

# **IMPORTANT NOTICE**

**National Securities Clearing Corporation**



**A# 6162**

**P&S 5732**

**DATE:** December 5, 2005  
**TO:** ALL PARTICIPANTS  
**FROM:** James Koster, Managing Director  
**SUBJECT:** 2006 Fee Revisions

NSCC's Operations and Planning Committee has approved fee revisions to selected NSCC product lines, as described below. The NSCC fee adjustments affect Clearing, Trade Recording, Settlement and Mutual Fund business lines. These adjustments reflect NSCC's ongoing effort to "right-size" fees; create simplicity and transparency in NSCC's billing process. These fee adjustments are expected to reduce Participant fees by \$99.4 million over the next year. These changes include:

- Significant fee reductions in Trade Comparison and Recording Services
- Fee increases in Settlement Services for improved cost recovery
- A slight increase in ACATS Transfer Initiation Form (TIF) input to realign fees with costs
- Fee reductions in Mutual Fund Fund/SERV and a restructuring of Mutual Fund Networking fees that will result in a fee reduction. Networking fee changes will go into effect on February 1, 2006.

Additionally, NSCC is also introducing a new disincentive fee for ACAT rejects in order to create an incentive for firms to leverage industry best practices in resolving rejects.

The details of these revisions to NSCC's fees can be found on the attached 2006 DTC, NSCC and FICC Service Fee Revision document. Appropriate rule filings will be made with the Securities and Exchange Commission. Concurrent with the implementation of NSCC fee changes, DTC and FICC are also issuing important notices for fee changes (see DTC Important Notice B#8840 and FICC Important Notices GSD155.05 and MBS188.05.) All fees (unless otherwise noted) are scheduled to become effective January 2, 2006 for billing in February 2006.

If you have any questions regarding the fee revisions or would like to discuss the impact these changes will have on your firm's bill, please contact your Relationship Manager.

James Koster  
Managing Director  
Relationship Services