

## **Disclosure of price and fees for clearing**

### **Introduction**

The European Market infrastructure Regulation (EMIR) entered into force on 16th Aug 2012. EMIR established specific requirements to which clearing members need to adhere where they clear derivatives on behalf of clients.

One such requirement is to provide transparency on the fees charged for clearing services as set out in MIR Article 38(1), which states that both Central Clearing Houses (CCPs) and their Clearing Members (CMs) shall publicly disclose the prices and fees ("Fees") associated with the services provided.

Under EMIR Article 39(7) there is a requirement for CCPs and clearing members to publicly disclose the levels of protection and the costs associated with the different levels of segregation they provide.

This document does not amend or vary any position of any agreement with us or otherwise affect the interpretation of any such agreement including any fee schedule that you have previously agreed or may agree with us in the future.

Further information regarding the levels of protection associated with the various levels of segregation available can be found on our EMIR disclosures page.

### **I. Purpose of This Document**

The purpose of document is to disclose the fees for the provision of clearing services for Financial instruments trades cleared for clients at a CCP authorised to clear financial instruments under EMIR. In addition, this document sets out the costs associated with the different levels of segregation that are available.

The exact Fees charged in respect of the provision of financial instruments clearing and related services will be agreed with each client and the terms and conditions governing the charging and payment of such fees will be documented in the client agreement and ancillary documentation between the client and Intermonte.

### **II. Pricing Considerations**

When calculating fees for clients a number of variable factors and criteria are considered. These factors may result in a client receiving a discount to the fees charged.

Alternatively, higher fees may be charged to clients that require more complex solutions.

Criteria used when calculating unit fees for the provision of clearing services for a client include, but are not limited to, the following:

### Cash Equity and Fixed income

#### **Lower unit fee**

High Volumes  
GCM Services required on few CCPs  
No margin call financing  
Right of re-using the collateral received  
Omnibus Segregated Account  
Mature Markets  
Provision of clearing & settlement service  
Standard (STP) service  
Low operational risk  
Default fund paid by the client  
Capped Default Fund  
High client credit rating  
Wide client relationship with Intermonte  
Standard activity

#### **Higher unit fee**

Low Volumes  
GCM Services required on many CCPs  
Margin call financing  
No right of re-using the collateral received  
Individually Segregated Account  
Emerging Markets  
Provision of clearing only service  
Bespoke service  
High operational risk  
Default fund not paid by the client  
Non capped Default Fund  
Low client credit rating  
Low client relationship with Intermonte  
Repo activity

### Listed Derivatives

#### **Lower Charge**

High Volumes  
Mature Markets  
Reusable collateral  
Standard Reporting  
Omnibus Segregated Account  
Market price  
DMA execution  
No EMIR reporting

#### **Higher Charge**

Low Volumes  
Emerging Markets  
Collateral transformation  
Customised Reporting  
Individually Segregated Account  
Average price  
Voice execution  
EMIR Reporting to Trade Repository

### III. Client Clearing fees

For provision of clearing service by Intermonte for securities and derivatives trades cleared for client at a CCP under EMIR.

#### Intermonte fees

Fees for the provision of clearing services on the **CC&G** (the sole CCP to which Intermonte currently adheres as Individual Clearing Member) are detailed below.

The fee schedule included below is indicative only and remains subject to the criteria set out above under 'Pricing Considerations'.

The fees set out are exclusive of additional charges relating to the provision of segregated accounts. In addition to the fees charged by Intermonte, clients will be required to meet charges levied by third parties for the provision of clearing services, as set out below.

The exact basis of the fees will be agreed with each client, in accordance with the terms of the client clearing agreement.

<b>Fee Type</b>	<b>Standard Fee Charged<sup>1</sup></b>
<u>Cash Equity and Fixed income</u>	
Transaction Charge	EUR 2 per cleared execution
<u>Listed Derivatives</u>	
Transaction Charge	EUR 2 per cleared lot
Margin Financing	current benchmark index plus 200bps

#### Third Party fees

In addition to the fees charged by Intermonte for the provision of clearing services, clients are required to meet any charges levied by third parties and incurred by Intermonte in relation to their cleared transactions. These charges may include, but are not limited, to the following:

- CCP fees
- CSD fees related to clearing
- Regulatory charges
- Taxes
- Any other out-of-pocket expenses

<sup>1</sup> Subject to applying the criteria set out in 'Pricing Considerations' and the discount in section VII.

#### **IV. CCP Client Account Structures Fees**

EMIR Article 39(5) sets out a requirement for CCPs and clearing members to offer a choice to clients of Omnibus Segregated Accounts (“OSA”) or Individual Segregated Account (“ISA”).

Where clients elect to use an ISA, they will be subject to additional charges in relation to the provision of this type of account. These additional charges will not arise where they opt for an OSA.

A number of factors are taken into account when assessing the charges to be levied for the provision of an ISA, including but not limited to funding requirements, and operational and legal costs required to maintain these accounts. Clients should note that when selecting an ISA, they may also be subject to additional third party charges.

Intermonte reserves the right to change at any time and without notice the CCP Client Account Structure Fees described in this document and subject to the terms set out in the contractual agreement between the client and Intermonte.

#### **V. OSA fees<sup>2</sup>**

CC&G permits Clearing Members to enter in the following segregated accounts for positions and assets of their customers: a) a MOA account (Main Omnibus Account) automatically opened by CC&G at the time of the Clearing Member; b) AOA accounts (Additional Omnibus Account) opened at the request of the Clearing Member and dedicated to the segregated recording of positions and collateral of groups of customers.

No additional charges (but costs of EMIR reporting to Trade Repository) will be levied by Intermonte where clients opt for an MOA. Additional charges - 2.000 EUR both for set up fee (one –off) and maintenance fee (per year) - will be levied by Intermonte where clients require an AOA.

#### **VI. ISA fees<sup>2</sup>**

Additional charges will be levied by Intermonte where clients opt for an ISA.

Setup fee EUR 5. 000 one-off fee per ISA on CC&G.

Maintenance fee EUR 10 000 per year per ISA on CC&G.

The pricing considerations set out in Section II of this document will be applied when determining the CCP Client Account Structure Fee.

<sup>2</sup> Subject to applying the criteria set out in ‘Pricing Considerations’.

**VII. General discount for trading clients**

Intermonte does not charge any clearing fees (but costs of EMIR reporting to Trade Repository, if required) for transactions (on securities or derivatives) executed by Intermonte. This condition necessarily applies to all of the Company's customers, as currently Intermonte does not perform clearing activities separate from its trading activities.

**Should you require any further information, please do not hesitate to contact us**