

Examples of Derivatives fee calculations

1. Introduction

The purpose of this document is to provide Oslo Børs' clients with further knowledge regarding the calculation of derivatives trading fees. The current price list for Oslo Børs' services is available at www.oslobors.no, under the section *Trade/Oslo Børs' Fees*.

2. Trading and Clearing Fees Standardised and TM derivatives

2.1 Index Options

Fee: 2,5 per contract

Min: cannot exceed 1,5% of the option premium

2.1.1 Normal case:

100 contracts are traded at premium 4,5 per contract. The total fee paid is 100 contracts * 2,5 = 250

100 contracts are traded at premium 7,5 per contract. The total fee paid is 100 contracts * 2,5 = 250

2.1.2 Minimum fee – percentage of premium clause

100 contracts are traded at premium 0,5 per contract.

100 contracts * 2,5 = 250

Per underlying: $2,5/100 = 0,025$ (this is 5% of the option premium)

The fee cannot exceed 1,5% of the option premium, so the total fee will be $0,5 * 1,5% * 100$ contracts * 100 underlyings = 75

2.2 Index Futures

Fee: 2,5 per contract (without volume discounts)

100 contracts are traded at price 392. The total fee paid is 100 contracts * 2,5 = 250

2.3 Stock Options

Fee: 0,75%

Max: 14 per contract

Min: 1 per contract (cannot exceed 1,5% of the option premium)

2.3.1 Normal case

100 contracts (100 underlyings/contract) are traded at premium 11 per contract.

Check max/min:

$$11 * 100 \text{ underlyings} * 0,75\% = 8,25$$

$$1 < 8,25 < 14$$

The total fee paid: $11 * 100 \text{ contracts} * 100 \text{ underlyings} * 0,75\% = 825$

2.3.2 Maximum fee

100 contracts are traded at premium 20 per contract.

Check max/min:

$$20 * 100 \text{ underlyings} * 0,75\% = 15$$

$$14 < 15$$

The total fee paid cannot exceed 14 per contract, so the total fee will be $14 * 100 \text{ contracts} = 1400$

2.3.3 Minimum fee

100 contracts are traded at premium 1 per contract.

Check max/min:

$$1 * 100 \text{ underlyings} * 0,75\% = 0,75$$

The minimum fee is 1 per contract, so the total fee will be $1 * 100 \text{ contracts} = 100$

2.3.3.1 Minimum fee – percentage of premium clause

100 contracts are traded at premium 0,5 per contract.

Check max/min:

$$0,5 * 100 \text{ underlyings} * 0,75\% = 0,38$$

The minimum fee is 1 per contract, but the minimum fee cannot exceed 1,5% of the option premium, so the total fee will be $0,5 * 1,5\% * 100 \text{ contracts} * 100 \text{ underlyings} = 75$

2.4 Stock Forwards/Futures

Fee: 0,05%

100 contracts are traded at price 155.

The total fee will be $155 * 100 \text{ contracts} * 100 \text{ underlyings} * 0,05\% = 775$

2.5 EASY Options

Fee: 2%

Max: 0,009 per contract

Min: 0,005 per contract (cannot exceed 1,5% of the option premium)

2.5.1 Normal case

5000 contracts are traded at price 0,30.

The trading fee will be $0,30 * 5000 \text{ contracts} * 2\% = 30$

2.5.2 Maximum fee

5000 contracts are traded at price 0,90.

The fee for one contract is $0,90 * 1 \text{ contract} * 2\% = 0,018$.

The fee cannot exceed 0,009 per contract, so the trading fee will be $0,009 * 5000 \text{ contracts} = 45$

2.5.3 Minimum fee

5000 contracts are traded at price 0,20.

The fee for one contract is $0,20 * 1 \text{ contract} * 2\% = 0,004$.

The minimum fee is 0,005 per contract, so the trading fee will be $0,005 * 5000 \text{ contracts} = 25$

3. Warrants and ETNs

3.1 Listing fees

The listing fee is calculated per member. The fee is charged monthly starting with the month the first trade occurs.

The number of months invoiced the present year is accumulated and serve as the basis for the fee charged the following month (reset at the beginning of each year). Warrants and ETNs are accumulated jointly.

Number of invoiced months this year	Fee / mth
0 - 600	800
601 - 1800	500
1801 - 3000	300
3001 - 6000	100
6001 -	50

Example:

In August, the issuer has 100 listed instruments which have all been traded. Thus, the issuer will be charged for 100 months. In the period January-July, the issuer has been charged for a total of 580 months.

The fee for August will be: 20 instruments * 800 + 80 instruments * 500 = 56 000

3.2 Broking fees

Fee per transaction = $\text{Max}(10, 4 + 20 \times (\text{premium}/1\ 000\ 000))$

Example A:

100 000 warrants and/or ETNs are traded (one transaction) at price 1.50. Total trade value (premium) is thus 150 000. The fee paid by the buyer and seller is:

Fixed transaction fee = 4.00

Value based transaction fee: $20 \times (150\ 000/1\ 000\ 000) = 3.00$

Total = 10.00.

Notice that the sum of fixed and value based fees (7.00) is below the minimum fee of 10, thus the buyer and seller pay 10.

Example B:

500 000 warrants and/or ETNs are traded (one transaction) at price 3.25. Total trade value (premium) is thus 1 625 000. The fee paid by the buyer and seller is:

Fixed transaction fee = 4.00

Value based transaction fee: $20 \times (1\ 625\ 000/1\ 000\ 000) = 32.50$

Total = 36.50.

The value based fee is large enough, thus the minimum fee of 10 does not apply.