

# Fee Disclosure Document for ETD

Natwest Markets N.V.



## Introduction

Regulation (EU) No 648/2012 on derivatives, central counterparties and trade repositories (known as the European Market Infrastructure Regulation or “EMIR”) entered into force on 16 August 2012. Article 38(1) and 39(7) of EMIR require that a central counterparty (“CCP”) and its clearing members shall publicly disclose the prices and fees associated with the services provided (including any discounts and rebates and any conditions to be met to benefit from such reductions) and levels of protection and the costs associated with the different levels of segregation.

This Fee Disclosure Document sets out NatWest Markets N.V. (“NWM”) indicative maximum fees for providing clearing services on the CCPs of which NWM is a direct clearing member.

This Fee Disclosure Document should be read in conjunction with NWM’s EMIR Article 39(7) Clearing Member Disclosure Document (“Disclosure Document”) which contains further information regarding the levels of protection that NWM offers clients in connection with clearing services and can be found at the link below: [https://www.nwm.com/media/4286/clearing-member-disclosure-document\\_nv.pdf](https://www.nwm.com/media/4286/clearing-member-disclosure-document_nv.pdf).

This Disclosure Document is provided for information purposes only. It is not a legally binding document and does not constitute part of any agreement or amend any provision of any agreement NWM has or may have with its clients.

## Explanation of charges

Please find set out below an explanation of the fees that NWM intend to charge for Exchange Traded Derivatives (“ETD”). These fees are based on the highest charge applied to the provision of each individual clearing service. These charges are in addition to any (i) Exchange, clearing house (“CCP”) or agency fees charged to NWM or (ii) any tax or regulatory levy imposed by any competent authority where applicable. Please see the relevant CCP website for costs charged by any such CCP.

Discounts to these fees may be available. The table below tries to identify which factors will tend towards the highest price and which factors, either separately or taken together, indicate that a discount might be available. Please note this is not an exhaustive list:

| Factors which suggest a discount to the highest fee quoted will be available | Factors which suggest smaller discounts may be available (if any) |
|--|---|
| Mature/STP markets   | Non-STP markets   |
| Electronic execution   | Voice execution   |
| Cash collateral  | Non-cash collateral   |
| STP allocations  | Average pricing   |
| Standard reporting   | Bespoke reporting   |
| High trading volumes   | Low trading volumes   |
| Omnibus account  | Individual segregated account                                     |
| Eligible collateral  | Physical delivery   |
| Cash settlement  | Complex account structure   |
| Single account   | Single currency margining   |
| Underlying settlement  |   |
| Underlying settlement Currency   |   |

In addition to these factors, a client may benefit from a discount or a reduction in fees depending on other factors such as a client's wider relationship within the NWM group, a client's credit rating, and overall revenue opportunity.

For each CCP which is authorised or recognised under EMIR and on which NWM operates as a direct clearing member clients will need to elect, in writing, in accordance with Article 39 (5) of EMIR, whether they require an individual segregated account ("ISA") or an omnibus segregated account ("OSA"). Some of the CCPs may offer different types of accounts with different levels of segregation within these two types of accounts. Where NWM is a full clearing member at a CCP, NWM will offer at least one account of each these two types. This Disclosure Document also applies where a set of contractual relationships between a CCP, clearing member, client of a clearing member and indirect client allow the client of a clearing member to provide clearing services to an indirect client ("Indirect Clearing Arrangement"). In relation to these Indirect Clearing Arrangements, indirect clients will have a choice between a basic/net omnibus indirect clearing account and a gross omnibus indirect clearing account. For the purposes of pricing, such accounts are treated the same as OSAs.

## Description of fees

NWM's maximum fees for clearing services are set out below for ETD. These charges are in addition to (i) any applicable exchange and/or clearing house fees or charges or agent fees and (ii) any tax or fee imposed by any competent authority where applicable.

NWM charges will be comprised of the type of fees set out below (where applicable), subject to the minimum fee (as defined below).

### **1. New Transaction Fee**

This is the basic commission fee charged on a per lot or transaction basis. It is applicable to both OSA and ISA. New Transaction Fee for ETD will be up to €4.50 per lot.

### **2. Risk Fee**

NWM will apply a fee to cover the capital funding impact of supporting your clearing activity. This fee will be up to 0.5% per annum of the initial margin requirement in respect of your ETD portfolio.

### **3. ISA Fee**

Where the type of account chosen is an ISA as opposed to an OSA, NWM will incur additional costs in order to support such ISA. NWM fee for each ISA per CCP in respect of ETD will be an amount up to €4500 per month. Any charge applied by a CCP (account maintenance fee, overdraft interest fee, credit and debit interest) will also be passed through and charged to clients.

### **4. Minimum Fee**

Clients are required to show minimum revenue threshold, currently set at €100,000 in order for NWM to provide ETD clearing services. This will imply that a minimum fee per month may apply to a client's clearing activity across all CCPs. This minimum fee will be an amount up to €11,000 per month in respect of ETD.

### **5. Negative Interest Rate Charges**

Where a CCP applies negative interest rates on cash collateral balances, the debit interest will be passed through without adjustment.

## Other fees

The fees set out above do not include any charge that may apply in respect of additional services that NWM may provide in relation to the clearing services either for ETD, including but not limited to, funding of margin, collateral transformation or single currency margining. These additional services will be charged separately and on a case by case basis.

| Type of fee (all accounts)                          | Amount  |
|---|---|
| New Transaction Fee                                 | ETD: €4.50 per lot  |
| Risk Fee  | ETD: 0.5% per annum of the initial margin requirement<br>Amount accrued on a daily basis and invoiced monthly                                     |
| Minimum Fee   | ETD: €11,000 per month (applicable where the aggregate of all other fees in respect of ETD per month across all CCPs does not exceed this amount) |
| ISA Fee (Individual Segregated Account Client only) | ETD: €4,500 per month per account   |

Please note that pricing and charges are indicative and subject or amendment from time to time.

Other services additional to clearing services such as single currency margin and funding fees will fall outside of the above and will be negotiated separately.

## Disclaimer

This communication has been prepared by NWM. This pricing information ("NWM Clearing Fees") is indicative only of the highest charges applied to specifically to the clearing services which NWM is able to provide where NWM acts as a direct clearing member and is subject to change without notice. It should be understood that the NWM Clearing Fees covers only the specific clearing fees listed herein. Other services may be provided on a discretionary basis where requested by a client and where the client requests and NWM agrees to provide such additional discretionary services those will be priced separately and it should be understood that the highest price does not include those additional discretionary services. NWM Clearing Fees are provided for information purposes only and do not create any binding obligations on NWM. The provision of this information does not constitute, and is not intended to constitute, an offer, or a solicitation of an offer, and is not a recommendation to engage in any clearing activity. The NWM Clearing Fees do not constitute advice as to the value of the relevant financial instrument and should not be relied on for accounting, valuation, tax or any similar purpose. This document is intended to provide general information. NWM will not act and has not acted as your legal, tax, regulatory accounting or investment adviser nor does it owe any fiduciary duties to you in connection with any type of clearing transaction and no reliance may be placed on NWM for investment advice or recommendations of any sort in relation to the NWM Clearing Fees. The information contained in this document is based on the highest charge that will apply so does not necessarily represent the actual clearing fees that you will pay. It is provided to give you a basis on which to compare prices across clearing members. However, any such comparison will only be accurate to the extent that other clearing members provide prices on a similar basis. NWM makes no representations or warranties with respect to the actual cost of clearing and disclaims all liability for any use you or your advisers make of the contents of this document. However this shall not restrict, exclude, or limit any duty or liability to any person under any applicable laws or regulations of any jurisdiction which may not lawfully be disclaimed.

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July 2020