

Title: Might owing shares to the NSCC get much more expensive post-split? (vs owing shares to other institutions)

Author: OneWasHere

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TLDR: Could the upcoming GME split incentivize institutions to borrow from each other, rather than be short shares to the NSCC?

Background: It appears the NSCC formally charges flat rates of \$0.25/day/share (1-30 days) and \$3.00/share/day (30+ days), for failing to deliver shares. \*Note, the phrase "at close of business" led me to understand this as a daily fee. But I could definitely be wrong.\*

\*Excerpt below from Addendum A "Fee Structure", II "Trade Clearance Fees", B "Fails to Deliver to CNS (Short-In CNS) –" in NSCC Rules and Procedures\*

>II. TRADE CLEARANCE FEES - represents fees for trade recording, netting, issuance of instructions to receive or deliver, effecting book-entry deliveries, and related activity.\*

>\*A. Clearance Activity Fee – The sum of: (a) a "value into the net" fee of \$0.47 per million of processed value (i.e. for CNS and Balance Order netting, the sum of the contract amount and any CNS fail value), plus (b) a "value out of the net" fee of \$2.56 per million of settling value (i.e. the absolute value of the CNS Long and Short Positions).\*

>\*\*B. Fails to Deliver to CNS (Short-In CNS) –\*\*

>\*\*1. \$0.25 per item short in CNS for 1 to 30 days at close of business.\*\*

>\*\*2. \$3.00 per item short in CNS for more than 30 days at close of business.\*\*

Source: [NSCC Rules and Procedures, Addendum A-II-B "Fails to Deliver to CNS (Short-In CNS)"]([https://www.dtcc.com/~media/Files/Downloads/legal/rules/nscg\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/nscg_rules.pdf))