

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

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Exhibit 1 - Notice of Proposed Rule Change

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

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Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

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Exhibit 5 - Proposed Rule Text

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

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Partial Amendment

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

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1. Text of Proposed Rule Change.

- (a) The text of the proposed changes to the fee schedule contained in the Rules of the Government Securities Division (“GSD”) of the Fixed Income Clearing Corporation (“FICC”) is attached hereto as Exhibit 5.
- (b) Not applicable.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

- (a) The Board of Directors approved the proposed rule changes at the December 16, 2009 Board meeting.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) The purpose of this filing is to modify participant fees as outlined below. The fee changes are effective as of January 4, 2010.

(i) The GSD fee structure for submission of a side of a trade and submission of a Repo Transaction is revised to reflect the following:

	Current Fee	2010 Proposed Fee
Up to 50,000 submissions per month	\$0.16 per item	\$0.21 per item
50,000 to 100,001 submissions per month	\$0.08 per item	\$0.12 per item

(ii) The following Netting Fee and Charges have been revised as follows:

	Current Fee	2010 Proposed Fee
1. For each side of a Compared Trade, other than a Repo Transaction, that is netted, a fee equaling the sum (in addition to the comparison fee) of:	(i) \$0.16; and (ii) \$0.012 per \$1 million of par value.	(i) \$0.16; and (ii) \$0.016 per \$1 million of par value.
2. For each Start Leg or Close Leg of a Repo Transaction other than a GCF Repo Transaction that is netted, a fee equaling the sum (in addition to the comparison fee) of:	(i) \$0.16; and (ii) \$0.060 per \$1 million of par value.	(i) \$0.16; and (ii) \$0.016 per \$1 million of par value.

and;

(iii) The charge for each Deliver Obligation and Receive Obligation created as a result of the netting process is a fee of \$0.060 per \$1 million of par value. This fee is being increased to \$0.10 per \$1 million.

(b) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because it updates FICC's fee schedule for GSD. As such, it provides for the equitable allocation of fees among its participants.

4. Self-Regulatory Organization's Statement on Burden on Competition.

FICC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Participants, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

6. Extension of Time Period for Commission Action.

FICC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2).

- (a) This filing is made pursuant to paragraph (A) of Section 19(b)(3) of the Act and subparagraph (f) of Securities Exchange Act Rule 19b-4.
- (b) The proposed rule change establishes or changes a due, fee, or other charge applicable only to a participant.
- (c) Not applicable.
- (d) Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

- Exhibit 1 - Notice of proposed rule change for publication in the Federal Register.
- Exhibit 5 - Text of the proposed rule change

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____); File No. SR-FICC-2009-11

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by THE FIXED INCOME CLEARING CORPORATION (“FICC”) relating to modifications to the fee schedules of the Government Securities Division (“GSD”) of FICC.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, FICC filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The text of the proposed rule change is attached hereto as Exhibit 5.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FICC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FICC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(i) The purpose of this filing is to modify participant fees as outlined below. The fee changes are effective as of January 4, 2010.

(a) The GSD fee structure for submission of a side of a trade and submission of a Repo Transaction is revised to reflect the following:

	Current Fee	2010 Proposed Fee
Up to 50,000 submissions per month	\$0.16 per item	\$0.21 per item

50,000 to 100,001 submissions per month	\$0.08 per item	\$0.12 per item
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(b) The following Netting Fee and Charges have been revised as follows:

	Current Fee	2010 Proposed Fee
1. For each side of a Compared Trade, other than a Repo Transaction, that is netted, a fee equaling the sum (in addition to the comparison fee) of:	(i) \$0.16; and (ii) \$0.012 per \$1 million of par value.	(i) \$0.16; and (ii) \$0.016 per \$1 million of par value.
2. For each Start Leg or Close Leg of a Repo Transaction other than a GCF Repo Transaction that is netted, a fee equaling the sum (in addition to the comparison fee) of:	(i) \$0.16; and (ii) \$0.060 per \$1 million of par value.	(i) \$0.16; and (ii) \$0.016 per \$1 million of par value.

and;

(c) The charge for each Deliver Obligation and Receive Obligation created as a result of the netting process is a fee of \$0.060 per \$1 million of par value. This fee is being increased to \$0.10 per \$1 million.

(ii) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because it updates FICC's fee schedule for GSD. As such, it provides for the equitable allocation of fees among its participants.

B. Self-Regulatory Organization's Statement on Burden on Competition.

FICC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it

appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to rule-comment@sec.gov. Please include File No. SR-FICC-2009-11 on the subject line.
- Paper comments should be sent in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-1090.

All submissions should refer to File Number SR-FICC-2009-11. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Room Section 100 F Street, NE, Washington DC 20549-1090. Copies of such filing also will be available for inspection and copying at the principal office of FICC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to the file number above and should be submitted within _____ days after the date of publication.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Elizabeth M. Murphy

Underlined, boldface text indicates additions.

~~**Struck through, boldface**~~ text indicates deletions.

RULES OF THE GOVERNMENT SECURITIES DIVISION
OF
FIXED INCOME CLEARING CORPORATION

FEE STRUCTURE
(effective January ~~14, 2009~~**10**)

I. TRADE COMPARISON FEES

A. Trade Submission

A trade submission is a submission of a side of a trade or submission of a Repo Transaction.

The fee for trade submission is as follows:

~~\$.16~~**21** per submission for up to 50,000 submissions per month
~~\$.08~~**12** per submission for 50,001 to 100,000 submissions per month
\$.01 per submission for 100,001 or greater submissions per month

A submission that is rejected by the Corporation because it failed to pass the necessary edit checks other than valid contra side will not be charged the submission fee, but will be charged a fee of \$.50 for the rejection.

The Corporation will charge an additional fee for modifications and cancellations as set forth below in subsection D.

B. Surcharge for Submission Method

At the end of a month, and with respect to each Member account, a Member that did not submit trade data to the Corporation during that month using the Interactive Submission Method shall be charged: (a) an additional comparison fee of \$.10 per side or Repo Transaction if it used the Multiple Batch Submission Method or (b) an additional comparison fee of \$.25 per side or per Repo Transaction if it used the Single Batch Submission Method.

Notwithstanding the foregoing, (1) the Corporation may reduce a Member's additional comparison fees for a month from \$.10 or \$.25 per side or Repo Transaction, as applicable, to \$.00 or \$.10 per side or Repo Transaction, as applicable, if the Corporation determines, in its sole discretion, that during such month, the Member has in good faith switched to (i) the Interactive Trade Submission Method from the Multiple Batch

Submission Method or the Single Batch Submission Method, or (ii) the Multiple Batch Submission Method from the Single Batch Submission Method.

C. Yield-to-Price Conversion

The charge for the conversion by the Corporation of a side of a trade from a yield basis to a price basis is 15 cents per such side.

D. Modifications and Cancellations

The charge to a Member for the entry of a request to modify or cancel either a side of a trade or a Repo Transaction, other than a GCF Repo Transaction, is 25 cents per such request. The charge to a Member for the entry of a request to modify or cancel a side of a GCF Repo Transaction is 5 cents per such request.

E. Demand and Locked-In Trade Data

Data received by the Corporation on a demand or locked-in basis from a Demand Trade Source or a Locked-in Trade Source related to a side of a trade or Repo Transaction entered into by a Member, or entered into by a Non-Member that the Member is clearing for, shall result in a charge for processing and reporting by the Corporation to the Member of 16 cents per \$50 million increment of such side or Repo Transaction. This charge shall not apply to GCF Repo Transactions. The charge to the Member for the processing and reporting by the Corporation of a GCF Repo Transaction entered into by the Member, or entered into by a Non-Member that the Member is clearing for, is a one time recording fee of \$.05 per million gross dollar amount of such GCF Repo Transaction (with a minimum charge of \$2.50).

II. COMMUNICATION FEES

Failure to migrate from legacy networks to SMART and/or SFTI. Cost*

*The entire cost of supporting the legacy network connections will be allocated among remaining users pro rata.

III. NETTING FEE AND CHARGES

A. Netting Fee

1. For each side of a Compared Trade, other than a Repo Transaction, that is netted, a fee equaling the sum (in addition to the comparison fee) of:

- (i) \$0.16; and
- (ii) \$0.01216 per \$1 million of par value.

For each Start Leg or Close Leg of a Repo Transaction other than a GCF Repo Transaction that is netted, a fee equaling the sum (in addition to the comparison fee) of:

- (i) \$0.16; and
- (ii) \$0.01216 per \$1 million of par value.

For each Fail Deliver Obligation and Fail Receive Obligation that is netted, a fee equaling the sum (in addition to the comparison fee) of:

- i. \$0.16; and
- (ii) \$0.012 per \$1 million of par value.

2. In addition to the above, for each Deliver Obligation and Receive Obligation created

as a result of the netting process, a fee of \$0.~~06~~**10** per \$1 million of par value.

B. Auction Takedown Process

Members shall be charged for the following functions associated with the Auction Takedown Services provided by the Corporation:

- | | |
|--|-----------------------------------|
| 1. Locked-in trades | \$.50 per \$50 million increment |
| 2. Priority Auction Delivery request (also known as a Customer Delivery request) | \$1.00 per request |

C. Financing Charges^{∩/}

1. No charges for Category 1 Inter-Dealer Broker Netting Members.
2. For each other Netting Member, a pass-through charge calculated on a percentage of the total of all such costs incurred by the Corporation, (including any reimbursements made pursuant to subsection (4) below), allocated by product, which percentage is calculated as follows:

Total dollar value of deliver and receive obligations of
such Netting Member in such product

Total dollar value of deliver and receive obligations of all Netting
Members (other than Category 1 Inter-Dealer Broker
Netting Members) in such product

3. Notwithstanding the above, if, after providing to a Netting Member appropriate notice and opportunity to be heard, the Corporation determines that such Netting Member has, on a recurring basis and without good cause, caused the Corporation to incur financing costs, such Member will be obligated to pay for the entire amount of any financing costs incurred by the Corporation as the result of deliveries by such Member to the Corporation.
4. As stated in Rule 12, if the Corporation, as the result of a violation of the Rules by a Netting Member, incurs financing costs, the Netting Member shall be obligated to pay for, or reimburse the Corporation for, the entire amount of any such costs.
5. Notwithstanding anything to the contrary above, the Corporation may pay for directly, or reimburse, a Repo Broker for overnight financing costs that the Repo Broker has incurred related to the settlement of a Start Leg outside of the Netting System, up to a dollar amount deemed reasonable by the Corporation, if the Corporation determines, in its sole discretion, that such financing costs were incurred by the Repo Broker unavoidably and not through its own fault.
6. Notwithstanding anything to the contrary above, the Corporation may pay for directly, or reimburse, a Repo Broker that incurs financing costs for a Net Settlement Position, up to a dollar amount deemed reasonable by the Corporation, if the Corporation determines, in its sole discretion, that such financing costs were incurred by the Repo Broker: (i) unavoidably and not

^{∩/}Financing costs include the costs of both carrying positions overnight and borrowing to cover Category 1 Inter-Dealer Broker Netting Member mark and TAP payments.

through its own fault and (ii) if the Repo Broker is an Inter-Dealer Broker Netting Member, through overnight repurchase transactions with Netting Members or a Clearing Agent Bank.

D. Clearance Charges

1. No charges for Category 1 Inter-Dealer Broker Netting Members.
2. For each other Netting Member, a standard charge of \$2.35 per deliver and receive obligation on Scheduled Settlement Date.
3. Notwithstanding anything to the contrary above, the Corporation may pay for directly, or reimburse, the clearance costs incurred by a Repo Broker for Repo Transactions related to the settlement of a Start Leg outside of the Netting System, up to a dollar amount deemed reasonable by the Corporation.

E. Repo Transaction Processing Fee

For a term Repo Transaction other than a GCF Repo Transaction that has been compared and netted, but which has not yet settled, a fee calculated as follows:

- (1)
 - (a) for Repo Brokers (as defined in subsection G below) with respect to their brokered Repo Transaction activity, a .010 basis point charge (i.e., one hundredth of a basis point) applied to the gross dollar amount of each such Repo Transaction; and
 - (b) for all other Netting Members, as well as Repo Brokers with respect to their non-brokered Repo Transaction activity, a .020 basis point charge (i.e., two hundredths of a basis point) applied to the gross dollar amount of each such Repo Transaction.

and

- (2) a .060 basis point charge (i.e., 6 hundredths of a basis point) applied to the net dollar amount of a Netting Member's Repo Transactions within a CUSIP.

For a GCF Repo Transaction that has been compared and netted, but which has not yet settled, a fee calculated as follows:

- (1)
 - (a) for Repo Brokers acting as GCF-Authorized-Inter-Dealer Brokers, a .010 basis point charge (i.e., one hundredth of a basis point) applied to the gross dollar amount of such GCF Repo Transaction; and
 - (b) for all other Netting Members, a .020 basis point charge (i.e., two hundredths of a basis point) applied to the gross dollar amount of such GCF Repo Transaction;

and

- (2) a .060 basis point charge (i.e., 6 hundredths of a basis point) applied to the net dollar amount of a Netting Member's Collateral Allocation Entitlements and Collateral Allocation Obligations.

These fees will be applied each calendar day, but calculated on an annualized basis.

For Repo Transactions other than GCF Repo Transactions, these fees do not apply if the Close Leg is scheduled to settle one Business Day after the Start Leg.

F. Coupon Pass-Through Fee

For each pass-through of a coupon payment, pursuant to these Rules, from a Member with a Net Short Settlement Position to a Member with a Net Long Settlement Position, a fee of 25 cents per such coupon movement per each member.

G. Repo Collateral Substitution Fees

The charge for the processing of a repo collateral substitution request is \$.75.

H. Definition

For purposes of this Section III, a "Repo Broker" includes (1) an Inter-Dealer Broker Netting Member, and (2) a division or other separate operating unit within a Dealer Netting Member that the Corporation has determined: (a) operates in the same manner as a Broker, and (b) has agreed to, and does, participate in the Repo netting service pursuant to the same requirements imposed on Inter-Dealer Broker Netting Members under these Rules that participate in that service.

IV. MINIMUM MONTHLY FEE

Each Comparison-Only Member and each Netting Member shall, regardless of the level of its activity, pay a minimum monthly fee on its sole or primary account of \$1,000.

V. FEES APPLICABLE TO ADDITIONAL ACCOUNTS

If a Member maintains more than one account at the Government Securities Division, each such additional account shall be subject to the following fees:

A. Additional Account Opened at the Request of Member

- (i) Maintenance fee of \$1,000;
- (ii) Fees based on transaction activity (no minimum monthly fee); and
- (iii) Applicable non-transaction-based fees.

B. Additional Account Opened at the Direction of the Corporation

- (i) Fees based on transaction activity subject to a \$1,000 minimum monthly fee; and
- (ii) Applicable non-transaction-based fees.

For purposes of this Fee Structure, the Corporation will consider a Member's primary account to be the account with the most activity in the applicable month. All other accounts maintained by the Member shall be considered additional accounts.

VI. SUBMITTING MEMBERS

A Submitting Member shall be liable for fees and charges arising from trades the data on which it has submitted to the Corporation on behalf of an Executing Firm to the same extent as if such Member had executed the trades.

VII. SPONSORING MEMBERS

A Sponsoring Member shall be liable for fees and charges arising from Sponsored Member Trades the data on which it, or its Sponsored Member(s), has submitted to the Corporation. A Sponsoring Member shall also be subject to the fee for additional accounts set forth in Section V (A) of this Fee Structure; provided, that a Sponsoring Member Omnibus Account shall be considered a single account for purposes of calculating such fee, regardless of the number of Sponsored Members whose trading activity is

conducted through such account.

VIII. DEFINITION

For purposes of this fee structure, a “side” of a trade or a transaction, and a Start Leg or a Close Leg of a Repo Transaction other than a GCF Repo Transaction, shall be limited to \$50 million increments. Thus, if the aggregate amount of a side of a trade, or of a Start Leg or Close Leg of a Repo Transaction other than a GCF Repo Transaction, is greater than \$50 million, each \$50 million portion of that aggregate amount (including the final, residual portion if that is less than \$50 million) shall be considered as a separate “side” or Leg for purposes of this Fee Structure. A Term GCF Repo Transaction shall be considered to have only one Start Leg and one Close Leg during its term.

IX. LATE FEES

Late Submission of Collateral Substitution Notifications

On any particular Business Day, a Repo Party shall be assessed a late fee of \$100 for each repo collateral substitution notification that is received by the Corporation after the deadline for such as stated in the Schedule of Timeframes.

Late Submission of Information Regarding New Securities Collateral

On any particular Business Day, a Repo Party shall be assessed a late fee of (i) \$100 for each submission of information regarding New Securities Collateral that is received by the Corporation after the first deadline, but before the second deadline, for such as stated in the Schedule of Timeframes, and (ii) \$250 for each submission of information regarding New Securities Collateral that is received and processed by the Corporation after the second deadline for such as stated in the Schedule of Timeframes. Such fees will be assessed with respect to each transaction for which a notification of a repo collateral substitution has been received by FICC, but for which FICC has not received information regarding New Securities Collateral.

Late Fee Related to GCF Repo Transactions

On any particular business day, if a dealer does not make the required collateral allocation by the later of 4:30 p.m. (New York time) or 1 hour after the actual close of Fedwire reversals, the dealer shall be subject to a late fee of \$500.00, unless the Corporation determines, in its sole discretion, that the failure to meet this timeframe is not primarily the fault of the dealer.

X. ADMINISTRATIVE FEES

On any particular Business Day, a Repo Broker shall be assessed an administrative fee of \$50 for each instance where the Corporation determines to finance a Debit Forward Mark Adjustment Payment in excess of the Cap, as set forth in Section 4 of Rule 19. Such administrative fee shall be in addition to any costs incurred by the Corporation in arranging the financing for which the Repo Broker maintains responsibility and must reimburse the Corporation pursuant to that Section.

XI. THIRD PARTY FEES AND CHARGES

The Corporation may also bill Members for, and include on the Members' billing statements, fees and charges which may be imposed on such Members by third parties such as: (a) other subsidiaries of The Depository Trust & Clearing Corporation; (b) self-regulatory organizations and other securities industry organizations or entities of which such Member is a member, where such third party has represented to the Corporation that it has an agreement with the Member allowing the Member's payment of such fees and charges; and (c) other organizations and entities which provide services or equipment to Members which are integral to services provided by the Corporation. Any amounts so collected will be remitted to the entity imposing such fee or charge.

Such fees and charges may include those of companies that identify themselves as being an affiliate of the Member. Members should check their billing statements, which shall reflect all such charges, and report any problems to the Corporation immediately.

XII. CAPITAL BASE, PRICING AND REBATE POLICY

The Corporation's policy is to retain only that amount of revenue which, in the view of the Board, is appropriate to ensure that the Corporation maintains a sufficient capital base and sound financial structure. Consistent with this policy, the Corporation may, for activity submitted during a given month, in its sole discretion, adjust downward (discount) its comparison and netting fees. Any such discount shall be reflected directly in fee collections from Members for that month.

This policy is not intended to apply to a service newly-provided by the Corporation, until it is deemed by the Operations and Planning Committee to be sufficiently established.

The Corporation will rebate excess net income to members, pro rata, at periodic intervals deemed appropriate by, and at the discretion of, the Corporation based upon their gross fees paid to the Corporation within the applicable rebate period (adjusted for miscellaneous charges and rebates). Rebates will be distributed only to those Members maintaining membership during all or a portion of the applicable rebate period, as announced by the Corporation from time to time.

For purposes of this paragraph, "excess net income" shall mean income after expenses and capitalization costs not needed in the opinion of the Corporation in its sole discretion taking into account, among other things, anticipated expenses, losses, liabilities, revenues, and maintenance of an appropriate minimum level of shareholders' equity.
