

Broker and Prof Trade fee reductions for Euronext.liffe Amsterdam

November 2004

As part of Euronext.liffe's commitment to make trading equity derivatives simpler and cheaper, we have reduced, from 1 November 2004:

1. Broker fees for equity options: one fee per contract

The former broker fee (client account) for individual equity options depended on the premium amount of the option. The new fee is one amount per contract: € 0.80 for all premium amounts. For most trades this means a fee reduction of 41% per contract.

2. Prof Trades: fixed fee becomes maximum fee

The former fixed fee per order for Prof Trades is now a maximum fee per order. This means that a fee per contract is charged until the maximum fee per order is reached. This change aligns the fees for Prof Trades with the fees for Central Market Trades.

Prof Trade fees: cheaper and simpler

- Smaller Prof Trades become cheaper
- The advantage of a maximum fee for large Prof Trades remains
- For every order, the average fee per contract is equal to, or smaller than, the standard fee per contract
- No different fee scales: the fees for Prof Trades are equal to the fees charged for Central Market Trades.

Prof Trades: advantages and features

The Prof Trade Facility is a Wholesale Facility that combines the freedom of the OTC market with the security of guaranteed settlement. Prof Trades are trades in equity, index and currency derivatives listed on Euronext.liffe Amsterdam, which take place outside the central market. The contracts resulting from a Prof Trade have standard contract specifications and are included in the open interest of the relevant options class. The key features of Prof Trades are:

- Agree on a single price for a large order; price may be within, at or outside the best bid and offer on the central market in the same class
- The minimum tick size for Prof Trades is € 0.01
- No counterparty risk
- The entire Prof Trade must be entered in the trading system within one hour after completion
- Prof Trades can be entered in the trading system between 08:00 and 18:15 Amsterdam time
- Interchangeability with contracts traded on the central market
- The minimum volume of a Prof Trade is 250 contracts for the initiator; no volume restrictions apply to the counterparties of these trades
- Prof Trades may involve a number of trades in different series in the same class (combination order); the contracts of all trade legs count to meet the minimum volume requirement
- The possibilities of the Prof Trade facility can be extended by Series-on-request. With Series-on-request, any expiry month and any strike price can be requested as long as its lifetime does not exceed the last existing expiry month of the option class. Members can request an option series before 17:00 (Amsterdam time) on trading days by calling Euronext.liffe Amsterdam Market Services on +31 (0)20 550 5050. More details can be found in Euronext announcement 2004-028.

Further information

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Transaction fees – Euronext.liffe Amsterdam

Options (Central Market Trades and ProfTrades)		Transaction fee (including LCH.Clearnet S.A. fee)		
		Broker (client account)	Member (own account)	Liquidity provider and preferential classes
Equity options		€ 0.80	€ 0.20	€ 0.10
Index options (AEX: contract size 100)	premium ≤ € 0.05	€ 0.00		
	premium € 0.06 – € 0.65	€ 0.80	€ 0.20	€ 0.10
	premium > € 0.65	€ 1.35		
Index options (AEL: contract size 10)	premium ≤ € 0.05	€ 0.00		
	premium > € 0.05	€ 0.80	€ 0.20	€ 0.10
Currency options	premium ≤ € 0.05/\$0.05	€ 0.00		
	premium > € 0.05/\$0.05	€ 0.45	€ 0.20	€ 0.10
Maximum fee per order (including combination orders)		€ 200	€ 100	€ 50

Futures (Central Market Trades and ProfTrades)	Transaction fee (including LCH.Clearnet S.A. fee)	
	Broker (client account)	Member (own account)
Index futures (FTI: contract size 200) and currency futures	€ 1.10	€ 0.45
Index futures (FTL: contract size 20) and equity futures	€ 0.55	€ 0.25
Maximum fee per order (including combination orders)	€ 200	€ 100

Note

- Liquidity providers pay the liquidity provider fee in the ECCs (Euronext Class Combinations) they are assigned to (up to € 50 per order) and the member own account fee in all other option classes (up to € 100 per order).
- Combination orders are defined as orders in a single option class or a single futures class.
- The initiator's order must comply with the minimum order size (250 contracts).

Exercise, tender and assignment fees charged by LCH.Clearnet S.A. for the Euronext.liffe Amsterdam market

Options	Exercise and assignment fees per contract	
	Broker (client account)	Member (own account)
Equity options	0.10% of total exercise value	€ 0.60
Index options (AEX: contract size 100)	€ 1.75	€ 0.55
Index options (AEL: contract size 10)	€ 1.10	€ 0.45
Currency options	€ 2.25	€ 0.80
Maximum fee per individual exercise or assignment	€ 500	€ 500

Futures	Tender and assignment fees per contract	
	Broker (client and own account*)	Dealer (own account)
Index futures (FTI: contract size 200) and currency futures	€ 4.50	€ 0.90
Index futures (FTL: contract size 20) and equity futures	€ 2.25	€ 0.50
Maximum fee per individual tender or assignment	€ 4,500	€ 4,500

* including former off-floor trader account

Note

Regarding the maximum fee per individual exercise, tender or assignment: a refund will be granted under conditions set by LCH.Clearnet S.A.