



EMIR Clearing Member Fee Disclosure

Version: August 2022

Introduction

On 16 August 2012 the European Market Infrastructure Regulation ("**EMIR**")¹ came into force in the European Union effecting changes in the legal and regulatory landscape for central counterparties in the EU ("**CCPs**") and clearing members of such CCPs, in relation to both listed and OTC derivatives. The European Commission published amending regulation in the Official Journal of the EU on 28 May 2019. The text, widely referred to as the Refit Regulation ("Refit") - after the European Commission's Regulatory Fitness and Performance program applied from 17 June 2019.

This document is prepared by Standard Chartered Bank ("**SCB**") to meet the obligations under EMIR for SCB, as a clearing member at certain CCPs to:

- a) publicly disclose the prices and fees associated with the clearing services we provide (including any discounts and rebates and the conditions to benefit from those reductions);
- b) offer our clients a choice between omnibus client segregation ("**OSA**") and individual client segregation ("**ISA**") account types; and
- c) publicly disclose the levels of protection we offer to clients, in respect of account types, the corresponding degrees of segregation and the associated costs.

This document should be read in conjunction with the ISDA/FOA Clearing Member Disclosure Document, which can be found on our website <https://www.sc.com/en/regulatory-disclosures/>

Pricing Structure

SCB's charges are based on several criteria (some of which are set out in this document), and may vary over time. The charges set out herein are payable by the client to SCB, exclusive of VAT and are in addition to any charges applied by each relevant CCP or third party for the provision of clearing services, prior to the application of available discounts or reductions. Clearing charges of CCPs will be passed on without any spread. In general, the greater the level of protection chosen by the client the higher the overall costs charged by SCB as our internal and external costs will be higher for the services associated with an ISA.

Each CCP may provide details on its website of the charges for each account type and the provision of its clearing services. Where possible, we have attached links to the CCP websites in Appendix 1.

Throughout this document, fees and charges described herein are the current maximum pricing for SCB's clearing services. Their level and applicability will depend on individual circumstances and a client's overall relationship with SCB. The pricing structure is comprised of the following components:

Transaction Clearing Fee

The Transaction Clearing Fee will be charged on a per ticket basis and is in addition to any exchange, CCP or other third party fees associated with the execution or clearing of the transaction. It is applicable to both OSA and ISA:

OTC: USD 500 per ticket

¹ Regulation (EU) No 648/2012 on derivatives, central counterparties, and trade repositories (known as the European Market Infrastructure Regulation)

Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London EC2V 5DD

Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

Account Maintenance Fee

SCB reserves the right to charge a monthly fee per account, to cover the infrastructural cost, operational cost and resources required to maintain a client account.

The Account Maintenance Fee is in addition to any applicable CCP fees or charges which the CCP requires for set up or maintenance of accounts and a separate charge may be applied for collateral movements.

The Account Maintenance Fee will depend on a number of factors including whether:

- The client is trading on a mature or STP market
- The client's business requires a simple booking structure;
- The client is able to provide cash collateral to cover margin requirements;
- The client transacts a high volume of business;
- The client utilises SCB to execute;
- The client's need for physical delivery of positions.

Liquidity Charge

SCB may be required to fund a margin requirement shortfall ("**Margin Shortfall**") in circumstances where there is insufficient client-funded collateral available at the time the CCP requires a margin requirement to be met. SCB may apply a Liquidity Charge in respect of the Margin Shortfall paid by SCB to the CCP. The Liquidity Charge shall accrue at a rate that is the aggregate of SCB's cost of funds plus 200 basis points (or such lower rate as the parties may agree).

Capital Charge

SCB may charge a Capital Charge reflecting its costs of funds for the capital requirement of a client's clearing account.

Pricing Considerations

The table below provides some of the criteria, which may be used in consideration of the level of charges, discounts or rebates to be applied. Not all criteria listed below will be applicable for every clearing service a client uses.

Criteria	Decreases Fees	Increases Fees
Account Type	OSA	ISA
Product Type	Listed Derivatives	OTC Cleared Derivatives
Traded Exchanges & Products	mature or STP markets	bespoke or non STP markets
Execution Method	direct market access	voice execution
Trading Volumes	high	low
Contract Settlement	cash	physical
Onboarding Complexity	low complexity, single account standard offering	high complexity, multiple accounts or bespoke legal terms
Collateral Type	cash collateral	Non-cash collateral
Client Credit Rating ¹	Moody's, S&P, Fitch Aaa, AAA, AAA	Moody's, S&P, Fitch C , C, C
Number of Accounts	low	high
Allocation Process	pre clearing allocation	post clearing allocation
Client Reporting	standard	customised
Client Money	Title Transfer Collateral Agreements	CASS Client Asset Protection

Minimum Revenue Thresholds

In addition to the above pricing considerations, SCB may also apply minimum revenue thresholds for SCB's overall relationship with a client. For guidance, these are currently USD 300,000 per annum but will depend on individual circumstances and rates of returns.

Disclaimer

This document provides a high level indication of SCB's fee charging structure. It does not provide all the information you may need to make the decision on which account type is suitable for you. It is intended as a basis for further discussion and for requesting further detailed information regarding the specific costs of an omnibus or individual segregated account. Please contact your SCB relationship contact for further information.

The fees, charges and pricing considerations set out in this document are subject to change at any time.

SCB shall not in any circumstances be liable, whether in contract, tort, breach of statutory duty or otherwise for any direct or indirect losses or damages that may be suffered or incurred as a result of using or relying on this document.

Appendix 1

LCH Clearnet Limited

Information of LCH Clearnet Limited account structure under EMIR and proposed annual account is accessible through the attached link.

www.lchclearnet.com/about-us/corporate-governance/ltd-account-structures-under-emir.asp