities to be issued as consideration, it will 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 and/or, as the case may be, by reference to the estimated value of any unlisted Securities consideration given in the document.~~

~~Guidance~~

~~In relation to the giving of an estimated value of any unlisted Securities consideration, see App1.4.1(m).~~

~~15.1.3 Where there are alternative Bids, the alternative with the highest value will be used to calculate the value of the Bid. Bids for all classes of equity Share capital will be included in the calculation of the value of the Bid, but Bids for non-equity Share capital, Convertibles, Options, etc. will not.~~

~~15.1.4 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.~~

~~15.1.5 The DFSA may reduce, waive or refund all or part of any fee if it considers that, in the circumstances of a particular case, it would be equitable to do so.~~

~~15.2—Responsibility and timing for payment~~

~~15.2.1 The Bidder is responsible for the payment of the relevant fee to the DFSA.~~

15.2.2 ~~Payment must be made to the DFSA:~~

- ~~(a) at the time of filing of the Bid Document with the DFSA; and~~
- ~~(b) before the document is posted.~~

15.2.3 ~~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.~~

15.2.4 ~~Where payment of a fee is not made at or before the date on which it is due, without limiting the right of the DFSA to take any other action, the sum due will be increased by 1% for each calendar month, or part of a calendar month, that it remains outstanding beyond the due date.~~

Guidance

~~If a fee is not paid by the date on which it becomes due, this may constitute a breach of a Rule and the DFSA is entitled to take action including, but not limited to, taking steps to suspend or cancel listing.~~

App4 ~~SCALE OF FEES [Deleted]~~

Value of the Bid US\$ million	Charge US\$	Charge as a maximum percentage of the value of the Bid %
Less than 5	5,000	---
Over 5 to 25	10,000	0.20
Over 25 to 100	37,500	0.15
Over 100 to 500	100,000	0.10
Over 500	250,000	0.05