

Circular no. 4/2020, 21th July

**ARCO SETTLEMENT SYSTEM.
MODIFICATION OF FEES**

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

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

This Circular modifies Circular no. 3/2017, including the following changes:

- a) It modifies the literal of the account maintenance fee to specify that the fee for the maintenance of proprietary or individual pledged accounts is also applicable to accounts for the pledge of securities.
- b) It modifies the literal of the automatic cancellation fee to specify that it is only applicable to transactions with central securities depositories outside of T2S, since trades with them are not recycled.
- c) The settlement fee for movements of balances in the same account or settlement restrictions (SR) of section 3 of regulation 6 is eliminated, since they are movements of securities within the same account, the domestic settlement fee applies.
- d) It establishes the fee for the messaging translation service for identifying shareholders of foreign securities
- e) It modifies the shareholder identification fee for open-ended collective investment schemes (SICAV), the investment funds admitted for trading on the Alternative Equity Market and collective investment schemes (CIS), hedge funds and funds of funds (FOF) listed on the Alternative Equity Market (MAB).



- f) It modifies the literal of the fee of modification, cancellation or communication of a domestic corporate action from Ex Date - 2 to specify the dates for each type of corporate action.
- g) It establishes the fee for the coupon payment for the gross amount in the accounts marked by participants.

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

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

1. Section 1 of Regulation 2 - Participation and account maintenance - in Appendix A of Circular 3/2017 is redrafted as follows:

“1. A fee of €300 per month will be charged for the maintenance of the first two accounts associated with each BIC code. The maintenance fee applicable to each additional account will be €150 per month. For the maintenance of the pledged proprietary and individual accounts, or for pledging securities, a fee of €100 per month will be charged.

Item	Fee
Maintenance of first 2 accounts	€300 per month
Maintenance of additional account	€150 per month
Maintenance of pledged proprietary or individual accounts or for pledging securities	€100 per month

A fee of €300 per month will be charged for each BIC code that does not maintain any associated accounts.

2. Section 7 of Regulation 5 - Settlement and related services - in Appendix A of Circular 3/2017, is redrafted to read as follows:

“7. A fee of €3 will be applicable for any automatic cancellation IBERCLEAR makes in the following cases:

- *Non-matched instructions that have exceeded their permitted period in the system.*
- *Matched instructions that have exceeded their recycling period, if one has been set.*
- *Trades that have exceeded their value date and are not subject to recycling (trades with ~~other~~ CSD external to T2S, movements between balances within a single account and blockages).*

iberclear

- *Trades rejected by the CCP."*

Item	Fee
Automatic cancellation	€3

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

"3. By the settlement instructions on foreign securities with participants in the CSD of Italy (Monte Titoli), France (Euroclear France), Holland (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Interbolsa), will invoice a fee of €3 per settled instruction. This fee will be the same for any type of settlement either against payment, free of payment, payment operations without delivery or deliveries with payment, ~~movements of balances within the same account or settlement restrictions (SR)~~. The fee will be applied to each instruction settled, regardless of who communicates it (participant, CCP, other infrastructure) or that has been self-generated by the system."

Item	Fee
Cross-border settlement	€3

4. Includes new section in Regulation 7 - Custody of domestic securities- of Appendix A of Circular 3/2017.

"5. For the management of the gross payment of public and private fixed income coupons (INTR), participants will be billed a fee of €10 per security account identified by the participants as being subject to this service with a position in each corporate action."

Item	Fee
<i>Coupon payment (INTR) paid in gross amount</i>	<i>€10 per account marked for each corporate action in which they have balance</i>

5. A new section is included in Regulation 10 - Information and communications - in Appendix A of Circular 3/2017.

"12. For the messaging translation service requested by the participant that must respond to the request for the identification of shareholders of a foreign security included through a link with IBERCLEAR, a fee of €50 will be charged per translated message."

Item	Fee
------	-----



Shareholder messaging translation	€50
-----------------------------------	-----

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

1. 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
€1,000	€0.90 per SAC up to a maximum of €10,000

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

iberclear

Costs shall be charged at the ISIN level for which the ownership is requested, with the exception of promissory notes, to which the promissory note programme fee shall apply.

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 (SACs) transferred. The participants must invoice for this 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".

2. Section 7 of Regulation 6 - Corporate actions management - in Appendix B of Circular 3/2017 is redrafted to read as follows:

"7. The following fees will be charged for each trade in corporate actions involving an agent:

Item	Fee
Modification, cancellation or notification of a corporate action from "ExDate - 2"	€300
Reversal of a corporate action	€600

- a) For mandatory corporate actions for equity, the fee will be applicable from "Ex-Date / Last Trading Date-2".
- b) For voluntary or mandatory corporate actions with options, the fee shall be applied from the "start of the election period-2".
- c) For mandatory corporate actions for fixed income, the fee will be applicable from "Record-Date-1".

The fee is not applicable to warrant issues."

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 1 September 2020.

Madrid, 21th July 2020

Francisco Béjar
Deputy General Manager