

# SEDOL Masterfile

Pricing and Policy Guidelines 2024

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# SEDOL User Licence Requirements

## A Licence is required for entities where any Licensable Event occurs.

*Licensable Event means any:*

- i. Receipt or receiving, accessing, extracting, processing, adapting, reproducing or storing of*
- ii. Having access or availability to*
- iii. Making derivatives from*
- iv. Otherwise using in any manner*

*the whole, or a subset of, the SEDOL Masterfile database or SEDOL data or SEDOL codes (whether performed by the customer or its affiliates, or on their behalf by a third party).*

The type of User Licence is determined by the total volume of data identified across any Licensable Event. This should be the total count of SEDOL codes across all activities defined as Licensable Events.

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### Storing: example\*

- Customer actively trades under 1,000 securities with SEDOL codes attached
- Customer stores 2,500 SEDOL codes in the back office system, which includes trade history and current trading activity
- The total number of unique SEDOL codes stored across all systems/databases would be counted to evaluate correct Licence, in this example 2,500 SEDOL codes

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### Receiving: example\*

- Customer has active holdings of 4,000 securities including SEDOL codes
- Customer has access to a database with 20,000 SEDOL codes for stock selection
- In this example, the Licensable Event is the access to the database and the correct count for Licence purposes is 20,000

There are no additional charges to receive SEDOL codes from multiple distributors. The User Licence is based on the total count of unique SEDOL codes throughout any Licensable Event.

This document will refer to SEDOL codes as the primary indicator of SEDOL Masterfile database usage, however other substantial extracts of the database (e.g., reference data) are also considered as usage of the SEDOL Masterfile database and are subject to the Licence requirements.

*\*Examples provided for guidance only and are non-exhaustive*

# SEDOL User Licence Requirements

**Every unique SEDOL code throughout the company's systems, or via third-party provider systems, should be counted for Licence purposes where any Licensable Event occurs.** Any interaction with the SEDOL Masterfile database or SEDOL codes can be in direct form, or indirectly via a third-party provider. Interaction with SEDOL codes via a third-party service will be counted where any Licensable Event occurs and assessed in the same way.

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## Third-party application: example 1\*

- Customer stores 7,000 unique SEDOL codes within its in-house system
- Customer also subscribes to a data mapping facility in a third-party application containing over 20,000 SEDOL codes
- The Licensable Event is based on all SEDOL codes that may be accessible or are accessed via the third-party mapping facility
- The correct count for Licence purposes is 20,000 regardless of how many are extracted or downloaded

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## Third-party application: example 2\*

- Customer uses index data for fund performance versus benchmark performance within an application
- SEDOL codes are attached to every security within the customer's holdings and in each benchmark
- All SEDOL codes, both customer-specific holdings and all benchmark constituents, will be counted when determining the correct Licence
- Where a risk model containing SEDOL data is made available, all SEDOL codes contained within such model shall be counted for Licence purposes

*\*Examples provided for guidance only and are non-exhaustive*

# Centralised Systems

Where a central entity, Region (as defined on page 9), or Business Segment (as defined on page 10) provides access to related group entities, Regions, or Business Segments; or where group entities, Regions, or Business Segments have access to a central or shared database (or a system dependent on the shared database), each entity, Region, and Business Segment will require its own SEDOL User Licence for the level of SEDOL data contained in that database (i.e. Limited User Licence) or be covered under a group-wide agreement (i.e. Unlimited User Licence) for multiple affiliates. Affiliates must be approved by the Exchange in writing to be covered by an Unlimited User Licence.

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## **Region: example\***

- Customer has one security master that is accessed by its offices in Japan, London, and New York
- All three Regions would be licenced based on the total number of SEDOL codes in the central security master
- This is regardless of how many SEDOL codes are actively traded by each Region
- The Licensable Event is access to the total number of SEDOL codes in the security master

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## **Business Segment: example\***

- Customer has one security master (and no other system) that is accessed by its asset management, wealth management and asset servicing businesses
- All three segments would be Licenced based on the total number of SEDOL codes in the central security master
- This is regardless of how many SEDOL codes each Segment has an active interest in
- The Licensable Event is access to the total number of SEDOL codes in the security master

*\*Examples provided for guidance only and are non-exhaustive*

# Fee Structure: Limited User Licence

There are three applicable bands of user licences that a single legal entity can choose if the total number of unique codes across any licensable event totals 10,000 or fewer SEDOL codes.

Each legal entity can only have one User Licence, therefore one legal entity may not purchase several licences from the below table and combine them to cover a higher number of SEDOL codes.

## Example\*

Where an entity stores 8,000 unique SEDOL codes within a data repository, and no other systems have SEDOL codes, a Band C Limited User Licence would be required.

Limited User Licences (<10,001 codes)		2024 fees (per annum)
<b>Band A</b>	1,000 or fewer SEDOL codes (and unlimited TIDM codes <sup>1</sup> ) within one legal entity	£955
<b>Band B</b>	1,001 to 5,000 SEDOL codes within one legal entity	£3,005
<b>Band C</b>	5,001 to 10,000 SEDOL codes within one legal entity	£9,865

*\*Examples provided for guidance only and are non-exhaustive.*

<sup>1</sup> Usage of the TIDM code by a customer is included for holders of a SEDOL Masterfile Licence. However, for those companies who choose to use the TIDM code, but not the SEDOL codes, a Band A Licence should be taken. This Licence covers the use of TIDM codes and associated data within an organisation, regardless of the number used.

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# Distribution: Limited User Licence holders

Limited User Licence band customers seeking to redistribute SEDOL codes to third parties must subscribe to a Distribution Licence in addition to their User Licence.

Distribution Licences A, B and C are available depending on the number of SEDOL codes to be distributed.

## Distribution Licence Requirements:

All Distribution Licence holders must ensure that the third parties they distribute to are appropriately Licenced for SEDOL codes. Please refer to the distributor requirements on pages 13 and 14 for more detail.

Distribution Licences		2024 fees (per annum)
<b>Band A</b>	1,000 or fewer SEDOL codes distributed by one legal entity	£885
<b>Band B</b>	1,001 to 5,000 SEDOL codes distributed by one legal entity	£2,735
<b>Band C</b>	5,001 or more SEDOL codes distributed by one or more legal entities	£14,720

# Fee Structure: Higher Education Licence

A Higher Education Licence is available to higher education institutions providing education and training (i.e., instead of a User Licence).

This licence covers any licensable event for the purpose of course-related work or research undertaken by students enrolled at the licence holding institution, and the faculty members. For the avoidance of doubt, the Higher Education Licence does not cover any licensable event for commercial activities by students, faculty members and/or the institution itself.

## Example\*

Where a university provides SEDOL data to students and faculty members to complete studies and research only.

Higher Education Licence		2024 fees (per annum)
Higher Education	Any number of SEDOL codes	£955

*\*Examples provided for guidance only and are non-exhaustive.*



# Fee Structure: Unlimited User Licence Regions

For Unlimited User Licence customers (those customers whose SEDOL count exceeds 10,000 SEDOL codes), customer fees will be determined by the number of Regions and Business Segments that require an Unlimited User Licence.

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## Regions

- Customers must determine how many Regions require coverage by the Unlimited User Licence
- Applicable Regions are referenced on this page to the right and in Appendix A (page 18)
- A Region must be counted if there is a legal entity, physical presence, or business operation in which any Licensable Event occurs

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## Example\*

- A global asset manager has locations in Africa, Europe, and the Middle East. They use a centralised system containing more than 10,000 SEDOL codes
- The African and European locations access SEDOL data; however as the Middle East location does not have access to the centralised system or SEDOL codes via any other system, there is no Licensable Event in the Middle East location
- The customer would require a Licence for two Regions, as the Middle East location would not be counted

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## REGIONS:

- Africa
- APAC
- Europe
- Middle East
- North America
- South America

# Fee Structure: Unlimited User Licence Business Segments

For Unlimited User Licence customers (those customers whose SEDOL count exceeds 10,000 SEDOL codes), customer fees will be determined by the number of Regions and Business Segments that require an Unlimited User Licence.

## Business Segments

- Customers must determine how many Business Segments require coverage by the Unlimited User Licence
- Applicable Business Segments are referenced on this page to the right and in Appendix A (page 19-22)
- A Business Segment must be counted if that Business Segment performs one or more Licensable Event

## Example\*

- A large financial institution has activities in market making, asset management and wealth management
- The market making, sales, and trading and the asset management business segments access SEDOL data, however as the wealth management Business Segment does not have access to the centralised system or SEDOL codes via any other system, there is no Licensable Event in the wealth management business segment
- The customer would require a Licence for two Business Segments, as the wealth management Business Segment would not be counted

## BUSINESS SEGMENTS:

- Asset management
- Asset servicing, custody, and fund administration
- Audit & accounting
- Consulting (management/IT)
- Corporate finance
- Data vending
- Government/regulator
- Insurance
- Investment consulting
- Market making, sales, and trading
- Research
- Software and analytics
- Tax
- Wealth management and trust services
- Other

# Fee Structure: Unlimited User Licence Fee Levels

The below fees will apply from 2024 for Unlimited User Licence customers (>10,000 codes) under the new business segments and region model:

## 2024 SEDOL Unlimited User Licence Fees (per annum)

		Regions		
		1	2	3+
Business segments	1	£38,890	£72,960	£96,190
	2	£72,960	£134,875	£177,990
	3	£96,190	£177,990	£234,370
	4	£107,230	£198,990	£263,110
	5+	£113,850	£210,045	£277,485

# Distribution: Unlimited User Licence Holders

**Unlimited User Licence customers (as defined on page 9 & 10) can distribute an unlimited amount of SEDOL data at no additional fee.** However, customers wishing to distribute SEDOL codes are required to sign a separate Distribution Licence outlining specific distribution requirements and terms.

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## Distribution Licence requirements

All Distribution Licence holders, must ensure that the third parties they distribute to are appropriately licenced. Please refer to the distributor requirements pages 13 and 14 for more detail.

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## Example\*

Where a customer is providing any volume of SEDOL data or SEDOL codes via products such as market data and pricing feeds, historical or intraday market data feeds, constituent level index data feeds, identifier cross-reference mapping table systems, or through factor-based models, a £0 Distribution Licence will be required.

*\*Examples provided for guidance only and are non-exhaustive*

# Distribution Licence Requirements

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## SEDOL Data Permissioning for all Products and Services

Distributors must build into their systems the ability to restrict the redistribution of the SEDOL Masterfile database and SEDOL data to their customers (permissioning).

In the event the distributor is informed by the Exchange that a customer is not correctly licenced, the distributor must, at the Exchange's request, cease the provision of the SEDOL Masterfile database and SEDOL data to that customer with immediate effect.

## Trademark and Contracts

Distributors may not use the term 'SEDOL Masterfile' to describe their own products, as this is a registered trademark of the Exchange. However, it may be used to inform customers that a part of the data within their products was sourced from the SEDOL Masterfile, as outlined in Clause 10.2 of the distribution licence agreement.

The distributor must stipulate in their contract with its customers that the customer is responsible for obtaining the relevant licences, from the Exchange, for the SEDOL Masterfile data contained in the distributor product. As a guideline, the following paragraph could be used:

*"The {product or service} provided by {the distributor} contains SEDOL Masterfile® data sourced from the London Stock Exchange®. It is the obligation of the customer to ensure they have the appropriate licence in place with the London Stock Exchange to receive this data. Customer agrees that {the distributor} may provide the customer's contact information to the London Stock Exchange to allow verification of the licence status. {the Distributor} is required to exclude SEDOL Masterfile data from the {product or service} until as such time as the London Stock Exchange confirms that permission has been granted to use this data. The London Stock Exchange may require {the distributor} to cease the provision of the SEDOL Masterfile® if requested to do so by the Exchange where the customer is in breach of its licence with the London Stock Exchange."*

# Distribution Licence Reporting Requirements

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## Annual Reporting for Existing Customers

The distributor must provide the details of their new customers to the Exchange to ensure the relevant SEDOL Masterfile User Licence Agreement is in place prior to the commencement of a SEDOL Masterfile-enabled service. The customer information should include company name, location and contact details, including email and phone number.

Permission will be given when the customer has signed a SEDOL agreement with the Exchange. Despite distributor obligations, the end user assumes ultimate responsibility to ensure appropriate SEDOL licensing is in place for their level of SEDOL usage.

## Annual Reporting for Existing Customers

The distributor will provide the Exchange with a report in a format acceptable to the Exchange (see table below) on an annual basis detailing those customers, by product, that it supplies SEDOL Masterfile data to.

Subscriber Number	Entity name	Application/Product/URL	Membership	Quantity of SEDOL codes	Country	Address 1	Post/Zip code	Primary contact	Email address	Telephone	Report Date
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Distributors are not permitted to redistribute the SEDOL Masterfile data in the original format in which it is received. A Distribution Licence is granted to allow distributors to include the SEDOL Masterfile data within their products to aid identification or assist in the maintenance of their data within their customer's products.

# Licence Reviews

**The Exchange reserves the right, with reasonable notice, to review a customer's usage to verify the Licence chosen.** The customer is to allow the Exchange, its agents and employees, at all reasonable times on reasonable notice, on customer site, to access and inspect its systems, accounts, records and other documents relating to the agreement (in both hard copy and machine readable form), and permit the Exchange to take copies or extracts and on demand to supply copies to the Exchange in order to verify the customer's compliance with the Agreement.

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## Licence Review requirements include:

- Access to, and demonstration of, all databases/sources (either direct or indirect) where the SEDOL Masterfile database or SEDOL data or codes is used by the organisation
- Snapshot of SEDOL codes as at time of the licence review and over the licence review period
- Access to historical usage (the Exchange can request up to seven years history)
- Examination of the processes by which the incoming SEDOL Masterfile feed is managed to ensure that codes are deleted/removed/stored in a timely manner

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## Unlicensed Use

Where the Exchange's investigation finds that the customer's Licence does not cover the appropriate level of SEDOL data, Regions, Business Segments, or Affiliates, the Exchange reserves the right to move the customer to a sufficient Licence and charge the applicable fees from the point in time the license threshold was crossed. Where agreement cannot be reached, the Exchange reserves the right to terminate the service.

It is a requirement that customers who choose a Limited Licence band retain verification of the licence band chosen for a period of seven years. Where a customer has not retained seven years' verification, the Exchange reserves the right to charge at the top tier licence rate for the periods where the verification is not available

# Licence Changes

**It is the Licence holder's responsibility to ensure that they are adequately Licensed for their SEDOL use. All requests to change a Licence, including but not limited to changes relating to Regions, Business Segments, and affiliates covered by an Unlimited User Licence, must be submitted to the Exchange in writing. The requested change, at the discretion of the Exchange, must be accepted in writing by the Exchange before the change is approved and may require an amendment to your agreement.**

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## Usage Statements

Customers must complete usage statements within 30 days of the Exchange's request.

The customer will be required to review their SEDOL usage, and confirm if their licence is adequate or requires a change of band.

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## Cancellations

All requests to change a SEDOL Licence must be in writing.

Requests to cancel or downgrade a SEDOL Licence must be submitted on signed documentation accompanied with the relevant evidence. Signatory must be a compliance officer or other similar position.

Requests to cancel or downgrade a SEDOL Licence will initiate a licence review (as outlined on page 15), where evidence of eligibility to cancel or downgrade will be requested. The review must be signed off and completed by both the Exchange and the customer before the request to cancel or downgrade is approved.

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# Appendix A

Regions and Business Segments

# Region

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A Region means, in the case of an Unlimited User Licence, any of the following geographical territories in which: (i) a Customer's legal entity, physical presence or business operates; and (ii) a Licensable Event occurs:

- **Africa**
- **APAC**
- **Europe**
- **Middle East\***
- **North America**
- **South America**

*\*For the avoidance of doubt, Middle East includes: Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates, Yemen*

# Business Segments (1/4)

Business Segments means, in the case of an Unlimited User Licence, any of the following commercial categories where a licensable event occurs:

Business Segment – categories	Business Segment – description	Example activities (non-exhaustive)*
<b>Asset management</b>	Invests pooled funds of cash and/or securities for the benefit of third-party customers or proprietary accounts	<ul style="list-style-type: none"> <li>– Hedge Funds</li> <li>– Fundamental fund management</li> <li>– Quantitative fund management</li> <li>– Passive fund management</li> <li>– Investing insurance premiums</li> <li>– Proprietary trading on own balance sheet</li> </ul>
<b>Asset servicing, custody, and fund administration</b>	The activity of holding customer assets to minimise risk of theft or loss and providing services in connection with the servicing, custody, and fund administration of financial instruments or in the process of running a collective investment scheme	<ul style="list-style-type: none"> <li>– Processing corporate events</li> <li>– Handling taxes</li> <li>– Calculation of NAV</li> <li>– Preparing and filing prospectus, annual reports, etc</li> <li>– Securities lending</li> <li>– Clearing and settlement</li> </ul>
<b>Audit and accounting</b>	Producing and inspecting customer accounts to ensure completion & accuracy and attesting to compliance with applicable regulation	<ul style="list-style-type: none"> <li>– Producing accounts</li> <li>– Inspecting/reviewing accounts</li> </ul>

*Example activities provided for guidance only and list is non-exhaustive*

# Business Segments (2/4)

Business Segments means, in the case of an Unlimited User Licence, any of the following commercial categories where a licensable event occurs:

Business Segment – categories	Business Segment – description	Example activities (non-exhaustive)*
<b>Consulting (management/ IT)</b>	Advising customers on how to improve performance of companies, non-profits or government bodies through effectively and efficiently performing tasks	<ul style="list-style-type: none"> <li>– Advising on:               <ul style="list-style-type: none"> <li>– Change management</li> <li>– Operational process</li> <li>– Technology implementation</li> <li>– Strategy development</li> </ul> </li> </ul>
<b>Corporate finance</b>	Advice and activities related to the raising, creation, formation or restructuring of capital, as well as advising on mergers, acquisitions, disposals or bankruptcy	<ul style="list-style-type: none"> <li>– Underwriting new debt &amp; equity securities</li> <li>– Aiding/advising asset disposal</li> <li>– Aiding/advising mergers and acquisitions</li> <li>– Aiding/advising issue or placement of stock (e.g. IPO, private placement, etc)</li> <li>– Aiding/advising on restructuring of a company</li> </ul>
<b>Data vending</b>	Creation of data feed products made available to third-party customers**	<ul style="list-style-type: none"> <li>– Creating of datasets covering, for example:               <ul style="list-style-type: none"> <li>– Reference data, pricing data, corporate actions, evaluated pricing, realtime/historical tick</li> </ul> </li> <li>– Creation of flat files distributed through FTP, API, etc</li> <li>– Making data available to view via Terminal</li> <li>– Creation of index data files</li> <li>– Making data available via Excel plug-in/export</li> </ul>

\*Example activities provided for guidance only and list is non-exhaustive

\*\*Customers providing insubstantial amounts of SEDOL data to their customers as part of custody, asset management, etc will not be counted in this segment

# Business Segments (3/4)

Business Segments means, in the case of an Unlimited User Licence, any of the following commercial categories where a licensable event occurs:

Business Segment – categories	Business Segment – description	Example activities (non-exhaustive)*
<b>Government/regulator</b>	Governmental or regulatory organisations	<ul style="list-style-type: none"> <li>– SEC, FCA, central banks, trade associations</li> </ul>
<b>Insurance</b>	Offering investment-linked insurance products providing coverage to protect customers from loss, damages, injury, or hardship	<ul style="list-style-type: none"> <li>– Variable annuity products</li> <li>– Index-linked policies</li> <li>– Whole or term life insurance</li> </ul>
<b>Investment consulting</b>	Providing institutional customers with long-term investment planning, investment monitoring and recommendations to achieve long term goals	<ul style="list-style-type: none"> <li>– Advising pension funds, endowments or other non-retail customers on asset allocation, fund selection, investment selection, acceptable risk levels, etc</li> <li>– Offering outsourced CIO (OCIO) services</li> </ul>
<b>Market making, sales and trading</b>	Capital markets activities, including providing liquidity, buying or selling securities, and matching customers with opposite positions to enable trade execution	<ul style="list-style-type: none"> <li>– Broking (online, traditional/phone)</li> <li>– Exchange or OTC trading</li> <li>– Market making (e.g., displaying quotes or offering liquidity in financial instruments)</li> <li>– Operating a trading platform/facility (e.g. MTF, BCN, SEF, dark pools, etc)</li> <li>– Prime brokerage</li> </ul>
<b>Research</b>	Research (macro, individual stock, industry, etc...) sold to customers to provide investment insight	<ul style="list-style-type: none"> <li>– Stock reports, valuations, recommendations</li> <li>– Macro environment analysis and reports</li> </ul>

*\*Example activities provided for guidance only and list is non-exhaustive*

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# Business Segments (4/4)

Business Segments means, in the case of an Unlimited User Licence, any of the following commercial categories where a licensable event occurs:

Business Segment – categories	Business Segment – description	Example activities (non-exhaustive)*
<b>Software and analytics</b>	Creation and development of software or analytics tools made available to third party customers.	<ul style="list-style-type: none"> <li>– Order/execution management systems</li> <li>– Portfolio management and analytics platforms or tools</li> <li>– Outsourcing software (e.g. outsourced settlement, clearing, etc)</li> <li>– Best execution analysis or tools</li> <li>– Post-trade activities e.g. reconciliation</li> <li>– Excel plug-in enabled analytics</li> </ul>
<b>Tax</b>	Advising customers on tax compliance, strategies, regulations, systems and obligations to ensure they meet requirements	<ul style="list-style-type: none"> <li>– Advising on and preparation of returns for:               <ul style="list-style-type: none"> <li>– Income tax; international tax; indirect tax, multistate tax, sales and use tax, transfer pricing, M&amp;A tax, etc</li> </ul> </li> </ul>
<b>Wealth management and trust services</b>	Financial advisory and/or comprehensive wealth planning services for retail customers including financial and investment advice, potentially including a combination of accounting and tax services, retirement planning, legal or estate planning and trust services, executed by licenced professionals or algorithmic processes	<ul style="list-style-type: none"> <li>– Consulting with (usually retail/HNW) customers to provide guidance across all areas of wealth planning</li> <li>– Acting as a fiduciary, agent or trustee offering establishment, administration and/or management of trusts to manage the eventual transfer of assets to a beneficial party</li> </ul>
<b>Other</b>	Any other activities not covered in the above list of business segments	<ul style="list-style-type: none"> <li>– Expert testimony</li> <li>– Litigation</li> </ul>

*\*Example activities provided for guidance only and list is non-exhaustive*