

# Article 38 CSDR

## Costs Disclosure

### BNP PARIBAS

#### 1. Introduction

This document provides an indication of the cost structure associated with supporting the account types described below. More information relating to the applicable fees is available upon request.

In accordance with Article 38 of the Central Securities Depository Regulation (**CSDR**), BNP Paribas offers its clients the choice between omnibus client segregated accounts (**OSA**) or individual client segregated accounts (ISA) at each Central Securities Depository (**CSD**) in the European Union (EU) of which the relevant BNP Paribas entity is a direct participant and holds client securities.

This document should be read in conjunction with the relevant CSDR Participant Disclosure Documents that are available on our website and it is intended as additional information and support for your decision regarding the choice of account type that is best suited to your activity profile and needs.

This material is provided as additional information for the client's decision regarding the choice of account type (OSA or ISA) that is best suited to client's activity profile and needs. Whilst this document may be helpful to you when making this decision, it does not constitute legal or any other form of advice and must not be relied on as such. You may need additional information to make your decision on which account type or level of segregation is suitable for you. It is your responsibility to review and conduct your own due diligence on the relevant rules, legal documentation and any other information provided to you. You may wish to appoint your own professional advisors to assist you with this.

#### 2. Background

In our own books and records, we record each client's individual entitlement to securities that we hold for that client in a separate client account. We also open accounts with CSDs in our own name (i.e. the account is held in the name of a BNP Paribas entity but designated as client account) (or in our nominee's name) in which we hold clients' securities.

We can make two types of accounts with CSDs available to clients: ISAs and OSAs.

##### **Omnibus Client Segregated Account (OSA)**

An OSA is used to hold the securities of a number of BNP Paribas' clients on a collective basis. BNP Paribas' own proprietary securities are excluded and are held separately. OSA is the standard account structure at the CSD.

We do not currently intend to change the existing OSA cost structure. This remains however subject to possible future cost reviews.

##### **Individual Client Segregated Account (ISA)**

An ISA is used to hold the securities of a single client and therefore the client's securities are held separately from the securities of other clients and BNP Paribas' own proprietary securities. The cost of setting up and maintaining an ISA on behalf of clients is typically higher compared to the OSA option. This is mainly driven by the additional complexity and expenditures both at BNP Paribas and at the CSD in order to set up ISAs and maintain them

on an ongoing basis. For similar reasons, setting up an ISA may take longer compared to the OSA option.

### 3. Factors influencing timing and cost

The below section is intended as an overview of the main factors influencing timing and the cost structure when establishing, maintaining and operating accounts at CSD level. Such factors are likely to include:

- **Account type:** depending on the account type opted for, i.e. OSA or ISA;
- **Number of accounts:** the number of accounts requested has an impact on the time and resources required at BNP Paribas and at the relevant CSD to set up these accounts and service them on an ongoing basis;
- **Technical setup at the CSD:** set-up and maintenance cost and fees (if any and if applicable) charged by the CSD will be passed on to clients. These include CSD and third party costs mentioned in section 4 below;
- **Incremental operational overhead:** this is with respect to clients' account(s) (which may be affected by the above three factors as well as by your trading behaviour, e.g. trading volume and asset types traded);
- **Technical setup internally:** such set-up and maintenance costs and fees as well as cost and expenses associated with potential migrations from a current OSA setup into an ISA setup will be charged to clients;
- **Initial set-up fee for ISAs:** where an ISA is requested for the first time an initial set-up fee may be applicable;
- **Running costs for ISAs:** additional costs may be applicable on an ongoing basis for the running costs of ISA account(s).

The charging structure may be adapted in exceptional cases and is subject to change over time, in particular as the market develops and we gain further clarity around the various CSDs' account offerings.

### 4. CSD costs and other third party costs

Third party charges are expected to consist of CSD account set-up and maintenance charges as well as agent bank transaction fees.

Third party charges will apply to both ISAs and OSAs, but are generally expected to be higher for ISAs due to the additional complexity and cost incurred by relevant third parties in relation to such accounts.

Certain third party charges may apply periodically (e.g., if a CSD charged a monthly or annual facilitation fee per ISA). All third party charges are subject to periodic and ongoing review and change by the relevant third parties from time to time.

For further information we would also recommend that you refer to the relevant fee schedules published by relevant CSDs.

## 5. CSD Participation

BNPP SA (and affiliated entities) are direct participants and directly hold securities for clients at CSDs as detailed below:

CSD	Participant
Clearstream Banking S.A. (Luxembourg)	BNP Paribas SA (London Branch)
Euroclear Bank SA/NV (Belgium)	BNP Paribas SA (New York Branch)
	BNP Paribas Securities Corp.
	BNP Paribas Securities (Asia) Limited
	BNP Paribas Securities (Japan) Limited
	BNP Paribas SA (London Branch)

## 6. Further Questions

If you have any other comments or questions, please contact your usual relationship or sales contact.

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