



## NOTICE TO MEMBERS

No. 2011 - 097

September 19, 2011

### AMENDMENTS TO THE LIST OF FEES OF CANADIAN DERIVATIVES CLEARING CORPORATION

CDCC hereby announces the introduction of rebates on option contract transactions. CDCC is implementing the following tier-based rebate program to clearing fees it charges clearing members for specific transactions, outlined in this circular, executed on option contracts:

- 1) Eligible Products: ETF, equity, index and currency options.
- 2) Qualifying Transactions: Eligible Products transactions lower than 100 contracts originating from clearing members entered as “Client” account type (any other account types from transactions pre and post allocation will not qualify). Similarly, partially filled transactions for original quantity equal to or greater than 100 contracts will not qualify.
- 3) CDCC will be using the following tier-based structure based on annual volumes of Qualifying Transaction volumes for Eligible Products:

Tiers (in number of contracts annually)	Rebate (%)	Clearing fee per contract after rebate
0 - 1,500,000	0%	\$0.20
1,500,001 – 3,000,000	30%	\$0.14
3,000,001+	40%	\$0.12

- 4) The rebate is based on a calendar year (January to December) and will be calculated quarterly. The rebate credited quarterly will be based on the prorated year-to-date Qualifying Transactions volume for Eligible Products.

The volume of qualifying transactions will be taken into consideration as an undivided volume of the Eligible Products and then categorized into the eligible tiers as a whole. Once the commingled volumes are established in their proper tiers, then, the appropriate % rebates will be applied on the option type’s regular clearing fee.

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Due to the nature of the rebates being credited quarterly, the clearing members' volume on Qualifying Transactions may or may not qualify for the annual threshold. Therefore, CDCC reserves the right to make any adjustments at each quarter-end based on the prorated year-to-date figures and claim back any excess rebates distributed to the clearing members during the year.

Qualifying Transactions benefiting from this rebate program will not be eligible to other rebate programs.

Amendments to the List of fees will be effective as of October 1<sup>st</sup>, 2011. Please refer to the amended List of fees attached for further information.

Should you have any further inquiries, please contact Roger Warner, Director, Member Services at (416) 350-2775.

Glenn Goucher  
President and Chief Clearing Officer

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## **2011 List of Fees**

**Effective as of  
October 1<sup>st</sup>, 2011**

# CANADIAN DERIVATIVES CLEARING CORPORATION FEES

## 1. Clearing fees per contract, per side - Options and Futures

### 2011 Fees

1.1	Client
1.2	Member
1.3	Market maker - options only
1.4	Liquidity provider program participant
1.5	Minimum clearing fee - per month

\$	0.20
\$	0.10
\$	0.10
\$	0.10
\$	500

## 2. Fee cap on member transaction

Fee cap program is applicable on cross transactions and pre-arranged transactions in zero-second.

Contract				Size per trade
Equity/Options	Index/Options	Currency/Options	ETF/Options	10,000 + contracts

Clearing fees
\$ 0.10 cap at \$ 1,000 / leg

\*Fee cap is applicable on cross transactions and pre-arranged transactions in zero-second of 10,000 contracts or more per leg per member.

Fee cap is applicable on an individual transaction basis, not on aggregate basis

## 3. Fee cap on client fees

Fee cap program is applicable on cross transactions and pre-arranged transactions in zero-second.

Contract				Size per trade
Equity/Options	Index/Options	Currency/Options	ETF/Options	10,000 + contracts

Clearing fees
\$ 0.20 cap at \$ 2,000 / leg

\*Fee cap is applicable on cross transactions and pre-arranged transactions in zero-second of 10,000 contracts or more per leg per client.

Fee cap is applicable on an individual transaction basis, not on aggregate basis

## 4. Rebate program applicable on clearing members' clients transactions below 100 contracts.

Contract				Tiers (in million of contracts annually)	Rebate
Equity/Options	Index/Options	Currency/Options	ETF/Options	From 0 to 1.5	0%
				From 1.5 + to 3.0	30%
				Above 3.0	40%

Resulting clearing fees
\$ 0.20
\$ 0.14
\$ 0.12

## CANADIAN DERIVATIVES CLEARING CORPORATION FEES

### 5. Clearing fees, per day - Fixed Income Transactions \*

(Tenor of Original Trade Submitted)

4.1	Overnight - Repurchase Transactions	0.00175% (or 0.175 bps)
4.2	2-7 days - Repurchase Transactions	0.00150% (or 0.150 bps)
4.3	8 days or greater - Repurchase Transactions	0.00125% (or 0.125 bps)
4.4	Minimum clearing fee - per month	\$ 5,000

\* In addition to clearing fees, CDCC will be recovering from Clearing Members any and all settlement costs incurred in the course of settlement activities at CDS. This cost recovery will occur monthly on a pro-rata volume basis among Fixed income Clearing Members.

### 6. Revenue sharing arrangement based on annual cleared volumes of Repurchase Transactions - Cleared volumes (in millions of dollars of total traded value in Repurchase Transactions) \*\*

Share of revenue returned to Clearing Members

5.1	Band 1: Less than 5,000,000	0.00%
5.2	Band 2: Between 5,000,000 and 9,999,999	20.00%
5.3	Band 3: Greater than 9,999,999	40.00%

\*\* The revenue sharing arrangement will be based on total annual cleared volumes at CDCC. The share of revenue returned to Clearing Members will be calculated by applying the applicable percentage to revenues of CDCC generated by clearing fees of Fixed Income Transactions, allocated among Clearing Members based on prorated volumes cleared by each Fixed Income Clearing Member and paid at the start of the subsequent calendar year (in arrears).

### 7. Clearing fees per contract, per side - Over the counter ("Converge")

6.1	Client	\$ 0.70
6.2	Member	\$ 0.30

### 8. Clearing fees per contract, per side - Futures on carbon dioxide equivalent (CO<sub>2</sub>e) units

7.1	Client	\$ 2.50
7.2	Member	\$ 2.50
7.3	Liquidity provider program participant	\$ 1.25

### 9. Exercise fees per contract, - Options

8.1	Client	\$ 0.37
8.2	Member	\$ 0.37
8.3	Market maker	\$ 0.37
8.4	Liquidity provider program participant	\$ 0.37

### 10. Tender fees per contract, - Futures

9.1	Client	\$ 0.37
9.2	Member	\$ 0.37
9.3	Liquidity provider program participant	\$ 0.37

**CANADIAN DERIVATIVES CLEARING CORPORATION FEES**

**11. Position transfer fees per contract, per side**

10.1	Client	\$	0.05
10.2	Member	\$	0.05
10.3	Market maker	\$	0.05
10.4	Liquidity provider program participant	\$	0.05

**12. Data service \*\*\***

11.1	Trade Reconciliation file - per month	\$	500
11.2	Series Information file - Member - per month	\$	500
11.3	Series Information file - Non-member - per month	\$	900
11.4	VPN access - per encryption connection	\$	29.95
11.5	VPN access - direct access	\$	29.95
11.6	Online Sub Account Inquiry terminal of a member		
	11.6.1 Per month - 9 users and less	\$	129
	11.6.2 Per month - 10 users and more	\$	99

\*\*\* Volume discounts are available to members only depending on the number of files delivered each month. Monthly fees are as follows: first file - \$500/month, second file - \$450/month and third file - \$400/month, no fee for other files.

**13. Authorization Stamps**

\$	60
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**TERMS AND CONDITIONS**

1. Any billing document (invoice, transaction report, etc.) must be verified without delay. The CDCC must be advised in writing of any error or omission within thirty (30) days following the document date.
2. All taxes, whether local, provincial, state or federal, business, property excise tax, or other governmental taxes will be added, if the case arises, to the above-mentioned fees according to the service offered.