

Guidance Note: Guide To Fees

References

Chapter 11, SIM VSE Business Rules

Introduction

This guidance note has been issued to provide Exchange brokers with details about fees that are payable to the Exchange, how fees are calculated and other related matters.

Exchange fees can be classified as:

- *Initial fees* – fees for applying to be recognised as an Exchange broker;
- *Annual fees* – payable each year;
- *Fidelity Fund Contribution* – payable to insure Exchange broker clients; and
- *Additional fees* – e.g. for additional assistance with examination of documents for application process.

Purpose

Providing details about fees should assist Exchange brokers in appreciating what fees are payable as an Exchange broker. This should also enable Exchange brokers to plan finances ahead of time.

GST

The fees set out in the tables do not include the goods and services tax (GST). GST will be shown separately on tax invoices and receipts issued for fees.

Initial Fees

A broker applying for recognition as an Exchange broker must pay an initial application fee set out in Table A.

Business Rule 11.15 prescribes that if the Exchange does not accept an Exchange broker's application the Exchange will refund to the entity its current refund fee.

Annual Fees

Annual fees are payable by Exchange brokers to maintain recognition as an Exchange broker. Annual fees are set out in Table B.

Fidelity Fund Contribution

All Exchange brokers must pay fidelity fund contributions under the Corporations Act.

The primary aim of the Exchange fidelity fund is to compensate Exchange broker's clients who suffer pecuniary loss because of defalcation or fraudulent misuse of securities or other property by an Exchange broker or their staff.

A broker will not be recognised as an Exchange broker unless the minimum statutory payment prescribed by the Corporations Act has been paid to the fidelity fund.

The Corporations Act also prescribes that brokers must contribute a proportion of the balance of their trust accounts to the fidelity fund.

Additional Fees

An Exchange broker must pay any additional fees or levies set and published by the Exchange from time to time under Business rule 11.17.

Table D sets out the schedule for additional fees.

Payment of Fees

Fees are payable at the time and in the manner set and published by the Exchange from time to time, in accordance with Business rule 11.18.

Queries

If you have queries about this guidance note please contact the SIM VSE Broker Office on:

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Table A – Fee on Admission

Category of Broker	Initial Fee Payable on Application
Individual	\$2,000
Company	\$2,000

Table B – Annual Fee

Category of Broker	Annual Fee
Individual	\$10,000
Company	\$10,000

Table C – Fidelity Fund Contributions

Category of Broker	Annual Contribution
Individual	\$2,000
Company	\$2,000

Table D – Additional Fees

Document/Activity	Minimum Charge	Hours in Minimum Charge
Examination of	\$180	1
Other matters	\$180	1