

**JM FINN**

# **Central Securities Depositories Regulation**

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Costs Disclosure

## 1. Introduction

The purpose of this document is to disclose the cost structure associated with the different levels of segregation provided in respect of securities that we (or our nominee) hold directly for clients with Central Securities Depositories (“CSDs”) within the EEA.

In accordance with Article 38(5) of the Central Securities Depositories Regulation (“CSDR”), we offer our clients the choice between an Omnibus Client Segregated Account (an “OCSA”) and an Individual Client Segregated Account (an “ICSA”) with each CSD in the EEA of which we are a participant and hold client securities.

This costs disclosure should be read in conjunction with our disclosure on the levels of protection associated with the different levels of segregation (the “Participant Disclosure”) which you can access here [www.jmfinn.com/csdr](http://www.jmfinn.com/csdr). It is intended as additional information to assist you in making a decision about which account type suits you best.

This costs disclosure provides an overview of the costs associated with an OCSA and ICSA. It does not contain all the information you would need to decide which type of account you should choose in a relevant CSD. 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 by us or a third party.

**This document does not constitute legal or any other form of advice and must not be relied on as such.**

## 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 (or in our nominee’s) name in which we hold clients’ securities. We currently make two types of accounts with CSDs available to clients: Individual Client Segregated Accounts (“ICSAs”) and Omnibus Client Segregated Accounts (“OCSAs”).

An ICSA 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 our own proprietary securities.

An OCSA is used to hold the securities of a number of clients on a collective basis. However, we do not hold our own proprietary securities in OCSAs.

## 3. Costs disclosure

### Overview

#### ICSA

Typically, the set up and maintenance costs for ICSAs are higher than for OCSAs. This is due to the increased operational complexity and expenditures involved in setting up ICSAs and maintaining them.

#### OCSA

OCSAs form part of the existing account structure which we currently have at CSDs. Currently, we do not intend to change the existing OCSA cost structure and do not expect account opening and ongoing maintenance fees and charges to differ significantly from existing levels. All our fees and charges are subject to ongoing review.

**Indicative cost information**

The main factors which will determine the cost structure when setting up, maintaining and operating accounts are likely to include:

- whether the account type is an OCSA or ICSA;
- the number of accounts required by clients;
- technical set up at the CSD, including the set-up and maintenance fees charged by the CSD;
- the set-up and maintenance costs incurred by JM Finn which will be charged to clients to support their chosen account structure.

The following provides an indicative overview of types of fees and charges that are likely to apply depending on your choice of account structure.

**Fees applicable to both ICSA and OCSA**

There are a number of fees and charges that apply regardless of whether you decide to hold your securities in an ICSA or an OCSA. These include administration or management fees as well as commissions and transaction

**Fees only applicable to ICSAs**

In addition to the fees and charges applicable to both types of accounts, an ICSA will have an additional annual maintenance charge to cover the operational complexity of operating such accounts.

**CSD fees and any other third party costs**

Each CSD will have its own charging structure. The types of fees that a CSD may apply in respect of each account may include:

- account opening fees;
- account maintenance fees;
- other service fees such as (but not necessarily limited to) transaction fees, connectivity fees, corporate action and asset servicing fees.

CSD account fees will apply to both ICSAs and OCSAs and may result in higher fees depending on the type and/or number of accounts you elect to have.

**How we apply fees**

The manner in which we will apply charges may vary as between clients and account structure. For OCSAs, all CSD fees will be included in our fees. For ICSAs, we will either pass CSD fees on to you separately at cost and in addition to any fees that we will charge you or we will include CSD fees in our fees. All fees and charges will be disclosed and described in our Schedule of Charges.

**4. General information**

This cost disclosure is provided as an indication of possible costs likely to be incurred by an average client when choosing an ICSA or OCSA. All indicative fees and charges are subject to periodic and ongoing review and change by us, the relevant CSD and any other relevant third party.

**If you wish to discuss available account options and associated costs and fees in more detail, please contact your Investment Manager.**

# JM FINN

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