

London Stock Exchange Derivatives Market

TARIFF SCHEDULE

July 2015

Version 3.9



Contents

1.	Revision History	4
2.	Introduction	5
	2.1. Payment mechanics	5
	2.2. Incentives and temporary adjustments	5
	2.3. Clearing fees	5
	2.4. Minimum block sizes	5
	2.5. Key points for using this document	5
	2.6. Current incentive offers	5

3.	IOB derivatives Fee Schedule	6
	3.1. All non-Market Maker accounts	6
	3.2. Market Makers accounts	7

4.	Norwegian derivatives Fee Schedule	8
	4.1. All non-Market Maker accounts	8
	4.2. Primary Market Maker fees	8
	4.3. Primary Market Maker discounts	9
	4.4. Qualified Liquidity Provider discounts	10

5.	UK derivatives Fee Schedule	11
	5.1. All non Market-maker accounts	11
	5.2. Market-maker accounts	11

1. Revision History

Date	Version	Sections updated	Notes
23 September 2011	1.0	All	First published to website
23 September 2011	1.1	2.6	Updated with link to connectivity charges
31 October 2011	2.1	4	New IOB derivatives charging updated
1 December 2011	2.2	3 and 6.1	FTSE 100 futures and options caps increased until 2 July 2012
1 February 2012	2.3	5	Norwegian fees updated
2 July 2012	2.4	6	FTSE 100 futures and options caps increased until 2 January 2013
19 November 2012	2.5	4 and 5	Change in formulation (no change in fees)
2 January 2013	2.6	6	Change to FTSE 100 futures and options caps
1 April 2013	3.0	All	Include Market Making fees
10 June 2013	3.1	5	UK Single Stock options
24 June 2013	3.2	4	OBOX Index Futures
01 July 2013	3.3	3 and 5	IOB DR pricing change; FTSE 100 futures pricing change
01 September 2013	3.4	4	End of volume discount for OBX Index futures
01 October 2013	3.5	3 and 4	Reduction of standard fee on IOB DR Options. Change of Norwegian fees
07 October 2013	3.6	5	Introduction of FTSE UK Large Cap Super Liquid futures; change of FTSE100 futures pricing
17 February 2014	3.7	4	Change of PMM expiry fees on Norwegian derivatives
20 October 2014	3.8	3	Introduction of IOB DR dividend neutral stock futures
01 July 2015	3.9	4	Reduction of standard fee on Norwegian single stock futures, introduction of caps on Norwegian single stock futures and options

2. Introduction

2.1. Payment mechanics

Fees are paid to the Designated Clearing House by the Clearing Member for the product in question. This happens at the time specified in the relevant statement issued to the Member by the Designated Clearing House.

2.2. Incentives and temporary adjustments

Details of any fee incentive programs or temporary adjustments to any fees shall be notified to Members by way of a market notice and corresponding update to this document in the **Current incentive offers** section.

2.3. Clearing fees

- Norwegian and IOB product fees INCLUDE a clearing fee. UK single stock options also INCLUDE a clearing fee.
- For FTSE 100 futures, options and all new products going forward a separate clearing fee is applied to the trade fees (order-book trade fee and block trade fee).
- For FTSE 100 futures and options the Assignment/ Exercise / Expiration fee includes the clearing fee.

2.4. Minimum block sizes

These are detailed for all products in Appendix B of the “London Stock Exchange Derivatives Market - Trading Service Description” at www.lseg.com

2.5. Key points for using this document

- All terms and acronyms used in this document are explained in the London Stock Exchange Derivatives Market Derivatives Glossary available at www.lseg.com
- The “Exercise fee” is charged to both counterparties.
- Minimum block sizes are detailed for all products in Appendix B of the “London Stock

Exchange Derivatives Market - Trading Service Description” at www.lseg.com

- For connectivity charges please refer [here](#).

2.6. Current incentive offers

- Please refer to the Market Making and Liquidity Provision document for any special scheme concerning Market Makers and Liquidity Providers

3. IOB derivatives Fee Schedule

3.1. All non-Market Maker accounts

Fee Type	Individual DR options	Individual DR futures ¹	FTSE RIOB index options	FTSE RIOB index futures	IOB dividend futures
Trade fee	0.25% of premium value	0.006% of future value	USD 0.75 per contract	USD 0.75 per contract	0.6% of future value
Trade fee cap	<u>Reported/Block Trades</u> USD 440 per trade <u>Onscreen Trades</u> USD360 per trade	USD 400 per trade			
Exercise / Expiration fee	0.01% of exercise amount	0.006% of settlement amount	USD 0.75 per contract		0.6% of settlement amount
Exercise/ Expiration fee cap	USD 200 per exercise	USD 400			
Clearing fee	Combined with trade / exercise / expiration fee				

Settlement fees are no longer charged by London Stock Exchange Derivatives Market. LCH Clearnet will pass through, at cost, all settlement related fees for IOB derivatives. Further information on ECL settlement fees can be found on the LCH Clearnet website.

¹ This includes IOB DR dividend neutral stock future contracts.

3.2. Market Makers accounts

Fee Type	Individual DR options	Individual DR futures ²	FTSE RIOB index options	FTSE RIOB index futures	IOB DR Dividend futures
Trade Reporting/Block Trade fee*	0.15% of premium value	0.003% of futures value	USD 0.50 per contract	USD 0.50 per contract	0.3% of future value
Trade fee cap	USD 220 per trade	USD 200 per trade			
Exercise / Expiration fee†	0.005% of the exercise amount	0.003% of the settlement amount	USD 0.40 per contract	USD 0.50 per contract	0.3% of the settlement amount
Exercise/ Expiration fee cap	USD 100	USD 200			
Clearing fee	Combined with trade/ exercise/ expiration fee				

*Market Makers do not pay fees for trades done electronically during continuous trading if they meet quoting requirements.

†Primary Market Makers do not pay exercise & assignment fees.

4. Norwegian derivatives Fee Schedule

4.1. All non-Market Maker accounts

Fee Type	Stock options	Stock futures	OBX index options	OBX index futures	OBOSX index futures
Trade fee	0.75% of the premium (max NOK 20 per contract)	0.04% of the future value	0.75% of the premium (max NOK 2.50 per contract)	NOK 2.50 per contract	NOK 1.50 per contract
Trade fee cap	NOK 15,000 per transaction	NOK 15,000 per transaction			
Clearing fee	Combined with trade fee				
Exercise / Expiration fee	0.08% of exercise amount	0.04% of settlement amount	NOK 2.50 per contract	NOK 2.50 per contract	NOK 1.50 per contract

4.2. Primary Market Maker fees

Fee Type	Stock options	Stock futures	OBX index options	OBX index futures	OBOSX index futures
Trade fee	% of non-Market Maker fees; see below for further information				NOK 0.75 per contract
Trade fee cap	NOK 15,000 per transaction	NOK 15,000 per transaction			
Clearing fee	Combined with trade fee				
Exercise / Expiration fee	75% discount on non-Market Maker expiry fees for each product respectively				

4.3. Primary Market Maker discounts

Primary Market Makers are incentivised to quote a maximum number of underlying: the more names quoted, the higher the discount on trading and clearing fees.

For example, if a PMM quotes OBX index options and futures but no Norwegian single stock options, it will only benefit of a 55% discount on its OBX index derivatives trading. However, if the PMM quotes the OBX index options and futures as well as 3 single stock options & futures, it will benefit from a further 15% discount on its OBX derivatives trading, adding up to a total of 70% discount (55%+15%), plus a 60% discount of stock option fees.

The same rationale applies to discounts on single stock options trading.

MM Obligations Qualifying for Discount	Eligible Discount in:	
	<i>OBX Options and Futures</i>	<i>Stock Options</i>
OBX	55%	30%
1. Tier - total of 3 designated stocks	15%	30%
2. Tier - total of 6 designated stocks	15%	15%
3. Tier - total of 9 designated stocks	-	10%
4. Tier - total of 12 designated stocks	-	5%
5. Tier - total of 15 designated stocks	-	2.5%
Max discount in OBX Options and Futures: MM in OBX and at least two tiers (6 stocks)	85%	
Max discount in Stock Options: MM in OBX and at least five tiers (15 stocks)		92.5%
	Stock Forwards/ Futures	
Max discount in Forwards/ Futures: MM in OBX and two (2) tiers or more (6 stocks or more)	80%	
MM that does not meet max discount criteria	70%	

4.4. Qualified Liquidity Provider discounts

Qualified Liquidity Providers on the OBX index futures are entitled to paying reduced fees if they have respected their obligations over each period. Fees are a decreasing function of the volume traded, as detailed in the table below.

OBX index futures		
Trade and clearing fee	Contracts traded per month	Fee
	0 – 5,000	NOK 2.0 per contract
	5,001 – 15,000	NOK 1.5 per contract
	15,001 – 25,000	NOK 1.0 per contract
	>> 25,001	NOK 0.5 per contract
Expiration fee	NOK 2.50 per contract	

Example : If the Liquidity Provider fulfils the obligations in the Liquidity Provider Scheme and trades 5,500 contracts in that period, 5,000 contracts will be charged at NOK 2.0 per contract and 500 will be charged at NOK 1.5 per contract

5. UK derivatives Fee Schedule

5.1. All non Market-maker accounts

Fee Type	Stock options	FTSE UK Large Cap Super Liquid index futures	FTSE 100 index futures	FTSE 100 index options
Trade fee	0.3% of premium value	GBP 0.20 per contract	GBP 0.20 per contract	GBP 0.15 per contract
Block trade fee				
Clearing fee	Combined with trade fee	GBP 0.02 per contract	GBP 0.02 per contract	GBP 0.02 per contract
Trade fee cap	GBP 280 per trade	GBP 200 per trade	GBP 200 per trade	GBP 150 per trade
Clearing fee cap	Combined with trade fee	GBP 20 per trade	GBP 20 per trade	GBP 20 per trade
Assignment/ Exercise / Expiration fee	0.01% of exercise amount	GBP 0.17 per contract*	GBP 0.17 per contract*	GBP 0.17 per contract*
Assignment/ Exercise / Expiration fee cap	GBP 140 per exercise	GBP 170 per exercise*	GBP 170 per exercise*	GBP 170 per exercise*

5.2. Market-maker accounts

Fee Type	FTSE 100 index options	FTSE 100 index futures	FTSE UK Large Cap Super Liquid index futures
Order book trade fee	GBP 0.05 per contract	GBP 0.00 per contract (PMMs) GBP 0.10 per contract (QLPs)	GBP 0.00 per contract (PMMs) GBP 100 per trade (QLPs)
Block trade fee	GBP 0.10 per contract		
Trade fee cap	GBP 150 per trade	GBP 0.00 per contract (PMMs) GBP 100 per trade (QLPs)	GBP 100 per trade (QLPs)
Clearing fee	GBP 0.02 per contract	GBP 0.02 per contract	GBP 0.02 per contract
Clearing fee cap	GBP 20 per trade	GBP 20 per trade	GBP 20 per trade
Assignment/ Exercise / Expiration fee	GBP 0.12 per contract	GBP 0.17 per contract	GBP 0.17 per contract
Assignment/ Exercise / Expiration fee cap	GBP 170 per exercise	GBP 170 per exercise	GBP 170 per exercise

Disclaimer

This document is for information only. London Stock Exchange Group has made reasonable efforts to ensure that the information contained in this document is correct at the time of printing, but shall not be liable for any decisions made in reliance on it. It does not constitute investment advice, nor is it intended to constitute an invitation or inducement to engage in any investment activity. This document does not constitute an offer to sell or the solicitation of an offer to purchase any security, investment product or service in the United States or any other jurisdiction in which such an offer or solicitation is not authorised.

© *May 2015.*

London Stock Exchange Group plc, 10
Paternoster Square, London EC4M 7LS.



London
Stock Exchange Group