

NZX Clearing Participant Fee Schedule

Effective 1 July 2015



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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 2014. 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 will be invoiced at the rates set out below, in New Zealand dollars, unless stated otherwise and exclusive of GST. 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 and NZX Clearing Participants must pay GST on all fees, unless stated otherwise. 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
4.	Adjustment of cash market clearing participant annual fees	6.
5.	Adjustment of equity and debt per trade clearing fees	7.

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

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

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)
Clearing Participants		
Cash Market - Individual Clearing Participant ¹ [CHO151 / CHO155]	\$23,300	\$18,700
Cash Market - General Clearing Participant ² [CHO152 / CHO156]	\$29,300	\$23,500
Derivatives Market - Individual Clearing Participant ¹ [CHO153 / CHO157]	\$21,500	\$17,200
Derivatives Market - General Clearing Participant ² [CHO154 / CHO158]	\$27,000	\$21,600
Depository Participants		
Depository Participants - Base Fee ³ [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

¹ 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.

² 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.

³ 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

Fees	
Cash	
Equity and Debt Trade	\$0.30 per trade [CHO401] plus: <ul style="list-style-type: none"> • 0.3500 bps for daily value below \$8m [CHO402] • 0.2916 bps for daily value between \$8-\$20m [CHO403] • 0.1750 bps for daily value between \$20-\$32m [CHO404] • 0.1166 bps for daily value above \$32m [CHO405]
Fees	
Derivatives (all fees per lot per side)	
Equity Derivatives	
Index Futures [CHO506]	\$0.72
Equity Options [CHO505]	\$0.54
Equity Derivatives (per trade)	
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]	\$5.37
Agricultural Derivatives	
Dairy Futures [CHO406 / CHO436 / CHO437]	US\$0.45
Options on Dairy Futures [CHO495]	US\$0.45
Agricultural Derivatives (per trade)	
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\$4.30

B. Settlement and Exercise

Fees	
Cash	
Equity and Debt Trades [CHO410]	\$1.56 per security line per settlement batch
Derivatives (all fees per lot per side)	
Equity Derivatives	
Index Futures [CHO511]	\$0.54
Option exercise/assignment [CHO549]	\$1.00
Agricultural Derivatives	
Dairy Futures [CHO411]	US\$0.45
Option exercise/assignment [CHO449]	US\$1.00

C. Settlement Penalties

These fees are based on the activity conducted.

Fees	
Cash	
Settlement Failure ⁴ [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	
Dairy Derivatives - Settlement Failure [CHO416]	US\$1,100
Equity Derivatives - Settlement Failure [CHO516]	\$1,320

⁴ 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

Fees	
Lodge/Uplift	
NZCD Lodge [CHO419]	\$0.80
NZCD Uplift [CHO420]	\$1.59

Fees	
Settlement NZX-listed Securities/Custody⁵	
Option 1:	
Pre/Post settlement Movement of NZX-listed Securities [CHO417]	\$1.63 per side per transaction
Custody of Equity Securities [CHO421]	0.70 bps per annum calculated monthly
Custody of Debt Securities [CHO422]	0.35 bps per annum calculated monthly
Option 2	
Pre/Post settlement Movement of NZX-listed Securities	\$5.00 per side per transaction
Custody of Equity Securities	Zero
Custody of Debt Securities	Zero
Settlement Non NZX-listed Securities	
Pre/Post settlement Movement of Non NZX-listed Securities [CHO418]	\$6.50 per side per transaction

⁵ Depository participants may select either option 1 or option 2 above, and may change their selection from 1 July each year by giving at least one month's notice in writing to clearing@nzx.com.

Fees	
Cash Movements - NZD	
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
Cash Movements - USD	
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	\$32.50 per call
Collateral Release Fee (where clearing collateral release request processed successfully) [CHO440 / CHO441]	\$12.00 per release	\$12.00 per release
Failure to meet margin call within required timeframe [CHO450 / CHO451]	\$559	\$559

F. Stock Lending⁶

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

⁶ 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.

Fees	
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

Description	Fee
Interface Messages	
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.

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 ⁷ [CHO325]	\$320 per hour (one hour minimum)

⁷ 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 Adhoc Requests

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

⁸ 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.

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
Cash Market - Individual Clearer [CHO203]	\$725
Cash Market - General Clearer [CHO204]	\$725

B. Desk Based Capital and Prudential Inspections

Participants	Recoveries
Cash Market - Individual Clearing Participant [CHO201]	\$8,065
Cash Market - 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 labour charge [CHO205]	\$320 per hour
Travel and Expense [CHO206]	Actual costs incurred

Market Oversight Recoveries for Clearing Participants who are also accredited NZX Trading and Advising Participants are bundled in the Trading & Advising Annual Membership Fee.

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]	\$320
Priority Rate 1 (Decisions required in 6 to 9 business days) [CHO208]	\$510
Priority Rate 2 (Decisions required in 3 to 5 business days) [CHO208]	\$670
Priority Rate 3 (Decisions required in 2 business days or less) [CHO208]	\$900