

**Circular no. 04/2018, of 27<sup>th</sup> November**

**ARCO SETTLEMENT SYSTEM.  
MODIFICATION OF FEES**

***Please note that only the Spanish version of this document produces legal effect. Any translation is provided for commercial purposes only***

Circular no. 3/2017, of 17 July, on Arco Settlement System. Fees, approving the fees applicable to securities listed in the Arco Settlement System

This Circular modifies Appendix A. "ARCO SYSTEM. Fees for participants" and Appendix B. "ARCO SYSTEM. Fees for issuers" of Circular no. 3/2017.

In relation to the fees included in APPENDIX A, the new Circular:

- a) Establishes the new fees applicable to the trade of foreign securities included in other Central Securities Depositories with which IBERCLEAR has a link.

In relation to the fees included in APPENDIX B, the new Circular:

- b) Establishes the fee to be charged for the partial increases in the face amount of a fixed income issue of the book-entry register, which are instrumented through the INCREASE type of corporate action.
- c) Modifies the fee charged for the daily ownership notification service to issuers whose securities would have had to be registered by legal requirement, and that are admitted to trading on the Alternative Equity Market (MAB), and the issuers that are not admitted to trading on any regulated market or Multilateral Trading Facility.
- d) Modifies the fee charged for the daily ownership notification service at the issuer's request. A specific fee will be established for fixed income securities and certain companies.

- e) Modifies the fee charged for the management of a corporate actions instrumented by moving securities between accounts. It also approves fees that aim to promote the proper management of corporate actions.

Therefore, the Board of Directors of IBERCLEAR has approved the following:

## **Regulation 1. Modification of fees for participants in Circular no. 3/2017, Appendix A.**

1. Regulation 4 - Maintenance of the foreign securities register - of Appendix A of Circular 3/2017, is redrafted to read as follows:

*1. For invoicing purposes, securities for which IBERCLEAR is not the issuing CSD are considered to be foreign. The fee depends on the issuer CSD for the securities when these have been included through an account opened by IBERCLEAR with another CSD.*

*2. The calculation criteria for the application of this fee are the same as those for domestic securities set out in sections 2 to 6 of the previous Regulation.*

*3. In the case of links with the following CSDs: Caja de Valores and B3 Bovespa, a fee of 0.28 basis points is charged on equity securities and 0.38 basis points is charged on fixed-income securities.*

CSD	Equity	Fixed Income
<i>Argentina: Caja de Valores</i>	<i>0.28 bp</i>	<i>0.38 bp</i>
<i>Brazil: B3 BOVESPA</i>	<i>0.28 bp</i>	<i>0.38 bp</i>

*4. In the case of links with the CSDs of Monte Titoli, Euroclear France, Euroclear Nederland and Clearstream Banking Frankfurt, a fee up to 1.1 basis points will be applied to equity securities and a fee up to 0.90 basis points to fixed-income securities.*

CSD	Equity	Fixed Income
<i>Monte Titoli</i>	<i>1.1 bp</i>	<i>0.90 bp</i>
<i>Euroclear France</i>	<i>1.1 bp</i>	<i>0.90 bp</i>
<i>Euroclear Nederland</i>	<i>1.1 bp</i>	<i>0.90 bp</i>
<i>Germany: Clearstream Banking Frankfurt</i>	<i>1.1 bp</i>	<i>0.90 bp</i>

5. In the case of links with the CSDs of OeKB and Interbolsa, a fee up to of 1.1 basis points will be applied to both equity securities and fixed-income securities.

CSD	Equity	Fixed Income
Austria: OeKB	1.1 bp	1.1 bp
Portugal: Interbolsa	1.1 bp	1.1 bp

6. A fee of 0.05 basis points is applied to foreign securities included via a link entity.

2. Regulation 6 - Cross-border settlement - of Appendix A of Circular 3/2017, is redrafted to read as follows:

“1. The fees charged for settlement instructions of domestic securities with participants of other CSDs will be the same as those applied for settlement instructions of domestic securities between IBERCLEAR participants.

2. In the settlement instructions of foreign securities with the CSDs of Argentina (Caja de Valores) and Brazil (B3 Bovespa), a fee of €6 is applied to delivery of securities and one of €3 for their receipt. In addition, a variable amount is also charged, for settlement instructions with CSDs external to T2S, which depends on the number of securities, and is set out in the following table:

Amount of securities	Fee
Up to 1,000	€30 per instruction
From 1,001 to 10,000	€0.02 per security
From 10,001 to 100,000	€0.01 per security
From 100,001 to 500,000	€0.005 per security
From 500,001 upwards	€2,500 per instruction

This fee shall not apply to instructions from participants acting as specialist brokers in the Latibex market for transactions involving securities admitted for trading on that market.

3. For settlement instructions of foreign securities with participants of the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €3 per instruction settled. This fee will be the same for any type of settlement, whether that is versus payment, free of payment, payment transactions without delivery, deliveries with payment, movements between balances within a single account or settlement restrictions (SR). The fee will be applied to each settlement instruction, regardless of who notifies it (participant, CCP, other infrastructure) or if has been autogenerated by the system.

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Item	Fee
Cross-border settlement	3 €

4. The domestic settlement fee will be applied to settlement transactions carried out between IBERCLEAR participants on foreign securities.

5. IBERCLEAR may credit 60% of the amount received by way of settlement instructions of foreign securities with other CSDs of Argentina (Caja de Valores) and Brazil (B3 Bovespa), to the entity designated by IBERCLEAR to carry out the management of financial transactions or the provision of tax and administration services relating to management of the link.

6. In settlement instructions of foreign securities included through a link entity, a fixed amount of €1.20 per instruction, plus a variable amount depending on the number of securities in the instruction (as shown in the table below), is applied to the entity in whose favour the trade is performed:

Amount of securities	Fee
Up to 1,000	€30 per instruction
From 1,001 to 10,000	€0.02 per security
From 10,001 to 100,000	€0.01 per security
From 100,001 to 500,000	€0.005 per security
From 500,001 upwards	€2,500 per instruction

7. IBERCLEAR pays 80% of the amount received for settlement instructions of securities included through a link entity, to the entity acting as the link for the functions it performs.

8. The initial transfers of securities carried out due to public offerings or in order to achieve the dissemination of the security or minimum threshold required for its listing are exempt from application of the fee for foreign settlement instructions included through links with other DCV or those established through a link entity, as are those deriving from capital increases, swaps, mergers and other corporate transactions involving these foreign securities.

9. The amount of the fee for settlement instructions of securities in the Latibex Market included through a link entity, will be determined on the basis of the trading units established for the trading of each class of security in the market. Transactions involving securities admitted to trading in the market in which the participants carry out their activities as specialist brokers will be exempt from the application of this fee”.

3. Regulation 8 - Custody of foreign securities - of Appendix A of Circular 3/2017, is redrafted to read as follows:

“1. IBERCLEAR will charge a fee of €7 to its participants for the management of financial transactions involving foreign securities through a link with the CSDs of Argentina (Caja de Valores) and Brazil (B3 Bovespa), when this transaction affects all holders of the security equally (dividend payments, interest, final redemptions, etc.). If the resolution of the financial transaction

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requires the receipt of instructions by IBERCLEAR participants (subscriptions, voluntary redemptions, etc.) a fee of €10 will be charged. In both cases, the fee will be applied for each account that has a position in the security subject to the corporate action on the accrual date.

2. For the notification of a corporate action involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €10 will be charged for each account with a position in the security subject to the corporate action.

Item	Fee
Notification of corporate actions CBS	10 €

3. For the settlement of any corporate action involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €3 will be applied for each account involved.

Item	Fee
Cross-border settlement CBS	3 €

Corporate actions will be charged only once in each account, regardless of whether the execution involves a single movement of securities and/or cash, or various, either simultaneous or consecutive. The fee will be applied to the securities account in which the position which caused the movement was registered.

4. For the Instructions of any corporate actions involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €7.5 will be applied for each instruction sent to IBERCLEAR by the participants in voluntary or mandatory corporate actions with options by account.

Item	Fee
Corporate actions instructions	7,5 €

5. Participants' instructions which are received after the period established by IBERCLEAR for the receipt of instructions relating to corporate actions involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), will automatically generate a fee of €75 per instruction and per corporate action.

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Item	Fee
Late instructions CBS	75 €

6. For each securities or cash movement generated as a result of adjustments made to foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), carried out by IBERCLEAR, will be charged a fee of €10.

Item	Fee
Adjustments CBS	10 €

7. In the case of shareholders' meetings and bondholder assemblies involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €50 will be charged for each voting instruction from the participant received in IBERCLEAR.

Item	Fee
Voting instruction CBS	50 €

8. A fee of €50 per instruction will be applied when participants' voting instructions involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), are received after the period established by IBERCLEAR for the receipt of instructions relating to voting instructions. This fee is additional to that charged for voting instructions.

Item	Fee
Late voting instruction CBS	50 €

9. For the processing of meeting cards involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €55 will be applied when the IBERCLEAR participant requests the attendance card through BME-PC.

Item	Fee
Processing of meeting cards CBS	55 €

10. When the representation service is requested in a meeting held involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking



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Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €300 will be applied per final beneficiary.

Item	Fee
Representation in the meeting CBS	300 €

11. For the administration of the reclamation of standard taxes on foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €100 will be charged per final beneficiary.

Item	Fee
Reclamation of standard taxes CBS	100 €

12. For the late reclamation of standard taxes on foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), a fee of €200 will be applied per final beneficiary, assuming the reclamation takes place after the period specified by IBERCLEAR has ended.

Item	Fee
Late reclamation of taxes CBS	200 €

13. For the Tax Voucher generation service involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), IBERCLEAR will charge a fee of €80 per final beneficiary.

Item	Fee
Tax Voucher CBS	80 €

14. For the Quick Refund generation service involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), IBERCLEAR will charge a fee of €55 per final beneficiary.

Item	Fee
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Quick Refund CBS	55 €
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15. For the Relief at Source service involving foreign securities included through the link that IBERCLEAR maintains with the CSDs of Italy (Monte Titoli), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), IBERCLEAR will charge a fee of €40 per final beneficiary.

Item	Fee
Relief at Source CBS	40 €

16. A fee of €1 per tax return, plus the amount charged by Euroclear France to IBERCLEAR, will be charged for the notification and, as the case may be, payment of French tax returns for financial transactions to Euroclear France”.

## Regulation 2. - Modification of fees for issuers provided for in Appendix B of Circular 3/2017

1. Regulation 3 - Register inclusions and exclusions - of Appendix B of Circular 3/2017, includes the following section:

“4bis. Partial increases in the face amount of a fixed income issue of the book-entry register will be subject to a fixed fee of €150 for each security code in which the partial increase in the face amount occurs.”

Item	Fee
Partial increase in face amount	150€

2. Section 1 of Regulation 4 - Daily ownership notification service - of Appendix B of Circular 3/2017 is redrafted to read as follows:

“1. An annual fee of €15,000 will be charged to issuers of registered shares, and others as requested, for daily notification of ownership details for trades involving their shares and equity instruments.

Open-ended collective investment schemes (SICAV), the investment funds admitted to trading on the Alternative Equity Market (MAB) and collective investment schemes (CIS), hedge funds and funds of funds (FOF) listed on the Alternative Equity Market (MAB) will be exempt from this fee.

Issuers whose securities would have had to be registered by legal requirement, which are also admitted to trading on the Alternative Equity Market (MAB) and are not listed in the previous



paragraph, and the issuers that are not admitted to trading on any regulated market or Spanish Multilateral Trading Facility will be charged an annual fee of €3,000.

Item	Fee
Daily ownership notification	15.000€
Non-exempt registered shares of the MAB and companies not admitted to trading	3.000€

3. Regulation 5 - Ownership notification service at the request of the issuer - of Appendix B of Circular 3/2017 is redrafted to read as follows:

"The following fees will be charged for notification, at the issuers' request, of the information needed for the identification of their shareholders, based on the number of requests received during a calendar year:

Number of requests	Fixed part fee	Variable part fee
1st and 2nd	6.000€	€0.90 per SAC up to a maximum of €30,000
3rd and 4th	7.000€	€0.95 per SAC up to a maximum of €33,000
5th and subsequent	8.000€	€1 per SAC up to a maximum of €35,000

The following fees will be charged for notification, at the issuers' request, of the information needed for the identification of the shareholders of open-ended collective investment schemes (SICAV), the investment funds admitted to trading on the Alternative Equity Market (MAB) and collective investment schemes (CIS), hedge funds and funds of funds (FOF) listed on the Alternative Equity Market (MAB):

Fixed part fee	Variable part fee
3.000€	€0.90 per SAC up to a maximum of €30,000

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The following fee will be charged for notification, at the issuers' request, of the information needed for the identification of the holders of promissory notes debentures, bonds or any other fixed income product:

Fixed part fee	Variable part fee
1.000€	€0.90 per SAC up to a maximum of €30,000

Half of the total paid for this fee will be distributed to the entities that participate in supplying data, dividing half of the fixed amount in equal parts among the participating entities and half of the variable amount in proportion to the securities account code (SAC) transferred. The participating entities must invoice IBERCLEAR, using the established procedure, before 31 December of the year following the date of the service. No outstanding amounts will be paid beyond this claim deadline."

4. Section 8 of Regulation 6 - Management of corporate actions - of Appendix B of Circular 3/2017 is redrafted to read as follows:

"8. For the management of corporate actions involving equity securities instrumented by moving securities between different accounts in the Central Register, a fee of 0.40 basis points of the cash value of the movement will be charged for each corporate action, subject to a minimum of €500 and a maximum of €50,000."

Item	Fee
Management of a corporate action by movements between accounts	0.4 bp

For the management of corporate actions involving equity securities instrumented by moving securities between different accounts in the Central Register, a fee of €1,500 will be charged per corporate action."

5. Includes new sections in Regulation 6 - Management of corporate actions- of Appendix B of Circular 3/2017.

"For the incorrect notification of data which gives rise to the generation of a corporate action in order to resolve the error, the agent or the issuer will be charged a fee of €1,000."

"For the omission by the agent of the notification of movements of cash and/or securities on the payment date established by them, a fixed fee of €1,000 will be charged, with an additional €100 for each day of delay, up to a maximum of 10 days."



#### **ADDITIONAL PROVISION**

Updated versions of the following documents are attached to this Circular as appendices for merely informative purposes:

- Appendix A. ARCO SYSTEM: Fees for participants.
- Appendix B. ARCO SYSTEM: Fees for issuers.

#### **FINAL PROVISION**

This Circular shall enter into force on 1st January 2019.

Madrid, 27<sup>th</sup> November 2018

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