

Bold and underlined text indicates proposed added language

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

FIXED INCOME CLEARING CORPORATION

GOVERNMENT SECURITIES DIVISION RULEBOOK

FEE STRUCTURE*
(Effective ~~May 16, 2017~~ **August 1, 2016**)

I. TRADE COMPARISON FEES

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D. Modifications and Cancellations

The charge to a Member for the entry of a request to modify or cancel either a side of a trade or a Repo Transaction, other than a GCF Repo Transaction **or a CCIT Transaction**, is 25 cents per such request. The charge to a Member for the entry of a request **by such Member** to modify or cancel a side of a GCF Repo Transaction **or a CCIT Transaction** is 5 cents per 50 million of par value.

E. Locked-In Trade Data

Data received by the Corporation on a locked-in basis from a Locked-in Trade Source related to a side of a trade entered into by a Member, or entered into by a Non-Member that the Member is clearing for, shall result in the charges established by the "Trade Submission" fee schedule in Section I.A. above. These fees are for the processing and reporting of locked-in trade data by the Corporation to the Member. This charge shall not apply to GCF Repo Transactions **or CCIT Transactions**.

The charge to the non-Inter-Dealer Broker Member for the processing and reporting by the Corporation of a GCF Repo® Transaction **or a CCIT Transaction** entered into by the Member, or entered into by a Non-Member that the Member is clearing for, is a onetime recording fee of \$.07 per million gross dollar amount of such GCF Repo Transaction **or CCIT Transaction** (with a minimum charge of \$2.50). The charge to the Inter-Dealer Broker Member for the processing and reporting by the Corporation of a GCF Repo® Transaction is a onetime recording fee of \$.025 per million gross dollar amount of such GCF Repo® Transaction (with a minimum charge of \$1.25).

F. CCIT Transactions Submitted for Bilateral Comparison

The charge to Netting Members and CCIT Members submitting CCIT Transactions on a bilateral basis (and not on a Locked-In Trade basis) for the processing and reporting by the Corporation of a CCIT Transaction is a onetime recording fee of \$.07 per million gross dollar amount of such CCIT Transaction (with a minimum charge of \$2.50).

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* **Fees stated to apply to CCIT Members shall be applied at the Joint Account level for CCIT Members participating through a Joint Account.**

III. NETTING FEE AND CHARGES (in addition to the comparison fee)

A. Netting Fee

1. For each side of a Compared Trade, Start Leg of a Repo Transaction, Close Leg of a Repo Transaction, Fail Deliver Obligation and Fail Receive Obligation, other than a GCF Repo Transaction or a CCIT Transaction, that is netted, a fee equaling the sum (in addition to the comparison fee) of::

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- (ii) For each one million of par value of a Compared Trade, Start Leg of a Repo Transaction, Close Leg of a Repo Transaction, Fail Deliver Obligation and Fail Receive Obligation, other than a GCF Repo Transaction or a CCIT Transaction, and that is netted, a fee of \$0.015 per 1 million of par value for Broker Accounts and a fee of \$0.016 per 1 million of par value for Dealer Accounts.

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D. Clearance Charges

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- 4. The Corporation will pass-through to Netting Members the following clearing banks' fees and charges that are incurred by the Corporation for the services that the Corporation performs in connection with such Members' activity.
 - (a) Actual fees charged by The Bank of New York Mellon ("BNY") and J.P. Morgan Chase ("JPM"), as applicable, for the settlement of each Deliver Obligation and each Receive Obligation.
 - (b) Actual fees charged by the Fedwire® Securities Service fees for the settlement of treasury securities and agency securities, as applicable.
 - (c) BNY fee on each GCF Repo Deliver Obligation that FICC creates from its BNY account, inclusive of inter-bank.

When this fee is assessed on FICC's GCF Repo Deliver Obligations that are created versus Netting Members, t
This fee will be allocated to Dealer Accounts at BNY and to Dealer Accounts at JPM, as follows:

- (i) For Dealer Accounts at BNY, a pass-through fee is calculated as 1bp per annum on a dollar amount of such Netting

Member's GCF Repo Receive Obligation from FICC in each Generic CUSIP Number.

- (ii) For Dealer Accounts at JPM, a pass-through charge is calculated as 1bp per annum on a prorated dollar amount of FICC's interbank GCF Repo Deliver Obligation from BNY to JPM in each Generic CUSIP Number. The proration is calculated as follows:

(Dollar amount of such Netting Member's GCF Repo Receive Obligation in a given Generic CUSIP Number at JPM)

(Aggregate dollar amount of all GCF Repo Receive Obligations in a given Generic CUSIP Number for all Netting Members at JPM)

When this fee is assessed on FICC's GCF Repo Deliver Obligations at BNY that are created versus a CCIT Member at BNY, the fee is calculated as 1bp per annum on a dollar amount of the underlying CCIT Transactions and the fee will be passed through to the Dealer Account at BNY of the Netting Member that is the Repo Party to such CCIT Transactions.

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E. Repo Transaction Processing Fee

For a term Repo Transaction other than a GCF Repo Transaction **or a CCIT Transaction** that has been compared and netted, but which has not yet settled, a fee calculated as follows:

(1) (a) for Repo Brokers (as defined in subsection III.H below) with respect to their brokered Repo Transaction activity, a .0175 basis point charge (i.e., one and three quarter hundredth of a basis point) applied to the gross dollar amount of each such Repo Transaction; and

(b) for all other Netting Members, as well as Repo Brokers with respect to their non-brokered Repo Transaction activity, a .04 basis point charge (i.e., four hundredth of a basis point) applied to the gross dollar amount of each such Repo Transaction.

and

(2) a .08 basis point charge (i.e., 8 hundredths of a basis point) applied to the net dollar amount of a Netting Member's Repo Transactions within a CUSIP.

For a GCF Repo Transaction **or a CCIT Transaction** that has been compared and netted, but which has not yet settled, a fee calculated as follows:

(1) (a) for Repo Brokers acting as GCF-Authorized-Inter-Dealer Brokers, a .0175 basis point charge (i.e., one and three quarter hundredths of a basis point) applied to the gross dollar amount of such GCF Repo Transaction; and

(b) for all other Netting Members **and CCIT Members**, a .04 basis point charge (i.e., four hundredths of a basis point) applied to the gross dollar amount of such GCF Repo Transaction **or CCIT Transaction**;

and

(2) (a) .08 basis point charge (i.e., 8 hundredths of a basis point) applied to the net dollar amount of a Netting Member's **or CCIT Member's** Collateral Allocation Entitlements and Collateral Allocation Obligations.

These fees will be applied each calendar day, but calculated on an annualized basis.

For Repo Transactions other than GCF Repo Transactions **or CCIT Transactions**, these fees do not apply if the Close Leg is scheduled to settle one Business Day after the Start Leg.

G. Repo Collateral Substitution Fees

For Repo Transactions other than GCF Repo Transactions or CCIT Transactions, the charge for the processing of a repo collateral substitution request is \$.75.

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IV. MINIMUM MONTHLY FEE

Each Comparison-Only Member and each Netting Member shall, regardless of the level of its activity, pay a minimum monthly fee on its sole or primary account of \$1,000, **which shall not apply to CCIT Members**.

V. FEEES APPLICABLE TO ADDITIONAL ACCOUNTS

If a **Comparison-Only Member or Netting** Member maintains more than one account at the Government Securities Division, each such additional account shall be subject to the following fees, **which shall not apply to CCIT Members**:

A. Additional Account Opened at the Request of Member

- (i) Maintenance fee of \$1,000;
- (ii) Fees based on transaction activity (no minimum monthly fee); and
- (iii) Applicable non-transaction-based fees.

B. Additional Account Opened at the Direction of the Corporation

- (i) Fees based on transaction activity subject to a \$1,000 minimum monthly fee; and
- (ii) Applicable non-transaction-based fees.

For purposes of this Fee Structure, the Corporation will consider a Member's primary account to be the account with the most activity in the applicable month. All other accounts maintained by the Member shall be considered additional accounts.

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VIII. DEFINITION

For purposes of this fee structure, a "side" of a trade or a transaction, and a Start Leg or a Close Leg of a Repo Transaction other than a GCF Repo Transaction **or a CCIT Transaction**, shall be limited to \$50 million increments. Thus, if the aggregate amount of a side of a trade, or of a Start Leg or Close Leg of a Repo Transaction other than a GCF Repo Transaction **or a CCIT Transaction**, is greater than \$50 million, each \$50 million portion of that aggregate amount (including the final, residual portion if that is less than \$50 million) shall be considered as a separate "side" or Leg for purposes of this Fee Structure. A Term GCF Repo Transaction shall be considered to have only one Start Leg and one Close Leg during its term.

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