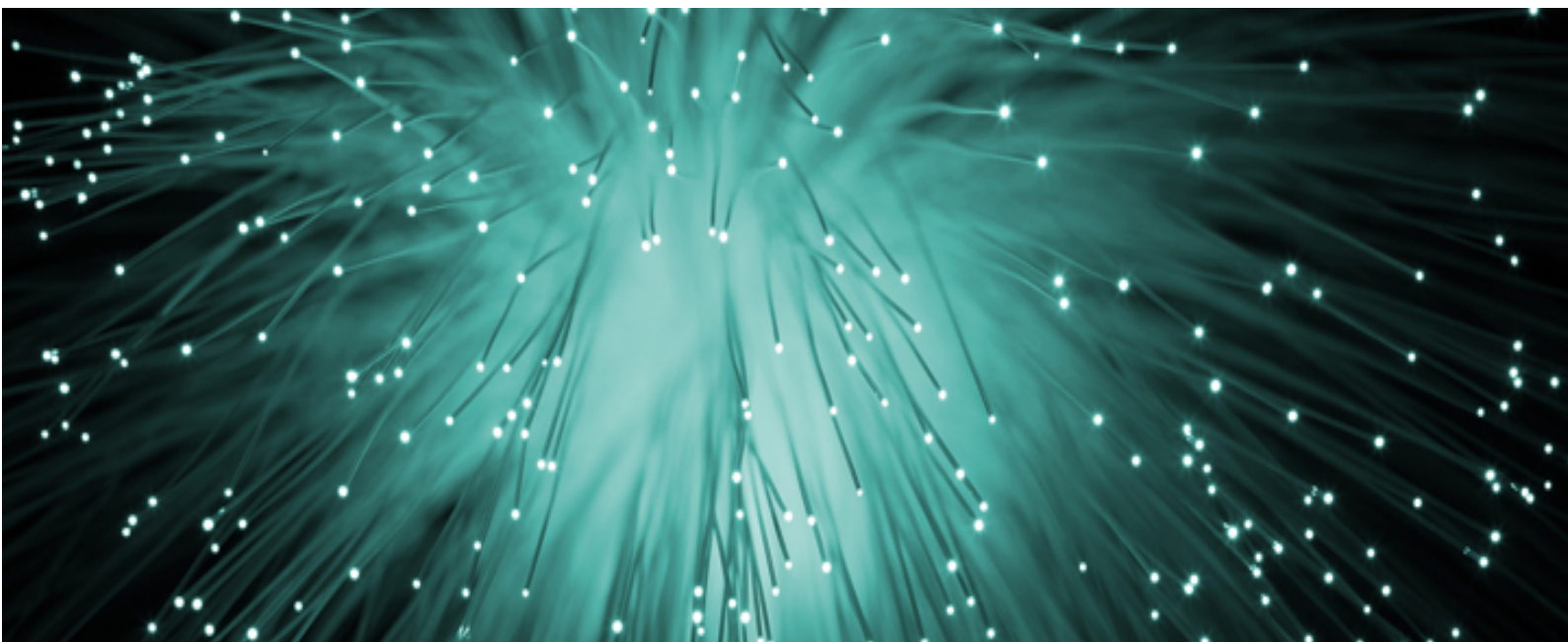




# **ASX OTC Interest Rate Derivatives Clearing Service**

## **Dealer-to-Dealer Clearing – Service Fees Fact Sheet**



# Document Purpose

The purpose of this document is to provide users of the ASX OTC Interest Rate Derivatives Clearing Service with an overview of the Fees and Charges to be applied as part of the service.

## OTC Clearing Service Fees - Overview

### **Registration/Novation Fee**

- Mechanism:
  - o Fee charged per trade Novated by the Clearing House on both sides (i.e. to both Clearing Participants);
  - o Fee is calculated when the trade is Novated and billed at the end of the month;
  - o Fee is tiered based on Tenor of the Trade. Tenor of the trade is defined by the amount of time between the Cleared Date and Maturity Date of the Trade; and
  - o Fee amounts are applied per A\$ 1 Million notional value
- Fee amounts:

Tenor (Years)	Fee (\$) per 1 Million notional
$0 < T < 1$	\$1.00
$1 \leq T < 2$	\$2.00
$2 \leq T < 3$	\$3.00
$3 \leq T < 5$	\$4.50
$5 \leq T < 7$	\$6.00
$7 \leq T < 10$	\$7.50
$10 \leq T < 15$	\$10.00
$T \geq 15$	\$12.00

Note: Fees will be charged in the currency of the trade, e.g. A\$ for A\$ OTC Interest Rate Derivatives)

### **Maintenance Fee**

- Mechanism:
  - o Fee charged per trade Novated by the Clearing House;
  - o Fee is charged on both sides (i.e. to both Clearing Participants); and
  - o Fee is calculated on each anniversary of the Clearing/Novation Date of the trade and billed at the end of the month. Trades remaining open for less than 1 year will not incur the maintenance fee.
- Fee amount: \$100 per trade, per annum in advance.

### **Cash and non-cash collateral utilisation charges**

- Mechanism:
  - o A basis point charge levied upon closing cash and noncash collateral margin covering balances will be calculated daily during the month, and
  - o Settled, in conjunction with any total interest paid on cash covering margins
  - o The charge applies to all OTC clearing Participants
- Rate: For house accounts a rate of 15 basis points annualised per currency balance held

### **Application Fee- ASX Clear (Futures) Clearing Participant**

- Mechanism/Amount: \$25,000 charged once-off upon application.

Note: The Application Fee is waived, Backloading discounts and revenue sharing arrangements also apply for OTC Foundation Customers. Further charges may apply for technical connectivity to ASX.

## GST

This Schedule of Fees sets out applicable fees to ASX 24 Clear (Futures), which are supplied by ASX Clearing Corporation Limited ABN 45 087 801 554, a wholly owned subsidiary of ASX Limited, ABN 98 008 624 691. All fees are shown in Australian dollars. All fees are effective 1 July 2013, unless otherwise indicated and are subject to change from time to time. If you require further information please contact your ASX Account Manager or ASX Customer Service (telephone: 131 279).

\*GST exclusive prices are quoted in the Schedule of Fees to ASX Clear (Futures). Usually, ASX Clear (Futures) services will be subject to GST and the GST inclusive prices will be charged. In certain situations, an otherwise taxable supply may be exempt from GST (for example, exports). However, ASX anticipates that ASX 24 Clear (Futures) services will not be 'exports' for the purposes of GST and accordingly, GST inclusive prices will be charged for these services.

## Invoicing and Payment arrangements

ASX calculates all fees, charges and interest on a daily basis and will invoice Clearing Participants at the end of each month. Note: Invoices can be delivered in PDF Format via email or can be posted.

Where an ASX Clear (Futures) Clearing Participant is authorised for both Futures and OTC product clearing, ASX will include all fees and charges on a single invoice at the end of each month, with separate line items for each fee, charge or interest payment that is applicable.

Invoices are settled for each Clearing Participant the second work day of the following month via Austraclear.

## Fee reconciliation arrangements

ASX provides a range of reporting that Clearing Participants can utilise to reconcile the amount of fees payable under the ASX OTC Clearing Service:

- Monthly Fee Report – Generated at the end of each calendar month and provides a trade-level breakdown of all Novation Fees and Maintenance Fees to be invoiced by ASX, for the month.
- Daily Financial Status Advice Report (FSA) – Generated each business day and provides a top-level breakdown of OTC and Futures margin requirements, OTC and Futures cashflows and the associated collateral holdings with ASX Clear (Futures).
- Daily Interest Earned Statement – Generated each business day and provides a breakdown of the net interest earned by the Clearing Participant on cash collateral balances in the period (current calendar month).

## How will ASX apply backloading discounts?

Clearing Participants may receive OTC backloading discounts, which reduce the amount of the Novation Fee which is incurred upon new trade novation by ASX.

ASX will calculate the backloading discount applicable to each Clearing Participant at the end of each month based on the agreed criterion for providing backloading discounts. The discount will may either be treated as a single credit line on the invoice or issued as a separate credit note.