
Abu Dhabi Global Market Rulebook

Fees Rules

(FEES)

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1. **INTRODUCTION**

1.1 **Application**

1.1.1 These Rules apply to a Person in relation to:

- (a) an application for a Financial Services Permission;
- (b) an application to amend the scope of a Financial Services Permission;
- (c) an application for approval as an Approved Person to perform a Controlled Function;
- (d) an application for the amendment of an approval as an Approved Person to perform a Controlled Function;
- (e) an application for recognition as a Recognised Body;
- (f) an application to register a Public Fund;
- (g) an application by an Authorised Fund Manager to manage a Foreign Fund pursuant to FUND Rule 7.2.1;
- (h) filing a Prospectus pursuant to MKT Rule 4.6.1(1)(b);
- (i) filing a Prospectus pursuant to FUND Rule 9.3.2(1)(b) or FUND Rule 9.4.2(1)(b); and
- (j) an application for admittance of Securities to the Official List of Securities;

1.1.2 This module also applies to a Person who is an Authorised Person or a Recognised Body.

1.2 **General provisions**

1.2.1 Where pursuant to Chapters 2, 3 or 4, a fee is payable for any application to or authorisation from the Regulator, the application will not be regarded as submitted until the fee and any supplementary fee has been paid in full.

1.2.2 In regard to supervision fees payable pursuant to Chapters 2 and 3:

- (a) the initial annual supervision fee must be paid in full to the Regulator within 21 days of the date on which the application is granted; and
- (b) subsequent annual supervision fees are payable in advance and must be paid in full to the Regulator on or before 1 January of the calendar year to which the fee relates.

1.2.3 When a fee 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.

1.2.4 Nothing in this rule limits the right of the Regulator to take any other action.

- 1.2.5 The Regulator 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.
- 1.2.6 (a) The Regulator may require a Person to pay to the Regulator a supplementary fee in circumstances where it expects to incur substantial additional costs in dealing with an application, authorisation, filing or conducting on-going supervision.
- (b) In such cases the Regulator will notify the Person as soon as reasonably possible of the amount of the supplementary fee.
- (c) Such a supplementary fee may be applicable in respect of any fee payable under Chapters 2 or 3 other than a fee under Rule 3.7.
- 1.2.7 (a) In respect of any fee payable in accordance with these rules, the fee must, subject to (b), be paid:
- (i) by the Person to whom the Rule applies;
- (ii) in USD; and
- (iii) by bank transfer directly from a bank account maintained by the Person specified in (i) into the Regulator's bank account.
- (b) The Regulator will accept payment of a fee in USD from a member of the applicant's Group, the applicant's Parent, the applicant's legal advisor or a Person who has applied to be a Controller in relation to the applicant but only where:
- (i) the relevant fee is an application or authorisation fee; and
- (ii) the applicant is in formation and does not have a commercial licence to enable it to open a bank account in its own name.

Guidance

1. In regard to the payment of subsequent annual fees, invoices will be issued at least 21 days before the specified date for payment.
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 Regulator is entitled to take action including, but not limited to, taking steps to withdraw authorisation.
3. A supplementary fee may be levied by the Regulator 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 or Recognised Body's structure, or activities which necessitate a change to rules; or

- d. novel proposals and applications that cover untested ground or untested areas of the financial services regulatory regime.
- 4. 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 Regulator and the relevant Non-ADGM Financial Services Regulators in that jurisdiction. Equally, where the entity is incorporated in the ADGM, a full analysis of the prudential and systems arrangements will be required.
- 5. A further example is where the Fund Manager of a Domestic Fund delegates activities or outsources 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 Regulator and the relevant Non-ADGM Financial Services Regulators in those jurisdictions.
- 6. A supplementary fee may also be levied by the Regulator in cases where the on-going supervision of the Authorised Person or Foreign Fund Manager appears to the Regulator to be likely to cause it to incur substantial additional costs.

2. GENERAL AUTHORISATION AND SUPERVISION FEES

2.1 General authorisation and supervision fees for deposit-taking institutions

- 2.1.1 (a) An applicant for a Financial Services Permission to carry on the Regulated Activities of either Accepting Deposits or Managing a Profit Sharing Investment Account must pay to the Regulator an initial authorisation fee of \$30,000.
- (b) The applicant referred to in (a) must pay to the Regulator an additional authorisation fee of \$5,000 for each additional Regulated Activity for which it seeks a Financial Services Permission.
- 2.1.2 (a) An Authorised Person with a Financial Services Permission to carry on the Regulated Activities of either Accepting Deposits or Managing a Profit Sharing Investment Account must pay to the Regulator an annual supervision fee of \$30,000.
- (b) The Authorised Person referred to in (a) shall pay an additional annual supervision fee of \$6,000 for each additional Regulated Activity for which it has a Financial Services Permission.
- (c) In the first year of supervision, the relevant Authorised Person referred to in (a) will be required to pay a portion of the annual supervision fee based on the number of months remaining until the end of the financial year.

2.2 General authorisation and supervision fees for non-deposit-taking institutions

2.2.1 Save for as provided for in Chapter 3:

- (a) a non-deposit-taking institution applying for a Financial Services Permission to carry on one Regulated Activity must pay to the Regulator an initial authorisation fee of \$3,000; and
- (b) the applicant referred to in (a) must pay to the Regulator an additional authorisation fee of \$5,000 for each additional Regulated Activity for which it seeks a Financial Services Permission.

- 2.2.2 Save for as provided for in Chapter 3:
- (a) a non-deposit-taking institution with a Financial Services Permission to carry on one Regulated Activity must pay to the Regulator an annual supervision fee of \$3,000; and
 - (b) the Authorised Person referred to in (a) must pay to the Regulator an additional annual supervision fee of \$6,000 for each additional Regulated Activity for which it has a Financial Services Permission.
- 2.2.3 In the first year of supervision, the Authorised Person referred to in Rule 2.2.2 will be required to pay a portion of the annual supervision fee based on the number of months remaining until the end of the financial year.

3. SPECIFIC AUTHORISATION AND SUPERVISION FEES

3.1 Introduction

- 3.1.1 This Chapter outlines the specific authorisation and supervision fees payable by applicants, Authorised Persons, Recognised Bodies and Approved Persons, as applicable, who wish or are authorised to perform particular Regulated Activities.
- 3.1.2 In all instances in the first year of supervision, the applicants, Authorised Persons, Recognised Bodies and Approved Persons below, as applicable, will be required to pay a portion of the annual supervision fee based on the number of months remaining until the end of the financial year.

3.2 Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as Principal

- 3.2.1 An applicant for a Financial Services Permission to carry on either one or both of the Regulated Activities of Effecting Contracts of Insurance or Carrying Out Contracts of Insurance as Principal must pay to the Regulator an initial authorisation fee of \$30,000.
- 3.2.2 Applicants referred to in Rule 3.2.1 must also pay an annual supervision fee of \$30,000.

3.3 Operating a Representative Office

- 3.3.1 An applicant for a Financial Services Permission to carry on the Regulated Activity of Operating a Representative Office must pay to the Regulator an initial authorisation fee of \$3,000.
- 3.3.2 Applicants referred to in Rule 3.3.1 must also pay the relevant annual supervision fee specified in Rule 2.2.2.

3.4 Providing Credit

- 3.4.1 This Rule does not apply to an application for, or supervision of, a Financial Services Permission to carry on the Regulated Activity of Accepting Deposits.
- 3.4.2 (a) An applicant for a Financial Services Permission to carry on the Regulated Activity of Providing Credit must pay to the Regulator an initial authorisation fee of \$15,000.
- (b) The applicant referred to in (a) must pay to the Regulator an additional authorisation fee of \$5,000 for each additional Regulated Activity for which it seeks a Financial Services Permission.

3.4.3 (a) An Authorised Person with a Financial Services Permission to carry on the Regulated Activity of Providing Credit must pay to the Regulator an annual supervision fee of \$20,000.

(b) The Authorised Person referred to in (a) must pay to the Regulator an additional annual supervision fee of \$6,000 for each additional Regulated Activity for which it has a Financial Services Permission.

3.5 Dealing in Investments as Principal or Dealing in Investments as Agent

3.5.1 This Rule does not apply to the Regulated Activities of Accepting Deposits, Managing a Profit Sharing Investment Account or Providing Credit.

3.5.2 (a) An applicant for a Financial Services Permission to carry on the Regulated Activity of Dealing in Investments as Agent or Dealing in Investments as Principal, must pay to the Regulator an initial authorisation fee of \$15,000.

(b) The applicant referred to in (a) must pay to the Regulator an additional authorisation fee of \$5,000 for each additional Regulated Activity for which it seeks a Financial Services Permission.

3.5.3 (a) An Authorised Person with a Financial Services Permission to carry on the Regulated Activity of Dealing in Investments as Principal or Dealing in Investments as Agent must pay to the Regulator an annual supervision fee of \$15,000.

(b) The Authorised Person referred to in (a) must pay to the Regulator an additional annual supervision fee of \$6,000 for each additional Regulated Activity for which it has a Financial Services Permission.

3.6 Operating a Credit Rating Agency

3.6.1 An applicant for a Financial Services Permission to carry on the Regulated Activity of Operating a Credit Rating Agency must pay to the Regulator an initial authorisation fee of \$10,000.

3.6.2 An Authorised Person with a Financial Services Permission to carry on the Regulated Activity of Operating a Credit Rating Agency must pay to the Regulator an annual supervision fee of \$10,000.

3.7 Recognition as a Recognised Body

3.7.1 (a) An applicant for recognition as either a Recognised Investment Exchange or a Recognised Clearing House must pay to the Regulator an application fee of \$125,000.

(b) An Authorised Person with a recognition as either a Recognised Investment Exchange or Recognised Clearing House must pay to the Regulator an annual supervision fee of \$60,000.

3.7.2 (a) An applicant for recognition as both a Recognised Investment Exchange and a Recognised Clearing House must pay to the Regulator an application fee of \$250,000.

(b) A Recognised Body with recognition as both a Recognised Investment Exchange and a Recognised Clearing House must pay to the Regulator an annual supervision fee of \$120,000.

3.8 Amending the scope of a Financial Services Permission

3.8.1 An applicant applying to amend the scope of an existing Financial Services Permission by adding one or more Regulated Activities to the permission, must pay to the Regulator an initial authorisation fee for each additional Regulated Activity for which it seeks to add to its Financial Services Permission and which is equal to:

- (a) the initial authorisation fee applicable to that Regulated Activity; or
- (b) \$5,000,

whichever is greater.

3.9 Application for admission of Securities to the Official List of Securities

3.9.1 An applicant for admission of Securities to the Official List of Securities must pay to the Regulator an application fee of \$2,000.

3.9.2 An entity with Securities admitted to the Official List of Securities must also pay to the Regulator the relevant annual supervision fee specified in Rule 2.2.2.

3.10 Application to register a Fund

3.10.1 The Fund Manager or the Person proposing to be the Fund Manager of a Domestic Fund which is a Public Fund, who is applying to register the Fund, must pay to the Regulator an application fee of \$1,000.

3.10.2 The Fund Manager or the Person proposing to be the Fund Manager of a Domestic Fund which is a Public Fund, who registered the Fund following an application under Rule 3.10.1 must also pay to the Regulator an annual supervision fee of \$1,000.

3.10.3 The Fund Manager or the Person proposing to be the Fund Manager of a Public Fund which is an Umbrella Fund, who is applying to register the Fund, must pay to the Regulator:

- (a) an initial application fee of \$1,000; and
- (b) an additional application fee of \$1,000 for each of the additional Sub-Funds of the Umbrella Fund which it seeks to register.

3.10.4 The Fund Manager or the Person making an application under Rule 3.10.3 must also pay:

- (a) an initial supervision fee of \$4,000 until the end of the first year following registration; and
- (b) an annual supervision fee of \$4,000 thereafter.

3.11 Application by an Authorised Fund Manager to manage a Foreign Fund pursuant to FUND Rule 7.2.1

3.11.1 A Fund Manager applying to manage a Foreign Fund must pay to Regulator an application fee of \$1,000.

3.11.2 A Fund Manager managing a Foreign Fund must also pay to the Regulator an annual supervision fee of \$1,000.

3.12 Applications relating to Approved Persons

3.12.1 An Authorised Person applying to the Regulator:

- (a) for Approved Person status for an individual;
- (b) to amend an Approved Person's approval to include a new Controlled Function; or
- (c) to substitute one Approved Person for another performing a particular Controlled Function in the Authorised Person,

must pay to the Regulator an application fee of \$500 for each Approved Person for whom it is seeking authorisation, to amend the scope of his authorisation, or to substitute as an Approved Person (as applicable).

4. OTHER FEES

4.1 Filing a Prospectus pursuant to MKT Rule 4.6.1(1)(b)

4.1.1 A Person filing a Prospectus with the Regulator in accordance with MKT Rule 4.6.1(1)(b) as either one or more documents, must pay to the Regulator a filing fee of:

- (a) \$20,000, where the Prospectus to be filed in either one or more documents relates to Shares, Certificates over Shares and Warrants over Shares; or
- (b) \$10,000, where the Prospectus to be filed in either one or more documents relates to Debentures, Certificates over Debentures and Warrants over Debentures.

4.2 Filing a Prospectus pursuant to FUND Rule 9.3.2(1)(b) or FUND Rule 9.4.2(1)(b)

4.2.1 A Fund Manager filing a Prospectus with the Regulator, in accordance with FUND Rule 9.3.2(1)(b) or FUND Rule 9.4.2(1)(b) must pay to the Regulator a filing fee of \$1,000 in respect of each such Prospectus filed.

4.3 Seeking permission to commence a regulatory proceeding before the Regulatory Committee and/or Appeals Panel

4.3.1 A Person seeking permission to commence a regulatory proceeding before the Regulatory Committee and/or Appeals Panel must pay to the Regulator a fee of \$5,000 for each regulatory proceeding which it seeks to commence.

4.3.2 The Regulatory Committee and the Appeals Panel, as applicable, retain discretion to waive all or part of any fees payable by the Person making an application under Rule 4.3.1.