

From: Manuel Alonso; SIX Group
 Subject: Second Fee Model consultation

	Question	Answer
1	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.	Yes.
2	Q2: Do you agree with the proposal to create a contingency fund of €750K to cover unplanned costs during the initial few years of operation? If not, please suggest alternative approaches to financial risk management in a cost-recovery construct.	Yes, we agree. However, the time scope shall be fixed, i.e. 4 years. Additional question: How will you cover REST technology requirement?
3	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.	No. Proposition 1): Standard users shall have the access to create a new ISIN either via Intermediaries or FIX Access directly.
4	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.	No. This is against of the recovery fee idea. Suggestion: The file download shall be limited up to 1'000 ISINs per day and user.
5	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.	Yes, if proposition 1) above is accepted. Questions: Point 5.5 Intermediary Effect. If we understand the concept correctly an intermediary would not pay any fee, but users behind. If every small user is treated in the same way as a Power user, it does not make sense for them to go via an intermediary and, at the end to pay 58k. The case is that smaller users wish to outsource connectivity and programing problems in order to reduce costs. The amount of 58k per user is too high. We guess that the effort for DSB is probably due to the interface maintenances. Considering that if an intermediary is taking care of e.g. 20 users, it would not be correct if each of these users need to pay the same amount as if they were connect directly On the other hand, if the volume is responsible for the cost, then the fee model shall be

	Question	Answer
		reviewed. If the power user would include intermediaries, which than can split the costs along their customers this would make more sense. We also see a risk that the current fee model does not prevent users to send any OTC ISIN request instead of a first checking.
6	Q6: Are there any specific challenges you will face meeting the contract execution and payment deadlines stipulated above? Please provide details.	Agree
7	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.	Agree. Question: What is going to happen with the contingency fund of 750K after four years?