



Association of National Numbering Agencies  
Derivatives Product Committee Secretariat

Dear Sirs,

CM Capital Markets Brokerage, S.A., A.V. is a Spanish broker specialized in institutional financial brokerage. Our derivatives department is planning to become an OTF and therefore they would need to be members of DSB in order to create ISIN to agree with ESMA requirements.

CM Capital Markets thanks the opportunity that ANNA has given to us to comment the DSB fee model published the 2nd of May.

**Q1: Do you agree that 4 years is an appropriate time frame to amortize the start-up costs? Please provide any relevant evidence to support your answer.**

Q1: Yes, we agree, as this time frame is the standard accepted for this kind of project.

**Q2: Do you agree with the proposal to create a contingency fund of €750K to cover for unplanned costs during the initial few years of operation? If not, please suggest alternative approaches to financial risk management in a cost-recovery construct.**

Q2: No, we don't agree with unplanned costs or the wording "revenue". There shouldn't be additional costs nor excess revenue. At the end of the year real cost per user should be calculated and refunded if needed.

**Q3: Do you agree with the proposal to simplify the fee model by eliminating the differentiation between users requiring access to a single asset class vs multiple asset classes? Please provide details and any relevant evidence to support your answer.**

Q3: Yes, we agree. All proposals in order to simplify and reduce costs will be welcomed.

**Q4: Do you agree with the proposal to provide the full database archive to Registered Users (at no charge), in addition to the paid user categories? Please provide details and any relevant evidence to support your answer.**

Q4: No, we don't agree to provide the full database download free. Some users are going to pay for the whole service. All the costs are assumed by the users who create ISIN but there are a lot of users that will in fact use ISIN once created. Consequently, under this model, ISIN creators (Standard and Power) will be funding simple users but also corporations (info providers and commercial banks) who will commercially exploit such data.



**Q5: Do you agree with using 3 as the ratio of fees between Power Users and Standard Users? If not, please provide details and any relevant evidence to support your suggested ratio.**

Q5: No, we don't agree with 3x multiplier proposal as we are a small broker and we would be a Standard User, expecting to use a few ISIN per day, and this will mean to increase our cost per trade, with the consequent lost of competitiveness compared (vis-à-vis) with other big companies.

For example, a small Company who uses around 10 ISIN per day will pay around 8.5 EUR per ISIN (21.500€/2500). A big Firm with 1000 ISIN per day will pay only 0,26 EUR per ISIN (64.500€/250.000)

We estimate that in the medium term, there should be a larger number of users as many financial entities should become systematic internalizer, there are 5848 monetary financial institutions and 4974 of them are credit institutions<sup>i</sup>. If initial entities fund this start up, then newcomers should also fund initial costs and initial entities should obtain refunds.

**Q6: Are there any specific challenges you will face meeting the contract execution and payment deadlines stipulated above? Please provide details.**

Q6: We are going to:

- Pay the service upfront, even before service starts.
- Pay for initial costs.
- Pay in advance for unplanned costs and for users who are going to use DSB after it starts.

Once again, at the end of year there must be rebalanced to pass real costs to real number of users.

**Q7: Do you agree with the principle of using excess revenue to reduce the subsequent year's fees? If not, please explain your reasoning and provide industry examples to support your view.**

Q7: See answer Q2.

We take the opportunity to express that we don't understand the duty to grant an ISIN for a derivative product that is not transferable, and therefore we think that this cost should have been avoided since we understand that they are superfluous. Moreover, we understand this is a public service and has to be sufficiently funded but not for profit as we are sharing costs. Furthermore, we also understand that our DSB costs are not fees but taxes and should not be subject to VAT.

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<sup>i</sup> [https://www.ecb.europa.eu/stats/ecb\\_statistics/escb/html/table.en.html?id=JDF\\_MFI\\_MFI\\_LIST](https://www.ecb.europa.eu/stats/ecb_statistics/escb/html/table.en.html?id=JDF_MFI_MFI_LIST)