

# NZX Clearing Participant Fee Schedule

Effective 1 July 2017



# Contents

|  |           |
|--|-----------|
| <b>1. Introduction</b> .....                           | <b>3</b>  |
| <b>2. Key changes from the previous schedule</b> ..... | <b>4</b>  |
| <b>3. Contact Details</b> .....                        | <b>5</b>  |
| <b>4. Membership Fees</b> .....                        | <b>6</b>  |
| <b>5. Transaction Fees</b> .....                       | <b>7</b>  |
| <b>6. Technology Fees</b> .....                        | <b>13</b> |
| <b>7. Market Oversight Recoveries</b> .....            | <b>16</b> |

## Disclaimer:

The information contained in this Fee Schedule is a guide only. All Participants on any NZX Market must comply with the relevant Rules, and this document is not a substitute for those Rules. NZX Clearing will determine, in its sole discretion, whether any Participant or potential Participant meets the requisite criteria to become and remain a Participant. Persons wishing either to trade in any products available on an NZX Market or who wish to offer products via an NZX Market to others should consider both their legal and regulatory position, including the relevant Rules, and the risks associated with such products before doing so. No part of this publication may be redistributed or reproduced in any form or by any means or used to make any derivative work without written permission from NZX Clearing. NZX Clearing (including its parent company directors, officers, employees and contractors) shall not be liable (except to the extent required by law) for the use of the information contained herein however arising in any circumstances connected with actual trading or otherwise. NZX Clearing is not responsible for any errors or omissions contained in this publication. This publication is for information only and does not constitute an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any other transaction. All information, descriptions, examples and calculations contained in this publication are for guidance purposes only, and should not be treated as definitive.



# 1. Introduction

The purpose of this Participant Fee Schedule is to outline pricing and charges for New Zealand Clearing Limited ("NZCL") and New Zealand Depository Limited ("NZDL") Participants ("NZX Clearing Participants").

The changes to this schedule will apply from 1 July 2017. Any changes that occur will be notified in a revised and consolidated fee schedule placed on the NZX website under <http://www.nzclearingcorp.com/additional-information>.

Indicative item codes that will appear on invoices are included in square brackets throughout this fee schedule where appropriate.

All fees stated in this Fee Schedule are in New Zealand dollars, unless stated otherwise, and are GST exclusive. GST will be added to fees where GST is payable. NZX Clearing reserves the right to adjust all fees in this Schedule. All fees are payable on the 20th day of the following month after the date of invoice. Interest will be charged on any overdue invoice at the current IRD use of money interest rate.

The applicable fees will be determined by NZX Clearing at its discretion.



## 2. Key changes from the previous schedule

| Section Number | Description of Change  | Page Number |
|----------------|--|-------------|
| 5.             | Adjustment of depository fees in both securities settlement and movement | 10          |



### 3. Contact Details

Any queries regarding the NZX Clearing Participant Fee Schedule should be directed to NZX Clearing as per the contact details below.

#### **New Customer and General Enquiries**

Email: [clearing@nzx.com](mailto:clearing@nzx.com)

Phone: +64 4 495 2825

Postal Address:

NZX Clearing

Level 1, NZX Centre, 11 Cable Street

PO Box 2959, Wellington 6140

#### **Billing Enquiries**

Email: [accountsreceivable@nzx.com](mailto:accountsreceivable@nzx.com)

Phone: +64 4 495 5053

Postal Address:

NZX Accounts, NZX Limited

Level 1, NZX Centre, 11 Cable Street

PO Box 2959, Wellington 6140



## 4. Membership Fees

### A. Annual Membership Fees

Annual Membership Fees are invoiced on 1 July for the following 12 months to 30 June and are non-refundable either in whole or in part if the Participant ceases to be an NZX Clearing Participant during that period. For newly accredited NZX Clearing Participants, the annual fee is billed on a pro-rata basis upon accreditation. Any part month is counted as a full month.

| Participants   | Onshore Participant   | Offshore Participant (USD)  |
|--|---|---|
| <b>Clearing Participants</b>   |   |   |
| Cash Market - Individual Clearing Participant <sup>1</sup><br>[CHO151 / CHO155]          | \$23,300  | \$18,700  |
| Cash Market - General Clearing Participant <sup>2</sup><br>[CHO152 / CHO156]             | \$29,300  | \$23,500  |
| Derivatives Market - Individual Clearing Participant <sup>1</sup> [CHO153 / CHO157]      | \$21,500  | \$17,200  |
| Derivatives Market - General Clearing Participant <sup>2</sup><br>[CHO154 / CHO158]      | \$27,000  | \$21,600  |
| <b>Depository Participants</b>   |   |   |
| Depository Participants - Base Fee <sup>3</sup> [CHO159 / CHO160]                        | \$6,800   | \$5,440   |
| Depository Participant - Legal Title Transfer (additional to base fee) [CHO163 / CHO164] | \$6,800   | \$5,440   |
| Additional depository sign on [CHO161 / CHO162]  | \$270 per annum (for each additional sign-on, beyond two free sign-ons) | \$188 per annum (for each additional sign-on, beyond two free sign-ons) |
| NZX Clearing Approved registry [CHO165 / CHO166]   | \$27,500  | \$22,000  |

<sup>1</sup> Individual Clearing Participants with an existing accreditation in either the cash market or the derivatives market only pay an annual membership fee of \$10,000 to be accredited in the alternate market.

<sup>2</sup> General Clearing Participants with an existing accreditation in either the cash market or the derivatives market only pay an annual membership fee of \$12,500 to be accredited in the alternate market.

<sup>3</sup> Individual and General Clearing Participant annual fee (cash and derivatives) includes the annual fee for becoming a Depository Participant.

## 5. Transaction Fees

### A. Clearing and Reporting

| Cash Markets          |  |
|-----------------------|--|
| Equity and Debt Trade | \$0.31 per trade [CHO401] plus: <ul style="list-style-type: none"> <li>• 0.3605 bps for daily value below \$8m [CHO402]</li> <li>• 0.3003 bps for daily value between \$8-\$20m [CHO403]</li> <li>• 0.1803 bps for daily value between \$20-\$32m [CHO404]</li> <li>• 0.1201 bps for daily value above \$32m [CHO405]</li> </ul> |

| Derivatives   |          |
|---|----------|
| USD Traded Derivatives - WMP, WMP Options, SMP, AMF, BTR              |          |
| <b>All USD Traded Derivatives (fees per lot per side):</b>            |          |
| Dairy Futures [CHO406 / CHO436 / CHO437 / CHO520]                     | US\$0.46 |
| Options on Dairy Futures [CHO495]                                     | US\$0.46 |
| <b>All USD Traded Derivatives (per trade):</b>                        |          |
| Give-up - includes between accounts and between Participants [CHO407] | US\$0.05 |
| Position Adjustment - Match-out / Close-out trade [CHO408]            | US\$0.11 |
| Match-out/closeout - Manual entry by Clearing House [CHO409]          | US\$4.43 |

| NZD Traded Derivatives - Equity Derivatives and NZ Milk Price Futures and Options |        |
|---|--------|
| <b>Equity Derivatives (fees per lot per side)</b>                                 |        |
| Index Futures [CHO506]  | \$0.74 |
| Equity Options [CHO505]   | \$0.56 |
| <b>Equity Derivatives (per trade)</b>   |        |
| Give-up - includes between accounts and between Participants [CHO507]             | \$0.06 |
| Position Adjustment - Match-out / Close-out trade [CHO508]                        | \$0.13 |
| Match-out/closeout - Manual entry by Clearing House [CHO509]                      | \$5.53 |

| <b>NZ Milk Price Futures and Options (fees per lot per side)</b>      |        |
|---|--------|
| Milk Price Futures [CHO606]   | \$0.65 |
| Options on Milk Price Futures [CHO605]                                | \$0.65 |
| <b>NZ Milk Price Futures and Options (per trade)</b>                  |        |
| Give-up - includes between accounts and between Participants [CHO607] | \$0.07 |
| Position Adjustment - Match-out / Close-out trade [CHO608]            | \$0.15 |
| Match-out/closeout - Manual entry by Clearing House [CHO609]          | \$6.15 |

## B. Settlement and Exercise

| <b>Cash Markets</b>             |   |
|---------------------------------|---|
| Equity and Debt Trades [CHO410] | \$1.56 per security line per settlement batch |

| <b>Derivatives</b>  |          |
|---|----------|
| <b>USD Traded Derivatives - WMP, WMP Options, SMP, AMF, BTR</b> |          |
| <b>USD Traded Derivatives (all fees per lot per side)</b>       |          |
| Dairy Futures [CHO411]  | US\$0.45 |
| Option exercise/assignment [CHO449]                             | US\$1.00 |

| <b>NZD Traded Derivatives - Equity Derivatives and NZ Milk Price Futures and Options</b> |        |
|--|--------|
| <b>Equity Derivatives (all fees per lot per side)</b>                                    |        |
| Index Futures [CHO511]   | \$0.54 |
| Option exercise/assignment [CHO549]  | \$1.00 |
| <b>NZ Milk Price Futures and Options (fees per lot per side)</b>                         |        |
| Futures Settlement [CHO611]  | \$0.65 |
| Option Exercise / Assignment [CHO649]  | \$1.40 |





## C. Settlement Penalties

These fees are based on the activity conducted.

| Cash Markets  |                         |
|---|-------------------------|
| Settlement Failure <sup>4</sup> [CHO412]  | \$559 plus 6bps per day |
| Corporate Actions Claims Process for Failed Obligations [CHO413]                  | \$320 per hour          |
| Buy-in Fee [CHO414]   | \$520                   |
| Close-Out Fee [CHO415]  | \$520                   |
| Derivatives   |                         |
| USD Traded Derivatives - WMP, WMP Options, SMP, AMF, BTR                          |                         |
| These fees apply to WMP, WMP Options, SMP, AMF, BTR                               |                         |
| USD Dairy Derivatives - Settlement Failure [CHO416]                               | US\$1,100               |
| NZD Traded Derivatives - Equity Derivatives and NZ Milk Price Futures and Options |                         |
| Equity Derivatives - Settlement Failure [CHO516]                                  | \$1,320                 |
| NZ Milk Price Futures and Options - Settlement Failure [CHO616]                   | \$1,570                 |

<sup>4</sup> Based on the absolute value of each settlement obligation outstanding past the assigned settlement date. NZX Clearing reserves the right to charge on an hourly basis for NZX Clearing staff involved in settlement recovery at the urgent rate of \$450 per hour.



## D. Depository

| Securities Settlement and Movement                                 |                                    |
|--|------------------------------------|
| NZD Uplift [CHO420]  | \$2.00                             |
| Pre/Post settlement Movement of NZX-listed Securities [CHO417]     | \$3.40<br>per side per transaction |
| Pre/Post settlement Movement of Non NZX-listed Securities [CHO418] | \$4.00<br>per side per transaction |

| Cash Movements  |                       |
|---|-----------------------|
| <b>Cash Movements - NZD</b>   |                       |
| Deposit and withdrawal of funds before 9.30am and after 4.00pm - Using SCP switch [CHO424]                | \$10.50 per day       |
| Deposit and withdrawal of funds before 9.30am and after 4.00pm - Using NZClear switch [CHO425]            | \$26.50 per day       |
| Cash transfer - between depository accounts (either within a participant or across participants) [CHO426] | \$0.75 per transfer   |
| Surcharge on cash withdrawals between 9.30am and 4.00pm (using SCP switch) [CHO427]                       | \$10.50 per transfer  |
| Surcharge on cash withdrawals between 9.30am and 4.00pm (using NZClear) [CHO428]                          | \$26.50 per transfer  |
| <b>Cash Movements - USD</b>   |                       |
| Deposit and withdrawal of funds [CHO442]  | US\$10.00 per day     |
| Cash transfer - between depository accounts (either within a participant or across participants) [CHO443] | US\$0.75 per transfer |



## E. Margin Related

|   | Onshore Participant             | Offshore Participant (USD)      |
|---|---------------------------------|---------------------------------|
| Cash Collateral Fee (fee for managing cash collateral balances) [CHO429, CHO438]                            | 100 bps per annum charged daily | 100 bps per annum charged daily |
| Margin Call Fee (where margin balance falls below margin requirement) [CHO430 / CHO439]                     | \$32.50 per call                | USD \$32.50 per call            |
| Collateral Release Fee (where clearing collateral release request processed successfully) [CHO440 / CHO441] | \$12.00 per release             | USD \$12.00 per release         |
| Failure to meet margin call within required timeframe [CHO450 / CHO451]                                     | \$559                           | USD \$559                       |

## F. Stock Lending<sup>6</sup>

| Description                          | Fee                          |
|--------------------------------------|------------------------------|
| Borrowing (minimum one day) [CHO432] | OCR plus 52 bps (per annum)  |
| Lending Fee Income [CHO431]          | OCR minus 51 bps (per annum) |

<sup>6</sup>NZD borrowing and lending fees are invoiced exclusive of GST.



## G. Clearing House Messages and Information Requests

Under the Rules, Trading Participants are required to confirm that their end client has legal title to the securities they are offering for sale. This is done through messaging from NZX Clearing infrastructure.

| Description  | Fee    |
|--|--------|
| Registry Transfers - NZX Listed Securities [SRI200 / SRI210 / SRI220 / SRI240 / SRI250 ] | \$0.82 |
| Registry Transfers - Unlisted Securities [CHO444 – CHO448]                               | \$2.99 |
| CSN Portfolio Balance Enquiry per line item returned [SRI370]                            | \$0.13 |

Registry transfers include client outward transfers, client inward transfers, owned outward transfers, owned inward transfer and delivery free of payment.

## H. SWIFT

| Interface Messages                                     | Fee          |
|--|--------------|
| Fee per message transmitted via SWIFT network [CHO320] | \$0.45       |
| Recovery of other SWIFT related fees                   | As per SWIFT |



## 6. Technology Fees

### A. Connectivity

The figures below represent indicative network installation and connectivity pricing. Final pricing is dependent on actual site locations, existing equipment, time and materials, fees from service providers and timing requirements. NZX Clearing Participants will be charged separately for access to and use of the testing environment, testing and training services and additional custom development dependent on the level of use and work required.

Where an NZX Clearing Participant has a connection with NZX, and has already paid for that connection, only additional connections or IT costs specifically in relation to a connection for NZX Clearing will be charged by NZX Clearing.

#### Installation Fees (One-off)

| Direct and Gateway Connection | Fees (Indicative only) |
|-------------------------------|------------------------|
| New Zealand [CHO301]          | \$1,000                |
| Australia [CHO302]            | \$1,300                |
| Asia [CHO303]                 | \$3,300 - \$5,000      |
| UK [CHO304]                   | \$4,300                |
| US [CHO305]                   | \$3,700                |

#### Monthly Connectivity Network Infrastructure Fee

NZX Clearing reserves the right to amend these fees annually based on participant and infrastructure capacity and usage requirements. The monthly connectivity fee includes the participant's share of core network usage, transmission and managed service and infrastructure costs.

| Direct and Gateway Connections                    | Fees (indicative only) |
|---|------------------------|
| Metro Circuits (Wellington and Auckland) [CHO306] | \$1,763 - \$2,118      |
| Other National Circuits [CHO307]                  | \$2,091 - \$2,628      |
| Direct Connection from overseas:                  |                        |
| Australia [CHO308]                                | \$3,017 - \$4,429      |
| Asia [CHO309]                                     | \$3,961 - \$4,429      |
| UK [CHO310]                                       | \$4,182 - \$4,661      |

|             |                   |
|-------------|-------------------|
| US [CHO311] | \$4,182 - \$4,661 |
|-------------|-------------------|

## B. Virtual Private Network (VPN)

| Service                          | Amount  | Description  |
|----------------------------------|---------|--|
| Base Connection sign-on [CHO318] | \$1,035 |  |
| VPN Monthly Fee [CHO319]         | \$450   | Fee for VPN connection, includes share of core network usage and transmission. |

NZX Clearing reserves the right to amend these fees annually based on participant and infrastructure capacity and usage requirements.

## C. Web Data

Subscribers to Web Data will be invoiced annually. Refer to the NZX Data price list for further information.

## D. IT Testing and Training Services

### IT Training for NZX Clearing Systems

Training to use NZX Clearing Systems may be required in order for users to be accredited by NZX Clearing Supervision. The fees below apply to training on NZX Clearing Systems.

In relation to the training required, NZX Clearing Participants may:

1. Appoint one individual to undergo training on NZX Clearing Systems. That individual will then be responsible for training all other employees of that NZX Clearing Participant; or
2. Request that NZX Clearing provides all of its training for NZX Clearing Systems.

| Duration                             | Amount  | Details                                      |
|--------------------------------------|---------|--|
| Full Day                             | \$1,800 | Training for a whole day                     |
| Half Day                             | \$900   | Training for half a day                      |
| Per hour (one hour minimum) [CHO323] | \$280   | Training for any length less than half a day |

### Participant Support Services

Use of NZX Clearing staff for assistance in ISV system development network changes, data development requirements and testing (outside the normal course of business) will be charged at the following rates:

| Rate                              | Amount                            |
|-----------------------------------|-----------------------------------|
| Standard Rate [CHO324]            | \$280 per hour (one hour minimum) |
| After Hours <sup>7</sup> [CHO325] | \$320 per hour (one hour minimum) |

<sup>7</sup>After hours includes Monday to Friday 1730 - 0800, weekends and New Zealand public holidays.

### Technical Testing and Conformance Services

NZX Clearing testing services are available for all NZX Clearing Participants, back office vendors, data distributors and ISV's. Additionally, actual costs incurred for travel and other expenses will be on-charged to the NZX Clearing Participant. NZX Clearing has sole discretion for the purpose of calculating any charge for conformance and testing services provided. Charges will be agreed and signed off before any work commences.

| Testing Type        | Amount          |
|---------------------|-----------------|
| Conformance Testing | \$2,100 per day |
| DMA Testing         | \$2,100 per day |

### Back Office System (BOS) Changeovers

NZX Clearing Participants will be charged a one-off \$5,175 administration charge if they wish to change their Back Office System (BOS) plus \$259 per hour for work completed by NZX Clearing inside normal business hours. Any work completed by NZX Clearing outside of normal working hours will be separately charged at \$311 per hour, after hours including Monday to Friday 1730 - 0800, weekends and New Zealand public holidays.

### Other Ad hoc Requests

| Rate          | Amount                            |
|---------------|-----------------------------------|
| Standard Rate | \$280 per hour (one hour minimum) |
| After Hours 8 | \$320 per hour (one hour minimum) |

<sup>8</sup>After hours includes Monday to Friday 1730 - 0800, weekends and New Zealand public holidays.

## 7. Market Oversight Recoveries

NZX Clearing requires that all NZX Clearing Participants provide details of their compliance with the applicable rule sets and their financial position on a monthly basis. If an NZX Clearing Participant has more than one category of participation, the highest applicable amount is paid, rather than the aggregate amount. Other NZX Participation Fees are found in the NZX Fee Schedule.

The annual membership fee for NZX Trading & Advising Participants which are also NZX Clearing Participants includes one annual on-site or desk based inspection, in respect of both accreditations. NZX Participants who are only NZX Clearing Participants will be charged the Market Oversight Recoveries detailed below.

Annual recoveries are invoiced quarterly three months in arrears on 1 January, 1 April, 1 July and 1 October of each year.

### A. Quarterly Compliance

| Participants                | Recoveries |
|-----------------------------|------------|
| Individual Clearer [CHO203] | \$725      |
| General Clearer [CHO204]    | \$725      |

### B. Desk Based Inspections

| Participants                             | Recoveries |
|--|------------|
| Individual Clearing Participant [CHO201] | \$8,065    |
| General Clearing Participant [CHO202]    | \$8,065    |

### C. On Site Inspections

NZX Clearing Supervision staff conduct onsite supervisory inspections of the business conduct, practices and systems of NZX Clearing Participants. Inspections are conducted by NZX Clearing Supervision staff and will be completed annually or at other intervals as determined by NZX Clearing Supervision. The hourly NZX Clearing charge includes NZX Clearing staff time spent in preparation for Participant visit times on site and subsequent reporting writing and follow-up activity.

|                                     | Recoveries            |
|-------------------------------------|-----------------------|
| Hourly rate for time spent [CHO205] | \$360 per hour        |
| Travel and Expense [CHO206]         | Actual costs incurred |



## D. Applications for Waivers & Exemptions

Applications are billed at an hourly rate, for actual time spent on any request regardless of the outcome. The rates applied are based on the urgency of the decision as indicated by the Participant at the time of the application. NZX Clearing endeavors to respond to all applications within the timeframe specified by the NZX Clearing Participant. However, accepting an application on urgency is not a guarantee that NZX Clearing will be able to accommodate the NZX Clearing Participant's requested timeframe.

| Time Frame   | Total Hourly Charge |
|--|---------------------|
| Standard Rate (10 or more business days) [CHO207]                        | \$360               |
| Priority Rate 1 (Decisions required in 6 to 9 business days) [CHO208]    | \$550               |
| Priority Rate 2 (Decisions required in 3 to 5 business days) [CHO208]    | \$710               |
| Priority Rate 3 (Decisions required in 2 business days or less) [CHO208] | \$940               |

