

**Circular No. 04/2021, of 10 June**

**ARCO SETTLEMENT SYSTEM. AMENDMENT 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, approved the fees applicable to securities listed in the ARCO Settlement System.

The purpose of this Circular is to eliminate the fee included in section 3 of Regulation 5 “Settlement and related services” of Appendix A “Fees for participants” of Circular 3/2017 of 17 July.

As part of the process of the reviewing of the Information System, an objective included in the 2020 Activities Plan of the National Securities Market Commission (CNMV), the CNMV proposed to Iberclear a review of the specific fee over settlement instructions for trades outside organised exchanges involving securities that may be admitted to trading on stock exchanges, included in section 3 of the Regulation 5 of Appendix A of the above mentioned Circular.

After the corresponding process of contrast and assessment, at the request of the CNMV, the elimination of this fee is now undertaken.

From the date of entry into force of this Circular, this kind of transactions will be charged in accordance with the provisions of section 1 of Rule 5.

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

**Only Rule. Amendment of fees for participants under Appendix A to Circular 3/2017**

Section 3 of Rule 5<sup>a</sup>- Settlement and related services - of Annex A of Circular 3/2017 is eliminated, recounting correlatively the following sections. Consequently, Rule 5<sup>a</sup> is written as follows:

1. The settlement fees are applied per instruction settled and depend on the instruction type, as the following table shows:

Item	Fee
Settlement against payment/with payment	€0.35
Settlement free of payment	€0.30
Payment settlement without delivery	€0.30

Auxiliary trades settled in financial intermediary special accounts are exempt from application of the fees referred to above.

However, the previous exception will not apply to auxiliary trades settled through a financial intermediary special account and linked with relationship type "T", and to auxiliary trades that, even

though they are linked, have not completed the chain of linkage from the final custodian to the market.

- 2. A fee of €0.35 per instruction is charged for movements between balances within a single account.

Item	Fee
Balance movements in same account	0.35€

- 3. ~~A fee of 3 basis points of the cash value to be settled, or the equivalent thereof determined by the market price and volume of securities, with a minimum of €10 and a maximum of €150, is charged on settlement instructions for trades outside organised exchanges involving securities that may be admitted to trading on stock exchanges.~~

Item	Fee
<del>Trades outside of the stock market</del>	<del>3BP</del>

- 3. A fee of €0.65 will be charged for each movement in the securities accounts resulting from stripping and reconstitution of strippable debt instructions.

Item	Fee
Stripping/Reconstitution	0.65€

- 4. The fee for the matching service will be applied to those bilateral instructions on which participants request IBERCLEAR to provide the intervention of a central counterparty, a service which is included under their contractual arrangement with IBERCLEAR.

Item	Fee
Matching service	0.10€

- 5. A daily fee of €0.30 will be applicable to recycling of matched trades that could not be settled on their intended settlement date. This fee is not applicable to those instructions that, once their intended settlement date has been reached, remain unmatched in the system.

Item	Fee
Recycling	0.30€

**6.** 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 CSD external to T2S, movements between balances within a single account and blockages).
- Trades rejected by the CCP.

Item	Fee
Automatic cancellation	3€

**7.** The following additional fee will be charged when an instruction settles at any time of day outside of the T2S overnight settlement timetable:

Item	Fee
Settlement in daytime cycle	0.05€

This fee will be applied to both counterparties and for each settlement instruction, regardless of the number of settlement attempts that may have taken place throughout the day.

**8.** For cash settlement in RTGS accounts in the payments module TARGET2 (T2), a fee of €1.26 is charged for each cash settlement entry made, in order to pass on T2 settlement costs to the entities involved.

Item	Fee
Settlement in RTGS account	1.26€

9. The following fees are charged for trades made in the financial intermediary special account that remain unlinked at the end of the established term and are dependent upon the number of daily incidents there are for each special account and the intended settlement date.

Item	Fee
Nº of unlinked auxiliary transactions	
<5	€0.35
6-15	€0.50
16-30	€1
>30	€2

10. IBERCLEAR will pass on the T2S settlement costs to the participants.

### ADDITIONAL PROVISION

Updated versions of the following documents are attached as appendices to this circular merely for information:

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

### FINAL PROVISION

This Circular and the abolition of the tariff contained herein will enter into force on 19 July 2021.

Madrid, 10 June 2021

Francisco Béjar  
Deputy General Manager