

# **NZX PARTICIPANT FEE SCHEDULE**

**Effective 1 July 2010**



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# LIST OF CURRENT PRICES, FEES AND REQUIREMENTS

## 1. INTRODUCTION

The purpose of the NZX Participant Fee Schedule is to outline pricing and charges for NZX Market Participants, NZX Derivatives Market Participants and NZX Futures and Options Participants (“NZX Participants”).

This NZX Participant Fee Schedule will apply from 1 July 2010 (except where otherwise stated). Any changes that occur will be notified to the market in a revised and consolidated fee schedule placed on the NZX website under [http://www.nzx.com/nzx\\_customers/market\\_participants/fees](http://www.nzx.com/nzx_customers/market_participants/fees).

All fees will be invoiced at the rates set out below, in New Zealand dollars, unless otherwise stated, and exclusive of GST. All fees are payable within 14 days of being invoiced and participants must pay GST on all fees. Interest will be charged on any invoice more than 20 days overdue at the current IRD use of money interest rate.

## 2. CONTACT DETAILS

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

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

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

Phone: +64 4 495 2825.

Postal Address:

NZX Market Supervision  
NZX Limited  
Level 2, NZX Centre, 11 Cable Street  
PO Box 2959, Wellington 6011

### **Billing Enquiries**

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

Phone: +64 4 495 5053.

Postal Address:

NZX Accounts  
NZX Limited  
Level 2, NZX Centre, 11 Cable Street  
PO Box 2959, Wellington 6011

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

### 3. MEMBERSHIP FEES

#### A. Application and Accreditation Fees

Becoming an NZX Participant involves an application and accreditation process. The accreditation process is performed by NZX Market Supervision staff at the time of application and before approval has been granted. In addition to the application fee, NZX reserves the right to charge additional accreditation fees at a rate of \$200 per hour if it is considered that the application required a higher level of analysis than normal. Application fees are payable upon lodgement of an application with NZX, regardless of the outcome.<sup>1</sup>

Existing NZX Trading Participants, as at 1 July 2010, are not liable for application fees to become Trading Participants for the cash market. However, applications to expand their Participant status in the future will be subject to the published fee schedule.

Participants	Onshore Participant	Offshore Participant (USD)
<b>Advising Participant</b>		
Advisor (including Associate Advisors, Futures & Options Advisors)	\$350	\$350
Advising Firm	\$7,000	\$5,000
Sponsors - Distributing and Underwriting, NZAX, NZDX and NZSX	\$7,000	\$5,000
<b>Trading Participant</b>		
Cash and Derivatives Market - Bank Only, Principal Book Only, Trading and Advising	\$7,000	\$5,000
Futures and Options - Firms and Introductory Brokers	\$7,000	\$5,000
NZX Trainer	\$1,000	\$1,250
NZX Dealer	\$1,000	\$1,250
Direct Market Access (per offering firm) <sup>1</sup>	\$7,000	\$5,000

<sup>1</sup> To offer Direct Market Access or DMA, firms must be accredited Trading & Advising Participants for the relevant market for which they will provide DMA services. There is an application fee associated with becoming a DMA provider given requirement to review systems and processes associated with providing DMA.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## B. Initial Admission Fees

Initial Admission Fees are charged by NZX on the successful accreditation of an NZX Participant in each of the categories detailed below.

Existing NZX Trading Participants, as at 1 July 2010, are not liable for initial fees to become trading participants for the cash market. However, applications to expand their participant status in the future will be subject to the published fee schedule.

NZX offers a Founding Partner Programme for Trading and Clearing Participants who join the NZX Derivatives Market within 6 months of the launch of the market. Please contact [markets@nzx.com](mailto:markets@nzx.com) for more information in respect of this programme.

Participants	Onshore Participant	Offshore Participant (USD)
<b>Advising Participant</b>		
Advisor (including Associate Advisors, Futures & Options Advisors)	\$350	\$350
Advising Firm	\$10,000	\$7,000
Distributing and Underwriting Sponsor	\$10,000	\$7,000
Sponsors - NZAX <sup>1</sup>	\$2,000	\$2,500
Sponsors - NZDX and NZSX <sup>1</sup>	\$12,500	\$8,750
<b>Trading Participant</b>		
Cash Market - Bank Only	\$30,000	\$21,000
Cash Market - Principal Book Only	\$30,000	\$21,000
Cash Market - Trading and Advising	\$40,000	\$28,000
Derivatives Market - Bank Only	\$45,000	\$32,000
Derivatives Market - Principal Book Only	\$45,000	\$32,000
Derivatives Market - Trading and Advising	\$55,000	\$38,000
Futures and Options Firm	\$10,000	\$7,000
Futures and Options Introductory Broker	\$5,000	\$3,500
NZX Trainer	\$1,000	\$700
NZX Dealer	\$1,000	\$700

<sup>1</sup> NZX Advising Firms and NZX Cash Trading Firms that choose to also be NZX Sponsors or NZX Distribution and Underwriting Sponsors are exempt from the separate NZX Sponsor or NZX Distribution and Underwriting Sponsor fees.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## C. Annual Membership Fees

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

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Participants	Onshore Participant	Offshore Participant (USD)
<b>Advising Participant</b>		
Advisor (including Associate Advisors, Futures & Options Advisors)	\$350	\$350
Advising Firm	\$10,000	\$10,000
Distributing and Underwriting Sponsor	\$12,500	\$7,000
Sponsors - NZAX (rebated if sponsor brings a company to market during the year)	\$2,500	N/A
Sponsors - NZDX and NZSX	\$12,500	N/A
<b>Trading Participant</b>		
Cash Market - Bank Only	\$30,000	\$21,000
Cash Market - Principal Book Only	\$30,000	\$21,000
Cash Market - Trading and Advising	\$40,000	\$28,000
Derivatives Market - Bank Only	\$45,000	\$32,000
Derivatives Market - Principal Book Only	\$45,000	\$32,000
Derivatives Market - Trading and Advising	\$55,000	\$38,000
Futures and Options Firm	\$25,000	N/A
Futures and Options Introductory Broker	\$25,000	N/A

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## 4. TRANSACTION FEES

The transaction fees included in the NZX Market Participant Fee Schedule as at 24 March 2009 will continue to apply until the New Zealand Clearing Corporation goes live, after which the transaction fees below will apply.

NZX offers an Aggregate Trading Fee Cap Program for Trading Participants in the cash equity market (details on the NZX website under [http://www.nzx.com/nzx\\_customers/market\\_participants/fees](http://www.nzx.com/nzx_customers/market_participants/fees)).

This program only applies to the cash equity market and does not include additional crossing fees or small marriage fees.

### A. Trading

	Fees
<b>Cash</b>	
Equity and Debt Trade	\$1.00 per side per trade plus 0.20 bps of the total trade value, capped at \$20
Additional crossings fee for Equity and Debt trades	
- less than \$50K	\$8.00
- greater than \$50k and less than \$100k	\$4.50
<b>Derivatives (all fees per lot per side)</b>	
<i>Agricultural Derivatives</i>	
Whole Milk Powder Future	
Trade Fee	US\$0.28
Block Trade Surcharge	US\$1.50
EFP (Exchange for Physical) / EFS (Exchange for Swap) surcharge	US\$1.50

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## B. Trade Penalties

Penalty charges apply to all NZX Participants for certain breaches of reporting and trade completion obligations. If any trade (including Crossings and Negotiated Deals) is cancelled, the Trading Participant (not the Clearing Participant) is liable for paying the cancellation fees.

	Fees
<b>Cash</b>	
Cancellation of on-market trade	\$20 per side
Cancellation of crossings	\$25 per side
Crossing outside the current quotes	\$500 per side
Negotiated Deal Cancellation	\$25 per trade
<b>Derivatives</b>	
Cancellation of trade	US\$500 per trade
Position limit breach (further penalties may also be imposed)	US\$1,500 per trade

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.



## 5. TECHNOLOGY FEES

The technology fees included in the NZX Market Participant Fee Schedule as at 24 March 2009 will continue to apply until the NZCC goes live, after which the technology fees below will apply.

### A. Connectivity

The figures below show 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 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.

#### Installation Fees (One-off)

Direct and Gateway Connection	Fees
New Zealand	\$1,000
Australia	\$1,300
Asia	\$3,300 - \$5,000
UK	\$4,300
US	\$3,700

#### Monthly Connectivity Network Infrastructure Fee

NZX reserves the right to amend these fees annually based on Participant and infrastructure capacity and usage requirements. Monthly connectivity fee include the Participant's share of core network usage, transmission and managed service and infrastructure costs.

Direct and Gateway Connections	Fees
Metro Circuits (Wellington and Auckland)	\$1,700-\$2,000
Other National Circuits	\$2,000-\$2,500
Direct Connection from overseas :	
- Australia	\$3,000 - \$4,300
- Asia	\$3,900 - \$4,300
- UK	\$4,100 - \$4,600
- US	\$4,100 - \$4,600

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## B. Monthly Trayport Front End

	Fees
Live Trayport User	\$250 per user
FIX Connectivity	\$2,500 per connection or logon

## C. Virtual Private Network (VPN)

Service	Amount	Description
Base Connection sign-on	\$1,000	
VPN Monthly Fee	\$5,000 per year	Fee for VPN connection, includes share of core network usage and transmission.

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

## D. Gateway Data Enquiry Product

Subscribers to this service will be invoiced annually on 1 July based on the previous year's usage.

## E. IT Testing and Training Services

### IT Training for NZX Systems

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

In relation to the training required, NZX Participants may:

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

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

<b>Duration</b>	<b>Amount</b>	<b>Details</b>
Full Day	\$1,680	Training for a whole day
Half Day	\$840	Training for half a day
Per hour (one hour minimum)	\$210	Training for any length less than half a day

### **Participant Support Services**

Use of NZX 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:

<b>Rate</b>	<b>Amount</b>
Standard Rate	\$250 per hour (one hour minimum)
After Hours <sup>1</sup>	\$300 per hour (one hour minimum)

<sup>1</sup> After hours includes Monday to Friday 1730 - 0800, weekends and New Zealand public holidays.

### **Technical Testing and Conformance Services**

NZX testing services are available for all NZX 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 Participant. NZX 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.

<b>TESTING TYPE</b>	<b>Amount</b>
Conformance Testing	\$2,000 per day
DMA Testing	\$2,000 per day

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## Clone Systems Conformance Environment

NZX will create and maintain a cloned NZX Systems conformance environment for the duration of certain projects only. NZX expects the daily maintenance and support to take a minimum of an hour per day.

Service	Amount	Details
Clone Conformance Environment	\$6,000	One-off set up charge for the duration of the project only
Maintenance and Support	\$210 per hour	Charge for daily maintenance and support of the NZX cloned conformance environment

## Back Office System (BOS) Changeovers

Participants will be charged a one-off \$5,000 administration charge if they wish to change their Back Office System (BOS) plus \$250 per hour for work completed by NZX during normal business hours. Any work completed by NZX outside of normal working hours will be separately charged at \$300 per hour, after hours including Monday to Friday 1730 - 0800, weekends and New Zealand public holidays.

## Other Adhoc Requests

Rate	Amount
Standard Rate	\$250 per hour (one hour minimum)
After Hours <sup>1</sup>	\$300 per hour (one hour minimum)

<sup>1</sup> After hours includes Monday to Friday 1730 - 0800, weekends and New Zealand public holidays.

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## 6. MARKET OVERSIGHT RECOVERIES

NZX requires that all NZX Participants provide details of their compliance with the applicable rule sets and their financial position on a monthly basis.

If an NZX Participant has more than one category of participation, the highest applicable amount is paid, rather than the aggregate amount. NZX Participants who are also NZCC Clearing Participants will only be charged the Market Oversight Recoveries included in the NZCC pricing schedule.

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

### A. Quarterly Compliance

Participants	Recoveries
<b>Advising Participant</b>	
Advising Firm - not holding client funds	\$450
Advising Firm - holding client funds	\$450
Distributing and Underwriting Sponsor	\$450
<b>Trading Participant</b>	
Cash Market - Bank Only	\$450
Cash Market - Principal Book Only	\$450
Cash Market - Trading & Advising	\$450
NZX Futures & Options Firm	\$4,500 annually
Futures & Options Introductory Broker	\$750 annually

### B. Annual Desk Based Capital and Prudential Inspections

Participants	Recoveries
<b>Advising Participant</b>	
Advising Firm - not holding client funds	\$750
Advising Firm - holding client funds	\$1,500
<b>Trading Participant</b>	
Cash Market - Principal Book Only	\$750
Cash Market - Trading & Advising	\$4,500

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

### C. On Site Inspections

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

	Recoveries
Hourly labour charge	\$250 per hour
Travel and Expense	Actual costs incurred

### D. Applications for Waivers & Exemptions from NZX Rules

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 NZX Participant at the time of the application.

Time Frame	Total Hourly Charge
Standard Rate (10 plus business days)	\$300
Priority Rate (Decisions required in 0 to 10 business days)	\$450

All Fees are in NZD unless otherwise stated. NZX reserves the right to adjust all fees in this Schedule.

## E. Market Surveillance - Cash Market

All NZX Trading Participants in the cash market (equity and debt) are subject to recoveries for general market surveillance and enforcement of the NZX Participant rules. The annual fees are detailed below and are invoiced six months in arrears on 30 June and 31 December each year. The value and activity components are added together to calculate the total amount payable within the prescribed minimum and maximum recoveries set out below.

Cash Market Surveillance Recoveries	Recoveries
Minimum recovery	\$5,250
Value of cash market trades each calendar year:	
• Greater than \$1 billion	\$42,000
• Greater than or equal to \$500 million and less than \$1 billion	\$21,000
• Greater than or equal to \$100 million and less than \$500 million	\$10,500
• Less than \$100 million	Nil
Number of trades each calendar year:	
• Greater than 30,000 trades	\$31,500
• Greater than or equal to 10,000 and less than 30,000 trades	\$21,000
• Greater than or equal to 5,000 trades and less than 10,000	\$15,750
• Less than 5,000 trades	Nil
Maximum Recovery	\$42,000

For example, an NZX Participant that traded cash securities with a value of \$750 million and executed 22,000 trades across all markets during the calendar year will pay \$42,000 (\$21,000 based on the value of cash market traded and \$21,000 based on trade volumes).

## F. Stands in Market

The Trading Participant responsible for making the bid for a stand in the market is required to pay a fixed amount of \$7,500. This covers the use of NZX Technology resources, NZX Client & Market Services and NZX Market Supervision.