



30 April 2003

MARKET NOTICE NO – 441

CLEARING & SETTLEMENT INFRASTRUCTURE FEE

Members will be aware that Directive 9 states that virt-x will levy a settlement infrastructure charge of 0.1bp to cover:

- the insurance policy to provide cover in the event of the default of a member counterparty
- the infrastructure to support multi-CSD settlement and
- development of the central counterparty (CCP).

virt-x has reviewed the fee and, despite the eradication of costs associated with maintaining the insurance policy, the infrastructure costs generated by the bilateral settlement model remain, particularly in relation to realignment and communication costs, and will have to be borne by virt-x. Furthermore, development of the CCP structure for UK and Irish securities continues.

Accordingly, the Clearing & Settlement Infrastructure Fee as set out in Directive 9 will remain unchanged for the time being although it will be kept under review.

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