



SIX Structured Products Exchange Ltd.  
Directive 7: Fees and Costs

of 19/05/2014  
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## 1. Purpose and overview of charges

### 1.1 Purpose

<sup>1</sup> According to Clause 4.8 Rule Book, the participant must pay all charges and costs.

<sup>2</sup> The Exchange may waive all or parts of charges, providing it continues to treat all participants equally.

### 1.2 Scope

This Directive applies to all Exchange participants ("participants") as well as further persons who have submitted themselves to the rules and regulations of the Exchange.

### 1.3 List of fees

This Directive governs the following fees:

- Fees for on-exchange, on-order-book trading
  - Transaction fee
  - Ad valorem fee
  - Special fees
- Fees for on-exchange, off-order-book trading
  - Transaction fee
  - Ad valorem fee
  - Delivery Report usage fee
  - Fee for Trade Type "Both Parties"
- Capacity fees
  - QPS capacity fee
- Extraordinary fees
  - Monitoring fee
  - Investigation fee
  - Mistrade fee
  - Cancellation fee

## 2. Definitions

The following definitions are used in this Directive:

Ad valorem fee	The ad valorem fee depends on the transaction volume.
Aggressor	Order that executes against an order already in the order book (continuous trading).
bp	Basis points (1/100th of a percentage point).
CHF	Swiss francs.
Delivery Report	Functionality offered by the Exchange to report Transmissions of Orders between participants to the Reporting Office, and for the transmission of settlement instructions to the settlement organisation.
Exchange	SIX Structured Products Exchange Ltd

Extraordinary investigation fee	The Exchange charges participants a fee if they give cause for an extraordinary investigation.
Extraordinary monitoring fee	The Exchange charges participants a fee if they give cause for an extraordinary monitoring.
Order	An order to buy or sell a security. Orders entered via the STI are designated as STI Orders, those entered via the OTI are designated as OTI Orders.
Participant	Exchange participants on SIX Structured Products Exchange Ltd.
Poster	An order which comes to execution from the order book (continuous trading).
QPS capacity fee	Each market maker can buy guaranteed trading capacity for individual trading segments in the form of quotes per second (QPS). The Exchange charges a fee for this.
Quote	A quote is a limited order to buy or sell (one-sided quote) or a pair of limited orders to buy and sell (two-sided quote). Quotes entered via the CTI are designated as CTI Quotes, and those entered via the QTI are designated as QTI Quotes. Quotes are provided by market makers.
Trade	(Partial) execution of an order.
Transaction	Execution of an order. When an order is executed in several tranches (partial executions), all tranches of the order on the same trading day are collated into a single transaction. Also called technical transaction as part of the capacity fee.
Transaction fee	The Exchange charges a fee for all on-exchange and off-exchange transactions. This fee is payable per transaction and participant. The level of this fee depends on the trading segment concerned.

### 3. Fees for on-exchange, on-order-book trading

#### 3.1 Principle

<sup>1</sup> The Exchange levies a fee on all on-exchange, on-order-book trades. This includes the reporting fee and is payable per trade and participant.

<sup>2</sup> The fee is defined individually for each trading segment. The applicable rates are set out in the Annex to this Directive.

<sup>3</sup> The fee comprises a transaction fee and an ad valorem fee.

#### 3.2 Transaction fee

The transaction fee is a fixed charge.

#### 3.3 Ad valorem fee

<sup>1</sup> The ad valorem fee depends on the trade's transaction volume. It is determined in terms of basis points and has both a set minimum (floor) and a set maximum (cap).

<sup>2</sup> The ad valorem fee is determined by the type of the (partial) execution. Its amount may differ

(a) for orders which are executed from the order book (posters),

(b) for orders which are executed directly on orders in the order book (aggressor).

<sup>3</sup> The Exchange may institute rate bands for the ad valorem fee in individual trading segments.

### 3.4 Special fees

<sup>1</sup> The Exchange levies a special fee for the use of the "fill or kill" (FoK) and "accept" order types, as well as where such order types are replicated by a participant. The special fee is calculated as follows:

Number of FoK / accept orders and/or replications per month	0 – 500	501 – 1'500	> 1'500
Fee in CHF for each FoK / accept order or replication	0.00	1.00	3.00

<sup>2</sup> A replication is deemed to be the entry of an order followed by the deletion of the same order within one second.

<sup>3</sup> Special fees are invoiced monthly.

## 4. Fees for on-exchange, off-order-book trading

### 4.1 Principle

<sup>1</sup> The Exchange levies a fee on all trades reported to it off-order-book. This includes the reporting fee and is payable per trade and participant.

<sup>2</sup> The fee is defined individually for each trading segment. The applicable rates are set out in the Annex to this Directive.

<sup>3</sup> This fee is the same for all participants. It comprises a transaction fee and an ad valorem fee.

### 4.2 Transaction fee

The transaction fee is a fixed charge.

### 4.3 Ad valorem fee

The ad valorem fee depends on the trade's transaction volume. It is determined in terms of basis points and has both a set minimum (floor) and a set maximum (cap).

### 4.4 Delivery Report usage fee

<sup>1</sup> The Exchange charges a fee for the use of the Delivery Report function.

<sup>2</sup> The Delivery Report usage fee is a fixed charge of CHF 0.50 per report and participant.

### 4.5 Fee for Trade Type "Both Parties"

For one-sided Trade Reports flagged with the Trade Type "Both Parties", the Exchange charges the participant the fees for off-order-book trading for both of the parties involved in the trade.

## 5. Capacity fees

All capacity fees charged by the Exchange, as specified below and in the Annexes, are exclusive of VAT.

### 5.1 QPS capacity fee

<sup>1</sup> The Exchange provides dedicated trading capacities (quotes per second, QPS) for individual trading segments.

<sup>2</sup> The Exchange may allocate QPS to participants in return for a fee. Allocation is on a monthly basis.

<sup>3</sup> The applicable allocation models and rates are set out in the Annex to this Directive.

## 6. Extraordinary fees

All of the extraordinary fees that are charged by the Exchange, as specified below, are exclusive of VAT.

### 6.1 Extraordinary monitoring fee

The Exchange charges participants a fee if they give cause for an extraordinary monitoring. This fee is determined by the complexity of the monitoring task and the time involved. It is subject to a minimum charge of CHF 1,000.

### 6.2 Extraordinary investigation fee

The Exchange charges participants a fee if they give cause for an extraordinary investigation. This fee is determined by the complexity of the investigation and the time involved. It is subject to a minimum charge of CHF 1,000.

### 6.3 Mistrade fee

The Exchange charges participants who have caused a trade to be declared null and void (mistrade), or the corresponding investigation, a fee of CHF 200.

### 6.4 Cancellation fee

The Exchange charges participants a fee of CHF 50 for entering and cancelling a trade or Trade Report on their behalf.

## 7. Payment dates / Reimbursement of fees

### 7.1 Payment dates

<sup>1</sup> Unless agreed otherwise, the Exchange's invoices must be paid within 30 days of issue.

<sup>2</sup> Interest in arrears of 10% p.a. may be charged on payments received late.

### 7.2 Reimbursement of fees

<sup>1</sup> Any claim for the reimbursement of fees must be lodged within six months of the invoice date. Entitlement to reimbursement will lapse at the end of this period.

<sup>2</sup> The claim for reimbursement must be supported by confirmation from the participant's auditors.

Resolution of the Management Committee of the Exchange of 19 May 2014; in effect since 4 August 2014.



## Annex A: Derivatives

Derivatives are financial instruments that are issued as securities with standard features and are characterised by their value being dependent upon that of some other product ("underlying instrument").

### 1. Fees for on-exchange, on-order-book trading

#### 1.1 Transaction fee

The transaction fee is CHF 1.00.

With more than 50,000 transactions as posters per month, a discount of 50% of the transaction fee is granted on the excess amount of the transaction.

#### 1.2 Ad valorem fee

Asymmetrical:	Floor	Scale	Cap
a) Poster	CHF 0.00	0.00 bp	CHF 0.00
b) Aggressor & Auction execution	CHF 1.00	1.50 bp	CHF 100.00

### 2. Fees for on-exchange, off-order-book trading

#### 2.1 Transaction fee

The transaction fee is CHF 1.00.

#### 2.2 Ad valorem fee

Standard fee	Floor	Scale	Cap
Reporting	CHF 1.00	1.50 bp	CHF 25.00

### 3. Capacity fees

#### 3.1 QPS capacity fee

The Exchange allocates five QPS free of charge to every market maker. Participants who have acquired a listing package as issuers are granted additional QPS free of charge for the duration of the listing package, in accordance with the following table.

The additional QPS listed in the table are supplementary to the five QPS that are allocated free of charge.

Listing package: Number of derivatives	Number of additional free QPS per month:
200	0
500	1
1,000	2
2,000	4
5,000	8
7,500	12
10,000	16

For a monthly fee of CHF 600 per QPS, each market maker may increase its QPS capacity.

The QPS capacity fee is charged on a monthly basis.