Memorandum

To: SEC Staff

From: Jonathan Thursby, KOR CEO & Tara Manuel, CCO

Date: Feb 20, 2025

Re: KOR SBSDR Fee Schedule change

Pursuant to SEC Rules 240.13n-4(c)(1)(i), KOR Reporting Inc. ("KOR") submits, by written certification, proposed amendments to the KOR SBSDR Fee Schedule. Details on the full list of changes are recorded in the attached. The proposed amendments are blacklined in the text of the KOR SBSDR Fee Schedule attached hereto.

KOR certifies that these amendments comply with 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.

As noted above, enclosed with this letter is a marked version of the KOR SBSDR 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 / (678) 612-6133.

Sincerely,

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

Background

KOR Reporting Inc (“KOR”) is seeking to change its SEC Security-Based Swap Data Repository (“SBSDR”) fee schedule. In November 2024,, KOR was authorized as a Registered Security-Based Swap Data Repository. During the ensuing period since, KOR has been engaging with the marketplace to establish and grow its SBSDR service. KOR has received feedback from a diverse cross section of market participants on its current fee schedule. Collectively, the market has found it challenging to assess their expense exposure using the methodology by KOR which differs substantially from one that they are accustomed to. KOR seeks to remove commercial barriers to grow its SBSDR.

Changes Detail

Unit of Measure

KOR intends to maintain the majority of its fees policies and change primarily the unit of measure for calculation. Under the current fee schedule, calculations are made based on the number of eligible messages received by KOR in a calendar month. Changing to the new fee schedule, the calculations each month would be based on the count of unique trade identifiers (“UTI”) which are open or closed UTIs that have activity. A related change is to move from a set price for a tiered block of messages to a tiered price structure applied to each UTI.

Fee Caps

KOR will introduce annual fee caps to Clients. Based on market feedback, having maximum cost exposure for an annual period is of importance for budgeting and planning. KOR’s efficient infrastructure and operating models enable support of larger volumes at a significantly low variable cost. Further, in KOR’s modeling of markets, the respective caps are effectively at the volumes levels of the largest market participants.

Prepay

KOR’s fee schedule currently operates exclusively on a basis of issuing invoices in arrears for the preceding calendar month. Under the new fee schedule, KOR will

additionally offer Clients the option to prepay annually for a discount. The prepay presents an administrative convenience to Clients and certainty of cash flows to KOR for forecasting and planning purposes.

Third-Party Reporter Payment

KOR SDR permits Client submission via licensed Third-Party Reporters. In recognition of the role that Third-Party Reporters play in the sales, integration, submission, maintenance and support of Clients which remove the same duties from KOR; a payment on collected TR fees will be remitted to the Third-Party Reporter.

Client Impact

As part of the diligence process in preparing and studying these changes, KOR has engaged with its contracted and in-contract Clients for feedback. No negative feedback was received.

KOR Impact

The implementation of the fee schedule and policy changes represent a minimal impact to KOR technology and operational systems.

Implementation

KOR shall enact the following steps to implement the revised TR fee schedule.

(1) Submit to KOR Reporting Inc Board of Directors for approval [completed]
(2) Submit to SEC for initial review
(3) Once any issues raised by the SEC are resolved, formally submit
(4) Note - no current Clients to notify
(5) Update the KOR website

1.0 Overview

This KOR Security-Based Swap Data Repository (“KOR SBSDR” or “KOR”) fee schedule is for reporting under rules of the U.S. Securities Exchange Commission (“SEC”).

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

This fee schedule applies until the Board of KOR Reporting Inc. determines otherwise and provides clients with at least one (1) month’s notice for significant changes to existing pricing or policy.

2.0 Terms

2.1 Reporting Client

For the purposes of the ~~Fee~~fee ~~Schedule~~schedule, the “Reporting Client[1]” ~~means~~is the ~~Reporting~~market ~~Counterparty[1]~~participant ~~that~~with a reporting obligation under SEC reporting rules and who has in place~~ a fully executed Agreement with KOR Reporting Inc. and is liable for the fees incurrent for use of the KOR SBSDR reporting services.~~

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

2.2 Related Entities Client Group

For the purposes of the ~~Fee~~fee ~~Schedule~~schedule, “Related Entity” refers to ~~KOR Counterparty~~Reporting Clients within the same corporate structure (“Client Group”). Related Entities are treated together under a Client Group at KOR and ~~serves~~serve 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 single membership fee and single invoice. The Related Entities Client Group may delegate reporting, billing, and/or payments by authorizing their Third-Party Reporter.

2.3 Third-Party Reporter Client

For the purposes of the ~~Fee~~fee ~~Schedule~~schedule, “Third-Party Reporter[2]” is an entity that has in place a fully executed Agreement with KOR Reporting Inc., is not a Reporting Client, is not part of a Client Group that contains a Reporting Client, and is facilitating reporting for an entity with a ~~KOR~~SEC ~~Counterparty~~reporting ~~Client~~responsibility.~~

Third-Party Reporters are ~~not~~NOT charged membership or reporting fees for the activity of their customers~~,~~ who are also KOR ~~Counterparty~~Reporting Clients who have not delegated their billing and payments to the Third-Party Reporter.

Third-Party Reporters may be assigned billing (receipt of invoices and payment responsibilities) by KOR ~~Counterparty~~Reporting Clients. When a ~~Counterparty~~Reporting Client makes a billing assignment to a Third-Party Reporter, it is for the whole of all billable activity ~~(~~including for activity ~~beyond~~submitted ~~what~~through ~~is~~an ~~associated~~alternative ~~to~~entity from the Third-Party Reporter~~)~~. ~~and Counterparty~~Reporting Clients may only assign billing to a single Third-Party Reporter. The assigned ~~billing~~billable activity by a ~~Counterparty~~Reporting Client or Client Group is not aggregated with that of any other ~~Counterparty~~Reporting Client or Client ~~group~~Group who ~~assign~~assigns billing to the same Third-Party Reporter.

Customers of Third-Party Reporters are NOT required to execute an Agreement with KOR Reporting Inc. unless they seek direct access to the KOR systems and KOR support services. Third-Party Reporters ARE charged membership and reporting fees for the activity of their customers who are NOT KOR Reporting Clients. These fees are assessed and charged as if their customer was a KOR Reporting Client or Client Group, and the Third-Party Reporter is liable for those fees.

2.4 National securities exchange or security-based swap execution facility (“SB SEF”) Reporting

For purposes of the ~~KOR~~fee ~~Fee Schedule~~schedule, reporting by Platforms which are Security-Based Swap Execution Facilities (“SB SEF”) or National Securities Exchange (“Platforms”) are treated as ~~messages under~~ a Third-Party Reporter, whereby the Reporting ~~Counterparty~~Client is assessed KOR reporting fees and the Platform, by default, is not. A Platform may elect to assume direct billing responsibility for any Reporting ~~Counterparty~~Client which is a KOR SBSDR Counterparty Client.

In the case when the Reporting ~~Counterparty~~Client on a Platform reported transaction is not a KOR SBSDR Counterparty Client, then the Platform reporter will be billed as a Client Group for the ~~message~~ activity which shall be aggregated with all other Platform billable message activity. The Platforms will further be assessed the membership fee under such scenario.

3.0 Fees

~~KOR SBSDR offers simplified subscription plans where each tier plan includes a maximum number of messages per month. To calculate the calendar monthly fee, KOR totals all eligible messages submitted in the prior month for each Counterparty Client or Client Group.~~

~~KOR provides a 10% monthly overage allowance across for any given month per Counterparty Client or Client Group[2].~~

~~Tier~~	~~Monthly Messages Production~~	~~Monthly Fee~~
~~1~~	~~100~~	~~$100~~
~~2~~	~~1,000~~	~~$500~~
~~3~~	~~10,000~~	~~$2,000~~
~~4~~	~~100,000~~	~~$6,000~~
~~5~~	~~1,000,000~~	~~$15,000~~
~~6~~	~~4,000,000~~	~~$36,000~~
~~7~~	~~9,000,000~~	~~$60,000~~
~~8~~	~~14,000,000~~	~~$95,000~~
~~9~~	~~19,000,000~~	~~$150,000~~
~~10~~	~~24,000,000~~	~~$220,000~~

3.1 Membership Fee

~~Each~~All ~~submitted~~Reporters ~~message~~shall ~~type~~pay a monthly membership of $100.00 for all months where they have any billable UTIs during the month, or where they are a party to that UTI[3] and pull reports. A Client Group shall pay a single monthly membership fee. The first and ~~their~~final ~~different~~months ~~combination~~will ~~of~~not ~~event~~be prorated and ~~action~~the ~~types~~monthly ~~are~~membership ~~fee~~will ~~eligible~~be assessed until the KOR SBSDR Counterparty Client Agreement is terminated. ~~-~~

~~A~~The ~~rejected~~first ~~message~~500 UTIs for Standard Swaps[4] are included in the membership fee. Where the UTIs encompass multiple asset classes, the first 500 will ~~count~~be ~~as~~included ~~an~~at ~~eligible~~the ~~message~~rate ~~for fee calculation purposes.~~

~~Port in messages of open trades[3]~~corresponding to ~~KOR~~the ~~and~~asset ~~DCO~~class ~~terminations of~~with the ~~original swap[4] are not~~lowest fee ~~liable~~.

3.2 Reporting Fees Overview

KOR maintains two categories of reporting fees, one for Standard Swaps and one for Cleared Swaps[5].

3.3 Reporting Fee - Credit, Equities, Rates

UTI Count	Standard Swap Fee per UTI (USD)	Cleared Swap Fee per UTI (USD)
1 - 10,000	1.500	0.400
10,001 - 50,000	1.400	0.350
50,001 - 200,000	0.875	0.215
200,001 - 500,000	0.140	0.035
500,001 - 1,250,000	0.020	0.005
1,250,000 +	0.004	0.001

4.0 UTI Count Calculation

Each unique transaction identifier ("UTI")[6] that is either open or that has activity[7] against it is considered fee-eligible.

For a calendar month, the total number of unique UTIs that are open[8] or have activity against them at any point during the month is recorded and is used to calculate the monthly UTI count for purposes of determining the monthly reporting fee.

If a Client or Client Group engages in both Standard Swaps and Cleared Swaps, the transaction counts are calculated independently for each category; however, both types of counts are considered together when applying the Annual Fee Cap.

~~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, 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.~~

~~4.3 Client Group~~

~~The 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.~~

5.0 Porting

KOR does not assess a fee on either the porting in or porting out of trades or positions. Ported in trades and positions will be eligible for applicable reporting fees.

6.0 Annual Fee Cap

The total reporting and membership fees shall not exceed $750,000 for a Client or Client Group during the twelve-month period including and following the anniversary month. The anniversary month for KOR SEC SBSDR is established as the first fee liable month.

Annual Fee Caps apply when assigning billing to a Third-Party Reporter, and shall be calculated on a standalone customer or customer group[10] basis. This approach shall also apply when a Third-Party Reporter is reporting on behalf of a Reporting Client that is also not a KOR Client.

The annual pre-paid credits discount may be used in combination with the annual fee cap.

7.0 Prepay Discount

KOR Clients have the option to annually pre-pay fees for credits and receive a discount to be used towards monthly reporting and membership fees. A one-year commitment and prepay is a 10% discount.

Pre-paid fees serve as credits to be used monthly against actual volumes and calculated fees. Annual shortfalls, once the pre-paid fee credits are fully utilized, are charged at the non-discounted rates.

Annual pre-paid fee credits are non-refundable if a Client or Client Group ceases to use KOR SBSDR for its SEC trade reporting. If a Client or Client Group ceases to use KOR SBSDR for its SEC trade reporting, they forfeit any remaining pre-paid credits in the current annual period.

Excess annual pre-paid fee credits will be rolled into the next annual period.

Membership fees are excluded from the prepay discount and must be paid for the year at the same time as the prepayment of Reporting Fees.

Clients participating in the pre-paid fee credits discount must have an executed agreement and be on-boarded with KOR SBSDR.

8.0 Reports Fair Usage

KOR SBSDR is a 100% cloud service leveraging the performance and scale available through the cloud infrastructure. KOR incurs costs through the accessing of its Clients' data hosted and used to generate requested reports. The KOR SBSDR Fee Schedule is designed for simplicity and flexibility; modeling an expected mix of scheduled access and use of standard daily, weekly, and 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~~report 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.

9.0 Fee Examples

9.1 Single Reporting Client

In a given month, a single Reporting Client reporting standard products has a daily UTI count of 12,000 and is not participating in pre-paid discounted credits. The monthly fee is calculated as:

Tier	**Fee per UTI (USD)**	**Count**	**Sub-Total (USD)**
0 - 10,000	1.500	10,000	15,000.00
10,001 - 50,000	1.400	2,000	2,800.00
Tota Reporting Fee			17,800.00
Monthly Membership Fee			100.00
Total Monthly Fee			17,900.00

9.2 Prepay Example

A Client establishes a one-year commitment and pre-pays $100,000 for $110,000 in credits. The $110,000 credit is applied monthly against the monthly actual fees. All $110,000 is fully utilized by the end of the 11th month. The 12th month's actual fee is assessed without a discount applied.

10.0 Third-Party Reporter Payment

Third-Party Reporters are eligible for a 15% payment on assessed reporting fees for submissions where they are the submitting entity to KOR SBSDR and when the aggregate fees due to KOR across Third-Party Reporter customers exceed 1,000 USD per month. For Third-Party Reporter customers who are not direct Clients of KOR SBSDR, fees will be calculated in the same Client and Client Group manner.

The Third-Party Reporter Payment is in recognition of the replacement sales, integration, and support services performed by the Third-Party Reporter.

Payments are made to the Third-Party Reporter in the month following each calendar quarter. Where billing and/or payments have been delegated to the Third-Party Reporter, these payments will be applied as credits and appear on the next billing cycle as a separate line item.

The payment is calculated on the net amount after the Membership Fee and any Client pre-paid fee credit discounts are applied.

11.0 Terms of Payment

Invoices are generated by the fifth (5th) day of every calendar month~~[5]~~[10] for the prior month's activity.

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

Invoices are payable within forty-five (45) days upon receipt. Accounts not paid within terms are subject to a 1.5% 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 (billing@korfinancial.com) or via the UI Support feature to raise a dispute.

Adjustment requests received after the forty-five (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 direct debit, ACH, wire transfer, or credit card. Credit card payments will be assessed an additional 3%. Details for ACH and wire transfer are provided below. When sending payment, please include the invoice number and remittance details.

Account Name	**KOR ~~Reporting~~Financial Inc.**
Bank	JP Morgan Chase
ACH Routing Number	071000013
Wire Transfer Routing Number	021000021
Account Number	719117399

12.0 Footnotes

[1] [~~1~~Reporting Client] Per the KOR Technical Specifications, this is the field “Counterparty 1”, unless “Counterparty 1 Agent” is populated, then “Counterparty 1 Agent”.

[2][~~2~~Third-Party Reporter] ~~Following~~Per the ~~first~~Technical ~~full~~Specifications, ~~month~~this is the field [Submitter Identifier], where the [Submitter Identifier] is NOT also the [Reporter Identifier], nor a Client in the Client Group of ~~production~~the ~~submissions~~“[Reporter Identifier].

[3][~~3~~UTI] Per the Technical Specifications, where they are a party to the UTI and they can pull reports on that UTI. The fields that define a party to include:

Submitter identifier
Other submitter identifier
Reporter identifier
Counterparty 1
Counterparty 2
Counterparty 1 Agent

Counterparty 2 Agent
Counterparty 1 Execution Agent
Central counterparty
Clearing Member

[4][Standard Swaps] Per the KOR Technical ~~Specification~~Specifications, ~~any~~UTIs ~~submitted~~(or ~~message type~~Non-UTIs) where the field [Cleared] = "~~Event Type~~N" ~~equals~~or "~~PORT~~I" ~~and "Action Type" equals "NEWT" and the trade is still open~~.

[5][~~4~~Cleared Swaps] Per the KOR Technical ~~Specification~~Specifications, ~~any~~UTIs ~~submitted~~(or ~~message type~~Non-UTIs) where the field ~~"Event~~[Cleared] ~~Type" equals~~= "~~CLRG" and "Action Type" equals "TERM~~Y".

[6] [~~5~~Each unique transaction identifier ("UTI")] ~~Trades~~Identified ~~for~~by the ~~prior~~field ~~month~~"Unique ~~up~~transaction ~~until~~identifier", or "Non-UTI". Is by the ~~final~~combination ~~calendar~~of unique UTI or Non-UTI + Counterparty 1.

[7] [activity] Activity on closed trades submitted on non-business days will be applied to the next business day ~~at~~total. ~~midnight~~UTIs that are opened and closed on the same day are captured under the "Closed activity UTI count".

[8] [open] "Open" UTIs are defined by any and all unique transaction/position reports by UTI + Counterparty 1

a. That have been submitted and passed all validation requirements, and
b. Whose close date is greater than current date (NOT = to current date).
    i. [Action type] = "PRTO", then close date = date portion of [Event timestamp] b. [Action type] = "POSC", then close date = date portion of [Event timestamp] c. [Action type] = "EROR", then close date = null (meaning it was never open) d. [Action type] = "TERM", then close date = [Early termination date]
    ii. AND subsequent messages do NOT update the [Close Date] unless [Action type] = "REVI", then close date = [Expiration date]

[9] [customer or customer group] Where a Third-Party Reporter's customers or customer group are permitted, assessed, and billed in the same manner as if the same were to be direct Clients or Client Groups of KOR Reporting Inc

[10] [calendar month] Midnight Eastern Prevailing Time ("EPT") is used for calculation purposes.