

Derivative Clearing Services (DCS) Fees Disclosure

This document discloses the fees charged by HSBC Continental Europe (HSBC) for the provision of services to clients clearing derivative trades through central counterparties (CCP) under EMIR, together with details of any discounts or premium charges in respect of those fees, and the circumstances in which such may apply. All fees and charges are agreed individually with each client.

The document is provided for information purposes only and may be updated from time to time.

HSBC DCS Standard Fee Schedule

The fees described in the table below are indicative and represent HSBC's standard terms for a new client.

Clients should note that all CCP fees, external broker fees and costs, taxes and regulatory levies or similar will be passed through to the client, in addition to the fees disclosed in this document.

Over-the-Counter (“OTC”) Derivatives	Exchange-Traded Derivatives (“ETD”)
<p>Transaction Fee :</p> <p>A transaction fee subject to a maximum of Euro 200, or currency equivalent, per trade.</p>	<p>Transaction Fee :</p> <p>A transaction fee subject to a maximum of Euro 3.00, or currency equivalent, per lot.</p>
<p>Risk-Based Maintenance Fee:</p> <p>A risk-based maintenance fee subject to a maximum of 100 bps of the CCP Initial Margin requirement.</p>	<p>Collateral and Asset Transaction Charges :</p> <p>Charges for use of non-cash collateral, subject to a maximum of 25 bps on collateral utilised against CCP Initial Margin requirement.</p> <p>Charges may be levied for asset transactions (both cash and non-cash) depending on individual account structure.</p>
<p>Portfolio-Based Maintenance Fee:</p> <p>A portfolio-based maintenance fee no greater than 50 currency units per million of notional.</p>	
<p>Default Fund Capital Fee:</p> <p>A basis point charge on initial margin to cover the cost of capital. This charge will be influenced by the default fund policy of each CCP and the capital treatment of default fund contributions.</p>	<p>Default Fund Capital Fee :</p> <p>A basis point charge on initial margin to cover the cost of capital. This charge will be influenced by the default fund policy of each CCP and the capital treatment of default fund contributions.</p>
<p>Intra-day Margin Financing :</p> <p>Intra-day margin calls financed by HSBC will be charged at 200bp over the relevant currency benchmark overnight rate.</p>	<p>Intra-day Margin Financing :</p> <p>Intra-day margin calls financed by HSBC will be charged at 200bp over the relevant currency benchmark overnight rate.</p>
<p>Account Fees :</p> <p>Account opening fees and / or annual service fees to cover the provision of the client's chosen account(s) at the CCP.</p>	<p>Account Fees :</p> <p>Account opening fees and / or monthly or annual service fees to cover the provision of the client's chosen account(s) at the CCP.</p>

Minimum Account Fees

All HSBC clients are required to meet a HSBC Group-wide minimum revenue threshold, currently set at Euro 250,000 per annum, or local currency equivalent. For all accounts generating less than the revenue threshold, HSBC reserves the right to apply a minimum monthly fee for the provision of derivative clearing services.

Discounts to the Standard Fee Schedule

Discounts to the standard fee schedule may be available to individual clients based upon any one or more of the following criteria:

- The credit standing of the client
- The client's overall relationship with the HSBC group
- The risk profile of cleared portfolio
- High trade volumes
- The use of markets where CCP's provide HSBC with a highly automated, efficient service
- The simplicity of the account structure and the operational processes
- Automation of trade allocation / trade processing procedures
- The ability to meet intraday margin calls
- A high percentage of cash settled contracts relative to physically settled contracts

Premiums Applied to the Standard Fee Schedule

Premiums to the standard fee schedule may be charged to individual clients based upon any one or more of the following criteria:

- The credit standing of the client
- The complexity of the account structure
- A high number of individual accounts
- A low volume of transactions per account
- Bespoke technology requirements
- Non-standard operational processes
- Service requirements on markets subject to additional regulatory requirements
- Service on markets where HSBC is required to establish a new counterparty relationship with either a CCP or third-party carrying broker
- Provision of Indirect clearing

CCP based account structures for Indirect Clearing

The provision of an Individual Segregated Account (ISA) and a Gross Omnibus Indirect Client account (GOSA) will incur higher fees than the selection of a Basic Omnibus Indirect account (BOSA) and a Direct Basic Omnibus Segregated account (OSA). The higher charges reflect the operational complexity of the ISA and GOSA and the additional credit risk and potential operational default risk of a GOSA. These fees are usually charged through a monthly or annual fee per CCP account. GOSA and ISA account are subject to a maximum monthly fee of Euro 10,000 per CCP.

DISCLAIMER

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