



By Electronic Mail

October 7, 2022

Mr. Christopher Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Amendments to KOR SDR Fee Schedule Pursuant to Section 5c(c)(1) of the  
Commodity Exchange Act and Commission Regulation 40.6

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commodity Futures Trading Commission (the "Commission") Regulation 40.6, KOR Reporting Inc. ("KOR") submits, by written certification, proposed amendments to the KOR SDR Fee Schedule to remove report queries and test messages from the fees structure to simplify the structure in addition to a new highest level tier of messages allowance and price. Other changes introduced a fair use policy for reports and testing activity in addition to accounting for swaps executed on facility and intended to be cleared where Counterparty 1 is a Natural Person or not a Client of KOR. Details on the full list of changes are recorded in the attached. The proposed amendments are blacklined in the text of the KOR SDR Fee Schedule attached hereto.

KOR certifies that these amendments comply with the Commodity Exchange Act and the rules and regulations promulgated by the Commission thereunder. No substantive opposing views have been expressed by Clients or others with respect to the amendments. KOR further certifies that, concurrent with this filing today, a copy of this submission was posted on its website and may be accessed at: [www.korfinancial.com](http://www.korfinancial.com). KOR intends to implement this amended Fee Schedule on October 24, 2022.

As noted above, enclosed with this letter is a marked version of the KOR SDR Fee Schedule changes which is being submitted in whole. If you have any questions or



need further information, please contact me at [tmanuel@korfinancial.com](mailto:tmanuel@korfinancial.com) or (678) 612-6133.

Sincerely,

Tara Collier Manuel  
Chief Compliance Officer & Head of Regulatory Products  
KOR Reporting, Inc



### SUBMISSION COVER SHEET

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): \_\_\_\_\_

Organization: KOR Reporting Inc \_\_\_\_\_

Filing as a:  DCM  SEF  DCO  SDR Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 10/07/2022 Filing Description:  
Update to the KOR SDR Fee Schedule \_\_\_\_\_

**SPECIFY FILING TYPE** Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: KOR SDR Fee Schedule \_\_\_\_\_

**New Product** Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name: \_\_\_\_\_

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(b)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: \_\_\_\_\_

Rule Numbers: \_\_\_\_\_



## 1.0 Overview

This KOR Swap Data Repository ("KOR SDR" or "KOR") fee schedule is for reporting under rules of the U.S. Commodity Futures Trading Commission ("CFTC"). KOR SDR offers a simple subscription model fees schedule which treats all submissions equally regardless of reporting counterparty, asset class, clearing status or execution.

As a real-time messaging-based service, fees are assessed on a per message basis to align SDR services and the expense to offer. All Reporting Clients are assessed the same fee structure regardless of pathway to KOR SDR to ensure a competitive and level field.

All fees charged by KOR SDR are uniform, equitable and non-discriminatory.

This fee schedule applies until such time as the Board of KOR Reporting Inc. determines otherwise and provides clients at least ~~two~~ **one** (2) months' notice **for significant changes to existing pricing or policy.**

## 2.0 Client Terms

### 2.1 Reporting Client

For the purposes of the Fee Schedule, "Reporting Client" means the Reporting Counterparty<sup>[4]</sup> that has in place a fully executed Agreement with KOR Reporting Inc. and is liable for the fees incurred for use of the KOR SDR reporting services.

The Reporting Client may delegate billing and payments to another Client by authorizing either a Related Entity or their Third-Party Reporter.

<sup>[4]</sup> Per the KOR Technical Specifications, this is the field "Counterparty 1", **unless "Counterparty 1 Agent" is populated, then ""Counterparty 1 Agent".**

### 2.2 Related Entities Client Group ("Client Group")

For the purposes of the Fee Schedule, "Related Entity" refers to ~~either KOR or Counterparty~~ **two types of entities:**

- a. ~~Entities~~ **Clients** within the same corporate structure<sup>[5]</sup>; ~~or~~
- b. ~~Entities within a fiduciary investment management or advisory relationship on a trade~~<sup>[6]</sup>.

~~When authorized by the Reporting Client, messages for Related Entities are aggregated~~ **treated** ~~prior to assessing the monthly fee.~~<sup>[7]</sup>

<sup>[5]</sup> ~~These Clients are grouped together~~ **under a single Client Parent Group entity at which KOR for and serves the purpose of aggregating fee liable activity in each for monthly calculations. Related Entities under a Client Group must aggregate their fee liable activity and there will only be a KOR single SDR Client and may not be registered as a Third-Party Reporter invoice.**

<sup>[6]</sup> ~~Per the KOR Technical Specification, this entity is identified under the field "Counterparty 1 Agent".~~

<sup>[7]</sup> ~~Reference Example Parent Client Account.~~



## 2.4 Third-Party Reporter Client

For the purposes of the Fee Schedule, "Third-Party Reporter" is an entity that has ~~in place~~ a fully executed Agreement with KOR Reporting Inc. and is facilitating reporting for a KOR Counterparty Client.

Third-Party Reporters are not charged fees for the activity of their customers, who are also KOR Counterparty Clients.

Third-Party Reporters may be assigned billing (receipt of invoices and payment responsibilities) by KOR Counterparty Clients. When a Counterparty Client makes a billing assignment to a Third-Party Reporter it is for the whole of all billable activity (including for ~~integration~~ activity beyond what is associated to the Third-Party Reporter) and ~~testing~~ Counterparty Clients may only assign billing to a single Third-Party Reporter.

~~For purposes~~ ~~The of assigned the KOR Fee Schedule, trade reporting~~ billing by SEFs and DCMs are treated as trades under Third-Party reporting whereby the Reporting a Counterparty is Client assessed or KOR Client reporting fees and the SEF/DCM Group is not aggregated with that of any other Counterparty Client or Client group who assign billing to the same Third-Party Reporter.

### 2.4.1 SEF and DCM Reporting

For purposes of the KOR Fee Schedule, reporting by Swap Execution Facilities ("SEF") and Designated Contract Markets ("DCM") are treated as messages under a Third-Party Reporter whereby the Reporting Counterparty is assessed KOR reporting fees and the SEF/DCM, by default, is not. A SEF/DCM may elect to assume direct billing responsibility for any Reporting Counterparty which is KOR Counterparty Client.

In the case when the Reporting Counterparty on a SEF/DCM reported transaction is not a KOR SDR Counterparty Client, then the SEF/DCM reporter will be billed for the message activity which shall be aggregated with all other SEF/DCM billable message activity.

## 3.0 Reporting Fees

KOR SDR offers simplified subscription plans where each tier plan includes a maximum number of messages ~~in the production and test environments~~ per month. ~~All messages submitted, except for the porting in of open trades<sup>[1]</sup> and terminations<sup>[2]</sup> to KOR SDR are fee liable.~~

To calculate the ~~calendar~~ monthly fee, KOR totals all ~~eligible~~ messages ~~(except for port in)~~ submitted in the prior month for each ~~Reporting Counterparty~~ Counterparty, Client or where there a Reporting Counterparty is part of a Related Entity group, then for each Related Entity group.

~~KOR SDR will limit a Client from moving up more than one subscription tier between any two consecutive months<sup>[3]</sup> regardless of the actual message volume for a given month~~ Group.

KOR provides a 10% monthly ~~bursting~~ ~~coverage~~ allowance for ~~coverage activity to into a higher tier to serve as a buffer prior to assessing the higher tier fee~~ across for a any given month per Counterparty Client or Client Group<sup>4</sup>.

~~4 The Following~~ monthly ~~the~~ ~~bursting~~ ~~first~~ allowance if available every ~~full~~ month and for an unlimited number of ~~months~~ production submissions.



| Tier | Monthly Messages Production | Monthly Report Queries |
|------|-----------------------------|------------------------|
| 0    | 0                           | 0 to 5                 |
| 1    | Up to 100                   | Unlimited              |
| 2    | Up to 1,000                 | Unlimited              |
| 3    | Up to 10,000                | Unlimited              |
| 4    | Up to 100,000               | Unlimited              |
| 5    | Up to 1,000,000             | Unlimited              |
| 6    | Up to 5,000,000             | Unlimited              |
| 7    | Up to 10,000,000            | Unlimited              |
| 8    | Up to 20,000,000            | Unlimited              |
| 9    | Unlimited                   | Unlimited              |
| 10   | 24,000,000                  | \$220,000              |

[1] Per the KOR Technical Specification, any submitted message type where the field "Event Type" equals "PORT" and "Action Type" equals "NEWT".

[2] Per the KOR Technical Specification, any submitted message type where the field "Action Type" equals "TERM".

[3] Following the first full month of production submissions.

## 3.0 Testing

### 3.1 Eligible Messages

Each submitted message type and their different combination of event and action types are fee eligible.

A rejected message will count as an eligible message for fee calculation purposes.

Port in messages of open trades [2] to KOR and DCO terminations of the original swap [3] are not fee liable.

[2] Per the KOR Technical Specification, any submitted message type where the field "Event Type" equals "PORT" and "Action Type" equals "NEWT" and the trade is still open.

[3] Per the KOR Technical Specification, any submitted message type where the field "Event Type" equals "CLRG" and "Action Type" equals "TERM".





### 3.1 Evaluation testing usage

Firms evaluating KOR SDR will be granted ~~no fees~~ access to the testing environment for up to six (6) months with a monthly allowance of 1,000,000 messages and a seven (7) day rolling retention.

### 3.2 Reports Fair Usage

KOR SDR is a fully cloud native service leveraging the performance and scale available through the infrastructure. KOR incurs costs through the accessing of its Clients' data hosted and used to generate requested reports. The KOR SDR Fee Schedule is designed for simplicity and flexibility, modeling an expected mix of access and use of standard daily, weekly, monthly reports of each Client's data in addition to reasonable (frequency and selected date range) use of ad-hoc reporting. KOR will monitor reports generation activity across a Client and engage to advise of observations for exceeded use above standard fair use allowances. Should a business need for reports warrant continued use at a sustained higher than expected activity level, a move to a higher fee tier may be deemed appropriate.

### 3.2 Standard testing usage

~~KOR SDR clients have access to a monthly allowance of messages for testing within KOR SDR's testing environment based on their fee tier.~~

### 3.3 Unnamed Requirement

### 3.3 High Volume Testing

~~For heavy load/performance testing above the Evaluation testing allowance or Standard testing allowances, KOR SDR will work with clients to confirm need and conditions. Additional testing capacity will be made available at KOR's discretion.~~

## 4.0 Fee Examples

### 4.1 Single Reporting Client

In a given month, a single Reporting Client submits 800 eligible messages and is assessed a \$500 fee. In the following month, a single Reporting Client submits 2,100 eligible messages and is assessed a \$2,000 fee. Then in the next month, a single Reporting Client submits 700 eligible messages and is assessed a \$500 fee.

### 4.2 Single Reporting Client, Small Spike

~~In a given month, a single Reporting Client submits 800 eligible messages and is assessed a \$500 fee. In the following month, a single Reporting Client submits 1,050 eligible messages. Actual activity is 50 messages above the tier ceiling, though with the 10% burst allowance (100 message), the client is still assessed a \$500 fee.~~

### 4.3 Single Reporting Client, Large Spike

~~In a given month, a single Reporting Client submits 800 eligible messages and is assessed a \$500 fee. In the following month, a single Reporting Client submits 12,000 eligible messages and is assessed a \$2,000 fee due to~~



policy of not moving up more than one tier between any two months. In the next month, a single Reporting Client submits 700 eligible messages and is assessed a \$500 fee.

#### 4.4 Single Reporting Client, Monthly Overage

In a given month, a single Reporting Client submits 105,000 messages and though the total is 5,000 messages above the tier allowance, it is within the 10% bursting allowance. As such the Client will be assessed a \$6,000 fee.

#### 4.5 Client Group

The Parent Client Client Group account includes 4 related entities which collectively submitted 55,000 eligible messages in a given month and the Parent Client account is assessed \$6,000 for the month. In the following month, the Parent Client account includes 6 related entities which collectively submits 70,000 eligible messages and the Parent Client is assessed a \$6,000 fee. In the next month, the Parent Client accounts includes 3 related entities which collectively submits 9,000 eligible messages and the Parent Client account is assessed a \$2,000 fee.

#### 5.3 Parent Client Account

A "Parent Client Account" means KOR Client serving as the consolidated and aggregated Billing Account for itself and/or multiple Related Entities. A single independent Reporting Client is by default also a Billing Account.

#### 5.5 Integration Client

An integration client is an entity that has in place a fully executed Agreement with KOR Reporting Inc. which permits access to KOR testing environments. Integration clients do not have access to the KOR production environment and as such are not charged fees.

#### 5.6 Verification Client

For the purposes of the Fee Schedule, "Verification Client" is an entity that has in place a fully executed Verification Agreement with KOR Reporting Inc., and is not the Reporting Counterparty on any trades submitted to KOR SDR. They are only accessing the KOR SDR to view trades where they are a party to the trade but do not have any reporting requirement.

Verification Clients have unlimited KOR SDR UI access to search data and a limit of 5 total downloaded or sent reports per month at no cost. Verification Clients requiring more than 5 total downloaded or sent reports for a given month will have the option to upgrade to a tier 1 subscription package which includes unlimited reports.

## 6.0 Terms of Payment

Invoices are generated by the fifth day of every calendar month<sup>[8]</sup> for the prior month's activity.

Clients are responsible for logging into KOR SDR to retrieve and review their invoice. The appointed invoice users<sup>[9]</sup> will be notified by email when invoices are ready to view.

The billing currency is USD (\$) and invoices must be paid in USD.

Invoices are payable within 30 days upon receipt. Accounts not paid within terms are subject to a 2.5% monthly finance charge.





KOR SDR will accept and process billing adjustments up to 45 days after the invoice date. Clients must initiate contact with KOR by email (~~support@korfinancial~~~~billing@korfinancial~~.com) or via the UI Support feature to raise a dispute.

Adjustment requests received after the 45 day period will not be accepted by KOR SDR. Approved adjustments will be applied as credits and appear on the next billing cycle as a separate line item. Adjustments are processed as a net, meaning that credits owed will be taken off the current monthly fees.

Payments can be made by ~~credit~~~~direct~~ ~~card~~~~debit~~, ACH or wire transfer. Details for ACH and wire transfer are provided below. When sending payment, please include the invoice number and remittance details.

[8] Midnight EPT is used for calculation purposes.

[9] As set up by the Client's Administrative Users.

|                                     |  |
|-------------------------------------|--|
| <b>Account Name</b>                 | KOR <del>Reporting</del> <del>Financial</del> Inc. |
| <b>Bank</b>                         | JP Morgan <del>Chance</del> <del>Chase</del>       |
| <b>ACH Routing Number</b>           | <del>719112077</del> 071000013                     |
| <b>Wire Transfer Routing Number</b> | 021000021  |
| <b>Account Number</b>               | <del>719112077</del> 719117399                     |