



NATIONAL
SECURITIES
CLEARING
CORPORATION

RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

Bold and underlined text indicates proposed added language.

~~Bold and strike through text~~ indicates proposed deleted language.

ADDENDUM A

[Changes to this Addendum A, as amended by File No. SR-NSCC-2020-018, are available at dtcc.com/~media/Files/Downloads/legal/rule-filings/2020/NSCC/SR-NSCC-2020-018.pdf. These changes became effective upon filing with the Securities and Exchange Commission but have not yet been implemented. On January 1, 2021, these changes will be implemented and this legend will automatically be removed.]

NATIONAL SECURITIES CLEARING CORPORATION

FEE STRUCTURE

- II. **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) a “value into the net” fee of \$0.47 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 (b) a “value out of the net” fee of ~~\$2.12~~ **2.56** per million of settling value (i.e. the absolute value of the CNS Long and Short Positions).

V. **PASS-THROUGH AND OTHER FEES**

G.	Clearing Fund Maintenance Fee	A monthly fee calculated, in arrears, as the product of (A) the month’s average Interest Rate on Excess Reserves (IOER rate) determined by the Board of Governors of the Federal Reserve System, but at no time greater than 0.25% or less than 0.00%, and (B) the average of each Member’s (or Limited Member’s, if applicable) cash deposit balance in the Clearing Fund, as of the end of each day, for the month, multiplied by the number of days for that month and divided by 360.
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VIII. NSCC ~~PRICING~~ REBATE 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.~~

The Corporation may, in its discretion, provide Members with a rebate of its excess net income, where "excess net income" shall mean either income of the Corporation or income related to one business line of the Corporation, after application of expenses, capitalization costs, and applicable regulatory requirements.

All rebates shall be approved by the Board of Directors. In determining whether a rebate is appropriate, the Board of Directors would consider one or more of the following, as appropriate: the Corporation's regulatory capital requirements, anticipated expenses, investment needs, anticipated future expenses with respect to improvement or maintenance of the Corporation's operations, cash balances, financial projections, and appropriate level of shareholders' equity.

In the event the Board of Directors determines a rebate is appropriate, it shall determine a rebate period and a rebate payment date. Members maintaining membership during all or a portion of the applicable rebate period and on the rebate payment date shall be eligible for the rebate.

Rebates shall be applied to all eligible Members on a pro-rata basis based on such Members' gross fees paid to the Corporation within the applicable rebate period, excluding pass-through fees and interest earned on Required Fund Deposits. Rebates shall be applied to eligible Members' invoices on the rebate payment date as either a reduction in fees owed or, if fees owed are lower than the allocated rebate amount, a payment of such difference. Rebate amounts may be adjusted for miscellaneous charges and discounts.