

Article 38 Central Securities Depositories Regulation Costs Disclosure

Citibank N.A.

1. Introduction

- 1.1 The purpose of this document is to disclose the costs associated with the different levels of segregation provided in respect of securities that Citibank N.A. and its various branches listed in section 4.5 (hereinafter referred to as “we”, “us”, “our” or “Citi”) hold directly for clients with Central Securities Depositories within the EEA (“CSDs”).
- 1.2 Citi is a direct participant in a number of CSDs and in this capacity is required to make this disclosure under Article 38 (5) and 38 (6) of the Central Securities Depositories Regulation (“CSDR”)¹.
- 1.3 This costs disclosure should be read in conjunction with our disclosure on the levels of protection associated with the different levels of segregation, including the main legal implications of the respective levels of segregation offered [“Participant Disclosure”].
- 1.4 While this disclosure provides an overview of the costs associated with the different levels of segregation, this disclosure does not purport to contain all the information a client would need to decide which type of account it should choose in a relevant CSD. We would typically expect to have more detailed discussions with clients around their specific pricing arrangements with a view to assisting them with making a more informed choice on the type of CSD account that would be suitable for them for each relevant CSD.
- 1.5 This costs disclosure is based on the CSD charging structure as of the date of this disclosure. CSDs may change their charging structure from time to time and potentially when the CSDs are duly authorised under CSDR. For up to date CSD fees and charges, clients can visit the website of the applicable CSD.
- 1.6 This costs disclosure is provided to you for information only and is not intended to constitute legal, regulatory, tax, investment, accounting, financial or other advice by any member of the Citi organization. This costs disclosure should not be used or relied upon by any person for the purpose of making any legal, regulatory, tax, investment, accounting, financial or other decision or to provide advice on such matters to any other person. Recipients of this costs disclosure should obtain guidance and/or advice, based on their own particular circumstances, from their own legal, tax or other appropriate advisor. Citi has no responsibility for any loss occasioned as a result of the use of information in this costs disclosure.

1.Regulation (EU) No 909/2014 of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012

2. Background

- 2.1 As explained further in our Participant Disclosure, we currently make two types of accounts with the CSDs available to clients: an Individual Client Segregated Account ("ISA") and an Omnibus Client Segregated Account ("OSA").
- 2.2 An ISA is used by us to hold the securities of a single client and therefore the client's securities are held by us in a CSD account which is separate from CSD accounts used to hold the securities of other clients and our own proprietary securities.
- 2.3 An OSA is used by us to hold the securities of a number of clients on a collective basis in a single CSD account. We do not however hold our own proprietary securities in OSAs.
- 2.4 Regardless of the type of account a client chooses to hold its securities at the CSD, we record each client's individual entitlement to securities that we hold for that client in one or more client securities accounts established and maintained for such client in our own books and records.
- 2.5 This disclosure sets out in sections 3 and 4 below the costs that may be associated with an ISA and OSA which could include Citi costs, CSD costs and if applicable, any third party fees and costs and how they may vary between the two types of accounts.

3. Citi costs: OSA v ISA

- 3.1 Citi account fees apply in relation to the separate client account(s) that Citi opens on its books and records. The client account(s) opened on Citi's books and records are opened in respect of the relevant CSD account in which the client's securities are held. Citi's account fees would typically consist of:
- (a) a fixed one-off account opening fee charged per account; and
 - (b) a fixed monthly account maintenance fee charged per account (together the "**Citi account fees**").
- 3.2 The Citi Account fees will not vary depending on whether the client chooses to hold its securities in an ISA or an OSA at the CSD and regardless of the type of CSD account chosen, will be borne in full by the relevant client.
- 3.3 In addition there are a number of costs, charges or fees associated with holding securities which would not vary depending on the account structure. These include:
- (a) custody and safekeeping fees;
 - (b) asset servicing fees;
 - (c) transaction fees
 - (d) special transaction fees (such as cancellation and amendment fees);
 - (e) out of pocket expenses;
 - (f) tax reclaims fees; and
 - (g) transaction specific taxes or registration charges.
- 3.4 Furthermore any client relationship specific fees, charges or discounts that apply would not vary depending on the type of account the client may choose to have in a relevant CSD.

4. CSD costs and other third party costs: OSA v ISA

- 4.1 Account opening fees may be charged by a CSD and clients could be subject to the following fees imposed by the CSD on each account:
- (a) a fixed one off account opening fee; and
 - (b) a fixed monthly account maintenance fee (together the “**CSD account fees**”).
- 4.2 CSD account fees may vary depending on the type of account chosen due to additional operational complexity and monitoring however for specific market CSD charging structures clients are encouraged to review the CSD fee schedule published on the applicable CSD website.
- 4.3 The manner in which fees are applied to clients is likely to vary. Fees charged in respect of an ISA, will be borne by the client on whose behalf securities are held in the account, in full. On the other hand, fees in respect of an OSA would be equally shared amongst all clients who hold securities in the account. Accordingly a client holding securities in an OSA would typically expect to pay a lower CSD account fee than a client with an ISA.
- 4.4 There may be other costs/charges levied by a CSD (or a third party) from time to time would be passed to the client at cost. These costs would not however vary depending on whether the client chooses to have an ISA or OSA. These costs include but are not limited to safekeeping fees, settlement fees, registration fees, corporate action fees.
- 4.5 Set out below are links to the CSDs websites in which we are participants:

CSD Participant	CSD	Link to CSD website
Citibank N.A., Head Office	Clearstream Banking SA	http://www.clearstream.com
	Euroclear Bank SA/NV	https://my.euroclear.com/apps/en/reference-search.html?q=eq:rights%20of%20participants&entity=eq:ef:eui:eb&limit=0
Citibank N.A., Milan Branch	Monte Titoli SpA	https://www.lseg.com/post-trade-services/settlement-and-custody/monte-titoli
Citibank N.A., Manila Branch	Clearstream Banking SA	http://www.clearstream.com
Citibank N.A., London Branch	Euroclear UK and Ireland LTD	https://my.euroclear.com/en/login.html#redirect=0

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