



**NATIONAL  
SECURITIES  
CLEARING  
CORPORATION**

**RULES & PROCEDURES**

TEXT OF PROPOSED RULE CHANGE

**Bold and underlined text** indicates proposed added language

**~~Bold and strikethrough text~~** indicates proposed deleted language

ADDENDUM A

**[Changes to this Addendum A, as amended by File No. SR-NSCC-2018-012, are available at [dtcc.com/~media/Files/Downloads/legal/rule-filings/2018/NSCC/SR-NSCC-2018-012.pdf](http://dtcc.com/~media/Files/Downloads/legal/rule-filings/2018/NSCC/SR-NSCC-2018-012.pdf). These changes became effective upon filing with the Securities and Exchange Commission but have not yet been implemented. On January 1, 2019, these changes will be implemented and this legend will automatically be removed from this 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.

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IV. OTHER SERVICE FEES

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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:   | \$0.06 per side per order or transfer request settling through the Corporation |

H. Networking<sup>3</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))   | \$ <del>0</del> .001 per record   |
| 3. Networking Omnibus Activity/Position Files (Omni/SERV)   | <del>\$2,500</del> <b><u>1,500.00</u></b> monthly file fee for omnibus file transmissions |

I. DTCC Payment aXis<sup>3</sup>

1. Commission & Fee Settlement

- |      |  |   |
|------|--|---|
| a.   | Membership Fee   | \$50.00 per month                                 |
| b.   | Transaction Fees   |   |
| i.   | For the first 500,000 records submitted each month                                     | \$ <u>0</u> .30 per hundred records, \$50 minimum |
| ii.  | For each record in excess of 500,000, but not exceeding 1,000,000 submitted each month | \$ <u>0</u> .20 per hundred records               |
| iii. | For each record in excess of 1,000,000 submitted each month                            | \$ <u>0</u> .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                                     | \$ <u>0</u> .10 per record          |
| ii.  | For each record in excess of 500,000, but not exceeding 1,000,000 submitted each month | \$ <u>0</u> .08 per record          |
| iii. | For each record in excess of 1,000,000 submitted each month                            | \$ <u>0</u> .06 per record          |
| c.   | Detail Record Fees   |                                     |
| i.   | For the first 500,000 records submitted each month                                     | \$ <u>0</u> .30 per hundred records |
| ii.  | For each record in excess of 500,000, but not exceeding 1,000,000 submitted each month | \$ <u>0</u> .20 per hundred records |
| iii. | For each record in excess of 1,000,000 submitted each month                            | \$ <u>0</u> .10 per hundred records |

J. Profile

- a. Phase I (price and rate) only \$325.00 per month
- b. Phases I and II ~~\$2,000.00~~ \$1,250.00 per month<sup>1</sup>

K. Insurance and Retirement Processing Services<sup>2, 3</sup>

- 1. Membership Fee \$250.00 per month (will be waived if aggregate Transaction and Other Service Fees in such month equal or exceed \$250.00)
- 2. Transaction Fees
  - a. (i) Positions (Full, New and Retirement Plans)
    - From 0 to 500,000 items/month ~~\$8,006.00~~ per 1,000 items
    - From 500,001 to 2,000,000 items/month ~~\$4,003.50~~ per 1,000 items

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<sup>1</sup> Users of Profile II with 25 or fewer funds in their family will receive a ~~\$4,150~~ \$1,000.00 credit per month against the base ~~\$2,000~~ \$1,250.00 per month fee. Thus, the net fee for fund families which meet this criterion will be ~~\$850~~ \$250.00 per month.

<sup>2</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.

Multiple destination fees apply. Participants directing NSCC to deliver Insurance and Retirement Processing Service files to more than two (2) destinations will be charged an additional monthly fee, per product, as follows: (i) Participants directing NSCC to deliver Insurance and Retirement Processing Service files to three (3), four (4) or five (5) destinations will be charged an additional \$50 per month, per product; and (ii) Participants directing NSCC to deliver Insurance and Retirement Processing Service files to more than five (5) destinations will be charged an additional \$100 per month, per product.

<sup>3</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 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 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~~1.25 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 \$1.00 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
  - 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>4</sup>
- 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

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<sup>4</sup> Each initial application with a new business attachment will be subject to a \$0.25 discount.

e.	Subsequent Activity (SUB)	\$0.50 per item	
f.	Financial Activity Report (FAR)	\$0.05 per zero to 100,000 items	
		<b>\$0.04</b> per 100,001 to 150,000 items	
		<b>\$0.03</b> per 150,001 to 200,000 items	
		<b>\$0.02</b> per 200,001 or greater items	
g.	Settlement Processing for Insurance		
	• 0 to 20,000 items/month	\$0.65 (per transaction / per side)	
	• 20,001 to 30,000 items/month	\$0.35 (per transaction / per side)	
	• 30,001 to 40,000 items/month	\$0.25 (per transaction / per side)	
	• More than 40,000 items/month	\$0.15 (per transaction / per side)	
h.	Producer Management Portal		
	1. Distributor Batch Service Fees	\$6,000 per month	
	2. <b><u>Distributor Subscription Fee</u></b>	<b><u>\$1.25 per inquiry, \$6,000 maximum per month</u></b>	
	3. For Insurance Company providers of producer training completions		
	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

i. Insurance Profile

(1) Insurance Carrier/Retirement Services Members

Subscription	Monthly Fee
Full Data Subscription	\$3,000
Limited Data Subscription	\$1,500

(2) Members, Mutual Fund/Insurance Services Members and Data Services Only Members

Subscription	Monthly Fee
Full Data Subscription	\$3,000
Limited Data Subscription	\$1,500
Full Data Subscription (User Web Interface Only)	\$500, plus \$1.25 per CUSIP download transaction charge
Limited Data Subscription (User Web Interface Only)	\$250, plus \$1.25 per CUSIP download transaction charge

3. Other Service Fees

<b>TIER</b>	<b>FEE</b>	<b>PRODUCT/SERVICE</b>
TIER 1	\$ <u>0</u> .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)
		Registered Representative Change Request (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, per side)*
		Policy Administration inquiry (per inquiry, 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)
		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)
		Time Expired Transaction (per transaction, per side)
<del>TIER 5</del>	<del>\$1.25</del>	Request for Replacement - Delivering Carrier (per request)
		Request for Replacement - Receiving Carrier (per request)
		<b>Producer Management Portal (per inquiry)</b>
		Policy Administration Request (per request, per side)*
		Death Notification Request (per request, per side)*
		Fund Transfer (per request, per side)*
		Withdrawals (per request, per side)*
		Arrangements (per request, per side)*



**\* For the transactions identified ~~Transaction fees for items~~ above with an asterisk (\*) ("IFT Transactions"), entities must pay a minimum monthly fee based on the chosen threshold level as set forth ~~apply per transaction until the Minimum Monthly Fee is reached for the chosen Activity Level (as reflected in the \*IN FORCE TRANSACTIONS CHART below).~~ Thereafter, For a participant that has chosen Level 2, Level 3 or Level 4 for a month, when the transaction fees for such month for IFT Transactions exceed the minimum monthly fee for such threshold level, the transaction fees above the minimum monthly fee amount will be discounted at the rate specified for such threshold level ~~are~~ as reflected in the \*IN FORCE TRANSACTIONS CHART below.**

**\*IN FORCE TRANSACTIONS CHART**

<b><u>THRESHOLD LEVEL</u></b> <b><u>ACTIVITY LEVEL</u></b>	<b>MINIMUM MONTHLY FEE</b>	<b>TRANSACTION FEE PER TRANSACTION OVERDISCOUNT FOR TRANSACTIONS AFTER FEES EXCEED MINIMUM MONTHLY FEE AMOUNT</b>
		<b>Requests/Inquiries</b>
Level 1	<b><u>\$250</u></b> <b><u>\$1,000</u></b>	<b><u>\$1.25/\$.35</u></b> <b><u>No Discount</u></b> <b><u>(pay base price of \$0.65/\$0.35 for Requests/Inquiries)</u></b>
Level 2	<b><u>\$500</u></b> <b><u>\$3,000</u></b>	<b><u>\$1.00/\$0.285%</u></b>
Level 3	<b><u>\$1,000</u></b> <b><u>\$5,000</u></b>	<b><u>\$0.75/\$0.21</u></b> <b><u>10%</u></b>
<b><u>Level 4</u></b>	<b><u>\$3,000</u></b>	<b><u>20%</u></b>

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