



ICBC (London) plc & ICBC Limited London Branch

MiFID Costs & Charges

Pre-Trade Disclosures – January 2020

1. Background

Pre-Trade (Ex-Ante) Disclosures

Article 24(4) of the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) requires both ICBC (London) plc and ICBC Limited London Branch (together referred to as “ICBC London”) to make an ex-ante (pre-trade) disclosure of the indicative costs and charges related to the provision of MiFID and ancillary services.

Accordingly, this document is intended to help clients understand the costs and charges associated with transacting in certain MiFID financial instruments. ICBC London transacts in the following products as principal, and these are the instruments covered by this disclosure:

- FX Derivatives
- Interest Rate Derivatives
- Bonds

2. Transaction-related costs

Transacting in financial instruments with ICBC London may incur transaction costs in relation to the acquisition or disposal of a financial instrument in scope of MiFID, and costs associated with transactions to create or amend a position.

The price at which ICBC London executes an order on your behalf or trades with you in a relevant financial instrument will be the “**Final Price**” that you may pay in respect of a transaction. That Final Price will comprise:

- the **market price** for the relevant MiFID instrument; and
- the Bank’s transaction costs.

Market Price

The market price for a relevant financial instrument will reflect:

- the executable market price at or around the time of the trade;
- recent transactions in the same instrument undertaken by ICBC London;
- similar transactions entered into or reported at that time by other market participants; and
- the mid-market price at the time as determined by ICBC London’s trading systems.

Transaction Costs

Transaction Costs will reflect the costs incurred by ICBC London in the course of carrying out the relevant transaction. These will include ICBC London’s operating costs, which include factors such as:

- instrument type;
 - liquidity of the instrument;
 - associated time, effort, cost and potential risk executing the transaction involves for ICBC London;
 - standardisation of the product;
 - transaction size;
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- credit risk factors;
- market risk factors;
- capital utilisation;
- funding considerations, including costs;
- fees incurred; and
- other relevant valuation adjustments.

Any specific instructions that you provide to ICBC London in respect of a particular transaction may result in additional transaction costs being incorporated in order to reflect additional complexity in executing the order in accordance with those instructions.

You should also note Section 6 of the ICBC London Best Execution Policy, which explains how specific instructions may affect ICBC London's Best Execution obligations. The Best Execution Policy can be found on the Bank's website.

ICBC London may also pass on other types of costs as agreed between us, including but not limited to:

- third party costs;
- ongoing charges;
- one-off charges; and
- other charges, such as incidental and currency costs.

3. ICBC London Pre-Trade Cost Disclosures Grid

The indicative charges below are effective from 1 January 2020 and may be subject to future changes.

Product Type	Instrument	Max Costs and Charges
FX Derivatives	FX Forward	2.0 %
	FX Swap	1.0 %
	Forward Rate Agreement (FRA)	1.5 %
	FX Options	1.5 %
	Non-Deliverable Forward (NDF)	4.0 %
Interest Rate Derivatives	Interest Rate Swap	1.5 %
	Cross-Currency Swap	2.0 %
	Cap/Floor	1.5 %
	Swaption (Pay/Receive)	1.5 %