

Appendix 1

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



The DFSA Rulebook

Fees Module

(FER)

1 INTRODUCTION

1.1 Application

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

- (a) an application for a Licence;
- (b) an application for an extension to scope of authorisation under a Licence;
- (c) an application for Recognition as a Recognised Body;
- (d) an application for registration as an 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 OSR Rule 4.2.1; and
- (h) an application for registration as an Ancillary Service Provider.

1.1.2 This module also applies to a Person who is:

- (a) an Authorised Person;
- (b) an Auditor ;
- (c) an Ancillary Service Provider; and
- (d) a Bidder.

Guidance

1. ~~The FER module comes into force on 1 December 2007. The effect of the coming into force of the Rules on that date is:~~
 - a. ~~All applications filed on or after 1 December will be subject to the new fee structure in respect of application fees and, thereafter, in respect of initial and subsequent annual fees.~~
 - b. ~~All applications filed prior to 1 December will be subject to the current application fees set out in the relevant modules. However, the initial annual fee to be charged will depend on whether registration, authorisation or Recognition is granted prior to 1 December in which case the current fees remain applicable or if the registration, authorisation or Recognition is granted on or after 1 December then the new fee structure applies in respect of initial annual fees and subsequent annual fees.~~
2. In paragraph 1, "applications" include applications to extend the scope of a Licence, to wind up a Fund, upon filing a Prospectus and in respect of bid documents.

1.2 General provisions

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 on or before 1 January of ~~any~~ 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 this Rule limits the right of the DFSA to take any other action.

Guidance

1. 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.
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] Where any fee 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 the Person 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 or to suspend or cancel listing.~~

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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 responsible Person to whom the Rule applies;
 - (b) in United States Dollars; and
 - (c) by bank transfer directly from a bank account maintained by the 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 an Ancillary Service Provider) 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, 2.3 or 2.7; 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. 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 the highest of the corresponding fees in the right hand column of the table.
- (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, a PCC, or as an ISPV).	\$40,000
Operating a Collective Investment Fund.	\$40,000
Operating an Alternative Trading System.	\$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
Managing a Profit Sharing Investment Account.	\$25,000
Providing Trust Services.	\$25,000
Acting as the Trustee of a Fund.	\$25,000
Arranging Credit or Deals in Investments.	\$15,000
Advising on Financial Products or Credit.	\$15,000
Arranging Custody.	\$15,000
Insurance Intermediation.	\$15,000
Insurance Management.	\$15,000
Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as a Captive Insurer or as an ISPV.	\$15,000 <u>\$5,500</u>
<u>Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as a PCC:</u>	
(a) <u>for the core; and</u>	<u>\$8,000</u>
(b) <u>for each cell</u>	<u>\$1,000</u>
Providing Fund Administration.	\$15,000

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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 \$2,000.

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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.

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3 PERIODIC FEES

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) \$1,000 for each complete \$1,000,000 of expenditure, where “expenditure” has the meaning given in Rule 3.2.2.

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

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 where the Authorised Firm is not carrying on business as a Captive Insurer, a PCC, or as an ISPV.	\$40,000
Operating a Collective Investment Fund.	\$40,000

Operating an Alternative Trading System.	\$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
Managing a Profit Sharing Investment Account.	\$25,000
Providing Trust Services.	\$25,000
Acting as the Trustee of a Fund.	\$25,000
Arranging Credit or Deals in Investments.	\$15,000
Advising on Financial Products or Credit.	\$15,000
Arranging Custody.	\$15,000
Insurance Intermediation.	\$15,000
Insurance Management.	\$15,000
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.	\$15,000 <u>\$5,500</u>
<u>Effecting Contracts of Insurance or Carrying Out Contracts of Insurance where the Authorised Firm is carrying on business as a PCC:</u>	
<u>(a) for the core; and</u>	<u>\$8,000</u>
<u>(b) for each cell</u>	<u>\$1,000</u>
Providing Fund Administration.	\$15,000

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

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3.10 Domestic Funds (subsequent periods)

- 3.10.1** (1) An Operator must pay to the DFSA in respect of each Domestic Fund for which it is the Operator 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:
- (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.
- (3) The net asset value, for the purposes of (2), is the net asset value:
- (a) determined on 10 November (of the year immediately prior to the calendar year for which the fee is payable);
 - (b) determined at the most recent valuation conducted prior to 40 November the date in (a) if no valuation was conducted for the date in (a); or
 - (c) as at the date of registration or notification, if the registration or notification of a Fund takes place after ~~40 November~~ the date in (a),
- calculated in accordance with CIR section 6.5.
- (4) The annual fee in (2) is subject to a minimum amount of \$10,000 and a maximum amount of \$50,000.