



KOR

Fee Schedule Rational & Differentiation | Version 1.1

Policy

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1.0 Fee Schedule Basis and Methods

In determining the level and structure of the TR¹ service fees, KOR Reporting Inc. used the following basis and methods.

TR¹ :Trade Repository (TR) is an all-encompassing term that includes the Trade Repository (TR), Swap Data Repository (SDR) and Security Based Swap Data Repository (SBSDR) for which KOR Reporting Inc. is registered.

1.1 Simplicity

The fee schedule was designed to allow for ease in understanding by Market Participants to evaluate the KOR TR service and monitoring fees assessed.

1.2 Cost Alignment

KOR TR is a messaging-based system with a largely message based variable system cost structure. The approach allows for KOR TR to monitor and align its fees to costs more closely.

1.3 Equal Treatment

All market participants are charged the same regardless of reporting counterparty, asset class, clearing, and execution.

1.4 Volume Based

KOR TR Clients receive discounted pricing for higher volumes of reporting. The fee calculation is performed on a monthly basis to reflect the actual system usage by Clients.

1.5 Fees by Jurisdiction

In jurisdictions where the TR is required to pay supervisory fees those fees must be accounted for in the structure of the fee schedule.

2.0 Client Differentiation

KOR TR does not differentiate between Reporting Clients². KOR TR does have different policies for a Third-Party Reporter Client, Verification Client, Integration Client and Regulatory Client. In each instance, no reporting or other fees are assessed.

Reporting Clients²: For these purposes, “Reporting Client” refers to “reporting counterparty” as defined in CFTC Rule 49.2(a) and “Reporting Side” as defined by SEC Rule 242.901(a)(2).

2.0 Client Differentiation

2.2 Third-Party Reporter Client

Third-Party Reporters facilitate reporting to KOR TR on behalf of Reporting Clients. KOR TR assesses fees to the Reporting Client. The cost to support Third-Party Reporter Clients is primarily related to integration and maintenance activities along with the cost to produce reports is offset by lower direct support costs for clients of the Third-Party Reporter.

2.3 Verification Client

Verification Clients are those that are only the non-reporting counterparty (aka counterparty 2) on reporting data to KOR TR and are a Client for the purposes of verifying data accuracy. Incremental costs to establish a Verification Client on KOR TR and supply up to the 5 monthly reports is nearly zero. As such, no fees are assessed for this level of access. For Verification Clients who seek more than 5 monthly reports for a given month, they have the option to upgrade to the first tier of monthly fee-based access which covers the system costs of unlimited reports.

2.3 Regulatory Client

Regulatory Clients are not assessed fees for access and use of KOR TR. The costs to support Regulatory Clients is considered an environmental cost of doing business given the nature of the service. As such, the costs and are part of the overall expense base for operating the KOR TR service and are reflected in the KOR TR expense base informing the fee structure.

2.4 Integration Client

Integration Clients are registered to receive systems integration support for the purpose of supplying to their customers who will report and be charged fees by KOR TR. Integration Clients access to KOR TR is limited to the testing environment. KOR TR incurs costs to provide integration guidance support and cloud infrastructure fees for integration activity. These costs are offset by lower sales, integration and maintenance costs of the Integration Client’s customers.

3.0 Appendix A: Exhibits

Regulator	Exhibit #	Exhibit Description
CFTC	O-2	<p>b. Furnish a description of the basis and methods used in determining the level and structure of the dues, fees, and other charges listed in paragraph a of this item.</p> <p>c. If the Applicant differentiates, or proposes to differentiate, among its customers, or classes of customers in the amount of any dues, fees, or other charges imposed for the same or similar services, so state and indicate the amount of each differential. In addition, identify and describe any differences in the cost of providing such services, and any other factors, that account for such differentiations.</p>
SEC	M-2	<p>26. Attach as Exhibit M the following:</p> <p>b. A description of the basis and methods used in determining at least annually the level and structure of the services as well as the dues, fees, other charges, discounts, or rebates listed in paragraph a of this item; and</p> <p>c. If the applicant differentiates, or proposes to differentiate, among its customers, or classes of customers in the amount of any dues, fees, or other charges imposed or any discount or rebate offered for the same or similar services, then state and indicate the amount of each differential. In addition, identify and describe any differences in the cost of providing such services, and any other factors, that account for such differences.</p>
Canada	I-2	<p>A description of the fee model and all fees charged by the trade repository, or by a party to which services have been directly or indirectly outsourced, including, but not limited to, fees relating to access and the collection and maintenance of derivatives data, how such fees are set, and any fee rebates or discounts and how the rebates and discounts are set.</p>