



**DIFC**

**CONSULTATION PAPER NO. 2**

September 2011

---

**Amendments to the DIFC Operating Regulations**

---

# Amendments to the DIFC Operating Regulations

---

## CONSULTATION PAPER NO. 2

### Amendments to the DIFC Operating Regulations

#### Why are we issuing this paper?

1. This Consultation Paper seeks public comment on DIFCA's proposals to amend the DIFC Operating Regulations.

#### Who should read this paper?

2. The proposals in this Consultation Paper would be of interest to non-profit organisations currently operating or intending to operate in or from the DIFC and its legal advisors.

#### How to provide comments

3. All comments should be provided to the person specified below. You may, if relevant, identify the organisation you represent in providing your comments. DIFCA reserves the right to publish including on its website any comments you provide, unless you expressly request otherwise at the time of making comments.

#### What happens next?

4. The deadline for providing comments on this proposal is 9<sup>th</sup> October 2011. Once we receive your comments, we will consider if any further refinements are required to this proposal. We will then proceed to issue the changes to the DIFC Operating Regulations. Because this is still a proposal, you should not act on them until the relevant changes to the DIFC Operating Regulations are made. We will issue a notice on our website advising you when this happens.

#### Comments to be addressed to:

**Roberta Calarese**  
**Chief Legal Officer**  
**Legal Affairs**  
**DIFC Authority**  
**Level 14, The Gate, P. O. Box 74777**  
**Dubai, UAE**

or e-mailed to: [roberta.calarese@difc.ae](mailto:roberta.calarese@difc.ae)

## Amendments to the DIFC Operating Regulations

---

### Defined Terms

5. Defined terms are identified throughout this paper by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the. Unless the context otherwise requires, where capitalisation of the initial letter is not used, the expression has its natural meaning.

### Background

6. At the time when the DIFC Operating Regulations came into force there were no non-profit organisations operating in the DIFC. The fees prescribed were based on the fact that DIFC companies were carrying on business and as such were adequate for that purpose.
7. To date a number of non-profit organisations have established in the DIFC but find that the applicable fees are too high and not in line with other peer jurisdictions which host this kind of organisations. The high level of fees acts as a deterrent for such organisations to continue to operate in the DIFC and also for new organisations wishing to establish a presence in the DIFC.
8. Given that these types of organisations assist the DIFC in fulfilling its vision of becoming a global financial as they support and develop relevant industries, set best practice standards and act as a forum for discussion, it is the DIFC Authority's view that fees should be set at an adequate level taking into consideration international benchmarks.
9. The current fees applicable to a DIFC registrant operating a corporate office are set at \$12,000. The DIFC Authority is proposing to introduce a new category of fees for a Commercial Licence and its renewal for non-profit organisations set at \$1000.

### Legislative Proposal

10. The legislative proposal is attached at Annex 1.

### Proposed amendments

11. We provide below an explanation of the changes made to the DIFC Operating Regulations.
12. **Regulations 2.1.6 and 2.1.7 Commercial Licence Fee Table**

We have amended the two tables to prescribe a fee for the Commercial Licence and its renewal for non-profit organisations the level of the Commercial Licence fee and the Renewal fee at \$1000.