

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 32      SECURITIES AND EXCHANGE COMMISSION      File No.\* SR - 2014 - \* 13  
 WASHINGTON, D.C. 20549      Form 19b-4      Amendment No. (req. for Amendments \*)

Filing by National Securities Clearing Corporation  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>
Section 806(e)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document       Exhibit 3 Sent As Paper Document

**Description**  
 Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).  
 Proposed rule change to adjust certain fees related to NSCC's Obligation Warehouse service.

**Contact Information**  
 Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Jacqueline      Last Name \* Farinella  
 Title \* Director & Senior Associate Counsel  
 E-mail \* jfarinella@dtcc.com  
 Telephone \* (212) 855-3216      Fax

**Signature**  
 Pursuant to the requirements of the Securities Exchange Act of 1934,  
 has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.  
 (Title \*)  
 Date 12/17/2014      Managing Director  
 By Nikki Poulos        
 (Name \*)  
 NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.  
 Persona Not Validated - 1398177138289,

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

Add Remove View

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.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

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)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

Add Remove View

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, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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

Add Remove View

Exhibit Sent As Paper Document

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.

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Exhibit Sent As Paper Document

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.

**Exhibit 4 - Marked Copies**

Add Remove View

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.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

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.

**Partial Amendment**

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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.

## **1. Text of the Proposed Rule Change**

(a) The proposed rule change consists of changes to Addendum A (Fee Structure) of the Rules & Procedures (“Rules”) of National Securities Clearing Corporation (“NSCC”) in order to adjust certain fees related to NSCC’s Obligation Warehouse service. The text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

## **2. Procedures of the Clearing Agency**

The proposed rule change was approved by the Businesses and Products Committee of NSCC’s Board of Directors on August 19, 2014.

## **3. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

### **(a) Purpose**

The purpose of the proposed rule change is to revise NSCC’s fee schedule (as listed in Addendum A of the Rules) in order to adjust certain fees related to NSCC’s Obligation Warehouse (“OW”), a non-guaranteed, automated service that tracks, stores, and maintains unsettled ex-clearing and failed obligations, as well as obligations exited from NSCC’s Continuous Net Settlement (“CNS”) system, non-CNS Automated Customer Account Transfer Service (“ACATS”) Receive and Deliver Instructions, Balance Orders, and Special Trades, as such terms are defined in the Rules. The OW service provides transparency, serves as a central storage of open (i.e. failed or unsettled) broker-to-broker obligations, and allows users to manage and resolve exceptions in an efficient and timely manner.

Currently, NSCC charges a fee to the recipient of a delivery notification request advisory, which informs the recipient that the submitting party has acknowledged that an OW obligation between those parties has settled, if that notification is aged two days or older (“Aged Delivery Advisories”); and also charges a fee to the recipient of a pending cancel request advisory, which requests that the recipient cancel a previously compared OW obligation, if that request is aged two days or older (“Aged Cancel Advisories”). NSCC is proposing to revise its fee schedule to increase the fees charged for Aged Delivery Advisories and Aged Cancel Advisories as marked on Exhibit 5 hereto. The increase in these fees would encourage more timely action by the recipients of these advisories, and would align the fees associated with the OW service with the costs of delivering that service to NSCC’s Members. NSCC also proposes to remove notations in Addendum A related to the phased-in implementation for fees charged for each pending comparison advisory that are aged 5 days or older.

The proposed rule change is marked on Exhibit 5 hereto as amendments to Addendum A to NSCC’s Rules. No other changes to the Rules are contemplated by this proposed rule change. The proposed fee change would take effect on January 1, 2015.

(b) Statutory Basis

The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (“Act”) and the rules and regulations thereunder, in particular Section 17A(b)(3)(D) of the Act,<sup>1</sup> which requires that the Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. The proposed rule change would align NSCC’s fees with the costs of delivering services to NSCC Members, and would allocate those fees equitably among the NSCC Members that use those services.

**4. Clearing Agency’s Statement on Burden on Competition**

NSCC does not believe that the proposed rule change would have any impact, or impose any burden, on competition. As stated above, the proposed change would align NSCC’s fees with the costs of delivering services to its Members, and would not disproportionately impact any NSCC Members.

**5. Clearing Agency’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. NSCC will notify the Commission of any written comments received by NSCC.

**6. Extension of Time Period for Commission Action**

NSCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.<sup>2</sup>

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

(a) The proposed rule change is to take effect on January 1, 2015 pursuant to paragraph A of Section 19(b)(3) of the Act.<sup>3</sup>

(b) The proposed rule change establishes or changes a due, fee, or other charge applicable only to NSCC participants.

(c) Not applicable.

(d) Not applicable.

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<sup>1</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>2</sup> 15 U.S.C. 78s(b)(2).

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

**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 of the Commission.

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

**10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

**11. Exhibits**

Exhibit 1 – Not applicable

Exhibit 1A – Notice of proposed rule change for publication in the Federal Register

Exhibit 2 – Not applicable

Exhibit 3 – Not applicable

Exhibit 4 – Not applicable

Exhibit 5 – Proposed Rule Changes

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_\_]; File No. SR-NSCC-2014-13)

[DATE]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Addendum A (Fee Structure) with Respect to Fees Related to NSCC's Obligation Warehouse Service

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on December \_\_, 2014, National Securities Clearing Corporation ("NSCC") 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 primarily by NSCC. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(2)<sup>4</sup> thereunder. The proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to Addendum A of the Rules & Procedures ("Rules") of NSCC in order to adjust certain fees related to NSCC's Obligation Warehouse service, as more fully described below.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A).

4 17 CFR 240.19b-4(f)(2).

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC 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. NSCC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to revise NSCC's fee schedule (as listed in Addendum A of the Rules) in order to adjust certain fees related to NSCC's Obligation Warehouse ("OW"), a non-guaranteed, automated service that tracks, stores, and maintains unsettled ex-clearing and failed obligations, as well as obligations exited from NSCC's Continuous Net Settlement ("CNS") system, non-CNS Automated Customer Account Transfer Service ("ACATS") Receive and Deliver Instructions, Balance Orders, and Special Trades, as such terms are defined in the Rules. The OW service provides transparency, serves as a central storage of open (i.e. failed or unsettled) broker-to-broker obligations, and allows users to manage and resolve exceptions in an efficient and timely manner.

Currently, NSCC charges a fee to the recipient of a delivery notification request advisory, which informs the recipient that the submitting party has acknowledged that an OW obligation between those parties has settled, if that notification is aged two days or older ("Aged Delivery Advisories"); and also charges a fee to the recipient of a pending

cancel request advisory, which requests that the recipient cancel a previously compared OW obligation, if that request is aged two days or older (“Aged Cancel Advisories”). NSCC is proposing to revise its fee schedule to increase the fees charged for Aged Delivery Advisories and Aged Cancel Advisories as marked on Exhibit 5 hereto. The increase in these fees would encourage more timely action by the recipients of these advisories, and would align the fees associated with the OW service with the costs of delivering that service to NSCC’s Members. NSCC also proposes to remove notations in Addendum A related to the phased-in implementation for fees charged for each pending comparison advisory that are aged 5 days or older.

The proposed rule change is marked on Exhibit 5 hereto as amendments to Addendum A to NSCC’s Rules. No other changes to the Rules are contemplated by this proposed rule change. The proposed fee change would take effect on January 1, 2015.

2. Statutory Basis

The proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder, in particular Section 17A(b)(3)(D) of the Act,<sup>5</sup> which requires that the Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. The proposed rule change would align NSCC’s fees with the costs of delivering services to NSCC Members, and would allocate those fees equitably among the NSCC Members that use those services.

(B) Clearing Agency’s Statement on Burden on Competition

NSCC does not believe that the proposed rule change would have any impact, or impose any burden, on competition. As stated above, the proposed change would align

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5 15 U.S.C. 78q-1(b)(3)(D).

NSCC's fees with the costs of delivering services to its Members, and would not disproportionately impact any NSCC Members.

(C) Clearing Agency'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. NSCC will notify the Commission of any written comments received by NSCC.

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)<sup>6</sup> of the Act and paragraph (f) of Rule 19b-4<sup>7</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or

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6 15 U.S.C. 78s(b)(3)(A).

7 17 CFR 240.19b-4(f).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NSCC-2014-13 on the subject line.

Paper Comments:

- Send paper comments in triplicate to [Name of Secretary], Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

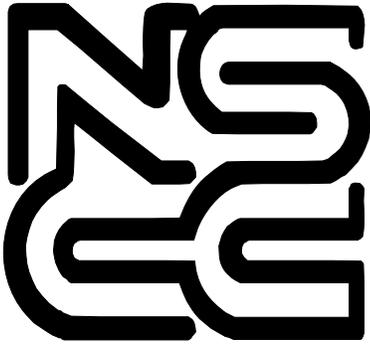
All submissions should refer to File Number SR-NSCC-2014-13. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of NSCC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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 submissions should refer to File Number SR-NSCC-2014-13 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).



NATIONAL  
SECURITIES  
CLEARING  
CORPORATION

RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

**Underlined and boldface** text indicates new text

~~**Strikethrough and boldface**~~ indicates deleted text

## ADDENDUM A

### NATIONAL SECURITIES CLEARING CORPORATION

#### FEE STRUCTURE

I. TRADE COMPARISON AND RECORDING SERVICE FEES - represents the fees to enter and correct original trade data.

A. Trade Comparison:

1. Each side of each bond trade submitted - \$0.85 per side.

B. Trade Correction Fees:<sup>1</sup>

1. Listed Equity System Correction Fees:

Suggested Name Deletes submitted to the Corporation directly by participants on T+1 - \$.40 to both sides.

2. Bond Correction Fees:

- a. All supplemental input after T (Advisory, As Of, Withhold) except for Trades Deleted:

- (1) T+1 - \$.60 to the submitter
- (2) T+2 - \$.90 to the submitter
- (3) after T+2 - \$1.50 to the submitter

- b. Trades Deleted:

- (1) T+1 - \$.60 to both sides
- (2) T+2 - \$.90 to both sides
- (3) after T+2 - \$1.50 to both sides

3. Trade Rejection Fee: \$.50 per bond reject.

C. Trade recording fees will be charged as follows on those items originally compared by other parties, but cleared through the Corporation<sup>2</sup>:

1. Each side of each bond item entered for settlement, but not compared by the Corporation - \$0.85 per side.

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<sup>1</sup> Trade Submission Fees (see I.A. above) will be charged in addition to the Trade Correction Fees detailed in I.B. Trade Correction Fees will not be applied on OCS, IDC and ACT input.

<sup>2</sup> Trade recording fees for equities are incorporated into the Clearance Activity Fee set forth in II.A. below.

2. Each side of a foreign security trade entered for settlement, but not compared by the Corporation - \$.75 per side.

D. OBLIGATION WAREHOUSE

1.	Warehouse Fee for each compared item	\$0.02
2.	Matching Fee for each submission	\$0.75
<del>3a.</del>	<del>Fee for each pending comparison advisory aged 5 days or more (July through September 2011)</del>	<del>\$1.00</del>
<del>3b.</del>	<del>Fee for each pending comparison advisory aged 5 days or more (October through December 2011)</del>	<del>\$2.50</del>
3c.	Fee for each pending comparison advisory aged 5 days or more (January 2012 and forward)	\$5.00
4.	Fee to close an obligation and send to CNS	\$0.20
5.	Fee to withhold an obligation from being closed and sent to CNS	\$0.05
6.	Fee to apply mandatory corporate action events to compared obligations warehoused in Obligation Warehouse	\$2.50
7.	Fee for OW delivery notification request advisories aged 2 days or older	<u>\$12.00</u>
8.	Fee for OW pending cancel request advisories aged 2 days or older	<u>\$12.00</u>
9.	Fee for each obligation closed due to RECAPS (charged per RECAPS cycle)	\$0.20
10.	Fee for each obligation closed due to Pair Off (charged per obligation side)	\$1.50

E. Index Receipts

1. Index Creation and Redemption Units - each side of each Index Creation and Redemption instruction submitted for regular way (T+3) settlement - \$30 per side.
2. Index Creation and Redemption Units – each side of each Index Creation and Redemption instruction submitted for shortened settlement - \$50 per side.

//. TRADE CLEARANCE FEES - represents fees for trade recording, netting, issuance of instructions to receive or deliver, effecting book-entry deliveries, and related activity.

- A. Clearance Activity Fee – The sum of: (a)(i) \$0.021593 per side for zero to 35,000 monthly sides, (ii) \$0.001197 per side for 35,001 to 42,000,000 monthly sides, and (iii) \$0.000628 per side for over 42,000,000 monthly sides, plus (b) a “value into the net” fee of \$0.331940430 per million of processed value (i.e. for CNS and Balance Order netting, the sum of the contract amount and any CNS fail value), plus (c) a “value out of the net” fee of \$2.36844405 per million of settling value (i.e. the absolute value of the CNS Long and Short Positions).
- B. Deliveries to CNS in the day processing cycle to cover a short valued position - \$.40 per delivery.
- C. Fails to Deliver to CNS (Short-In CNS) –
  - 1. \$.25 per item short in CNS for 1 to 30 days at close of business.
  - 2. \$.50 per item short in CNS for 31 to 60 days at close of business.
  - 3. \$.75 per item short in CNS for 61 to 90 days at close of business.
  - 4. \$1.00 per item short in CNS for more than 90 days at close of business.
- D. Flip Trades - \$.00060 per side.
- E. Security orders generated<sup>3</sup> - \$.40 per item.
- F. CNS Buy-In (long Broker and short Broker) - \$5.00 per item.
- G. Clearing Interface Exemption or Inclusion Instruction to the Corporation - \$.75 per item.
- H. Reorganizations
  - 1. Mandatory Reorganizations - \$2.50 each

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<sup>3</sup> A security order, or non-CNS settling item, is an instruction to deliver or receive securities outside of the CNS system. These instructions will be generated when cleared securities are not eligible for CNS or when both parties to a transaction wish to settle in this manner. Security orders may be issued on an item-by-item basis or netted through balance order procedures.

- 2. Voluntary Reorganizations –
  - a. Long Broker (per input submitted on the business day prior to the protect expiration date or, when there is no protect period, the business day prior to the expiration date) Automated Input \$15.00 each
  - b. Long Broker (per input or add submitted on the protect expiration date or, when there is no protect period, on the expiration date) Automated Input \$500.00 each
  - c. Short Broker (per reorganization) \$35.00 each
  
- I. Foreign Securities Transactions (Netted) \$.50 per item in addition to F. above
  
- J. Dividends
  - 1. CNS Stock Dividend Payment (Long) - \$12.00 per item.
  - 2. CNS Cash Dividend & Interest Payment (Long) - \$1.40 per item.
  - 3. CNS Stock Dividend Payment (Short) - \$12.00 per item.
  - 4. CNS Cash & Interest Payment (Short) - \$1.40 per item.
  - 5. Research on invalid CNS dividend or interest claim - \$70 per claim
  
- III. DELIVERY SERVICE FEES
  - A. Envelope Settlement Service:
    - ESS Deliveries or Receives<sup>4</sup> \$10.00 per envelope

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<sup>4</sup> This fee applies to all ESS deliveries and receives (including intercity).

B.	New York State Transfer Taxes	\$1.00 per Form
IV.	OTHER SERVICE FEES	
A.	Reorganizations	\$10.00 per item
B.	Non-CNS Buy-ins	\$10.00 per item
C.	Check and Draft processing	\$165.00 per month
D.	Reconciliation and Proof of Settlement	\$100.00 per month
E.	Processing Daily Settlement activity entered on Settlement Statement	\$1.00 per item (minimum \$25.00; maximum \$250.00 per month)
F.	Automated Customer Account Transfer Service	
1.	Transfer Initiation Form	
a.	Standard	\$.15 per submission
b.	Non-Standard	\$.15 per submission
2.	Recording	
a.	Asset Delivers	\$.05 per asset which is reported by the delivering firm
b.	Asset Receives	\$.05 per asset which is received by the receiving firm
3.	Corrections	\$.05 per asset

Asset additions, deletions, or changes

- |    |                                       |  |
|----|---------------------------------------|--|
| 4. | Insurance Registrations               | \$.25 per insurance registration submitted, to the receiver and the deliverer  |
| 5. | Non-CNS Receive/Deliver Orders        | \$.10 per order issued   |
| 6. | Adjustment of customer account number | \$.12 per adjustment   |
| 7. | Account Transfer Rejects*             | \$1.00 per full account reject per side where both parties are required by their designated examining authority or other regulatory body to use an automated customer account transfer service |

G. Fund/SERV<sup>®</sup>

- |    |  |  |
|----|--|--|
| 1. | Membership Fee:<br>for each participating Member, Mutual Fund/Insurance Services Member and Fund Member regardless of activity level | \$50.00 per month  |
| 2. | Transaction Fee:   | \$0.0700 per side per order or transfer request settling through the Corporation |

H. Networking<sup>7</sup>

- |    |  |   |
|----|--|---|
| 1. | Membership Fee:<br>for each participating Member, Mutual Fund/Insurance Services Member and Fund Member regardless of activity level | \$200.00 per month                                      |
| 2. | Activity Fee (all types except for Networking Omnibus Activity Position Files (Omni/SERV))   | \$.001 per record                                       |
| 3. | Networking Omnibus Activity/Position Files (Omni/SERV)   | \$2,500 monthly file fee for omnibus file transmissions |

I. DTCC Payment aXis<sup>7</sup>

1. Commission & Fee Settlement

- a. Membership Fee \$50.00 per month
- b. Transactions Fees
  - i. For the first 500,000 records submitted each month \$.30 per hundred records, \$50 minimum
  - ii. For each record in excess of 500,000, but not exceeding 1,000,000 submitted each month \$.20 per hundred records
  - iii. For each record in excess of 1,000,000 submitted each month \$.10 per hundred records

2. Invoicing & Fee Settlement

- a. Membership Fee \$500.00 per month
- b. Transaction Fees (excluding Detail Records):
  - i. For the first 500,000 records submitted each month \$.10 per record
  - ii. For each record in excess of 500,000, but not exceeding 1,000,000 submitted each month \$.08 per record
  - iii. For each record in excess of 1,000,000 submitted each month \$.06 per record
- c. Detail Record Fees
  - i. For the first 500,000 records submitted each month \$.30 per hundred records

- ii. For each record in excess of \$ .20 per hundred records 500,000, but not exceeding 1,000,000 submitted each month
- iii. For each record in excess of \$ .10 per hundred records 1,000,000 submitted each month

J. Profile

1. Membership Fee:  
for each participating Settling Member  
and Fund Member regardless of activity  
level.

- a. Phase I (price and rate) only \$325.00 per month
- b. Phases I and II \$2,000.00 per month<sup>5</sup>

K. Insurance and Retirement Processing  
Services<sup>6, 7</sup>

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<sup>5</sup> Users of Profile II with 25 or fewer funds in their family will receive a \$1,150 credit per month against the base \$2,000 per month fee. Thus, the net fee for fund families which meet this criterion will be \$850 per month.

<sup>6</sup> Unless otherwise noted, all Insurance and Retirement Processing Services transaction fees are per side, and both sides are charged for each item. Volume is calculated on an aggregate basis among qualified carrier members or qualified distributor members, as applicable.

BIN and REP Incentive Discount: Effective October 1, 2009, Participants that submit BIN or REP transactions (i.e., In Force Transactions-Registered Representative Change Requests or Confirms (2.f. and 2.g. of this Section T., also referred to as "REP" transactions) and -Brokerage Identification Number Change Requests or Confirms (2.h. and 2.i. of this Section T., also referred to as "BIN" changes) will receive the first \$350 in such transactions, each month, at no cost.

In addition, effective October 1, 2009, Participants that submit BIN or REP transactions will receive a credit of 30% of the BIN and REP transaction costs (net of the monthly \$350 discount) to be applied to fees charged (but not to exceed the amount charged) in respect of Insurance and Retirement Services "Core Products". Core Products are the following: Positions, Commissions, Financial Activity Reporting, Applications/Subsequent Premiums, and Asset Pricing.

<sup>7</sup> Extraordinary Event Pricing: if arranged in advance with NSCC, a Participant may qualify for a credit on transaction fees incurred due to extraordinary events such as mergers or mass reconciliations that generate unusually high transaction volume for a limited duration. With respect to transaction types for which the participant has no history of prior usage, the credit is in the amount of 85% of the transaction fees chargeable in respect of the transaction type, with an additional credit in the amount of 5% if the participant continues use of the transaction type after the event. With respect to transaction types for which the participant has a history of prior usage, the credit is in an amount

1. Transaction Fees

a.(i) Positions (both Full and New)

- From 0 to 500,000 items/month \$8.00 per 1,000 items
- From 500,001 to 2,000,000 items/month \$4.00 per 1,000 items
- From 2,000,001 to 4,000,000 items/month \$3.00 per 1,000 items
- For 4,000,001 or more items/month \$2.00 per 1,000 items

(ii) Positions (Focused)

- From 0 to 500,000 items/month \$3.00 per 1,000 items
- From 500,001 to 2,000,000 items/month \$1.50 per 1,000 items
- From 2,000,001 to 4,000,000 items/month \$1.50 per 1,000 items
- For 4,000,001 or more items/month \$0.50 per 1,000 items

b. Asset Pricing

- From 0 to 49,999 items/month \$0.75 per 1,000 items
- From 50,000 to 249,999 items/month \$0.65 per 1,000 items
- From 250,000 to 999,999 items/month \$0.55 per 1,000 items
- More than 999,999 items/month \$0.45 per 1,000 items

c. Commissions

- From 0 to 999 items/month \$40.00 per 1,000 items

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sufficient to produce an aggregate fee for the transaction type that is no more than 120% of the average amount charged to the participant in respect of such transactions in the prior three months.

- From 1,000 to 9,999 items/month \$35.00 per 1,000 items
- From 10,000 to 29,999 items/month \$30.00 per 1,000 items
- More than 29,999 items/month \$25.00 per 1,000 items

d. Initial Application Information (APP)<sup>8</sup>

For members for whom settlement is available:

- From 0 to 1,999 items/month \$1.50 per item
- From 2,000 to 3,499 items/month \$1.00 per item
- More than 3,499 items/month \$0.50 per item

For members for whom settlement is not available:

- From 0 to 1,999 items/month \$1.50 per item
- More than 1,999 items/month \$1.00 per item

e. Subsequent Activity (SUB) \$0.50 per item

- f. Financial Activity Report (FAR)
- \$0.05 per zero to 100,000 items
  - \$0.04 per 100,001 to 150,000 items
  - \$0.03 per 150,001 to 200,000 items
  - \$0.02 per 200,001 or greater items

g. Analytic Reporting Service

Monthly Fee

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<sup>8</sup> Each initial application with a new business attachment will be subject to a \$0.25 discount.

Version <sup>9</sup>	Tier 1 <sup>10</sup>	Tier 2 <sup>11</sup>	Tier 3 <sup>12</sup>	Opt-Out Members
Release 1.0	\$1,000	\$750	\$500	\$1,667
Release 2.0	\$3,000	\$2,250	\$1,500	\$5,000
Release 3.0	\$8,000	\$6,000	\$4,000	\$13,333
Release 4.0	\$10,500	\$7,875	\$5,250	\$17,500
Release 5.0	\$12,000	\$9,000	\$6,000	\$20,000

h. Producer Management Portal

For Insurance Company providers of producer training completions

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<sup>9</sup> Roll out of each subsequent Release Version will be based on client feedback and the timing of functionality enhancements. Roll out of each subsequent Release Version supersedes and replaces the immediately preceding Release Version.

<sup>10</sup> Tier 1 = Carriers with \$25 billion or more in assets; Dealers with 10,000 or more financial advisors.

<sup>11</sup> Tier 2 = Carriers with \$4 billion or more, but less than \$25 billion, in assets; Dealers with 3,000 or more, but less than 10,000, financial advisors.

<sup>12</sup> Tier 3 = Carriers with less than \$4 billion in assets; Dealers with less than 3,000 financial advisors.

Band	Number of Active Producers Managed	Monthly Fee
1	0-999	\$0
2	1,000-9,999	\$1,000
3	10,000-49,999	\$3,000
4	50,000-99,999	\$4,000
5	100,000-249,999	\$5,000
6	250,000 +	\$5,000, plus \$0.018 per active producer managed

2. Other Service Fees

TIER	FEE	SERVICES
TIER 1	\$.05	All Attachments (per attachment, per side)
TIER 2	\$0.15	Licensing and Appointments (L&A) Periodic Reconciliation (per item)
TIER 3	\$0.35	Licensing and Appointments (L&A) Transaction (per item)  Registered Representative Change Confirm (per transaction, per side)  Brokerage Identification Number Change Request (per transaction, per side)  Brokerage Identification Number Change Confirm (per transaction, per side)  Values Inquiry (per inquiry, includes response, per side)
TIER 4	\$0.65	Customer Account Transfer Output (per

transaction, charged to Insurance Carrier/Retirement Services Member only)

Customer Account Transfer Confirm (per transaction, per side)

Settlement Processing (per transaction, per side)

Request for Replacement Status (a/k/a Pending Case Status) – Receiving Carrier (per Request for Replacement Status)

Request for Replacement Status (a/k/a Pending Case Status) – Deliverer (per Request for Replacement Status)

Registered Representative Change Request (per transaction, per side)

Time Expired Transaction (per transaction, per side)

TIER 5	\$1.25	Fund Transfer (per request, per side)
		Withdrawals (per request, per side)
		Arrangements (per request, per side)
		Request for Replacement - Delivering Carrier (per request)
		Request for Replacement - Receiving Carrier (per request)
		Producer Management Portal (per inquiry)

3. Batch Service Fees (periodic file transmission)

a. Producer Management Portal \$6,000 per month

L. Global Clearance Network Service

1. Instruction Processing Fees

a. Receipt of transaction instructions from a Member via \$2.25 per item

CPU/CPU or I.P.C.

- b. Rejects - each instruction submitted resulting in a rejection \$ .75 per item
- c. Processing of Accepted Instructions - forwarding of instruction to agent bank \$ .75 per item

2. Reporting Fees

Receipt of Reports - fee charged each day a Member is sent a set of reports, per location, based on the method of distribution

- a. Machine Readable Output (MRO) \$10.00 per item
- b. Print Image Output \$20.00 per item
- c. Hardcopy or Mail \$50.00 per item

M. International Link Service-Transaction Fees Per Agreement with Link Service Participant

N. Account Information Transmission Service for each Member participating in the service \$200.00 per month

O. Alternative Investment Products

1. Higher Volume<sup>13</sup> Eligible AIP Product Fees

- i. Records
  - A. The first 2,999,999 records per calendar year \$0.10 per record
  - B. The next 1,000,000 records per calendar year<sup>14</sup> \$0.09 per record
  - C. The next 1,000,000 records per \$0.08 per record

<sup>13</sup> Higher volume Eligible AIP Products are identified in subsection 3.

<sup>14</sup> i.e., the 3,000,000<sup>th</sup> to 3,999,999<sup>th</sup> records submitted in a calendar year.

		calendar year <sup>15</sup>			
	D.	All additional records <sup>16</sup>			\$0.07 per record
	ii.	Trades			
	A.	The first 10,000 trades per calendar year			\$5.00 per trade
	B.	The next 10,000 trades per calendar year <sup>17</sup>			\$4.75 per trade
	C.	The next 10,000 trades per calendar year <sup>18</sup>			\$4.50 per trade
	D.	All additional trades <sup>19</sup>			\$4.00 per trade
2.		Lower Volume <sup>20</sup> Eligible AIP Product Fees			
	i.	Records			\$1.00 per record
	ii.	Trades			\$30.00 per trade
3.		ELIGIBLE AIP PRODUCT	HIGHER VOLUME	LOWER VOLUME	FEE <sup>21</sup> CAP
		Hedge Fund		√	
		Fund of Funds		√	
		Private Equity Fund		√	
		Managed Debt Fund		√	

<sup>15</sup> i.e., the 4,000,000<sup>th</sup> to 4,999,999<sup>th</sup> records submitted in a calendar year.

<sup>16</sup> i.e., the 5,000,000<sup>th</sup> and higher records submitted in a calendar year.

<sup>17</sup> i.e., the 10,001<sup>st</sup> to 20,000<sup>th</sup> trades submitted in a calendar year.

<sup>18</sup> i.e., the 20,001<sup>st</sup> to 30,000<sup>th</sup> trades submitted in a calendar year.

<sup>19</sup> i.e., the 30,001<sup>st</sup> and higher trades submitted in a calendar year.

<sup>20</sup> Lower volume Eligible AIP Products are identified in subsection 3.

<sup>21</sup> If column is checked, the applicable fees apply to all entities processing such products through AIP; however, the maximum charge for AIP Distributors in this regard is a cumulative maximum (for submission of records and trades) of \$50,000 per calendar year.

3. ELIGIBLE AIP PRODUCT	HIGHER VOLUME	LOWER VOLUME	FEE <sup>21</sup> CAP
Private Debt Fund		√	
Managed Currency Fund		√	
Commodity Pool Fund		√	
REIT	√		√
Managed Future Fund	√		√
Business Development Corporation (BDC)	√		√
Registered Hedge Fund <sup>22</sup>	√		
Oil & Gas Public	√		√
Oil & Gas Private	√		√
Equipment Leasing Public	√		√
Equipment Leasing Private	√		√
Futures Public	√		√
Futures Private	√		√
Notes Public	√		√
Notes Private	√		√
Real Estate Public	√		√
Real Estate Private	√		√
Closed End Management Investment Company	√		√
All Other		√	

<sup>22</sup> For purposes of the Alternative Investment Products fee structure, "Registered Hedge Fund" shall mean hedge funds that are registered under the Investment Company Act of 1940, as amended.

V. PASS-THROUGH AND OTHER FEES

A. Participant Fees - represents the monthly fee for each number assigned to a Member or Municipal Comparison Only Member for participation by each Member or Municipal Comparison Only Member under such number in one or more of the specified services provided by the Corporation. The services and their related base fees are:

- |    |  |   |
|----|--|---|
| 1. | Trade Processing System  |   |
|    | For Members  | \$300.00 per month, per account             |
| 2. | Trade input, either (a) as a Service Bureau or (b) by an affiliated Service Bureau | \$250.00 per month                          |
| 3. | Global Clearance Network Service   | \$100.00 per month                          |
| 4. | International Link Service   | Per Agreement with Link Service Participant |

B. Special Service Fees:

- |    |  |                  |
|----|--|------------------|
| 1. | Commission Billing:  |                  |
|    | a. Debit   | \$.50 per item   |
|    | b. Credit  | \$.50 per item   |
| 2. | DTC Sponsored Accounts – available to each CNS participant who is not also a participant of DTC: | Cost             |
| 3. | Output Fees  |                  |
|    | a. Machine Readable Output   | \$10.00 per tape |
|    | b. Service Bureau Tapes  | \$2.50 per tape  |
|    | c. Magnetic Tape not returned  | \$20.00 per tape |

d. Printed Output Reports:		
	For Members with less than 20,000 lines per month	No charge
	For Members with 20,000 or more lines per month	\$4.00 per each 1000 lines
4.	Microfiche Reports	\$3.00 per fiche
5.	Special Research	\$25.00 per hour
6.	Domestic Portfolio Composition File	\$125.00 per month per file
7.	Foreign Portfolio Composition File	\$125.00 per month per file
8.	Subscription-based Portfolio Composition File Reporting	\$3.00 per unit per month for the first zero to 200 average daily units <sup>23</sup>
		\$2.00 per unit per month for the next 300 average daily units (201st to 500th units)
		\$1.00 per unit per month for all average daily units above 500 (501 <sup>st</sup> and above)
		\$600 minimum, <sup>24</sup>

C. Pass-Through Expenses:

1. Communications		
a.	Communications Access	Cost
b.	Telephone toll calls	Cost
c.	Failure to migrate from legacy networks to SMART and/or	Cost <sup>25</sup>

<sup>23</sup> "Units" refers to the number of portfolio subscriptions for each billing month.

Unit charges are calculated by applying the tiered fee structure to the average daily number of units subscribed for by the Member in the billing month.

<sup>24</sup> From June 2, 2014 until December 31, 2015, the minimum will be \$300 per month and, thereafter the minimum will increase to \$600 per month and this footnote will be deleted.

<sup>25</sup> The entire cost of supporting the legacy network connections will be allocated among the remaining users pro rata.

## SFTI

2.	Forms	Cost
3.	Miscellaneous Expenses: Any other expense not specified above, whether one-time or recurring, which the Corporation may incur on behalf of a Member at a Member's request	Cost
D.	(1) Each item submitted in paper form (except Envelope Settlement Service, Funds Only Settlement Service, Dividend Settlement Service, Correspondent Delivery and Collection Service, and Automated Customer Account Transfer Service Transfer Initiation Form)	\$.50 per item
	(2) Each ACAT Transfer Initiation Form submitted in paper form	\$1.00 per item
E.	Line of Credit Commitment Fee	Current month's cost -- pro rata monthly among Letter of Credit users based upon previous month's utilization
F.	Global Clearing Network Service P.C. Access/Hunt group Fee	\$125.00 per month

## VI. COLLECTION CHARGE

The Corporation may also bill Members and Mutual Fund/Insurance Services Members for, and include on Members' and Mutual Fund/Insurance Services Members' (referred to in this section collectively as "participants") settlement statements, fees and charges which may be imposed on such participants by third parties such as: (a) other subsidiaries of The Depository Trust & Clearing Corporation (b) self-regulatory organizations and other security industry organizations or entities, where such third party has represented to the Corporation that it has an agreement with the participant allowing the participant's payment of such fees and charges; and (c) other organizations and entities which provide services or equipment to participants which are integral to services provided by the Corporation. Any amounts so collected will be remitted to the appropriate organization or entity imposing such fee or charge.

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

#### VII. APPLICATION OF FEES

With the exception of certain registered clearing agencies, all fees will be charged uniformly to all participants and collected through the settlement system if possible. Fees for other standard services provided to registered clearing agencies will be the same as those charged to other participants. Special services performed for registered clearing agencies will be contracted on an individual basis.

#### VIII. NSCC PRICING POLICY

The Corporation's policy is to retain only those revenues which are required to maintain an adequate revenue base in order to liquidate current production costs, provide for a continuance of product enhancements and development, provide for a discount when volume levels equal or exceed projections and provide for retained earnings as directed by the Board. In order to meet such objectives, the Corporation will:

If the Corporation's gross billable revenues before adjustment (i.e., revenues before discount) exceed the approximate level of costs, adjust downward (i.e., discount) participants' invoices.

If the Corporation's gross billable revenues before adjustment (i.e., revenues before surcharge) are less than the approximate level of costs, adjust upward (i.e., surcharge) participants' invoices.

Both the discount and the surcharge when applicable will be reflected directly on participants' invoices.