

# ***IMPORTANT NOTICE***

***European Central Counterparty Limited***



**#:** E#16-09  
**Date:** October 1, 2009  
**To:** All Participants  
**Attention:** Managing Partner/Officer;  
Manager, Operations Department;  
Manager, Treasury/Finance Department; Compliance Officer  
**From:** EuroCCP Product Management  
**Subject:** Clearance and Settlement of Depositary Receipts in Euroclear Bank

With the introduction of the clearing service for Depositary Receipts, EuroCCP is updating its Fee Schedule to reflect settlement occurring in Euroclear Bank. The revised Fee Schedule is attached to this notice.

Additions to the schedule include a new settlement charge for Euroclear Bank and details of the fee for Corporate Actions charges relating to Depositary Receipt instruments.

Questions on this notice can be directed to your EuroCCP Relationship Manager at +44 (0) 20 7650 1461 or to Rachel Tyler at +1 212 855 7613.

Trevor Spanner  
Chief Operating Officer

## Participation

Participant type	Annual fee
General Clearing Participant (GCP)	€ 15,000
Individual Clearing Participant (ICP)	€ 12,000
Non Clearing Firm (NCF)	€ 5,000

The Participation fee will be assessed monthly even though it is an annual fee. The monthly fee will be a simple division of 1/12 of the annual fee each month. EuroCCP will not prorate participation fees for those entities that join the organisation on a day other than the first of the month. This fee will be assessed regardless of whether the GCP/ICP has activity in a given month.

## Clearance and risk management

A combined clearing and risk processing fee will be charged for every trade received by EuroCCP on behalf of the ICP/GCP/NCF. The average fee per trade paid by a Participant will vary every month, as the actual calculation considers a Participant's average daily volume during the month in a tiered methodology. Refer to Appendix A. *Calculating Clearing and Risk Management Fees* of the *EuroCCP Fee Guide*.

	Average Number of daily sides		
	0 to 100,000	100,001 to 500,000	Over 500,000
Clearing and risk management processing, per side (based on volume)	€ 0.030	€ 0.010	€ 0.002

Fee	Amount	Conditions
Letter of Credit	€ 100.00	Per deposit/withdrawal
Custody Fee	0.6	Basis points per annum (for sovereign debt held at Euroclear UK & Ireland and Euroclear Bank only)
Spanish Processing Fee	€ 0.04	Per trade side

## Buy-ins

Buy-ins will be executed according to the schedule in the EuroCCP procedures. Parties failing to deliver to EuroCCP will be charged the cost of the execution of the buy-in (including brokerage and other fees if applicable). In the event that a buy-in cannot be executed, a cash compensation will be performed at 120% of the market value based on the last traded price, or the price of the outstanding transaction, whichever is the higher.

## Financing costs

The following will be allocated amongst Participants according to the proportion of the total value of short fails and late deliveries recorded by EuroCCP in any given calendar month:

- the total cost of funding currency needs due to settlements and EuroCCP box positions
- the costs of stock splitting (including EuroCCP's settlement agent's cancellation charge)
- the costs of corporate action adjustments and/or any fines charged by depositories on box positions or failed deliveries

The cut off for late deliveries, which could potentially vary by market, will be associated with the splitting process.

## Communications

Communications fees will be passed through at cost.

## Settlement schedule

Country	Settlement	Income payments <sup>a</sup>	Corporate actions <sup>a</sup>
Austria	€ 0.90 <sup>b</sup>	€ 15	€ 20
Belgium	€ 0.90 <sup>b</sup>	€ 15	€ 20
Denmark	DKK 35	DKK 113	DKK 150
Euroclear Bank	€ 4 <sup>c</sup> € 3	€15	€20
Finland	€ 4.50	€ 15	€ 20
France	€ 0.90 <sup>b</sup>	€ 15	€ 20
Germany	€ 0.90 <sup>b</sup>	€ 15	€ 20
Italy	€ 0.90 <sup>b</sup>	€ 15	€ 20
Netherlands	€ 0.90 <sup>b</sup>	€ 15	€ 20
Norway	NOK 35	NOK 125	NOK 165
Portugal	€ 0.90 <sup>b</sup>	€ 15	€ 20
Spain	€ 1.30 <sup>b</sup>	€ 15	€ 20
Sweden	SEK 8.2 <sup>b</sup>	SEK 138	SEK 184
Switzerland	CHF 1.32 <sup>b</sup>	CHF 24	CHF 32
UK and Ireland	£ 0.54 <sup>b</sup>	£ 10	£ 13

<sup>a</sup>Income payments and corporate actions fees will be assessed to both the long and short parties on failed deliveries.

<sup>b</sup>Out-of-pocket expenses (depository fees) will be added to the settlement and safekeeping fee when incurred.

<sup>c</sup>€4 for Depository Receipts

€3 for sovereign debt - posted as collateral for Margin and Guarantee fund coverage

## Miscellaneous settlement fees

Fee	Amount
Book transfers - account at EuroCCP's settlement agent	€ 1.00 per transfer
Funds transfers - account not at EuroCCP's settlement agent	€ 1.80 per transfer
Repair	€ 5 per repaired transaction
Cancellation	€ 3 per cancellation
Manual instruction	€ 10 per instruction
Settlement/Cross Fee - Spain	Varies <sup>1</sup>
Italian Depot Fee	Varies

<sup>1</sup> This fee is the summation of any stock exchange or Iberclear fees required to execute cross trades in Spain. The fee also includes commission charged by the broker used to execute the cross. These fees will be passed through to participants at cost.