

# Regulation

# Fees and Penalties

## Table of Contents

<b>Introduction</b> .....	3
<b>1 Pricing principles</b> .....	4
<b>2 Clearing and settlement fees</b> .....	4
2.1 Family treatment for clearing fee.....	6
2.2 Clearing fee Structured Products and Subscription Rights .....	6
<b>3 Settlement fee</b> .....	7
<b>4 General</b> .....	8

## Introduction

This Regulation is enacted pursuant to articles 2.2, 3.13.3 and 3.14.1 of the Clearing Rule Book.

Capitalised terms used in this Regulation, and not otherwise defined herein, shall have the meaning ascribed thereto in the Clearing Rule Book.

This Regulation applies as of 1 January 2020.

Changes to this Regulation will be implemented in accordance with the EuroCCP Procedure Changes to Clearing Rules as published on EuroCCP's website, without prior consultation, after a notice period of 30 calendar days.

## 1 Pricing principles

- Clearing fees are charged per execution, on a monthly basis.
- Settlement fees are set to cover the costs incurred from CSDs and settlement agents, together with the internal costs of EuroCCP.
- Fail fees, details of which are described below in section 3 of this Regulation, are expected to generate a surplus due to the inclusion of the deterrent handling fee resulting from the obligations imposed on CCPs by the EU Short Selling Regulation.
- The buy-in administration fee is based on EuroCCP's administrative costs.
- Fees incurred due to the operation of the Interoperability Fund at Clearstream Banking S.A. will be passed on to Clearing Participants that make Deposits in the Interoperability Fund.
- All fees will be charged in Euro.

## 2 Clearing and settlement fees

A tiered banded clearing fee schedule for Order Book and Off Order Book transactions per execution will be applicable **based on the number of active markets and average trade volume per day**.

- A set clearing fee per trade will be charged based on the number of active markets and average daily trading volume.
- The number of active markets will be determined by the number of active CSDs where there is activity during the billing month.
- Average daily volumes shall be calculated by the total monthly trade volume divided by the number of business days.

Average Daily Volume
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Markets	1-2,500	2,501-12,500	12,501-45,000	45,001-250,000	250,001-400,000	400,001-550,000	550,001-900,000	900,001-1,200,000	1,200,001-1,500,000	1,500,001 +
1	0.06	0.05	0.03	0.0225	0.015					
2										
3										
4										
5	0.055	0.04	0.025	0.02	0.013					
6										
7										
8										
9	0.05	0.03	0.0225	0.015	0.011	0.0075	0.0065	0.006	0.0045	0.0035
10										
11										
12										
13	0.04	0.025								
14										
15+										

#### Deutsche Börse clearing fee supplement

A supplementary clearing fee of € 0.01 will be charged for each trade sent by Deutsche Börse to EuroCCP, which is the allocation of EuroCCP's costs charged by Deutsche Börse for accessing the trade feed.

#### Platform access connectivity fee

A platform access connectivity fee of € 0.001 per trade will be charged across all trades cleared by EuroCCP, however capped for clients exceeding the average daily trading volume of 1,000,000 trades. This fee is implemented to cover EuroCCP's costs to obtain access to new platforms.

#### Off order book clearing fee

The Off Order Book clearing tariff applies to transactions executed outside the order book of an Exchange and to those transactions submitted by a Platform or Clearing Participants. Off Order Book trades will be charged as per the banded fee table in conjunction with on exchange activity.

In response to changes in trading patterns, Off Order Book trades received over a value of €50,000 and capped to a value of €1mn will incur an additional basis point charge of 0.025bps (1/40th of a basis point) on the value of the trade.

Acknowledging the different risk profiles of intercompany trades, trades between two entities of the same trading member will be charged a flat Off Order Book clearing fee of €0.05 per trade leg.

Example:

Trade Value	Fee
€50,000	€0.125
€100,000	€0.25
€500,000	€1.25
€1,000,000	€2.50

### **Preferred Clearing**

Clients that activate preferred clearing for either the Exchange Euronext, Borsa Italiana and Deutsche Börse shall qualify for a 5% discount on clearing fees for all activity on the active market (CSDs).

Example:

Clients wishing to go live with Euronext France will receive a 5% discount on all clearing fees for the French market and this discount will apply to activity across all trade venues for that particular market. The maximum discount that can be achieved is 5% for each individual market. The discount does not apply to Off Order Book activity basis point charges.

Example:

If a client activates Euronext Paris and is on the €0.0065 band per trade, the client will receive a discount of 5% on the band. For all French trades, they will be charged €0.006175 per trade.

## **2.1 Family treatment for clearing fee**

For those Clearing Participants which belong to the same consolidating legal entity, the executions will be added together before the tiered clearing fee schedule is applied.

Those entities who wish to be considered for family pricing arrangements must (1) jointly apply to request EuroCCP for family pricing and (2) demonstrate the family relationship. EuroCCP will review any requests within 5 business days and the rebate will apply as from the first of the month following the month in which family arrangements are agreed.

## **2.2 Clearing fee Structured Products and Subscription Rights**

A separate clearing fee per execution will apply for the clearing in Structured Products and tradable Subscription Rights. The clearing fee will be €0.10 per execution.

### 3 Settlement fee

Market Segment	Settlement fee per net settlement instruction, including funding costs (EUR)	Remarks / other fees
Austria	1.50	
Belgium	1.50	
Czech Republic	15.10	
Denmark	3.10	
Netherlands	1.50	
Finland	2.75	
France	1.50	
Germany	1.50	
Germany	4.70	Settlements via Clearstream Banking Frankfurt
Hungary	7.95	
IDRs	7.00	
Ireland	0.91	
Italy	1.50	
Luxembourg	7.00	Settlements via Euroclear Bank
Norway	2.50	
Poland	6.50	
Portugal	1.50	
Spain	2.25	
Sweden	1.90	
Switzerland	1.05	
UK	0.91	
US	7.00	Settlements via Euroclear Bank

# = A surcharge of EUR€ 0.36 applies to each settlement in an interoperable security for those Clearing Participants that are active on interoperable markets and will be charged to all participants which make deposits in the interoperability fund.

## 4 General

### 4.1 Fail management fee

Fail management fees are charged for each failing settlement, for each business day the obligation to deliver or receive Securities remains unsettled, with charges being calculated per calendar month;

A fixed fail fee of €19,50\* per day per late settlement together with a variable fail fee of 100bp / 365 per day on the cash amount of the settlement will be charged to each Clearing Participant failing to deliver to EuroCCP. These fees will be charged as from the Intended Settlement Date until buy-in day (see Regulation Buy In for the timetables for each market).

After deduction of third party costs due to failed settlements charged by CSDs or Settlement Agents (with the exception of the daily third party fail costs in the CSD of Finland of €40), the ad valorem component – i.e. the 100bp / 365 per calendar day - will be held in a separate account within EuroCCP entitled “Settlement Efficiency Improvement Fund” (“SEIF”). Disbursements from the SEIF will only be made in consultation of the Advisory Board, consisting of EuroCCP’s Clearing Participants.

Clearing Participants who fail to receive securities due to a lack of funds or due to failure to instruct by the receiving Clearing Participant, will be charged for the funding costs (base interest rate + 1% over the effective settlement amount / 365 per day, multiplied by the number of days of failure) for this specific failure, per market.

\* Market makers registered by the LSE, SIX SIS, Euronext Dublin, Euronext main markets will pay a fixed fail fee of €2.50

The base interest rates used per currency are:

CHF	=	Cost of Fund
CZK	=	Cost of Fund
DKK	=	Cost of Fund
EUR	=	Cost of Fund
GBP	=	Cost of Fund
HUF	=	Cost of Fund
NOK	=	Cost of Fund
PLZ	=	Cost of Fund
SEK	=	Cost of Fund
USD	=	Cost of Fund

### 4.2 Buy-in

- (a) An administration fee of €50 will be charged to the Clearing Participant failing to deliver from the start of each buy-in procedure one day prior to the buy-in execution date (See Regulation Buy-in Procedure).
- (b) A buy-in execution / cash settlement fee of €150 will be charged to the failing Clearing Participant in case a buy-in is executed or cash settlement is performed.



#### 4.3 Manual pair-off requests

An administration fee of €25 will be charged for each individual manual settlement pair-off that is executed at the request of the Clearing Participant.

#### 4.4 Custody fee Collateral

Custody fees for collateral is a matter between the collateral custodian and the Clearing Participant involved. Any fees or costs levied by custodians or CSDs to EuroCCP for collateral services will be passed on to the Clearing Participant involved, without any surcharge.

#### 4.5 Custody fee Clearing Fund

No custody fee will be charged for bonds that have been deposited to cover a Clearing Fund Contribution.

#### 4.6 Collateral movements

Collateral movements will be free of charge.

#### 4.7 Cash settlement fee

If a Clearing Participant has opted for non-standard strange net handling (the standard way of strange net handling being that when a strange net occurs, all buys and sells will be aggregated and netted separately) and the netting process results in a cash settlement only (debit or credit without a securities settlement), a fee of €2.50 will be charged for each cash settlement.

If the amount of the cash settlement is below €10 or an equivalent in case of other securities (debit or credit), then no cash settlement will take place and no fee will be charged.

#### 4.8 Participant fees

The following participant fees will be charged by EuroCCP:

Participant type	Annual fee (EUR)
General Clearing Participant (GCP)	20.000
Direct Clearing Participant (DCP)	20.000
Trading Participant (TP)	3.500
Trading Participant for Off Book trades	3.600

The Participants fee is a fee expressed as an annual fee and charged monthly (1/12th of the annual fee) through the regular monthly invoice. The fee will be applicable irrespective of whether Participants have had any activity during the month, unless, in respect of a Participant who has been designated as inactive as referred to in article 4.2.9 of the Clearing Rule Book, such Participant has requested EuroCCP to waive the applicability of the fee for the period that the Participant is inactive. The participant fee for Trading Participants will be charged to the Clearing Participant. It will be charged for each Trading Participant for which the Clearing Participant has issued a Statement of Authority.

#### 4.9 Internalised trades

Internalised trades (trades where the buyer and seller are the same trading BIC) will be charged as any other executed trades and will contribute to the calculation of the overall fee band for the Clearing Participant.

#### 4.10 Invoicing

EuroCCP will invoice all fees on a monthly basis within the first ten (10) business days of the month thereafter. Due to the mandatory implementation of direct debit for invoicing, all clients will be direct debited on the final working day of the month in which the invoice is received

In accordance with article 2.2.3 of the Clearing Rule Book, a penalty may be charged when full payment of the invoiced amount is not received before the end of the month in which the invoice is received. This penalty will be €100 per invoice that remains unpaid. This penalty will be charged on the next regular invoice to the party involved.

#### 4.11 Real-time confirmation feed

EuroCCP is able to supply a Clearing Participant with a real-time feed of executions, after novation of these trades. The delivery of the data is free but the following charges apply for the lines.

- BT Radianz: The Clearing Participant will be charged directly by BT Radianz for this line.
- VPN: EuroCCP will charge a fee of €200 per month (connectivity to both data centres).

#### 4.12 Individual Client Accounts<sup>1</sup>

EuroCCP will provide the minimum level of segregation required (separate house and client position and collateral accounts) as part of its standard membership service. However, should a Clearing Participant require individual client accounts, EuroCCP will charge €500 per calendar month to cover the extra administration and monitoring required. The fee will be charged per individual client account. For the avoidance of doubt, due to the mandated requirement to maintain a segregated client account for Special Financial Intermediary (SFI) accounts in the Spanish market, these fees will be not be applicable to the Clearing Participants maintaining such accounts. If Clearing Participants wish segregated omnibus client collateral accounts or individual segregated client collateral accounts at the CSD level, EuroCCP will charge €500 per calendar month per account to cover the additional administration and monitoring required. The relevant CSD may also apply additional charges which EuroCCP will pass on to the clearing participant.

#### 4.13 V.A.T.

All fees mentioned in this Regulation are excluding V.A.T.

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<sup>1</sup> Reference is made to EuroCCP's disclosure under article 39 (7) of EMIR and disclosure under article 38 (6) of CSDR related to account segregation and portability offering as published on our website.