

**CMU Tariff Schedule for
CMU Instrument, Exchange Fund Paper and Government Bond
Effective Date: 1 April 2017**

Membership Fees	No Charge
Custodian Fees (Borne by holders)*	<p>Sliding scale: (HK\$ mn) <u>Rate (b.p.)</u></p> <p><15,000 0.37</p> <p>15,000-20,000 0.35</p> <p>>20,000 0.30</p>
Fees relating to New Issues of CMU Instrument (to be borne by issuer/lodging agent)	
Administration Fees	\$2,000
CMU BID - Tender	\$2,000
Exchange from temporary to permanent securities (per certificate)	\$130
Transaction Fees (New/Cancel)	
DvP or FoP	\$20
In house transfer	\$10
Redemption (DvP or FoP)	\$20
Coupon payment	\$20
Securities movement arising from corporate action	\$20
Cash movement arising from corporate action	\$20
Custody Operation Fees	
Type of event	
- Certification (per instruction per account/ beneficial owner)	\$50
- Voting (per instruction per account/ beneficial owner)	\$200
- Default action (no instruction sent by holder)	\$30
- Other instructions (per instruction per account/ beneficial owner)	\$100
- Blocking (inclusive of unblocking) of	\$150

securities (per instruction per account)	
HKD Repo Transaction Fees	
Intraday Repo	No Charge
Discount Window Repo	No Charge
Bank Repo	\$20
Foreign Currency Repo Transaction Fees	
Intraday Repo	\$20
Overnight Repo	\$20
Bank Repo	\$20
Securities Lending Program	Lender 1.00% Borrower 1.20%
Reporting Fees	\$0.5 per kilobytes
Enquiry Fees	\$0.5 per screen page
Notification/Announcement Fees (per notification of new/replacement/ reminder/cancellation of events)	<u>Holder</u> <u>Paying Agent</u>
- Rate fixing, change of coupon rate or coupon date	\$10 \$30
- System-generated notification e.g. coupon/redemption	\$10 \$30
- Other notifications (e.g. created by paying agent)	\$10 \$100
Fees on processing tax-related documentation (per document)	\$600
Special Input Fees (for each instruction sent by authenticated facsimile or by hand to the CMU for manual processing)	\$500

All fees are in Hong Kong dollar

* Remark: Custodian fees will be waived if CMU participants certify that the beneficial owners are individuals.

Supplementary Notes

1. This tariff schedule may be modified by CMU from time to time, however, CMU undertakes to advise our participants in advance of such changes.
2. Types of securities that are subject to this tariff schedule include Exchange Fund Bills and Notes (EFBN), HKSAR Government Bonds (GB) and CMU Instruments.
3. Custodian fees on account holders will be waived if CMU participants can certify that the beneficial owners are individuals. Please refer to Appendix A.8 (Guideline for Exemption of Custodian Fees for Retail Investors) of the Central Moneymarkets Unit Reference Manual for details of the exemption.
4. Custodian fees on account holders will only apply to:
 - (a) those CMU Instruments lodged with the CMU after 1 January 2005. Those lodged before 1 January 2005 had already been paid by lodging agent and are not subject to any additional custodian fees; and
 - (b) those EFBNs and GBs issued after 1 January 2015.
5. CMU tariff, as effective from 1 January 2005, will also apply to transactions and holdings relating to CMU's linkages with Austraclear in Australia, and Korean Securities Depository in Korea.
6. Calculation of custodian fees:
 - a) Custodian fees are calculated based on monthly average nominal value of securities held in the CMU account. These average amounts are converted into Hong Kong dollar at the exchange rate prevailing at the end of the month and aggregated to obtain the monthly average value.
 - b) The custodian fees will be invoiced in Hong Kong dollar.
 - c) Custodian fees are calculated on an actual/365 day basis and expressed in basis points per annum. (1bp=0.01%)
 - d) An example of custodian fees calculation of a participant with an average monthly holding of CMU securities of HK\$23,000 mn is shown below (assuming 31 days for the month).

Holdings (HK\$ mn)	Fee Rate (b.p.)	Holdings by Participant (HK\$ mn)	Custodian Fees for the month (HK\$)
<15,000	0.37	The first 15,000	47,136.99
15,000-20,000	0.35	The next 5,000	14,863.01
>20,000	0.30	The next 3,000	<u>7,643.84</u>
Total		23,000	69,643.84

7. All fees are invoiced in Hong Kong dollar and billed monthly to CMU participants. The total amount of fees payable will be advised to the participants on the 20th day of the following month or the next business day if the 20th is not a business day. The total fees will be automatically debited from the participants' clearing accounts with the HKMA (for direct clearing members) or the clearing accounts of their correspondent banks (for non-direct clearing members) on the 25th or the following business day if 25th is not a business day.
8. Transaction fees for securities transfer are charged to both buyer and seller. If a transaction that is cancelled by a participant and become an unmatched instruction, the party who cancels the instruction will be charged with a cancellation fee for that cancelled instruction.
9. For i) non-elective events such as coupon payment and redemption; and ii) cash and/or securities movement arising from corporate action, both the paying agent and holder are subject to the transaction fees. In case the income distribution process is cancelled due to insufficient funds or insufficient direct debit limit in the paying agent's settlement account, the paying agent is still required to pay the transaction fee (cash movement arising from corporate action) to the MA even though no income proceeds are paid to the legal title holders of the relevant CMU Instrument on the payment date. The holders, however, are not required to pay such transaction fee to the MA for failure to receive the coupon.
10. For custody operation fees, both the paying agent and holder are charged. The charging of elective events, for which participant instructions are required, is based on the number of instructions. In case of an instruction being cancelled upon participant request (or cancelled by the paying agent), the party who cancels the instruction will be charged with a cancellation fee for that cancelled instruction.

11. Notification or announcement fees are charged to both the paying agent and holder. Examples of notification/announcements are coupon and redemption notification which are generated by the CMU system automatically. Other examples are notifications created by the paying agent such as change of coupon rates, dates or coupon factor, certification, exchange offer, tender offer etc.
12. Out-of-pocket expenses for voting, if any, will be payable by the participant.
13. Report fees are charged based on usage by the participant regardless of the channels (FTS, CMT or SWIFT) received. i.e. a report involving EFBN, GB and CMU Instruments will be subject to the same report tariff rate. The report fees are applicable even if the report contains no item, but only the header and footer information.
14. Enquiry fees are charged based on the number of screen pages returned to the participant for an enquiry initiated at CMT. The number of retrieved and displayed items per screen page returned is set by the participant itself.
15. Fees on processing tax-related documentation are charged to each of the documents CMU received from participants. This includes, but not limited to, US Internal Revenue Service (IRS) Forms such as W-8, W-9 and withholding statement etc.
16. Special input fees are charged on any types of instructions manually inputted by the CMU on behalf of the participant. However, for instructions related to specific CMU services not available for direct input by participants using CMT or SWIFT, this special input fees will not apply and service users will continue to be charged at prevailing rates. These include, but not limited to, cross-border collateral management services with Euroclear, JP Morgan, Clearstream, corporate actions in respect of linkage service with Euroclear/Clearstream, securities lending program etc.
17. For any non-payment of CMU service fees on the billing date in respect of this CMU tariff schedule, the MA reserves the right to charge a manual processing fee with an amount equal to the special input fees for any non-payment on the billing date. The MA also reserves the right to charge such manual processing fee on a daily basis starting from the intended billing date until the date of actual receipt of payment by the MA.