

# Press Release



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## **EuroCCP Sets New Low Clearing Price Benchmark for European Equity Trades, with Highest Volume Users to Pay just 0.2 Euro Cents Per Side**

*Europe's most competitive pricing set to drive clearing volume growth as EuroCCP responds to demand for simpler and more predictable clearing costs*

London, 15 September 2009 – European Central Counterparty Limited (EuroCCP) announced today it has again leveraged its economies of scale to restructure its fees and set a new low clearing price standard for European equity trades.

EuroCCP's new transparent fee structure – starting from 3 euro cents (€ 0.030) per side and decreasing to one-fifth of a euro cent (€0.002) – represents Europe's most competitive pricing. With volume discounts at a participant level and no hidden fees, it delivers significant value to the growing number of high-frequency trading firms now operating across multiple markets. EuroCCP's new pricing model is effective from 1 October 2009.

The announcement is part of a major EuroCCP programme of innovation, including the launch of new products and expansion into further market sectors, which will help position EuroCCP strongly as the European market moves towards interoperability. According to Diana Chan, EuroCCP's CEO, "The market is looking for pricing to be simpler and more transparent, enabling traders to build predictable clearing costs into their models. With the launch of our enhanced tiered fee structure, we're bringing US high volume pricing to Europe, and offering a safe and low-cost service to help our customers and partners achieve further economies of scale."

EuroCCP's value proposition is that it operates on an at-cost basis, with tiered tariffs that apply to the clearing volumes of each participant rather than to the aggregate clearing volume of EuroCCP, ensuring that each firm can benefit directly from its own volume growth. EuroCCP customers can also be certain of no hidden charges elsewhere, with no charges for fails, no additional netting fees, and all interest earned on cash margins being returned to participants.

"At EuroCCP, we're particularly responsive to changing market needs, and our new fee structure is just one in a series of developments aimed at ensuring EuroCCP and its customers are best placed to take advantage of the drive towards interoperability," said Chan. "Offering the most competitive prices will clearly prove attractive as traders seek the clearing model that best matches their business."

Combined with our superior risk management capabilities, we're well positioned to support both participants and their trading venues, and we expect our new pricing to be a key factor in driving clearing volume growth for EuroCCP over the coming months.

"EuroCCP was the first organisation that initiated the drive for lower clearing prices when it established its European operations in Q1 2007. Our new model demonstrates our continuing commitment to align with our participants and trading platform partners to deliver a compelling pricing solution that will help stimulate growth in trading volumes," added Chan. "To support this we're also extending our clearing and settlement services into other markets – for example, our partnership with Omgeo to create a pan-European equities CCP service for hedge fund transactions. We have also entered into a Memorandum of Understanding with NASDAQ OMX to provide clearing services for its exchanges in Copenhagen, Helsinki and Stockholm starting in January 2010."

At present EuroCCP clears equity trades in 15 countries and in seven different currencies. EuroCCP currently provides central counterparty services for equity trades on the Turquoise, SmartPool, NYSE Arca Europe and Pipeline trading platforms. For more information on EuroCCP and the revised fee structure, please visit [www.euroccp.co.uk](http://www.euroccp.co.uk)

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### **About EuroCCP**

European Central Counterparty Limited (EuroCCP) is a UK-incorporated, FSA-regulated Recognised Clearing House. It is the European subsidiary of The Depository Trust & Clearing Corporation (DTCC) and is headquartered in London. EuroCCP was formed to provide clearing and settlement services for a wide range of trading venues across Europe, offering the scale economies of the US market and risk management expertise to European market participants. It currently clears equity trades in 15 countries and in seven different currencies. EuroCCP has been appointed to provide central counterparty services by Turquoise, SmartPool, NYSE Arca Europe and Pipeline for equity trades. EuroCCP has also entered into a Memorandum of Understanding with NASDAQ OMX to provide clearing services for its exchanges in Copenhagen, Helsinki and Stockholm. EuroCCP and Omgeo are jointly developing a pan-European equities CCP service for hedge fund transactions. Market participants can trade equities on any venue EuroCCP supports and have their transactions netted for settlement and/or margin purposes for the same security traded on the same day, thereby reducing costs and operational risks.

### **About DTCC**

The Depository Trust & Clearing Corporation (DTCC), through its subsidiaries, provides clearance, settlement and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments and globally traded over-the-counter derivatives. DTCC's customer base is increasingly headquartered in Europe as well as the U.S.

In addition, DTCC is a leading processor of mutual funds and insurance transactions, linking funds and carriers with financial firms and third parties who market these products. DTCC's depository provides custody and asset servicing for more than 3.5 million securities issues from the United States and 110 other countries and territories, valued at \$27.6 trillion. In 2008, DTCC settled more than \$1.88 quadrillion in securities transactions. DTCC has operating facilities in multiple locations in the United States and overseas. For more information on DTCC, visit [www.dtcc.com](http://www.dtcc.com).