



Consultation Paper

AFSA-P-CE-2023-0004

Proposed Amendments to AIFC Fees Rules

Unrestricted

August 11, 2023

Introduction

Why are we issuing this Consultation Paper (CP)?

1. The Astana Financial Services Authority (AFSA) has issued this Consultation Paper to seek suggestions from the market on the proposed amendments to AIFC Fees Rules.

Who should read this CP?

2. The proposals in this paper will be of interest to current and potential AIFC participants who are interested in exercising business activities in or from the AIFC.

Terminology

3. Defined terms have the initial letter of the word capitalised, or of each word in a phrase. Definitions are set out in the AIFC Glossary ([GLO](#)). Unless the context otherwise requires, where capitalisation of the initial letter is not used, the expression has its natural meaning.

What are the next steps?

4. We invite comments from interested stakeholders on the proposed framework. All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use “Consultation Paper AFSA-P-CE-2023-0004” in the subject line. You may, if relevant, identify the organisation you represent when providing your comments. The AFSA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise. Comments supported by reasoning and evidence will be given more weight by the AFSA.
5. The deadline for providing comments on the proposed framework is **11 September 2023**. Once we receive your comments, we shall consider if any refinements are required to this proposal.
6. Comments to be addressed by post:
Policy and Strategy Division
Astana Financial Services Authority (AFSA)
55/17 Mangilik EI, building C3.2, Kazakhstan

or emailed to: consultation@afsa.kz

Structure of this CP

- Part I – Background;
- Part II – Key proposals;
- Part III – Questions in this consultation paper;
- Annex 1 – Draft Amendments to AIFC Fees Rules.

Part I - Background

1. In 2021 and 2022, the AFSA gradually started to charge application and supervision fees for Regulated, Market and Ancillary Services and the fees for recognition of Non-AIFC Market Institutions and Non-AIFC Members.
2. Over the course of 2022 and 2023, the AFSA received various comments and queries regarding the application of AIFC Fees Rules, which highlighted the need of greater clarity and consistency in imposing and calculation of fees.
3. The proposals in this paper are designed to outline the AFSA approach to supervision fees while conducting certain Regulated, Market and FinTech Activities, including those proposed due to the developed or currently being under development new frameworks related to regulation of Digital Assets, to make improvements in FEES based on our lessons and feedback, as well as to make some provisions related to AFSA's powers more explicit.
4. In making any changes to its fee regime, the AFSA remains committed to:
 - careful consideration of the impact of any potential fee change on the supervised (and potential supervised) entities; and
 - full public consultation.
5. The proposals include:
 - a) annual supervision fee for Operators of a Multilateral or Organised Trading Facility;
 - b) annual supervision fee for Operators of a Digital Asset Trading Facility;
 - c) annual supervision fee for FinTech Lab Participants;
 - d) annual supervision fee for Operators of a Clearing House;
 - e) fees to be charged in case of combining different types of activities; and
 - f) other amendments to clarify implementation of certain provisions.
6. The proposed amendments are expected to be enacted on 1 January 2024.

Part II - Key proposals

Annual supervision fees for MTF/OTF Operators

7. Current version of FEES captures the following annual supervision fee applicable to MTF/OTF Operators:
 - fixed fee – 3,000 USD; and
 - variable fee – trading levy of 0.0006% of the average daily trading value (payable quarterly).

The AFSA does not invoice the trading levy (variable) fee unless it exceeds 500 USD.

8. There is a need to improve the formula of the variable part of the supervision fee, which is currently calculated based on the average daily trading value, while the fee is assumed to be charged for the supervision during the corresponding quarter. The use of average daily trading value has prompted queries on how these amounts are to be calculated.
9. The proposed annual supervision fee payable by MTF/OTF Operators is as follows:
 - fixed fee – 3,000 USD (paid annually); and
 - variable fee:
 - *trading levy of 0% of the cumulative quarterly trading value, where the quarterly trading value is less than 30 million USD; or*
 - *trading levy of 0.006% of the cumulative quarterly trading value, where the quarterly trading value is 30 million USD and more (paid quarterly).*
10. The intention behind the proposal is to encourage the AIFC market to grow and allow firms of different size to come and operate to the AIFC. Thus, a firm with less than 500,000 USD of trading value per day will be exempt from the variable fees payment. Since the variable fee is charged every quarter, the quarterly trading value is 31,500,000 USD, assuming that the number of trading days per quarter is 63 days. It is therefore proposed to introduce the formula based on quarterly trading value with the threshold of 30 million USD.
11. The current threshold of 500 USD for issuing an invoice for payment of the supervision fee is proposed to be removed.

Annual supervision fees for DATF Operators

12. Recently DATF Operators have been proposed to be considered as a firm carrying on Regulated Activity rather than a Market Activity. The proposed amendments are expected to come into force starting from 1 January 2024.
13. With these amendments it is also proposed to reconsider the supervision fee approach to DATF Operators.
14. Taking into account that DATF platforms provide for trading of various instruments, it is proposed to have the supervision fee consisting of two components, i.e., a fixed fee (35,000 USD) and a variable fee of trading levy.
15. The annual supervision fee payable by DATF Operators:
 - fixed fee – 35,000 USD (paid annually); and
 - *variable fee:*
 - *trading levy of 0% of the cumulative quarterly trading value (no variable trading levy), where the quarterly trading value is less than 45 million USD; or*
 - *trading levy of 0.006% of the cumulative quarterly trading value, where the quarterly trading value is 45 million USD and more (paid quarterly).*
16. It is proposed to use the same formula for calculation of the variable fee as for MTF/OTF Operators, considering different size of businesses. The firms with the trading value of 500,000 USD or more are expected to pay the variable fee. Thus, based on the

assumption that the number of trading days of DATF Operators is 365 days, the threshold is defined as 45 million USD.

Annual supervision fees for FTL Participants

17. It is proposed to reconsider the current approach to supervision fees and start charging the full amount of the fees corresponding to relevant Regulated and/or Market Activities the FTL Participant is licensed to carry on.
18. Meanwhile, the application fee will remain at current 10% of the application fee corresponding to the relevant type of activities.

Annual supervision fees for Operators of Clearing Houses

19. Currently, FEES provide for charging supervision fee from Clearing Houses Operators, which includes the variable fee. The formula for calculation of the said variable part includes the settlement value and depository value fees. The formula does not provide for charging the supervisions fees from an Authorised Person acting as a Central Counterparty.
20. It is proposed to amend the formula of a supervision fee charged from an Authorised Person as follows:

$$\mathbf{SF=FF+SVF+DVF+CF,}$$

where

SF – Supervision fee

FF – Fixed fee, which is 15 000 USD (paid annually)

SVF – Settlement value fee (excluding On-Exchange Trades on Secondary Market), calculated as 0.001% of settlement volume (paid quarterly)

DVF – Depository value fee, calculated as 0.00005% of depository value (paid quarterly)

CF – Clearing value fee, calculated as 0.001% of clearing value (paid quarterly)

Combination of activities

21. FEES provide that the AFSA charges the highest of any applicable application and supervision fees, when carrying on more than one Regulated or Market Activities, and the highest application fee in case of FinTech Activities.
22. One of the comments the AFSA received was related to lack of clarity in the combination of different activities by a firm and application and supervision fees to be charged in such case.
23. The AFSA conducted a benchmarking analysis of DIFC, ADGM, QFC, UK and Singapore jurisdictions in this regard.
24. The results of the analysis are below:

- The regulators appear to charge the highest fee corresponding to the activities of

a firm;

- In some specific circumstances, additional fees are charged for other activities (for example, due to the complexity of a business).

More than one Regulated or Market Activity

25. It is proposed to continue to apply the approach of charging the highest application and supervision fees accordingly related to the activities of a firm.
26. In relation to supervision, it is proposed to additionally charge 50% of fees with regard to each additional activity.
27. Meanwhile, the application and supervisions fees for the activities of Operating an Exchange, Operating a Clearing House, Operating a DATF and Operating a MTF/OTF will be charged separately in full. This common approach is justified noting the complexity of their core business nature and the processes of authorisation and supervision, which are time- and effort- consuming.

Regulated and Market Activities

28. Currently, FEES are silent with regard to application and supervision fees charged when a firm is planning to or conducts both Regulated and Market Activities.
29. It is proposed to follow the approach reflected above and charge the highest application and supervision fees accordingly corresponding to the relevant activities.
30. Additional 50% of the relevant supervision fees will be payable by the firm for carrying on each other type of Regulated or Market Activity.
31. Meanwhile, the application and supervisions fees for the activities of Operating an Exchange, Operating a Clearing House, Operating a DATF and Operating a MTF/OTF will be charged separately in full.

FTL Participants seeking to conduct Regulated and/or Market Activities

32. Considering the amendments proposed to the application and supervision fees above for fully authorised firms, it is consistent to apply a similar approach to FTL Participants.

Application fee

33. Noting that the AFSA currently charges 10% of the application fees for fully authorised firms, the proposed approach is as follows:
34. The highest fee will be defined and charged in the amount of 10% of corresponding fee in the cases of conducting either more than one Regulated or Market Activities or both Regulated and Market Activities;
35. The application fees for the activities of Operating an Exchange, Operating a Clearing House, Operating a DATF and Operating a MTF/OTF will be charged separately in the amount of 10% of corresponding fees.

Supervision fees

36. The highest fee is to be paid in the cases of conducting either more than one Regulated or Market Activities, or both Regulated and Market Activities.
37. Supervision of Operating an Exchange, Operating a Clearing House, Operating a DATF and Operating a MTF/OTF will be charged separately in full amount.

Other amendments

38. There is also a need to clarify the approach in charging application fees for Ancillary Service Providers (ASP). There are provisions on the highest approach adopted for Regulated, Market and FinTech Lab Activities, while FEES do not capture any relevant provisions for ASPs. Currently, the AFSA charges application fee for each Ancillary Service separately, which is consistent with FEES. It is proposed to introduce relevant amendment to FEES to specify the approach being applied.
39. FEES Chapter 6 “Supplementary fees” outlines the right of the AFSA to require an Authorised Firm or applicant to pay a supplementary fee to the AFSA in circumstances where it expects to incur substantial additional costs in dealing with an application or conducting ongoing supervision. However, the current version of the Chapter lacks the AFSA powers in relation to Authorised Market Institutions and Fintech Lab Participants. The provision is proposed to be amended to cover Persons, AIFC Participants and applicants.

Also, FEES do not clearly define powers of the Registrar of Companies to impose supplementary fees to AIFC Participants where such substantial additional costs incur.

The proposed amendments are aimed to clarify the scope of the AFSA’s power to charge supplementary fees.

40. There is a lack of clarity on the power of the AFSA to charge a fee from FTL Participants that are willing to modify their licence, while similar provisions are captured for Authorised Persons. As a general approach, FTL Participants are subject to the requirements, which are similar to those imposed on fully authorised firms. It is therefore proposed to make amendments to Chapter 8 and Schedule 8 of FEES on Fintech Lab fees to clarify this matter and capture the common rule applied by the regulator.
41. Also, FEES should specify the fees to be charged in case of an Authorised Firm modifying its licence to capture a Market Activity(s), or where an Authorised Market Institution is planning to carry on Regulated Activities. While relevant provisions are not envisaged in FEES, the AFSA is proposing to extend the approach already being applied to firms carrying on either Regulated or Market Activities. Amendments on modification fees will be reflected in Schedule 1 “Application fees payable to the AFSA for Regulated Activities” and Schedule 2 “Application fees payable to the AFSA for Market Activities” of FEES.
42. It is proposed to change the “trading volume” to “trading value” in respect of Operator of an Investment Exchange, RNAMIs and RNAMs, as “trading value” refers to the total monetary value of all transactions, while trading volume represents the total number of financial instruments traded during a given time period. This corresponds to the approach the AFSA and relevant firms already take while calculating their supervision fees.
43. Regarding the Market Activities of Operating an Investment Exchange and Clearing House, there is a framework on the Security Token Offering currently under development.

One of the proposals made within the framework is to allow an Investment Exchange and Clearing House Operators to admit Retail Clients as Direct Access Members in respect of trading or clearing of Security Tokens. The AFSA has conducted a benchmarking analysis of other jurisdictions and revealed the tendency to charge additional fees from Authorised Market Institutions granting membership to Retail Clients. The approach is deemed to be justified, noting the higher risks for the market and, subsequently, higher supervisory and other regulatory functions burden on the regulator. It is proposed to introduce additional fixed application and annual supervision fees in the amount of 5,000 USD each for such Authorised Market Institutions.

44. Additional editorial amendments to FEES are proposed to specify the terms of payment of late fees, variable parts of fees by relevant entities and other clarifications.

Part III - Questions in this consultation paper

1. Are there any comments on or concerns related to the proposed amendments? Is the level of the proposed fees considered to be appropriate? If not, what alternative is suggested?
2. Do you agree with the reconsideration of the supervision fee for Operators of a Multilateral or Organised Trading Facilities? Does the approach in relation to the revised variable part seem appropriate?
3. Do you agree with the introducing the variable part of the supervision fee for Operators of a Digital Asset Trading Facilities? Is the level of the proposed variable part considered to be appropriate?
4. Does the approach to start charging the full amount of the supervision fees corresponding to relevant Regulated and/or Market Activities from FinTech Lab Participants seem appropriate? If not, why not?
5. Do you agree with the proposed amendments to the formula for calculation of the supervision fee for Operators of a Clearing House?
6. Are there any objections to charging application and supervision fees from firms combining more than one Regulated or Market Activities, both Regulated and Market Activities, FinTech Activities? If so, what are they and how should be they addressed?
7. Are there any concerns about other proposed amendments?
8. Do you have any comments on the proposed timing of the amendments?

Annex to the Consultation Paper on Proposed amendments to AIFC Fees Rules

Proposed amendments to the AIFC Fees Rules

In these Rules, the underlying indicates a new text and the strikethrough indicates a removed text

(...)

1.2.2-1. Combination of activities

- (a) An applicant seeking to conduct more than one Regulated and/or Market Activities must pay to the AFSA the highest of the corresponding application fees in Schedule 1 and/or Schedule 2.
- (b) An applicant seeking to conduct the Regulated Activities of Operating a Digital Asset Trading Facility, Operating a Multilateral Trading Facility or Operating an Organised Trading Facility must pay to the AFSA an application fee specified in the fees table in Schedule 1 in full.
- (c) An applicant seeking to carry on the Market Activities of Operating an Investment Exchange or Operating a Clearing House must pay to the AFSA an application fee specified in the fees table in Schedule 2 in full.

(...)

3.1.5. Subsequent annual supervision fees

- (a) A standard annual supervision fee must be paid for any period of regulation after the period described in FEES 3.1.4.
- ~~(b) The standard annual supervision fee is:

 - ~~(a) the highest of the fees specified in the fees table corresponding to the activities which the relevant entity is licensed to carry on.~~
 - ~~(ii) [intentionally omitted].~~~~

3.1.6. Combination of activities

- (a) An Authorised Person licensed to conduct more than one Regulated and/or Market Activities, other than specified in (b) and (c), must pay to the AFSA:

 - (i) the highest of the supervision fees specified in the fees table corresponding to the activities which the relevant entity is licensed to carry on; plus
 - (ii) 50% of the supervision fees specified in the fees table corresponding to each additional activity which the relevant entity is licensed to carry on.
- (b) An Authorised Person licensed to carry on the Regulated Activities of Operating a Digital Asset Trading Facility, Operating a Multilateral Trading Facility or Operating an Organised Trading Facility must pay to the AFSA an annual supervision fee specified in the fees table in Schedule 6 in full.
- (c) An Authorised Market Institution licensed to carry on the Market Activities of Operating an Investment Exchange or Operating a Clearing House must pay to the AFSA an annual supervision fee specified in the fees table in Schedule 6 in full.

(...)

6. SUPPLEMENTARY FEES

6.1.1. AFSA and the Registrar of Companies may require supplementary fees in certain cases

The AFSA and the Registrar of Companies may require ~~an Authorised Firm~~ a Person, AIFC Participant or applicant, to pay a supplementary fee to the AFSA in circumstances where it expects to incur substantial additional costs, in dealing with an application or conducting ongoing supervision.

In such cases the AFSA or the Registrar of Companies will notify the Person, AIFC Participant or applicant as soon as reasonably practicable that a supplementary fee is likely to be required, in order that the Person, AIFC Participant or applicant may make an informed decision as to whether to withdraw or modify its application.

If a supplementary fee is required, the AFSA or the Registrar of Companies will notify the ~~client~~ Person, an AIFC Participant or applicant as soon as reasonably practicable of the amount of the supplementary fee. The Person, AIFC Participant or applicant must pay the supplementary fee within the period specified in the notification.

(...)

8.1.2. Application fees to the FinTech Lab

(a) In accordance with FINTECH 2.4.3, once the AFSA is satisfied that the Person meets the eligibility criteria, a Person seeking to Test and/or Develop the FinTech Activities within the FinTech Lab must pay to the AFSA the application fees specified in Schedule 8.

(b) A Person seeking to Test and/or Develop the FinTech Activities of Operating an Investment Exchange, Operating a Clearing House, Operating a Digital Asset Trading Facility, Operating a Multilateral Trading Facility or Operating an Organised Trading Facility within the FinTech Lab must pay to the AFSA an application fee specified in the fees table in Schedule 8 in full.

(...)

8.1.2-1. Application fees for modification of a Licence

In accordance with FINTECH 2.5.2, a FinTech Lab Participant, which intends to change the scope of its Licence, must pay to the AFSA the application fees specified in Schedule 8.

8.2. Supervision fees payable to the AFSA by the FinTech Lab Participants

A FinTech Lab Participant must pay to the AFSA the supervision fee ~~specified in Schedule 8~~ corresponding to the activities which the FinTech Lab Participant conducts in accordance with FEES 3.

(...)

8.2-1. Supplementary fees

A FinTech Lab Participant or an applicant seeking to Test and/or Develop the FinTech Activities within the FinTech Lab must pay to the AFSA a supplementary fee required by the AFSA in accordance with FEES 6.

(...)

SCHEDULE 1: APPLICATION FEES PAYABLE TO THE AFSA FOR REGULATED ACTIVITIES

(...)

1.2 Application fees for modification and withdrawal of a Licence or Approved Individual's registration

Application to Modify	Fee (USD)*
Modification of an Authorised Firm's Licence	<p>(a) An application fee equal to the difference between:</p> <p>(i) (a) the application fee which would be payable under table 1.1 of Schedule 1 <u>or table 1.1 of Schedule 2 of FEES</u> if it were an applicant for a Licence in terms of currently being sought; and</p> <p>(ii) (b) the application fee which was paid or would be payable under table 1.1 of Schedule 1 of FEES if it were an applicant for a Licence in terms of that currently held.</p> <p>(b) <u>An Authorised Firm applying to the AFSA to change the scope of its Licence and seeking to conduct the Regulated Activities of Operating a Digital Asset Trading Facility, Operating a Multilateral Trading Facility or Operating an Organised Trading Facility must pay to the AFSA an application fee specified in the fees table above in full.</u></p> <p>(c) <u>An Authorised Firm applying to the AFSA to change the scope of its Licence and seeking to carry on the Market Activities of Operating an Investment Exchange or Operating a Clearing House must pay to the AFSA an application fee specified in the fees table in Schedule 2 in full.</u></p> <p>(d) <u>For the avoidance of doubt, the formula in (a) does not apply to the activities specified in (b) and (c).</u></p>

(...)

Notes

Fees for initial application— firm to conduct one or more Regulated Activities, or Regulated and Market Activities

An applicant seeking authorisation to conduct one or more Regulated Activities, or Regulated and Market Activities, specified in the fees tables must pay:

- (a) the fee specified for the Regulated Activity in the table above (or, if the applicant intends to carry on more than one Regulated Activity, or Regulated and Market Activities, the highest fee

~~specified in the table for any of those Regulated Activities in accordance with FEES 1.2.2-1);~~
and

(b) the amount of 200 USD, for each individual for whom Approved Individual status is sought.

(...)

SCHEDULE 2: APPLICATION FEES PAYABLE TO THE AFSA FOR MARKET ACTIVITIES

1.1 Application fees for applying for Licence to carry on Market Activities

Application fees are determined by the Market Activities the Authorised Person conducts or intends to conduct, as set out below:

Application fee by activities	Fee (USD)
Operator of a Clearing House	125 000; <u>and</u> <u>an additional application fee of 5 000 USD if intends to clear Security Tokens and have Direct Access Members</u>
Operator of an Investment Exchange	125 000; <u>and</u> <u>an additional application fee of 5 000 USD if intends to trade Security Tokens and have Direct Access Members</u>

(...)

1.2 Application fees for modification and withdrawal of a Licence or Approved Individual's registration

Application to Modify	Fee (USD)*
Modification of an Authorised Market Institution's Licence	<p><u>(a)</u> An application fee equal to the difference between:</p> <p>(i) (a) <u>the application fee which would be payable under table 1.1 of Schedule 2 or table 1.1 of Schedule 1 of FEES if it were an applicant for a Licence in terms of currently being sought; and</u></p> <p>(ii) (b) <u>the application fee which was paid or would be payable under table 1.1 of Schedule 2 or table 1.1 of Schedule 1 of FEES if it were an applicant for a Licence in terms of that currently held.</u></p> <p><u>(b)</u> <u>An Authorised Market Institution applying to the AFSA to change the scope of its Licence and seeking to carry on the Market Activities of Operating an Investment Exchange or Operating a Clearing House must pay to the</u></p>

	<p><u>AFSA an application fee specified in the fees table in Schedule 2 in full.</u></p> <p>(c) <u>An Authorised Market Institution applying to the AFSA to change the scope of its Licence and seeking to conduct the Regulated Activities of Operating a Digital Asset Trading Facility, Operating a Multilateral Trading Facility or Operating an Organised Trading Facility must pay to the AFSA an application fee specified in the fees table above in full.</u></p> <p>(d) <u>For the avoidance of doubt, the formula in (a) does not apply to the activities specified in (b) and (c).</u></p>
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(...)

Notes

Fees for initial application — firm to conduct one or more Market Activities, or Market and Regulated Activities

An applicant seeking authorisation to conduct one or more Market Activities, or Market and Regulated Activities, specified in the fees table must pay:

- (a) the fee specified for the Market Activity in the table above (or, if the applicant intends to carry on more than one Market Activity, or Market and Regulated Activities, the highest fee specified in the table for any of those Market Activities in accordance with FEES 1.2.2-1); and
- (b) the amount of 200 USD, for each individual for whom Approved Individual status is sought.

(...)

SCHEDULE 3: APPLICATION FEES PAYABLE TO THE AFSA FOR ANCILLARY SERVICES

(...)

Fees for applications to carry on Ancillary Services

An applicant seeking to carry on one or more Ancillary Services must pay to the AFSA the application fee for each type of Ancillary Services set out in the table 1.1 above.

(...)

SCHEDULE 6: ANNUAL SUPERVISION FEES PAYABLE TO THE AFSA

6.1 Annual supervision fees for Regulated Activities

(...)

Operating a Multilateral Trading Facility	<ul style="list-style-type: none"> • 3 000 USD (fixed); and • trading levy of 0.0006% of the average daily trading value (variable)**.
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	<p>Note: AFSA will not invoice the trading levy (variable) fee unless it exceeds 500 USD</p> <ul style="list-style-type: none"> • <u>trading levy (variable)** of:</u> <ul style="list-style-type: none"> - <u>0% of the cumulative quarterly trading value, where the quarterly trading value is less than 30 million USD; or</u> - <u>0.006% of the cumulative quarterly trading value, where the quarterly trading value is 30 million USD or more (paid quarterly).</u>
Operating an Organised Trading Facility	<ul style="list-style-type: none"> • 3 000 USD (fixed); and • trading levy of 0.0006% of the average daily trading value (variable)**. <p>Note: AFSA will not invoice the trading levy (variable) fee unless it exceeds 500 USD</p> <ul style="list-style-type: none"> • <u>trading levy (variable)** of:</u> <ul style="list-style-type: none"> - <u>0% of the cumulative quarterly trading value, where the quarterly trading value is less than 30 million USD; or</u> - <u>0.006% of the cumulative quarterly trading value, where the quarterly trading value is 30 million USD or more (paid quarterly).</u>
Operating a Digital Asset Trading Facility	<p style="text-align: right;">35 000</p> <ul style="list-style-type: none"> • 35 000 USD (fixed); and • <u>trading levy (variable)** of:</u> <ul style="list-style-type: none"> - <u>0% of the cumulative quarterly trading value, where the quarterly trading value is less than 45 million USD; or</u> - <u>0.006% of the cumulative quarterly trading value, where the quarterly trading value is 45 million USD or more (paid quarterly).</u>

(...)

****For Operating a Multilateral Trading Facility, ~~and Organised Trading Facilities~~ or Operating a Digital Asset Trading Facility,** fixed component of the annual supervision fees must be paid in full to the AFSA on a yearly basis on or before 1 January of every calendar year and variable component of the annual supervision fees must be paid in full to the AFSA on a quarterly basis following each quarter (paid within 21 business days after the issuance of an invoice by the AFSA, but no later than within 1 month following each corresponding quarter).

6.2 Annual supervision fees for Market Activities

Annual supervision fees for Market Activities are determined by the activities the Authorised Market

Institution conducts as set out below:

Market Activities	Fee (USD)**
Operator of an Investment Exchange	Calculated according to formula 1 below; <u>and an additional annual supervision fee of 5 000 USD if intends to trade Security Tokens and have Direct Access Members</u>
Operator of a Clearing House	Calculated according to formula 2 below; <u>and an additional annual supervision fee of 5 000 USD if intends to clear Security Tokens and have Direct Access Members</u>

(...)

Formula 1

$$SF = FF + TVF + LF,$$

where

SF – Supervision fee

FF – Fixed fee, which is 15 000 USD (paid annually)

TVF – Trading ~~volume~~ value fee, calculated as 0.003% of trading ~~volume~~ value in one year (paid quarterly within 21 business days after the issuance of invoice by the AFSA, but no later than within 1 month following each corresponding quarter)

LF – Listing fee, calculated as 2% of all listing fees collected by an Operator of an Investment Exchange in one year (paid quarterly within 21 business days after the issuance of invoice by the AFSA, but no later than within 1 month following each corresponding quarter)

Formula 2

$$SF = FF + SVF + DVF + CF,$$

where

SF – Supervision fee

FF – Fixed fee, which is 15 000 USD (paid annually)

SVF – Settlement value fee (excluding On-Exchange Trades on Secondary Market), calculated as 0.001% of settlement ~~volume~~ value (paid quarterly within 21 business days after the issuance of invoice by the AFSA, but no later than within 1 month following each corresponding quarter)

DVF – Depository value fee, calculated as 0.00005% of depository value (paid quarterly within 21 business days after the issuance of invoice by the AFSA, but no later than within 1 month following each corresponding quarter)

CF – Clearing value fee, calculated as 0.001% of clearing value (paid quarterly within 21 business days after the issuance of invoice by the AFSA, but no later than within 1 month following each corresponding quarter)

(...)

6.4 Annual recognition fees for Recognised Non-AIFC Market Institutions and Recognised Non-AIFC Members

Recognition fee	Fee (USD)		
Recognised Non-AIFC Market Institution		Fixed annual recognition fee (USD)	Variable annual recognition fee (USD)
	Recognised Non-AIFC Market Institution operating as an Investment Exchange	15 000	0.003% of trading volume <u>value</u> in one year generated for Authorised Market Institutions
	Recognised Non-AIFC Market Institution operating as a Clearing House	15 000	0.001% of settlement value + 0.00005% of depository value generated for Authorised Market Institutions
Recognised Non-AIFC Member	<p>For Recognised Non-AIFC Members that are admitted to trading by an Authorised Investment Exchange: calculated according to formula 1 below.</p> <p>For Recognised Non-AIFC Members that are not admitted to trading by an Authorised Investment Exchange or whose trading volume <u>value</u> <u>is</u> lower than 100 million USD: a fixed amount of 1 000 USD pro-rated over a calendar year.</p>		

Formula 1

$$RF = FF + TVF,$$

where

RF – Annual recognition fee

FF – Fixed fee, which is 1 000 USD pro-rated over a calendar year

~~TVF – Trading volume value fee, calculated as 0.001% of trading volume value in one year, applicable only to Recognised Non-AIFC Members admitted to trading by Operator of an Investment Exchange, whose trading volume value is over 100 million USD (paid within one month following each corresponding quarter 21 business days after the issuance of invoice by the AFSA, but no later than within 1 month following each corresponding quarter).~~

(...)

SCHEDULE 8: FINTECH LAB FEES

(...)

8.2 Application fees

(...)

Notes

Fees for initial application—firm to conduct one or more activities within the FinTech Lab

(a) An applicant seeking authorisation to conduct one or more activities specified in the fees table must pay:

(ai) ~~the fee specified for the activity in the table above (or, if the applicant intends to carry on more than one activity, the highest fee specified in the table for any of those activities 10% of the application fee specified in FEES 1.2.2-1); and~~

(bii) the amount of **50 USD** for each individual for whom Approved Individual status is sought.

(b) An applicant seeking to conduct the FinTech Activities of Operating an Investment Exchange, Operating a Clearing House, Operating a Digital Asset Trading Facility, Operating a Multilateral Trading Facility or Operating an Organised Trading Facility within the FinTech Lab must pay to the AFSA an application fee specified in the fees table above in full.

(...)

8.4 Supervision fees payable to the AFSA by FinTech Lab Participants

(...)

Activities within the FinTech Lab	Fee type	Fee (USD)****
Regulated Activities	Fixed	20% of the supervision fees under table 6.1 of Schedule 6 of FEES Supervision fees in accordance with FEES 8.2
Market Activities	Fixed _____ and Variable*****	• 10% of the supervision fees under table 6.2 of Schedule 6 of FEES (fixed); and • trading levy of 0.001% of the average daily trading value (variable) Note: AFSA will not invoice the trading levy (variable) fee unless it exceeds 200 USD

		<u>Supervision fees in accordance with FEES 8.2</u>
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(...)

~~****Fixed component of the annual supervision fees must be paid in full to the AFSA on a yearly basis on or before 1 January of every calendar year and variable component of the annual supervision fees must be paid in full to the AFSA on a quarterly basis following each quarter.~~

(...)

8.5. Application fees for modification of a Licence

An application fee equal to 10% of the application fee for modification of a Licence specified in table 1.2 of Schedule 1 of FEES or table 1.2 of Schedule 2 of FEES.

(...)

8.3 Migration fees to full authorisation

Migration fees payable to the AFSA by FinTech Lab Participants are determined by the activities the FinTech Lab Participant conducts as set out below:

Applications	Fee (USD)**
Regulated Activities	A migration fee equal to the difference between: <ul style="list-style-type: none"> (a) the application fee which would be payable under table 1.1 of Schedule 1 of FEES if it were an applicant for a full Licence; and (b) the application fee under table 8.2 of Schedule 8 of FEES.
Market Activities	A migration fee equal to the difference between: <ul style="list-style-type: none"> (a) the application fee which would be payable under table 1.1 of Schedule 2 of FEES if it were an applicant for a full Licence; and (b) the application fee under table 8.2 of Schedule 8 of FEES.
<u>Regulated and Market Activities</u>	A migration fee equal to the difference between: <ul style="list-style-type: none"> (a) <u>the application fee which would be payable under FEES 1.2.2-1; and</u> (b) <u>the application fee under table 8.2 of Schedule 8 of FEES.</u>

(...)

SCHEDULE 10: LATE FEES PAYABLE TO THE AFSA*

10.1 Late fees for failure to provide notification, report or return

A Person falling within FEES 7.1 must pay to the AFSA a late fee in the amount of 300 USD ~~within 3 business days after the contravention occurs, if the Person fails to provide notification, report or return within 3 business days after it has committed a contravention.~~ Non-payment of the late fee within 30 calendar days incurs a further late payment fee equal to 10% of the late fee for each calendar day.

10.2 Late fees for failure to comply with direction issued by the AFSA

A Person falling within FEES 7.4 must pay to the AFSA a late fee in the amount of 300 USD ~~within 3 business days after the contravention occurs, if the Person fails to comply with direction issued by the AFSA within 3 business days after such failure.~~ Non-payment of the late fee within 30 calendar days incurs a further late payment fee equal to 10% of the late fee for each calendar day.

(...)

SCHEDULE 11: LATE FILING FEES PAYABLE TO THE REGISTRAR OF COMPANIES*

~~101. A Person failing to provide annual return, annual confirmation statement or annual accounts to the Registrar of the Companies within the periods specified in the AIFC Companies Regulations~~
A Person falling within FEES 7.6 must pay to the Registrar of Companies a late fee in the amount of 50 USD ~~within 5 business days after the contravention occurs, if the Person fails to provide annual return, annual confirmation statement or annual accounts within 5 business days after it has committed a contravention.~~ Non-payment of the late fee within 30 calendar days incurs a further late payment fee equal to 5% of the late fee for each calendar day.

*Late filing fees for failure to provide annual return, annual confirmation statement or accounts in relation to each financial year payable to the Registrar of Companies are applied from 1 April 2023.