EXHIBIT 5

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.

RULE 56. SECURITIES FINANCING TRANSACTION CLEARING SERVICE

CHANGES TO THIS RULE 56, AS AMENDED BY FILE NO. SR-NSCC-2022-009, ARE AVAILABLE AT HTTPS://WWW.DTCC.COM/LEGAL/SEC-RULE-FILINGS. THESE CHANGES HAVE BEEN APPROVED BY THE SEC BUT HAVE NOT YET BEEN IMPLEMENTED. ON [DATE 10 BUSINESS DAYS FROM DATE OF APPROVAL], THESE CHANGES WILL BE IMPLEMENTED AND THIS LEGEND WILL AUTOMATICALLY BE REMOVED FROM THIS RULE 56.

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SEC. 12. Clearing Fund Requirements.

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(c) The Corporation shall calculate the amount of each such SFT Member's required deposit for SFT Positions, subject to a $250,000 minimum (excluding the minimum contribution to the Clearing Fund as required by Procedure XV, Section II.(A)), by applying the Clearing Fund formula for CNS Transactions in Sections I.(A)(1)(a)[2] (b), (c), (e), (f), (g)[3] of Procedure XV as well as the additional Clearing Fund formula in Sections I.(B)(5) (Intraday Mark-to-Market Charge) **and (6) (Intraday Volatility Charge)** of Procedure XV, except as noted otherwise, in the same manner as such sections apply to CNS Transactions submitted to the Corporation for regular way settlement, plus, with respect to any Non-Returned SFT, an additional charge that is calculated by (x) multiplying the Current Market Price of the SFT Securities that are the subject of such Non-Returned SFTs by the number of such SFT Securities that are the subject of the SFT and (y) multiplying such product by (i) 5% for SFT Members rated 1 through 4 on the Credit Risk Rating Matrix, (ii) 10% for SFT Members rated 5 or 6 on the Credit Risk Rating Matrix, or (iii) 20% for SFT Members rated 7 on the Credit Risk Rating Matrix shall be applied to each SFT Member that is a party thereto (collectively, the "Required SFT Deposit"); provided, however, notwithstanding anything to the contrary, (x) a minimum of 40% of an SFT Member's Required SFT Deposit shall be made in the

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[2] For the purpose of applying Section I.(A)(1)(a)(i) of Procedure XV (Value-at-Risk (VaR) charge), the volatility of an SFT Member's SFT Positions shall be the sum of (a) the highest resultant value between Section I.(A)(1)(a)(i)I. (Core Parametric Estimation) and Section I.(A)(1)(a)(i)III. (Margin Floor) and (b) the resultant value of Section I.(A)(1)(a)(i)II. (Gap Risk Measure).

[3] For the purpose of applying Section I.(A)(1)(g) of Procedure XV (Margin Liquidity Adjustment (MLA) charge), SFT Positions shall be aggregated with Net Unsettled Positions, as defined in Rule 1, in the same asset group or subgroup; provided, however, in the event such netting results in a reduction of the aggregate positions in the relevant asset group or subgroup, the Corporation shall apply the greater of (a) the sum of MLA charges separately calculated for SFT Positions and Net Unsettled Positions in the asset group or subgroup and (b) the MLA charge calculated from aggregating the SFT Positions and the Net Unsettled Positions in the asset group or subgroup.

form of cash and/or Eligible Clearing Fund Treasury Securities and (y) the lesser of \$5,000,000 or 10% of an SFT Member's Required SFT Deposit, with a minimum of \$250,000, must be made and maintained in cash; provided, further, the additional Clearing Fund formula in Sections I.(B)(1) (Additional Deposits for Members on the Watch List); (2) (Excess Capital Premium); (3) (Backtesting Charge); (4) (Bank Holiday Charge); Minimum Clearing Fund and Additional Deposit Requirements in Sections II.(A)1(a) – (b), II.(B), and II.(C); as well as Section III (Collateral Value of Eligible Clearing Fund Securities) of Procedure XV shall apply to SFT Members in the same manner as such sections apply to Members.

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PROCEDURE XV. CLEARING FUND FORMULA AND OTHER MATTERS[1]

CHANGES TO THIS PROCEDURE XV, AS AMENDED BY FILE NO. SR-NSCC-2022-009, ARE AVAILABLE AT HTTPS://WWW.DTCC.COM/LEGAL/SEC-RULE-FILINGS. THESE CHANGES HAVE BEEN APPROVED BY THE SEC BUT HAVE NOT YET BEEN IMPLEMENTED. ON [DATE 10 BUSINESS DAYS FROM DATE OF APPROVAL], THESE CHANGES WILL BE IMPLEMENTED AND THIS LEGEND WILL AUTOMATICALLY BE REMOVED FROM THIS PROCEDURE XV.

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I.(B) Additional Clearing Fund Formula

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(3) Backtesting Charge

The Corporation may require a Member to make an additional Clearing Fund deposit to mitigate exposures to the Corporation caused by settlement risks that may not be adequately captured by the Corporation's portfolio volatility model ("Backtesting Charge"). The Corporation may assess this charge ~~**both**~~ on the start of the day portfolio ~~**(the "Regular Backtesting Charge") or on an intraday basis (the "Intraday Backtesting Charge")**~~, as needed, to enable the Corporation to achieve its backtesting coverage target. The Backtesting Charge may apply to Members that have 12-month trailing backtesting coverage below the 99 percent backtesting coverage target. The ~~**Regular**~~ Backtesting Charge ~~**and the Intraday Backtesting Charge**~~ shall generally be equal to the Member's third largest deficiency ~~**and fifth largest deficiency, respectively,**~~ that occurred during the previous 12 months. The Corporation may in its discretion adjust such charge if the Corporation determines that circumstances particular to a Member's settlement activity and/or market price volatility warrant a different approach to determining or applying such charge in a manner consistent with achieving the Corporation's backtesting coverage target.

In calculating a Member's backtesting coverage for purposes of the Backtesting Charge and in calculating any applicable Backtesting Charge, the Corporation would not include amounts already collected as a Backtesting Charge from that Member.

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<u>(5)</u> <u>Intraday</u> <u>Mark-to-Market</u> <u>Charge</u>

The Corporation may also collect a payment on an intra-day basis that is calculated as the difference between (x) the most recent mark-to-market price of a Member's net CNS and Balance Order positions (including its CNS failed positions) and (y) the most recently observed market price for such positions if such difference meets or exceeds 80 percent of the Member's volatility component. The Corporation may reduce such threshold during volatile market conditions if the Corporation determines that a reduction of the threshold is appropriate to mitigate risks to the Corporation by

[1] All calculations shall be performed daily or, if the Corporation deems it appropriate, on a more frequent basis.

accelerating the collection of anticipated additional margin from Members whose portfolios may present relatively greater risks to the Corporation on an overnight basis.

(6) Intraday Volatility Charge

The Corporation may collect an additional payment ("intraday volatility charge") if (1) the difference between (i) a Member's volatility charge calculated with respect to its Net Unsettled Position, calculated pursuant to Section I.(A)(1)(a) of this Procedure, and the Member's volatility charge calculated with respect to its Net Balance Order Unsettled Positions, calculated pursuant to Section I.(A)(2)(a) of this Procedure XV ("volatility charge") at the start of the day for a Member, and (ii) the volatility charge calculated for that Member intraday exceeds 100 percent; and (2) and the amount that would be collected, as calculated by the formula set forth below, would be greater than $250,000.

The Corporation would not collect an intraday volatility charge if (a) trades submitted later in the day would offset trades submitted earlier in the day, such that the thresholds would not have been met if such activity had been submitted earlier in the day, or (b) the threshold was met due to the submission of an erroneous trade that can be corrected.

The amount of intraday volatility charge that may be collected shall be calculated as the difference between (1)(i) and (1)(ii) in the first paragraph of this section, reduced by the portion of the margin requirement differential charge that represents the volatility component calculated pursuant to Sections I.(A)(1)(e)(ii) and (2)(d)(ii) and collected at the start of that Business Day.

For purposes of calculating both (1)(i) and (1)(ii) in the first paragraph of this section, the Corporation would exclude the amount calculated for long positions in Family Issued Securities described in Sections I.(A)(1)(a)(iv) and (2)(a)(iv) of this Procedure XV. For purposes of calculating (1)(ii) in the first paragraph of this section, the Corporation would exclude from a Member's Net Unsettled Positions and Net Balance Order Unsettled Positions any shares delivered to or received by the Member to satisfy all or any portion of a short or long position.

The Corporation may reduce the 100 percent threshold, for example during volatile market conditions or market events that cause increases in trading volumes, if the Corporation determines that a reduction of the threshold is appropriate to mitigate risks to the Corporation by accelerating the collection of anticipated additional margin from those Members whose portfolios may present relatively larger risks to the Corporation on an overnight basis.

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