

Nomura Derivatives Clearing

EMIR Article 39: Account Segregation and Portability

June 2014

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Background

EMIR article 39 deals with segregation and portability, requiring complete transparency over the accounts and records held by the central counterparty or 'CCP' in respect of its clearing members and their clients. To be able to offer protection and portability a CCP must be able to do identify:

- The clients of a clearing member under omnibus client segregation (OSA)
- An individual client segregated from other clients of the clearing member (ISA)

Each EU CCP has in turn submitted to its regulator the details of its proposed segregated account structure for approval. Upon approval the CCP is deemed to be 're-authorised' and at this point its clearing members are required to;

- Separate positions and collateral between house and client positions
- Offer the choice between omnibus client segregation (OSA) and individual client segregation (ISA) to its clients

Please refer to FOA/ISDA disclosure document

[FOA/ISDA Disclosure](#)

Nomura as Clearing Member

Nomura will offer its clients the option of opening an omnibus segregated account (OSA) or individual segregated account (ISA) or equivalent offered by the various CCP's upon re authorisation. It is a requirement that clients formally elect its account choice through legal documentation; the account set up will only take place once documentation has been completed.

Some features and highlights of these accounts are summarised below:

Segregation Model	Features	Highlights
<p>Individual Segregation (ISA);</p> <p>Separate records and accounts distinguishing between assets and positions of each client any excess margin to be held at the CCP</p>	<ul style="list-style-type: none"> •Margin Calc – Gross •Positions – client by client •Collateral – client by client •Collateral Treatment – Actual •Collateral Mutualisation – No •Excess – Yes •GCM Liability - Full 	<ul style="list-style-type: none"> •Highest level of protection •Facilitates porting •Return of assets guaranteed •Expensive •Loss of netting benefit
<p>Omnibus Segregation (OSA);</p> <p>Separate records and accounts distinguishing between clearing members' assets and positions and assets and positions of its clients.</p>	<ul style="list-style-type: none"> •Margin Calc – Net •Positions co-mingled •Collateral co-mingled •Collateral Treatment - Equivalence •Client mutualisation - Yes •Excess - No •GCM liability - Full 	<ul style="list-style-type: none"> •Easier to administer •Cheaper alternative •Lower level of protection •Porting more difficult

Central Counterparty Links: Account Structures



Account Fees

Nomura is required under EMIR to publicly publish its fees for providing such accounts upon authorisation;

Nasdaq OMX Futures & Options Fees;

- Execution Fees Euro10 per lot per side*
- Clearing Fees Euro12 per lot per side*

Individual Segregated Account Fee per account;

- Account opening charge Euro3500*
- Monthly maintenance fee Euro500*

EUREX Futures & Options Fees;

- Execution Fees Euro5 per lot per side*
- Clearing Fees Euro8 per lot per side*

Individual Segregated Account Fee per account;

- Account opening charge Euro3000*
- Monthly maintenance fee Euro500*

CC&G cleared Futures & Options Fees;

- Execution Fees Euro10 per lot per side*
- Clearing Fees Euro12 per lot per side*

Individual Segregated Account Fee per account;

- Account opening charge Euro3500*
- Monthly maintenance fee Euro500*

LCH Clearnet cleared Futures & Options Fees;

- Execution Fees Euro10 per lot per side*
- Clearing Fees Euro12 per lot per side*

Individual Segregated Account Fee per account;

- Account opening charge Euro3000*
- Monthly maintenance fee Euro500*

* These fees do not include any CCP fees or third party charges which will be applied in addition to the above fees and are subject to change please contact Nomura for full details

Contact

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