



Part 6 (Print)

Fees SIS x-clear AG

SIS x-clear AG, a wholly-owned subsidiary of SIS Swiss Financial Services Group AG, started its business operations in May 2003. As Central Counterparty (CCP) for virt-x, SIS x-clear AG acts as a service provider in clearing and risk management.

The Central Counterparty assumes the following main tasks:

- Ensuring post-trade anonymity
- Eliminating bilateral counterparty risk between trade execution and settlement
- Settlement netting
- Risk management

Information on the Central Counterparty SIS x-clear AG is published under www.ccp.sisclear.com.

Collection of charges

SIS SegaiInterSettle AG is in charge of collecting SIS x-clear AG's prices.

Basic services

Clearing

SIS x-clear AG's basic services cover the clearing of locked-in transactions. Clearing of virt-x locked-in transactions is a core competency of SIS x-clear AG. Only members of SIS x-clear AG can avail of these services. To ensure system security and minimise risk, members pay a risk premium, whose amount depends on their creditworthiness and exposure.

Annual membership contributions:

Code	Designation	Type	Rates in CHF	VAT
10'000	x-clear membership	ICM	10,000.00	0.00%
		GCM	10,000.00	0.00%
		NCM	2,400.00	0.00%

The membership contributions are charged monthly (on a pro rata basis). The contributions for Non-Clearing Members (NCMs) are charged to the respective General Clearing Member (GCM).

The number of ISIN to be cleared (per day) are stated under clearing line.

Code	Designation	Rate in CHF	VAT
10'100	Clearing line	0.50	0.00%
10'101	Clearing line (clearing only)	0.50	0.00%

The number of the underlying original trades is stated under clearing transaction.

Code	Designation	Rate in CHF	VAT
10'110	Clearing transaction	0.10	0.00%
10'111	Clearing transaction (clearing only)	0.10	0.00%

Since 1 July 2005, the two central counterparties (CCPs) have been receiving GBP 0.035 per trade from virt-x. SIS x-clear AG has been passing on this credit to its members in the form of a time-limited special rebate on clearing transactions (codes 10'110 and 10'111). This rebate stands in direct relation to virt-x' payment of GBP 0.035 to the clearing houses London Clearing House (LCH) and SIS x-clear AG. Further information is given under chapter [Rebates](#).

SIS x-clear risk premium

The risk premium is dependent on both exposure and creditworthiness and based on real time evaluation. Systemic risks are thus continually taken into account.

Code	Designation	Rating	Rate in %	VAT
10'500	x-clear risk mgmt fee	AAA	0.00075	0.00%
		AA+	0.00075	0.00%
		AA	0.0008	0.00%
		AA-	0.00085	0.00%
		A+	0.000875	0.00%
		A	0.0009	0.00%
		A-	0.0009	0.00%

	BBB+	0.0015	0.00%
	BBB	0.0015	0.00%
	BBB-	0.002	0.00%
	BB+	0.0035	0.00%
	BB	0.0035	0.00%
	BB-	0.005	0.00%
	B+	0.005	0.00%
	B	0.005	0.00%
	B-	0.005	0.00%
	CCC+	determined case by case	0.00%
	CCC		0.00%
	CCC-		0.00%
	D		0.00%

Calculation of the risk premium is based on the average 3 days net exposure, which is determined at beginning of day processing (BOD), three times during the day (intraday) and at end of day processing (EOD). The net exposure BOD/EOD is double weighted.

Third-party costs (clearing third-party fees)

Third-party costs are passed on to clients. They are notified accordingly.

Code	Designation	CSD	Rate in CHF	VAT
10'810	Clearing third-party fees	BE.100'519	4.85	0.00%

Further clearing services

Code	Designation	VAT
10'910	Clearing - miscellaneous	0.00%

Products

Risk management

Late/Failed virt-x settlements

Timely settlements increase the settlement rate and enhance system security considerably. For transactions that are not settled on the value date (late/failed settlements), two different tariffs are applied. Whether the standard or the reduced tariff is applied is dependent on whether the automatic securities lending and borrowing facility (SLB) is used.

Both tariffs apply for each settlement and each day, and a minimum amount is charged per day and per settlement. For amounts higher than CHF 50 m, each level must be passed through.

Code	Designation	VAT
20'100	Late/Failed settlement (x-clear)	0.00%

Standard tariff (without automatic SLB):

Level	Percentage	Vu (in m)	Vo (in m)
1.	0.10%		< 50
2.	0.05%	50	< 100
3.	0.03%	above 100	

**A CHF 150.00 is debited.
minimum
price of**

Reduced tariff (with automatic SLB):

Level	Percentage	Vu (in m)	Vo (in m)
1.	0.05%		< 50
2.	0.025%	50	< 100
3.	0.015%	above 100	

A minimum price of CHF 75.00 is debited.

Conditions for reduced prices (with automatic SLB):

- Settlement must take place at SIS.
- The party in question must have set up automatic SLB and must fulfil all conditions for its use.
- Settlement has failed due to a lack of securities, i.e. the respective member was unable to avert settlement failure.

If the standard tariff is applied (without automatic SLB), SIS x-clear AG passes on any additional costs arising for SLB.

Code	Designation	Rate	VAT
20'110	Borrowing to cover failed settlement	SLB prices	0.00%

In the event of a so-called "gridlock situation", only the party actually (initially) responsible is debited. No further discounts are possible.

Note regarding shaped orders:

SIC guidelines discourage participants from having settlements of over CHF 100 million. Accordingly, orders for settlement amounts of over CHF 100 million could be shaped into smaller orders in multiples of approximately CHF 100 million each. If several of these shaped orders do not settle on their intended settlement date, the late settlement fee is computed by considering the combined settlement amount of all failed shaped orders. This rule is applicable only if the sum of the settlement amounts of all the failed shaped orders is over CHF 50 million. This is also valid in case of computation of compensation for late settlements.

Compensations for late/failed settlements

Half of the amount (as per standard tariff) will automatically be credited as compensation to the respective counterparty if timely delivery is not possible.

Code	Designation	VAT
20'150	Compensation failed settl (x-clear)	0.00%

Level	Percentage Vu (in m)	Vo (in m)
1.	0.05%	< 50
2.	0.025% 50	< 100
3.	0.015% from 100	

**A of CHF 75.00 is credited.
minimum amount**

Collateral management

Code	Designation	Rate in CHF	VAT
20'250	Margin call	25.00	0.00%
20'210	Collateral custody outflow	10.00	0.00%
20'220	Collateral money inflow	0.00	0.00%
20'230	Collateral money outflow	0.00	0.00%

Margin calls

Code	Designation	Rate in CHF	VAT
20'250	Margin call	25.00	0.00%

Further risk management services:

Code	Designation	VAT
20'495	Risk management - miscellaneous	0.00%

Facility services

Report management

SIS x-clear AG provides clients with reports in data format (report name starting with letters RD) as well as in print format (report name starting with letters RP). Detailed information on SIS' reports is available from the MarketGuide Reporting under www.sec.sisclear.com > Private > MarketGuide > Operational Information.

Code	Designation	VAT
64'050	x-clear report processing	0.00%

Report ID	Report name	Rate in CHF
RD	Reports in data format	0.00
RPFE030	Report on risk prime fee	0.00
RPXL020	Report on collateral details of x-clear members	0.00
RP	Other reports in print format	1.00

The production of x-clear reports is exempt from VAT.

The download of reports is, however, subject to VAT.

Code	Designation	VAT
64'150	x-clear report output	7.60%

Media code	Media name	Definition	Rate in CHF
10	Paper	per page	0.20
41	Cartridge, 18 tracks	per 1,024 bytes	0.20
51	DOS disk, 3.5 inches	per 1,024 bytes	0.20
Rest	Other data carriers	per 1,024 bytes	0.02

Miscellaneous

Further services that cannot be allocated to any other code:

Code	Designation	VAT
69'005	Miscellaneous (without VAT)	0.00%
69'006	Miscellaneous (with VAT)	7.60%

Dedicated services

Special efforts – miscellaneous

Special efforts, which are not included in the tariff (i.e. in the published prices), are charged on a time-spent basis. Generally, these services are subject to VAT. A non-exhaustive list of special efforts is given below.

Code	Designation	VAT
74'005	Special efforts - misc (without VAT)	0.00%

Code	Designation	VAT
74'006	Special efforts - misc (with VAT)	7.60%

Description	Definition	Rate in CHF
	Administrative personnel, per hour	180.00
	Technical personnel, per hour	230.00
Archive retrieval	For data older than one year	500.00
Ad hoc evaluations	For each further year in the past	100.00
Special data evaluations	Initial efforts for generation/programming of evaluation	800.00
	Additionally, per number of past months for data generation	200.00
Confirmation of business relation		250.00

Special data evaluations are not generated in SECOM, but individually issued upon special request by the client.

Rebates

SIS x-clear AG has been granting its members a time-limited special rebate on clearing transactions (codes 10'110 and 10'111) due to virt-x' credit of GBP 0.035 per trade to its clearing houses London Clearing House (LCH) and SIS x-clear AG since 1 July 2005. SIS x-clear AG has decided to pass on the respective amounts to its members in the form of rebates. Once virt-x stops these credits, SIS x-clear AG will consequently also stop granting this special rebate.

Special rebate on clearing transactions

Code	Rebate rate in %	Gross price per underlying trade in CHF	Net price per underlying trade in CHF
10'110	70	0.10	0.03
10'111	70	0.10	0.03