

ARCO Settlement System: Amendment of fees

Circular No. 01/2024 of 30th of April

Iberclear

April 2024

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

General description

This Circular establishes the fees to be applied for the operations related to the Eurosystem Collateral Management System (ECMS) project as well as for the adaptations made due to the adaptation to the SCoRE (Single Collateral Management Rulebook for Europe) standards.

It also includes the modification of certain fees for the settlement and custody of foreign securities.

Impact

The participants have at their disposal the fees that will be applied to the new services and operations of the Eurosystem Collateral Management System (ECMS) project and the adaptation to the SCoRE (Single Collateral Management Rulebook for Europe) standards.

In addition, participants will see changes to some of the fees to be applied to their transactions in foreign securities in Iberclear.

Related publications

This Circular amends:

- Circular No. 03/2017 of 17 July “ARCO settlement system: Fees”

Effective date

1. As the following sections are related to the Eurosystem Collateral Management System (ECMS) project and the adaptation to the SCoRE standards, they will enter into force on the date on which the project enters into force, which is expected to be 18th of November of 2024:
 - Sections 1, 11, 12 and 13 of Rule 7 of Appendix A on Participant Entities
 - Deletion of Rule 9 of Appendix A on Participant Entities
 - Sections 13 and 14 of the new Rule 9 (former Rule 10) of Appendix A on Participant Entities
 - Sections 14 and 15 of Rule 6 of Annex B on Issuing Entities
2. The remaining sections of this circular will enter into force on 1st of July of 2024.

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Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U., with its registered office in Madrid at Plaza de la Lealtad 1, C.I.F. (Tax ID No.) A-82695677, entered in the Commercial Register of Madrid in Volume 15.611, sheet 5, section 8, page no. M-262818.

Contact

If you have any questions, please contact the Entities department at entidadesiberclear@grupobme.es.

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Circular No. 3/2017 of 17 July "ARCO Settlement System: Fees" approves the fees applicable to securities listed in the ARCO Settlement System.

The purpose of this circular is to amend Circular No. 3/2017 by including the following amendments:

- Appendix A "Fees for participant entities" to Circular No. 3/2017
 - I. Rule 6 "Cross-border settlement"
 - The fee for the settlement of foreign securities through the links established by Iberclear with the CSDs within T2S is amended to set the same fee as for domestic settlement.
 - II. Rule 7 "Custody of domestic securities"
 - The fee item on corporate action management is amended to remove the exception for actions managed as market operations.
 - A new fee is included for the reception and processing of MT565/seev.033 messages in voluntary and mandatory corporate actions with options and for the blocking of securities to the corresponding sub-balance.
 - A fee is included for the receipt and processing of MT565/seev.033 in voluntary and mandatory corporate actions with options after the Market Deadline and for the blocking of securities to the corresponding sub-balance.
 - A fee is included for the receipt and forwarding of HTITUEA and HTITUCD files to the agent entity.
 - III. Rule 8 "Custody of foreign securities"
 - Editorial clarifications are included in the fees on custody of foreign securities. These clarifications have been incorporated for the sole purpose of clarity in the wording and in order to provide greater transparency and understanding of the fees.
 - IV. Rule 9 "Specific fees applicable to other Central Securities Depositories"
 - The fee for the management of corporate action instructions with options is deleted as it is included as an additional service to participant entities in Rule 7. Consequently, Rule 9 is deleted as there is only one fee in this rule and all rules subsequent to it are renumbered sequentially.
 - V. Rule 10 (New Rule 9) "Information and communications"

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- A fee is included for the optional service of generating and sending corporate action messages to other interested parties.
 - A fee is included for sending the monthly invoice by ISO20022 messaging.
- Appendix B “Fees for issuers” to Circular No. 3/2017
 - I. Rule 6 “Corporate action management”
 - A fee is included for late settlement of a corporate action, for payment after 12:00 p.m.
 - A fee is included for Modification of a corporate action after Record Date or Market Deadline.

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

Rule 1 — Amendment of fees applicable to participant entities provided for in Appendix B to Circular No. 3/2017

1. Section 1 of Rule 6 “Cross-border settlement” will read as follows:

1. For settlement instructions on foreign securities, through the links established by Iberclear, with CSD participants in Italy (Euronext Securities Milan), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB), Portugal (Euronext Securities Porto), Switzerland (SIX SIS), and Belgium (NBB-SSS), the **settlement fees set out in Rule 5 “Settlement and related services”** will be charged.

In addition, the origination costs of each issuer CSD for the settlement of the instruction will be passed on.

~~a fee of €3 per settled instruction. This fee will be the same for any type of settlement, whether against payment, free of payment, non-delivery or delivery against payment. The fee will be applied to each settled instruction, regardless of whether it is reported by the participant entity, CCP, other infrastructure or whether it has been self-generated by the system.~~

Item	Fee
Settlement of foreign securities	€3

2. Section 1 of Rule 7 “Custody of domestic securities” is amended to read as follows:

1. For the management of corporate actions on domestic securities that generate securities and/or cash movements, ~~except those that are managed as market transactions~~, a fee of €3 will be charged for the management of the corporate action in each securities account in which a position exists at the accrual date.

Item	Fee
Domestic corporate action	€3 per account

Corporate actions of an informative nature, which therefore do not generate movements of securities and/or cash, will be exempt from this fee.

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3. The following sections are included in Rule 7 “Custody of domestic securities”:

11. For the reception and processing of MT565/seev.033 in voluntary and mandatory corporate actions with options and for the blocking of values to the corresponding sub-balance to participate in the corporate action, a fee of €5 per message will be invoiced.

Item	Fee
MT565/seev.033 processing and blocking of values	€5

12. For the receipt and processing of MT565/seev.033 messages in voluntary and mandatory corporate actions with options after the Market Deadline and for the blocking of securities to the corresponding sub-balance.

Item	Fee
MT565/seev.033 processing and blocking of late securities	€75

13. For the reception and forwarding to the agent entity of the files HTITUEA and HTITUCD through Iberclear.

Item	Fee
Sending of HTITUEA/HTITUCD files	€50

4. Sections 4, 5, 11 and 12 of Rule 8 “Custody of foreign securities” are amended to read as follows:

4. For instructions for corporate actions on foreign securities included through Iberclear’s link with the CSDs of Italy (Euronext Securities Milan), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB), Portugal (Euronext Securities Porto), Switzerland (SIX SIS) and Belgium (NBB-SSS), a fee of €7.50 will apply for each instruction sent to Iberclear by participant entities or generated by Iberclear in voluntary or mandatory corporate actions with options per account.

Item	Fee
Instructions for corporate actions	€7.50

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5. Instructions from participant entities received after the deadline set by Iberclear for the receipt of instructions relating to corporate actions on foreign securities included through the link that Iberclear maintains with the CSDs of Italy (Euronext Securities Milan), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB), Portugal (Euronext Securities Porto) and Belgium (NBB-SSS), will result in the automatic billing of a fee of €75 per instruction and per corporate action. In the case of the Swiss CSD (SIX SIS), this fee is €300 per instruction and per corporate action. **This fee will apply in addition to the fee for corporate action instructions on foreign securities.**

Item	Fee
CBS late instructions	€75
Late instructions Switzerland CSD (SIX SIS)	€300

11. A fee of €100 per beneficial owner **and claim** will be charged for standard tax claims on foreign securities included through Iberclear's link with the CSDs in Italy (Euronext Securities Milan), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Euronext Securities Porto). In the case of the Swiss CSD (SIX SIS), this fee is €350 per beneficial owner **and claim**.

Item	Fee
CBS standard tax claim	€100
Standard tax claim Switzerland CSD (SIX SIS)	€350

12. For late tax claims on foreign securities included through Iberclear's link with the CSDs in Italy (Euronext Securities Milan), France (Euroclear France), the Netherlands (Euroclear Nederland), Germany (Clearstream Banking Frankfurt), Austria (OeKB) and Portugal (Euronext Securities Porto), a fee of €200 per beneficial owner **and claim** will be applied, in the event that the claim is made after the deadline stipulated by Iberclear has passed. In the case of the Swiss CSD (SIX SIS), this fee is €450 per beneficial owner **and claim**.

Item	Fee
CBS late tax claim	€200
Late tax claim Switzerland CSD (SIX SIS)	€450

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5. The only section of Rule 9 “Specific fees applicable to other Central Securities Depositories” is deleted, thereby deleting Rule 9 and renumbering all subsequent Rules. From this circular onwards, Rule 9 will be named “Information and communications”.

~~Rule 9 “Specific fees applicable to other Central Securities Depositories”~~

- ~~1. A fee of €200 per action will apply for the management of corporate action instructions with options. Such management includes receiving instructions from the CSD and transmitting them to the agent entity, confirming receipt and processing of the instruction, generating and transmitting the holder information to the agent entity, and blocking securities when necessary.~~

6. The following sections are included in the renumbered Rule 9 “Information and communications”:

13. A fee of €0.50 per message will be charged for the optional service of generating and transmitting corporate action messages to other interested parties (central bank, central counterparty, infrastructure and/or the owner of the pledged account).

Item	Fee
Generating and sending action messages on pledged accounts to stakeholders	€0.50

14. A fee of €3 per message will be charged for sending the monthly invoice to the participant entity in ISO20022 format (camt.077).

Item	Fee
Invoice in ISO20022 format	€3

Rule 2 – Amendment of fees applicable to issuers provided for in Annex B to Circular No. 3/2017

1. The following sections are included in Rule 6 “Corporate action management”:

14. In the event that the settlement of the corporate action (securities and/or cash) is delayed beyond 12 p.m. on the payment date, a fee of €1,000 will be applied to the issuer.

Item	Fee
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Late settlement	€1,000
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15. A fee of €500 will be charged for modification of the corporate action after Record Date (RD) or Market Deadline (MKDT).

Item	Fee
Post-RD/MKDT modification	€500

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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

1. As the following sections are related to the Eurosystem Collateral Management System (ECMS) project and the adaptation to the SCoRE standards, they will enter into force on the date on which the project enters into force, which is expected to be 18th of November of 2024:
 - Sections 1, 11, 12 and 13 of Rule 7 of Appendix A on Participant Entities
 - Deletion of Rule 9 of Appendix A on Participant Entities
 - Sections 13 and 14 of the new Rule 9 (former Rule 10) of Appendix A on Participant Entities
 - Sections 14 and 15 of Rule 6 of Annex B on Issuing Entities
2. The remaining sections of this circular will enter into force on 1st of July of 2024.

Madrid, 30th of April of 2024

Jesús Benito Naveira
Chief Executive Officer

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