

Circular No 06/2021, of 25 October

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”, approving the fees applicable to securities listed in the Arco Settlement System.

The purpose of this Circular is to modify Circular no. 3/2017 with regard to the following changes:

- Appendix A, “Fees for participant entities”.
 - I. Rule 4, “Maintenance of foreign securities registry”.
 - a) The registration maintenance fee is modified for foreign securities included through a linking entity.
 - II. Rule 6, “Cross-border settlement”.
 - a) The first section of the rule is eliminated regarding that the fees applicable to settlement instructions for domestic securities with participant entities of other Central Securities Depositories (CSD) will be the same as those applied to settlement instructions for domestic securities between Iberclear participant entities.
 - b) The fees are reduced that apply to settlement instructions for foreign securities included through a linking entity, the 80% refund of the amount paid to entities that act as linking entities is eliminated, and the clarification is omitted that the instructions for the settlement of Latibex Market securities included through a linking entity will be determined based on contracting units.
 - c) The mention is eliminated regarding the amounts that Iberclear may pay to entities that are designated to carry out financial operations or provide fiscal and administrative services in connection with the management of links with the CSD of Argentina (Caja de Valores) and Brazil (B3).
 - d) The exceptions applicable to the foreign securities settlement instructions, whether included through links with other CSDs or through a linking entity, are eliminated.
 - e) The order of the fees in Rule 6 is modified for ease of understanding.
 - III. Rule 7, “Custody of domestic securities”, and Rule 9, “Specific fees applicable to other Central Securities Depositories”.
 - a) In accordance with Instruction 15/2021 of 30 September regarding Tax claim service, as of 3 January 2022 the tax claim service may be provided to all participant entities and not only to CSDs. Therefore, the fees relative to this service provided for in Rule 9, “Specific fees applicable to other Central Securities Depositories”, are transferred to Rule 7, “Custody of domestic securities”.
 - b) A specific fee is included for the document that accredits the position and payment of a corporate event in the client's account of a participant entity (tax voucher).
 - IV Rule 10, “Information and communications”.

- a) The fee relative to sending position reports, settled instructions, pending instructions and intra-position balance is modified to include the reports relative to penalties for settlement fails, subject to the settlement discipline.
- Appendix B, "Fees for issuers".
- IV Rule 5, "Ownership reporting services at the request of the issuer and, if applicable, shareholders and shareholder associations".
 - a) The fees are reduced that issuers are charged for ownership data reporting for the identification of their shareholders, holders of promissory notes, debentures, bonds or any fixed income product.
 - b) The distribution of half of the fee charged by Iberclear for the communication of ownership data between the participant entities is eliminated.

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

Rule 1. Amendment of fees for participants under Appendix A to Circular 3/2017

1. Section 6 of Rule 4 "Maintenance of foreign securities registry" of Annex A of Circular 3/2017 is amended, which is worded as follows:

"6. For foreign securities included through a link entity, ~~a 5bp fee will be applied.~~ the domestic securities registry maintenance fees contemplated in Rule 3 are applicable to them. "

2. Regulation 6 of Annex A of Circular 3/2017, "Cross-border settlement", is worded as follows:

~~1. The fees applicable to settlement instructions on domestic securities with participat entities of other CSDs will be the same as those applied to settlement instructions on domestic securities between IBERCLEAR participat entities.~~

1. For settlement instructions of foreign securities through the links established by Iberclear 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 or deliveries with payment. 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.

Item	Fee
Cross-border settlement	3 €

2. For settlement instructions on foreign securities with participants of the CSD of Argentina (Caja de Valores) and Brazil (B3) through the links established by Iberclear, a fee of €30 per instruction will apply:

Item	Fee
External settlement to T2S (Brazil and Argentina)	30€

~~In securities admitted to trade on the Latibex Market that come from the CSDs of Argentina and Brazil, a fee of €8 per instruction will be applied to those instructions that come from operations carried out in the performance of the specialists of said market.~~

3. For the settlement instructions on foreign securities included through a link entity, the following rate will be invoiced to the entity in favour of which the operation is carried out

Equity

Item	Fee
Inclusion of Equity link entity	0.05€ per security with a minimum of 15€ and a maximum of € 250

Fixed income

Fee for inclusion of link entity (fixed income)	
Nominal instruction	Fee
Up to 1.000.000€	15€ per instruction
From 1.000.001 to 2.000.000	100€ per instruction
From 2.000.001€ onwards	200€ per instruction

4. For settlement operations carried out between the participant entities in Iberclear on foreign securities, the domestic settlement fee will be applied.
5. In securities admitted to trade in the Latibex Market, a fee of € 8 per instruction will be applied to those instructions that come from operations carried out from the performance of the specialists in said market
- ~~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 7 "Custody of domestic securities" and Rule 9 "Specific fees applicable to other Central Securities Depositories" of Annex A of Circular 3/2017, are drawn up as follows:

- Regulation 7 "Custody of domestic securities"

1. A fee of €3 will be charged for the management of corporate actions involving domestic securities that result in movements of cash and/or securities, except for those that are managed as market trades, for each securities account in which there is a position on the accrual date.

Item	Fee
Domestic corporate event	3€ per account

Informative corporate actions which do not generate securities and/or cash movements are exempt from this fee.

2. A fee of €3 will be billed for each securities or cash movement generated as a result of adjustments made by IBERCLEAR.

Item	Fee
Market claim	3€

3. The fee, €3 per account, charged for the reversal of a corporate action will be the same as that applicable for its management.

Item	Fee
Reversal of a corporate event	3 per account

4. For each cash movement made to participants for the service for the return of withholdings, the participants will be charged a fee of €3.75 per account.

Item	Fee
Withholdings return	3,75€ per account

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
Coupon payment (INTR) paid for the gross amount	€10 per account marked for each corporate action in which they have balance

6. A €200 fee will be charged per ISIN code, request and account for quick tax refund claims on fixed income and equity securities due to tax reclaim.

Item	Fee
Quick refund	200€

7. A fee of €110 per final beneficiary will be charged for standard tax reclaims. A fee of €300 per beneficiary will be charged if tax is reclaimed once the period specified by IBERCLEAR has elapsed.

Item	Fee
Standard return	110€
Late return	300€

8. For the request to generate a Tax voucher, a fee of € 60 per document will be charged.

Item	Fee
Tax voucher	60€

Regulation 9. Specific fees applicable to other Central Securities Depositories

~~**1.** A €200 fee will be charged per ISIN code, request and account for quick tax refund claims on fixed income and equity securities due to tax reclaim.~~

Item	Fee
Quick refund	200€

- 2. A fee of €110 per final beneficiary will be charged for standard tax reclaims. A fee of €300 per beneficiary will be charged if tax is reclaimed once the period specified by IBERCLEAR has elapsed.

Item	Fee
Standard tax reclaim	110€
Late reclaim	300€

- 1. A fee of €200 per action for the management of corporate actions with options instructions. This management includes receiving instructions from the CSD and sending them to the agent; the confirmation of receipt and processing of the instruction, the generation and sending of securities holders information to the agent; and the blocking of securities when necessary.

Item	Fee
Management of corporate actions with options	200€

4. Section 4 of Rule 10 "Information and notifications" of Annex A of Circular 3/2017 is amended, which is worded as follows:

- 4. For the sending of reports on positions, instructions settled, pending instructions and intra-position to the participant entities, balances, as well as reports related to penalties generated by failed settlement instructions, participants will be charged a fixed fee of €0.17 per report, plus a variable amount of €0.008 for each element included in the report (penalties, position, instruction or balance).

Item	Fee
Fixed part report	0,17€
Variable part report	0,008€

Regulation 2. - Modification of the rates applicable to the issuing entities provided for in Annex B of Circular 3/2017

Regulation 5 is modified “Service of communication of ownerships at the request of the issuer and, when appropriate, the associations of shareholders and shareholders”.- of Annex B of Circular 3/2017, which is drawn up as follows:

1. The following fees will be charged for notification, at the issuers’ request, of the information needed for the identification of their shareholders:

Fixed fee	Variable fee	Maximum
6.000€ 4.500€	0,90€ 0,45€ per SAC	Maximum 30.000€ 15.000€ (Fixed portion + variable portion)

2. The following fees will be charged for notification, at the issuers’ request, of the information needed for the identification of the shareholders of companies listed on BME MTF Equity:

Fixed fee	Variable fee
1.000€ 750€	0,90€ 0,45€ per SAC Up to a maximum of 10.000€ 5.000€

3. 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 fee	Variable fee
1.000€ 750€	0,90€ 0,45€ per SAC Up to a maximum of 30.000€ 15.000€

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

~~Half of the total paid for these fees provided for in the preceding sections, 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 31st December of the year following the date of the service. No outstanding amounts will be paid beyond this claim deadline.~~

5. For the reporting of the data required for the identification of the shareholders and beneficial owners, the fee provided in section 1 of this Rule will be invoiced in addition to the following fee:

Applicable period	Fixed fee	Variable fee	Maximum
Until 1/1/2022	*EUR 1,500 (provided fewer than 50 beneficial owners reported) *EUR 3,000 in all other cases	EUR 1.50 per register of beneficial owner reported	Maximum EUR 15,000 (Fixed fee + variable fee)
Starting 01/01/2022	*EUR 3,000	EUR 1.50 per register of beneficial owner reported	Maximum EUR 15,000 (Fixed fee + variable fee)

6. For the reporting of the data required for the identification of the shareholders of companies listed in BME MTF Equity and their beneficial owners, the fee provided for in section 2 of this Rule will be invoiced in addition to the following fee:

Fixed fee	Variable fee	Maximum
EUR 1,000	EUR 1.50 per register of beneficial owner reported	Maximum EUR 5,000 (Fixed fee + variable fee)

7. For the reporting of the data required for the punctual identification of the beneficial owners registered at the level of participant, account, and SAC, the following fee will be invoiced:

Fixed fee	Variable fee	Maximum
EUR 400 per SAC requested	EUR 1.50 per register of beneficial owner reported	Maximum EUR 7,500 (Fixed fee + variable fee)

8. For processing the punctual identification of beneficial owners registered at the level of participant, account, and SAC when the receiver of the information is not Iberclear, the following fee will be invoiced:

Item	Fee
Processing of punctual identification request	EUR 500 per SAC

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

Section 4 of Rule 1 will enter into force on November 1st, 2021. The rest of the fees included in this Circular will come into force on January 3rd, 2022.

Madrid, 25th October 2021

Francisco Béjar
Deputy General Manager