



# Conditions for Clearing and Pricing Schedule for Listed and OTC Derivatives Clearing Services for Investment Bank Clients

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# Conditions for Clearing

As part of our obligations under MiFID II,<sup>1</sup> as a general clearing member we (Deutsche Bank AG (Deutsche Bank)) are required to publish the conditions on which we offer our clearing services.

With effect from 1 January 2021 ("IP completion day"), MiFIR, the Indirect Clearing RTS and the relevant delegated regulation under MiFID II relating to investment firms acting as clearing members<sup>2</sup> ("MiFID II Delegated Regulation"), so far as operative at that time, forms part of the domestic laws of the United Kingdom. With effect from IP completion day, references to MiFIR, the Indirect Clearing RTS and MiFID II, include MiFIR, the Indirect Clearing RTS and the MiFID II Delegated Regulation both as they form part of European Union law and as they form part of the domestic laws of the United Kingdom.

These conditions include an appropriate due diligence assessment of prospective clearing clients against the following criteria, to be satisfied in Deutsche Bank's sole discretion:

- a) credit strength, including any guarantees given;
- b) internal risk control systems;
- c) intended trading strategy;
- d) payment systems and arrangements that enable the prospective clearing client to ensure a timely transfer of assets or cash as margin, as required by Deutsche Bank in relation to the clearing services Deutsche Bank provides;
- e) systems settings and access to information that helps the prospective clearing client to respect any maximum trading limit agreed with Deutsche Bank;
- f) any collateral provided to Deutsche Bank by the prospective clearing client;
- g) operational resources, including technological interfaces and connectivity;
- h) any involvement of the prospective clearing client in a breach of the rules ensuring the integrity of the financial markets, including involvement in market abuse, financial crime or money laundering activities.

The same conditions apply in situations where Deutsche Bank, in its capacity as a client of a general clearing member, is offering clearing services through an intermediate clearing broker in respect of listed derivatives transactions cleared through a clearing house established in the European Union. Where (i) Deutsche Bank is acting in such capacity and (ii) the relevant intermediate clearing broker is not in the same group as Deutsche Bank, a client that is not in the same group as Deutsche Bank will generally be prohibited from using its clearing relationship with Deutsche Bank as a basis of providing clearing services to any of its clients.

<sup>1</sup> Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

<sup>2</sup> Regulation 2017/589/EU with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading.



Where (i) Deutsche Bank is acting in its capacity as a general clearing member and (ii) a client is using its clearing relationship with Deutsche Bank as a basis of providing clearing services to any of its clients as part of an indirect clearing arrangement in relation to any clearing house established in the European Union in respect of listed derivatives, we are under an obligation under MiFIR<sup>3</sup> and the Indirect Clearing RTS<sup>4</sup> to publicly disclose the general terms and conditions under which we are prepared to offer such indirect clearing services. For such purposes and in addition to the conditions listed above, the following conditions apply in respect of any client who is facilitating an indirect clearing arrangement:

- a) confirmation being received by Deutsche Bank from any such client on whether each of its clients has been offered to have its assets and positions held in:
  - (i) an omnibus account with the assets and positions held by that client for the account of its clients (being indirect clients of Deutsche Bank) (a “Basic Omnibus Indirect Client Account”) or
  - (ii) an omnibus account with the assets and positions held by that client for the account of its clients (being indirect clients of Deutsche Bank), in which the positions of an indirect client do not offset the positions of another indirect client and that the assets of an indirect client cannot be used to cover the positions of another indirect client (a “Gross Omnibus Indirect Client Account”)<sup>5</sup>,and has been assigned the appropriate account type;
- b) if established in the European Union, such client confirming, to Deutsche Bank’s satisfaction, that it is an authorised credit institution or investment firm, or if not established in the European Union, such client confirming, to Deutsche Bank’s satisfaction, that it would be considered to be a credit institution or investment firm if it were established in the European Union;
- c) Deutsche Bank being satisfied that a client, on its default, has adequate arrangements in place to provide information in respect of its clients immediately to Deutsche Bank; and
- d) Deutsche Bank agreeing to such client’s general terms and conditions under which such client provides indirect clearing services to its clients.

Requirements in respect of financial resources and operational capacity requirements in respect of a client facilitating an indirect clearing arrangement will be considered as part of the due diligence assessment of that client in accordance with the assessment criteria set out above.

The fees for our clearing services are set out in the pricing schedule below.

<sup>3</sup> Regulation (EU) No 600/2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

<sup>4</sup> Commission Delegated Regulation (EU) 2017/2154, supplementing Regulation (EU) No 600/2014 with regard to regulatory technical standards on indirect clearing arrangements.

<sup>5</sup> Certain differences with respect to some of the risks between this type of account in our books and records and a CCP’s books and records are set out in a separate risk disclosure available at <https://www.db.com/legal-resources/european-market-infrastructure-regulation/clearing-and-account-segregation>.



# Pricing Schedule for Listed and OTC Derivatives Clearing Services for Corporate & Investment Bank Clients

## Introduction

EMIR <sup>6</sup> requires that each existing clearing house established in the European Union (CCP) applies for reauthorisation pursuant to the terms of this legislation. As part of our obligations under EMIR, MiFID II and MiFIR, Deutsche Bank AG, as a clearing member at certain CCPs, is required to:

- a) publicly disclose the prices and fees associated with the clearing services we provide (including any discounts and rebates and the conditions to benefit from those reductions) (EMIR Article 38(1));
- b) offer our clients a choice between omnibus client segregation and individual client segregation account types (EMIR Article 39(5));
- c) in respect of listed derivatives transactions where relevant, offer you a choice between, a Basic Omnibus Indirect Client Account or a Gross Omnibus Indirect Client Account (MiFIR Indirect Clearing RTS Article 4 and Article 5); and
- d) publicly disclose and inform our clients of the levels of protection we offer to clients, in respect of account types, the corresponding degrees of segregation and the associated costs (EMIR Article 39(7) and MiFID II RTS 6 Article 27(2)).

This Pricing Schedule sets out Deutsche Bank's indicative pricing for providing clearing services on such CCPs and forms the basis for specific discussions between you and your Deutsche Bank client representative(s) regarding the costs involved in clearing listed derivatives and/or OTC derivatives and selecting omnibus client segregation or individual client segregation, and in respect of listed derivatives (where relevant), selecting a Basic Omnibus Indirect Client Account or a Gross Omnibus Indirect Client Account. Deutsche Bank's charges may vary from CCP to CCP depending on the account structures, level of risk associated with such account structures, products, and services offered.

This Pricing Schedule should be read in conjunction with Deutsche Bank's Clearing Member Disclosure Document ("Disclosure Document") which contains further information regarding the levels of protection that Deutsche Bank offers clients in connection with clearing services and can be found at the link below:

<https://www.db.com/legal-resources/european-market-infrastructure-regulation/clearing-and-account-segregation>

Capitalised terms used herein and not defined shall have the meaning given to them in the Disclosure Document, unless otherwise stated.

<sup>6</sup> Regulation (EU) No 648/2012 on derivatives, central counterparties and trade repositories (known as the European Market Infrastructure Regulation)



## Pricing Considerations

Deutsche Bank's charges set out below are indicative of the highest charge applied to the stand alone provision of clearing services before applying any discount or reduction. The charges are in addition to any fees or charges applied by each relevant CCP or third party for the provision of clearing services, subject to the discussion on available discounts or reductions below. Each CCP will provide details on its website of the charges for each account type and the provision of its clearing services.

Deutsche Bank's charges for the provision of clearing services to a specific client are calculated based on a number of variable factors. A client may receive a discount or a reduction from the maximum charges depending on these factors and their application to that client, which may include consideration of a client's wider relationship within the DB Group, a client's credit rating, overall revenue opportunity, capital requirements for banks, or the structure and complexity of clearing service requirements for that CCP. For example, without limitation, some of the following factors may be relevant when determining the discounts available from the maximum charges:

- The client is trading on a mature or STP market which is supported by an efficient clearing model at the relevant CCP;
- The client does not require multiple accounts or a complex booking structure;
- The clearing service provided to a client is delivered and supported by standard operational and technology processes;
- The client is able to provide either cash collateral or eligible collateral to cover initial margin requirements;
- The client transacts a high volume of business;
- The client does not require more complex allocation solutions, such as average pricing;
- The client utilises Deutsche Bank's execution platforms;
- The client does not require an Individual Client Account and, where relevant, a Gross Omnibus Indirect Client Account;
- The client's choice of Omnibus Client Account and, where relevant, a Basic Omnibus Indirect Client Account;
- The client does not require any physical delivery of positions.

For any particular CCP service, clients may choose between an Omnibus Client Account or an Individual Client Account offered by Deutsche Bank, and, where relevant in respect of listed derivatives transactions, clients may choose between a Basic Omnibus Indirect Client Account or a Gross Omnibus Indirect Client Account offered by Deutsche Bank, and where relevant, Deutsche Bank's intermediate clearing broker. Due to the increased operational complexity and funding implications generally required to support Individual Client Accounts and Gross Omnibus Indirect Client Accounts, it is likely that the range of available discounts will be higher for (i) Omnibus Client Accounts than for Individual Client Accounts and (ii) Basic Omnibus Indirect Client Accounts than for Gross Omnibus Indirect Client Accounts.



## Listed Derivatives Pricing Structure

Deutsche Bank's maximum pricing for listed derivatives clearing services is comprised of the following components:

### 1. Clearing Commission

The Clearing Commission will be EUR 5.00 per lot. The Clearing Commission is in addition to any exchange, CCP or other third party fees associated with the execution or clearing of the transaction, and is applicable to both Omnibus Client Accounts and Individual Client Accounts as well as to both Basic Omnibus Indirect Client Accounts and Gross Omnibus Indirect Client Accounts.

### 2. Account Maintenance Fee

Due to the additional operational complexity required to maintain an Individual Client Account and, where relevant, a Gross Omnibus Indirect Client Account, Deutsche Bank will apply a EUR 5,000.00 monthly fee per account, to cover the additional operational support and resources required to maintain each account.

The structure of Individual Client Accounts and Gross Omnibus Indirect Client Accounts may not be the same across all CCPs, which may result in variable Account Maintenance Fees for the provision of these services.

The Account Maintenance Fee is in addition to any applicable CCP or intermediate clearing broker fees or charges which the CCP or intermediate clearing broker requires for the set up or maintenance of a client account or an indirect client account. CCP fees or charges may apply to Omnibus Client Accounts, Individual Client Accounts, Gross Omnibus Indirect Client Accounts and Basic Omnibus Indirect Client Accounts and such charges will be passed on to a client. Intermediate clearing broker fees or charges may apply to Gross Omnibus Indirect Client Accounts and Basic Omnibus Indirect Client Accounts and such charges will be passed on to a client. A separate charge may be applied for collateral movements subject to the following maximum charges:

- cash payments or receipts on behalf of a client to or from the CCP – EUR 100 per movement
- non-cash movements on behalf of a client to or from the CCP – EUR 250 per movement.

### 3. Portfolio Charge

A Portfolio Charge may be applied to your listed derivatives cleared transactions with Deutsche Bank to cover the funding and capital impact of supporting your choice of account type and will be calculated as 75 basis points on the initial margin requirement of the portfolio.

### 4. Liquidity Charge

Deutsche Bank may be required to set aside its own resources to cover a shortfall in circumstances where there is insufficient client-funded collateral available at the time the CCP requires a margin requirement to be met. Deutsche Bank will apply an OIS plus 200 basis point Liquidity Charge to any margin in a G5 currency that Deutsche Bank is required to fund on a client's behalf. Any Liquidity Charge applicable to margin in a non-G5 currency which Deutsche Bank is required to fund on a client's behalf will be notified to the client as applicable.



## 5. Minimum Revenue Threshold

Deutsche Bank will require clients to maintain minimum activity levels to meet the ongoing costs of providing clearing services. A Minimum Revenue Threshold of EUR 360,000.00 per annum may be applied which is calculated following the deduction of CCP or other third party fees.

## 6. Interest Rate Charges

CCPs may apply negative interest rates to cash balances held at such CCP. Deutsche Bank reserves the right to apply such negative interest rates in the form of interest or charges as applicable to the clearing services offered to clients. Deutsche Bank may also apply interest rates to debit cash balances.

Please note that other add-on services may incur additional fees. Deutsche Bank reserves the right to amend pricing and to pass on costs/charges to reflect any financial impact of capital, balance sheet, funding or derivative leverage requirements associated with providing clearing services. In addition, Deutsche Bank reserves the right to pass on charges relating to default fund contributions and/or non-default loss allocations as required by CCPs from time to time.

Please note that pricing and charges are indicative and subject to change or amendment from time to time.

### Summary Table

Type of Fee	Account Type	Fees
Transaction Clearing Fee	Omnibus Client Account, Individual Client Account, Basic Omnibus Indirect Client Account and Gross Omnibus Indirect Client Account	€5.00 per lot
Account Maintenance Fee	Individual Client Account and Gross Omnibus Indirect Client Account	€5,000.00 per month
Portfolio Charge*	Omnibus Client Account, Individual Client Account and Gross Omnibus Indirect Client Account	75bps (on Initial Margin requirement)
Liquidity Charge*	Omnibus Client Account, Individual Client Account and Gross Omnibus Indirect Client Account	OIS + 200bps for G5 currencies Non-G5 currencies as notified
Minimum Revenue Threshold*	Omnibus Client Account, Individual Client Account and Gross Omnibus Indirect Client Account	€360,000.00 per annum

*\*Please note that these charges would not be applicable to a Net Omnibus Account or a Basic Omnibus Indirect Client Account*



Please note that other add-on services may incur additional fees. Deutsche Bank reserves the right to amend pricing and to pass on costs/charges to reflect any financial impact of capital, balance sheet, funding or derivative leverage requirements associated with providing clearing services. In addition, Deutsche Bank reserves the right to pass on charges relating to default fund contributions and/or non-default loss allocations as required by CCPs from time to time. Please note that pricing and charges are indicative and subject to change or amendment from time to time.

### Cleared OTC Pricing Structure

Deutsche Bank's maximum pricing for OTC clearing services is comprised of the following components:

#### 1. Transaction Clearing Fee

The Transaction Clearing Fee can be charged on a per ticket or a per million notional basis. If charged on a per ticket basis, the Transaction Clearing Fee will be EUR 1,000.00 per ticket. If charged on a per million notional basis, the Transaction Clearing Fee will be 100 units per million notional per transaction. The Transaction Clearing Fee is in addition to any, CCP or other third party fees associated with the execution or clearing of the transaction, and is applicable to both Omnibus Client Accounts and Individual Client Accounts.

#### 2. Maintenance Fee

A Maintenance Fee will be applied to your cleared transactions with Deutsche Bank to cover the funding and capital impact of supporting your choice of account type and will be calculated as 100 basis points on the initial margin requirement of the portfolio.

#### 3. Asset Fee

An Asset Fee will be applied to your cleared OTC transactions with Deutsche Bank to cover the capital requirements associated with Deutsche Bank performing its obligations to the CCP in respect of your client transactions. This will be calculated as 10 basis points on the total gross notional outstanding on the portfolio.

#### 4. Monthly Minimum Fee

Deutsche Bank may require clients to maintain minimum activity levels to meet the ongoing costs of providing clearing services. The monthly minimum fee of €40,000.00 per month may be applied. The amount actually applied will take into account the total sum of the transaction clearing fee, maintenance fee and asset fee applied in respect of each transaction in the relevant month.

#### 5. Porting & Backloading fees

Deutsche Bank will charge a fee for the acceptance of backloaded trades for clearing and trades that are to be ported in or out of the client clearing account with Deutsche Bank. This fee will be charged as €1,000 per backloaded or ported transaction.

#### 6. Interest Rate Charges

Deutsche Bank and CCPs may apply negative interest rates to cash balances. Deutsche Bank reserves the right to apply such negative interest rates in the form of interest or charges as applicable to the clearing services offered to clients. Deutsche Bank may also apply interest rates to debit cash balances.





## Summary Table

Type of Fee	Fees
Transaction Clearing Fee	Either €1,000.00 per ticket, or 100 units per million notional per transaction
Maintenance Fee	100 basis points on Initial Margin
Asset Fee	10 basis points on total gross notional outstanding
Monthly Minimum Fee	€40,000 per month
Porting & Backloading fees	€1,000 per backloaded or ported transaction

Please note that other add-on services may incur additional fees. Deutsche Bank reserves the right to amend pricing and to pass on costs/charges to reflect any financial impact of capital, balance sheet, funding or derivative leverage requirements associated with providing clearing services. In addition, Deutsche Bank reserves the right to pass on charges relating to default fund contributions and/or non-default loss allocations as required by CCPs from time to time. Please note that pricing and charges are indicative and subject to change or amendment from time to time.



## Disclaimer

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