
JEFFERIES GmbH

Costs and Charges Information Document

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I. INTRODUCTION

Section 63 (7) of the German Securities trading Act (*Wertpapierhandelsgesetz*), requires Jefferies GmbH (“Jefferies”, “we” and “us”) to provide professional clients and eligible counterparties with certain information as to the costs and charges related to investment services provided to them in relation to financial instruments. We are entitled to agree with you the level of information that will be provided. Jefferies is also committed to dealing with all clients and counterparties in a transparent manner.

The investment services most frequently provided by Jefferies’ Equities and Fixed Income Sales & Trading divisions are dealing and brokerage services in relation to the following classes of financial instruments: cash equities; cash fixed income bonds; over-the-counter (“OTC”) equity options; equity swaps; interest rate and credit derivatives; and stock lending and repos. In providing these investment services, Jefferies may act as a principal or as an agent, but it does not make recommendations or provide investment advice, unless specifically agreed otherwise.

II. PURPOSE AND SCOPE

This document (the “Information Document”) sets out information regarding costs and charges typically applicable in respect of the investment services most frequently provided by Jefferies’ Equities and Fixed Income Sales & Trading divisions as described above. This Information Document does not relate to services provided by our Investment Banking divisions where different arrangements apply.

The information included in this Information Document is not exhaustive and as stated in Jefferies’ Terms of Business you may receive additional information in relation to costs and charges applicable to particular products or services from time to time. For some services and products, where this is appropriate, we may, in our sole discretion, provide you with indicative pricing or price ranges in advance of entering into any transaction. Furthermore, in relation to more structured, bespoke or complex transactions and/or in relation to certain investment services or financial instruments not referred to in this Information Document, other or additional costs and charges may apply and information about these will be provided to you as appropriate for the service, product or transaction in question. This may, for example, be included in term sheets, engagement or fee letters or similar documentation that is provided prior to trading. You may also contact us to request additional information in relation to our costs and charges if you require this. This Information Document is referred to in the Jefferies’ Terms of Business and forms part of such terms. When we provide services to or transact with you or on your behalf, it will be on the basis that you have read and understood this Information Document, and by beginning or continuing to undertake business with us you agree that the information in this document, together with the further information provided to you (as described above) is sufficient and appropriate for your needs.

This Information Document, and Jefferies’ Terms of Business, is subject to update from time to time and those updates will usually be posted on our website.

III. PRODUCTS

A. CASH EQUITIES

When we execute transactions in cash equities for you, we may deal with you either as principal or as agent and may charge a commission for doing so. In some circumstances, we may commit capital to a transaction by acting as principal, and when doing so, we may or may not charge you a commission. Where a commission is charged on a transaction you enter into with us, this will be reflected in your confirmation.

The commission we charge you may vary from market to market. If you would like to discuss the commission we charge in any jurisdiction, please feel free to contact us.

Whilst we do not charge you for any underlying exchange, clearing or settlement fees, there may be other standard market charges applied to your transaction. These standard market charges may include, but are not limited to, Stamp Duty (e.g. UK and South Africa), UK PTM Levy and the Financial Transaction Tax (applied in certain applicable markets) and they will be reflected on your confirmation.

Where Jefferies directs a client to a third party (e.g. in an ID market) for investment and / or ancillary services, the third party may charge a commission on a transaction you enter into with them. This, together with any other charges, will be reflected in the confirmation they send to you.

B. CASH FIXED INCOME BONDS

In cash fixed income markets, we typically deal as principal on risk, committing our own capital. Therefore, the price at which we will trade is the total price at which we are prepared to trade and assume the risk of the instrument involved. This total price will generally reflect market conditions including liquidity, volatility, and costs of funding or hedging the position. Where we are a market maker, we may show a two-sided bid/offer price but otherwise we would typically provide a bid only or offer only price depending on the direction in which you have indicated your interest. In each case the price for every transaction will be agreed at the time of trade and will be shown in the trade confirmation. There is usually no additional cost or charge, but if a cost or charge is to be added, this will be set out, either in the trade confirmation or in a separate communication.

C. UNCLEARED OTC DERIVATIVES

1. OTC Equity Options

The premium for an OTC equity option transaction will be agreed at the time of trade and will be shown in the related trade confirmation. This premium may include a charge applied by us in respect of that transaction.

You will usually receive a statement that contains the details of your option transactions including the mid-market value of each option as at the date of the relevant statement. The amount of any charge applied by us in respect of an equity option transaction is the difference between the option premium and the mid-market value of that option on the trade date.

2. Equity Swaps

The floating rate applicable to an equity swap will be agreed with you at the time of trade, as will any commission (if applicable). The floating rate will be shown in the trade confirmation and any commission will be notified to you separately.

In relation to long positions, the overall cost of the transaction over the lifetime of the swap is the aggregate of all floating amount payments made by you in relation to the swap, together with any commission.

In relation to short positions, the overall cost of the transaction for you is limited to commission (if any) as, subject to negative interest rate considerations below, no floating amount payments are made by you over the lifetime of such swaps.

In a negative interest rate environment, the floating amount payments may become inverted for long and short positions such that for the duration of a negative floating rate, no floating amount payments would be payable by you in respect of long positions (and as such, the long position would have no cost to you during the relevant period), whereas floating amount payments would become payable by you in respect of short positions (and the aggregate of those payments would represent the cost of the short position during that period).

You will usually receive a statement that contains details of your equity swap transactions, including commission and floating amount payments which can be used to calculate the costs on an ongoing basis.

3. Fixed Income and Credit Derivatives

The price(s) or rate(s) applicable to interest rates swaps, interest rate cap and floor transactions and credit default swaps will be agreed with you at the time of trade and will be shown in the trade confirmation.

You will usually receive a statement that contains details of your interest rate and credit derivative transactions, including the price(s), rate(s) and the mid-market value of each position. If requested by you, the mid-market value will also be disclosed at the time of trade.

The cost or charge of an interest rate or credit derivative transaction is the difference between the trade implied price (implied from the agreed price(s) or rate(s)) and the mid-market value of the transaction as at the trade date.

IV. STOCK LENDING AND REPOS

When we enter into stock lending and repo transactions with you, we are dealing as principal on risk by committing our own capital. Therefore, we will agree with you a repo rate (for repos) or borrowing fee (for stock loans) in advance which represents our remuneration for the risk of the position, and no other separate cost or charge will be applied.