

Appendix 1

In this appendix underlining indicates proposed 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 to amend the ~~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 MKT Rule 2.6.1(1)(a); ~~and~~
- (h) an application for admittance of Securities to the Official List of Securities:
i
- (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 an Auditor;
- (c) meets part (1) (d), (e) or (f) of the definition of a DNFBP; ~~and~~ or
- (d) is a Bidder.

1.2 General provisions

.....

- 1.2.6**
- (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.
 - (3) Such a supplementary fee is applicable in respect of any fee payable under chapter 2 or 3 other than a fee under section 2.6, 3.7 or 3.8.

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 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; or
 - (d) novel proposals and applications that cover untested ground or untested areas of the regulatory regime.
2. 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.

.....

2. APPLICATION FEES

2.1 Application for a Licence or an endorsement on 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, as a PCC, or as an ISPV).	\$40,000
Managing a Collective Investment Fund (except as an Umbrella Fund) <u>if any Fund to be managed is not a Qualified Investor Fund.</u>	\$10,000
Managing a Collective Investment Fund (except as an Umbrella Fund) <u>if the Funds to be managed will only be Qualified Investor Funds.</u>	<u>\$5,000</u>
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
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:	\$8,000
(a) for the core; and	\$1,000
(b) for each cell	
Providing Fund Administration.	\$15,000
Managing an Umbrella Fund:	
(a) for the Umbrella; and	\$8,000
(b) for each Sub-Fund.	\$1,000

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 ~~\$2,000~~ \$4,000.

2.1.5 (1) An Authorised Firm applying for an endorsement on its Licence to:

- (a) carry on a Financial Service with or for a Retail Client must pay to the DFSA an additional application fee of \$5,000;
- (b) conduct Islamic Financial Business must pay to the DFSA an additional application fee of \$5,000; and
- (c) act as a Trade Repository must pay to the DFSA an additional application fee of \$5,000.

-
- (2) Paragraph (1) does not apply in relation to an application for an endorsement made in conjunction with an application for a Licence.

2.2 Application to carry on additional Financial Services

.....

- 2.2.3** (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.

.....

2.7 Deleted Applications relating to Authorised 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.

.....

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, as a PCC, or as an ISPV.	\$40,000
Managing a Collective Investment Fund (except as an Umbrella Fund) <u>if any Fund managed is not a Qualified Investor Fund.</u>	\$10,000
<u>Managing a Collective Investment Fund (except as an Umbrella Fund) if the Funds managed are only Qualified Investor Funds.</u>	\$5,000
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
Operating a Credit Rating Agency.	\$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
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.

.....

3.7 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 ~~\$3,000~~ \$4,000 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 ~~\$3,000~~ \$4,000 for any period of registration after the initial period described in Rule 3.7.1.

.....

4 FILING FEES

.....

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.

.....