

EMIR

Mps Capital Services Banca per le Imprese S.p.a. (MPSCS)

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**Disclosure of prices and fees for clearing of Equity
Derivatives, Cash Equity and Fixed Income.**

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I. Background

The European Market Infrastructure Regulation (EMIR) of the European Parliament and of The Council of 4 July 2012 on OTC derivatives, central counterparties (CCPs) and Trade Repositories entered into force on 16 August 2012.

Some EMIR provisions effect changes in the legal and regulatory landscape for central counterparties in the EU (CCPs) and clearing members of such CCPs, establishing specific requirements to which clearing members need to adhere when they clear derivatives on behalf of clients.

As part of obligations under EMIR, clearing members are required to

- ✓ publicly disclose the prices and fees (“Fees”) associated with the clearing services they provide (including any discounts and rebates and the conditions to benefit from those reductions) (EMIR Article 38(1));
- ✓ offer its clients, at least, the choice between omnibus client segregation and individual client segregation and inform them of the costs and level of protection referred to in paragraph 7 associated with each option. The client shall confirm its choice in writing (Art. 39.5); and
- ✓ publicly disclose the levels of protection they offer to clients, in respect of account types, the corresponding degrees of segregation and the associated costs (EMIR Article 39(7)).

II. Purpose of the document

The purpose of this document is to provide you with information about MPSCS’ offer for clearing derivatives traded on “IDEM Equity” and cash equity and fixed income transactions (“Clearing Services”) within the framework of the EMIR and in relation to the Cassa Compensazione & Garanzia (“CC&G”) where MPSCS acts as Individual Clearing Member (“ICM”). In addition, this document sets out the costs associated with the different levels of segregation that are available.

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.

The exact Fees charged in respect of the provision of Clearing 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 MPSCS.

III. Pricing consideration

The cost for clearing services is not standard.

The fees reported below reflect the indicative charge applied to a client, but as with most clearers, our cost structure is client specific and the actual amount charged or discount applied to a client depends on a number of factors and variable criteria which may result in a client receiving a discount to the fees charged or, alternatively, higher fees may be charged to clients which require 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:

Lower unit fee	Higher unit fee
High Volumes	Low Volumes
No margin call financing	Margin call financing
Right of re-using the collateral received	No right of re-using the collateral received
Omnibus Segregated Account ¹	Individually Segregated Account ²
Mature Markets	Emerging Markets
Provision of clearing & settlement service	Provision of clearing only service
Standard (STP) service	Bespoke service (which includes transmission of instructions outside standard service deadlines)
Low operational risk	High operational risk
Default fund paid by the client	Default fund not paid by the client
Capped Default Fund	Non capped Default Fund
High client credit rating	Low client credit rating
Wide client relationship with MPSCS	Low client relationship with MPSCS
Standard activity	Repo activity

IV. MPSCS clearing Fees

Fees for the provision of Clearing Services on CC&G are detailed below. The fee schedule included below is indicative only and remains subject to the criteria set out above under ‘Pricing Considerations’.

Fee Type	Fee Charge
Transaction Charge	EUR 30 per cleared execution ³

The fees described above are applicable to both Omnibus Client Accounts and Individual Client Accounts, and are in addition to any exchange, CCP or other third party fees associated with the execution or clearing of the transaction, such as:

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

¹ See below under “CCP Client Account Structures Fees”.

² See below under “CCP Client Account Structures Fees”.

³ MPSCS may not charge any clearing fees for transactions executed by MPSCS directly.

The exact basis of the fees will be agreed with each client, in accordance with the terms of the client clearing agreement. Subject to this, MPSCS reserves the right to change at any time and without notice the Fees described in this document (which will be updated as appropriate) and subject to the terms set out in the contractual agreement between the client and MPSCS.

V. 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. MPSCS 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 MPSCS.

(a) OSA Fees

No additional charges will be levied by MPSCS where clients opt for an OSA.

(b) ISA Fees

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

Fee Type	Fee Charged
Account Maintenance fee	EUR 10 000 per month per ISA

The table reported above is in addition to any applicable CCP fees or charges, which the CCP requires for set up or maintenance of an Individual Client Account.

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

Should you require any further information, please do not hesitate to contact your MPSCS Relationship Manager.

* Please refer to the following website for the Clearing Fees on Cassa Compensazione & Garanzia (CC&G)
<http://www.lseg.com/areas-expertise/post-trade-services/ccp-services/ccg>

*Please refer to the following website for Borsa Italiana
<http://www.borsaitaliana.it/borsaitaliana/intermediari/guide-e-moduli/guide-e-contrattualistica.htm>

* Please note that pricing and charges are indicative and subject to changes or amendments from time to time, as MPSCS comes into possession of information from CCPs regarding their costs account types and other relevant information. Please note that other add-on services may incur additional fees.

Disclaimer

The information contained within this document is believed to be reliable but MPSCS does not warrant its completeness or accuracy. Opinions and estimates contained herein constitute MPSCS' judgment and are subject to change without notice. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Whilst this document will be helpful to you when making a decision about clearing services, this document does not constitute legal or any other form of advice and must not be relied on as such. This document is intended for discussion purposes only and does not create any legally binding obligations on the part of MPSCS. This document provides a high-level overview of pricing for clearing services. It does not provide all the information you may need to make your decision on which account type or level of segregation is suitable for you or what the precise charges will be to provide such levels of segregation to you. Please refer to your local sales contact at MPSCS for further information.

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