EXHIBIT 5

NATIONAL SECURITIES CLEARING CORPORATION

RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

Bold and underlined text indicates proposed added language.

~~**Bold and strikethrough**~~ text indicates proposed deleted language.

Bold, underlined and shaded text indicates proposed language added in connection with a separate proposal that has been approved by the SEC but not yet implemented (SR-NSCC-2023-009).

~~**Bold, strikethrough and shaded text**~~ indicates proposed deleted language in connection with a separate proposal that has been approved by the SEC but not yet implemented (SR-NSCC-2023-009).

RULE 56. SECURITIES FINANCING TRANSACTION CLEARING SERVICE

[Changes to this Rule, as amended by File No. SR-NSCC-2023-011, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date within 90 Business Days after the approval of SR-NSCC-2023-011], these changes will be implemented, and this legend will automatically be removed from this Rule.]

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SEC. 12. Clearing Fund Obligations.

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(c) The Corporation shall calculate the amount of each such SFT Member's required deposit for SFT Positions, subject to a $250,000 minimum (excluding the minimum contribution to the Clearing Fund as required by Procedure XV, Section II.(A)), by applying the Clearing Fund formula for CNS Transactions in Sections I.(A)(1)(a),-(b), (c), (e), (f), (g)[1] of Procedure XV as well as the additional Clearing Fund formula in Section I.(B)(5) (Intraday Mark-to-Market Charge) and (6) (Intraday Volatility Charge) of Procedure XV, except as noted otherwise, in the same manner as such sections apply to CNS Transactions submitted to the Corporation for regular way settlement, plus, with respect to any Non-Returned SFT, an additional charge that is calculated by (x) multiplying the Current Market Price of the SFT Securities that are the subject of such Non-Returned SFTs by the number of such SFT Securities that are the subject of the SFT and (y) multiplying such product by (i) 5% for SFT Members rated 1 through 4 on the Credit Risk Rating Matrix, (ii) 10% for SFT Members rated 5 or 6 on the Credit Risk Rating Matrix, or (iii) 20% for SFT Members rated 7 on the Credit Risk Rating Matrix shall be applied to each SFT Member that is a party thereto (collectively, the "Required SFT Deposit"); provided, however, notwithstanding anything to the contrary, (x) a minimum of 40% of an SFT Member's Required SFT Deposit shall be made in the form of cash and/or Eligible Clearing Fund Treasury Securities and (y) the lesser of $5,000,000 or 10% of an SFT Member's Required SFT Deposit, with a minimum of

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1 For the purpose of applying Section I.(A)(1)(g) of Procedure XV (Margin Liquidity Adjustment (MLA) charge), SFT Positions shall be **categorized in the same asset groups or subgroups as the underlying SFT Securities in such SFT Positions. In the event a Member's portfolio contains both (x) SFT Positions and (y) Net Unsettled Positions or Net Balance Order Unsettled Positions, the Corporation shall calculate the MLA charge as the** ~~**aggregated with Net Unsettled Positions, as defined in Rule 1, in the same asset group or subgroup; provided, however, in the event such aggregation results in a reduction of the aggregate positions in the relevant asset group or subgroup, the Corporation shall apply the**~~ greater of (a) the sum of **(1)** MLA charges separately calculated for SFT Positions and **(2) MLA charges separately calculated for** Net Unsettled Positions **and Net Balance Order Unsettled Positions** ~~**in the asset group or subgroup**~~ and (b) the MLA charge calculated from ~~**aggregating**~~ **combining** the SFT Positions~~**, and the**~~ Net Unsettled Positions **and Net Balance Order Unsettled Positions** ~~**in the asset group or subgroup**~~.

$250,000, must be made and maintained in cash; provided, further, the additional Clearing Fund formula in Sections I.(B)(1) (Additional Deposits for Members on the Watch List)~~;~~**,** (2) (Excess Capital Premium)~~;~~**,** (3) (Backtesting Charge)~~;~~**,** **and** (4) (Bank Holiday Charge) **of Procedure XV,**~~;~~ **as well as the** Minimum Clearing Fund and Additional Deposit Requirements in Sections II.(A)~~1(a) – (b)~~, II.(B), II.(C), and II.(D)~~; as well as Section III (Collateral Value of Eligible Clearing Fund Securities)~~ of Procedure XV**,** shall apply to SFT Members in the same manner as such sections apply to Members.

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PROCEDURE XV. CLEARING FUND FORMULA AND OTHER MATTERS[1]

[Changes to this Procedure, as amended by File No. SR-NSCC-2023-011, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date within 90 Business Days after the approval of SR-NSCC-2023-011], these changes will be implemented, and this legend will automatically be removed from this Procedure.]

I.(A) Clearing Fund Formula for Members

Each Member of the Corporation, except as otherwise provided in this Procedure, is required to contribute to the Clearing Fund maintained by the Corporation an amount calculated by the Corporation equal to:

(1) For CNS Transactions

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(g) A Margin Liquidity Adjustment ("MLA") charge shall apply to a Member's Net Unsettled Positions, other than long Net Unsettled Positions in Family-Issued Securities.

For purposes of calculating this charge, Net Unsettled Positions shall be categorized into the following asset groups: (1) equities (excluding Illiquid Securities), (2) Illiquid Securities **(including ETPs that are deemed Illiquid Securities)**, (3) unit investment trusts ("UITs"), (4) municipal bonds ~~**(including municipal bond ETPs)**~~, and (5) corporate bonds ~~**(including corporate bond ETPs)**~~. The equities asset group shall be further segmented into the following subgroups: (i) micro-capitalization equities, (ii) small capitalization equities, (iii) medium capitalization equities, (iv) large capitalization equities, (v) treasury ETPs, **(vi) corporate bond ETPs, (vii) municipal bond ETPs,** and (vi**ii**) all other ETPs.[2]

Equities Asset Subgroup MLA Calculations

For each equities asset subgroup, ~~T~~**t**he Corporation shall first calculate a measurement of market impact cost for **each** Net Unsettled Position~~s~~ **at the**

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[1] All calculations shall be performed daily or, if the Corporation deems it appropriate, on a more frequent basis.

[2] **ETPs with underlying securities separately categorized in an equities asset subgroup are categorized by the asset types and capitalizations of their underlying securities. ETPs that are deemed Illiquid Securities are categorized in the Illiquid Securities asset group.**

security level as the product of the following three components: ~~in each of the asset groups or subgroups, as described below.~~

~~i. For Net Unsettled Positions in the market capitalization subgroups of the equities asset group, by multiplying four components:~~

1. an impact cost coefficient that is a multiple of the one-day market volatility of ~~that~~ the subgroup in which the security is categorized,

2. the gross market value of the Net Unsettled Position in each security ~~that subgroup~~, and

3. the square root of the gross market value of the Net Unsettled Position in each security ~~that subgroup~~ in the portfolio divided by an assumed percentage of the average daily trading volume of such security.~~that subgroup, and~~

~~4. a measurement of the concentration of each Net Unsettled Position in that subgroup.~~

~~ii. For Net Unsettled Positions in the Illiquid Securities, UIT, municipal bond, and corporate bond asset groups and for Net Unsettled Positions in the treasury ETP and other ETP subgroups of the equities asset group, by multiplying three components:~~

The impact cost for the equity asset group is the sum of the impact cost calculated at the security level, as described above, for all equity asset subgroups.

The impact cost for equity exchange traded funds ("ETFs") with in-kind baskets that are not Illiquid Securities will include calculations comparing the impact costs if such ETFs were being liquidated in the secondary market to the impact costs if such ETFs were being liquidated in the primary market.[1] The Corporation will calculate impact costs in two scenarios: (1) a baseline calculation to simulate such ETFs being liquidated in the secondary market where the impact costs would be calculated at the security level (i.e., the ETF shares) utilizing the equities asset subgroup calculations (as discussed above) and (2) a create/redeem calculation to simulate an authorized participant using the primary market to liquidate

[1] Liquidation in the secondary market would involve selling the ETF shares in the market. Liquidation in the primary market would involve liquidating the ETFs based on the value of their underlying securities by an authorized participant using the creation/redemption process.

such ETFs using the creation/redemption process. The impact costs for the create/redeem calculation would be calculated by decomposing the ETFs into their underlying securities and calculating impact costs of such underlying securities utilizing the equity asset subgroup calculations (as discussed above). An adjustment would be made in the create/redeem calculation to reflect the different portfolio risks of the original portfolio used in the baseline calculation and the decomposed portfolio used in the create/redeem calculation.

The Corporation will then use the smaller calculated impact costs of the baseline calculation and the create/redeem calculation for purposes of calculating the MLA charge for ETFs.

Other Asset Group Calculations

For asset groups other than the equites asset group, the Corporation shall first calculate a measurement of market impact cost for Net Unsettled Positions in each of the asset groups as the product of the following three components:

1. an impact cost coefficient that is a multiple of the one-day market volatility of that asset group~~ **or subgroup**~~,

2. the gross market value of the Net Unsettled Position in that asset group~~ **or subgroup**~~, and

3. the square root of the gross market value of the Net Unsettled Position in that asset group~~ **or subgroup**~~ in the portfolio divided by an assumed percentage of the average daily trading volume of that asset group~~ **or subgroup**~~.

For each asset group ~~**and equities subgroup**~~, the calculated market impact cost shall be compared to a portion of the volatility charge applicable to Net Unsettled Positions (as determined by Section I.(A)(1)(a) of this Procedure XV). If the ratio of the calculated market impact cost to the portion of the volatility charge is greater than a threshold, to be determined by the Corporation from time to time, an MLA charge will be applicable to that asset group~~ **or subgroup**~~. If the ratio of these two amounts is equal to or less than the threshold, an MLA charge will not be applicable to that asset group~~ **or subgroup**~~.

When applicable, an MLA charge for each asset group~~ **or subgroup**~~ would be calculated as a proportion of the product of (1) the amount by which the ratio of the calculated market impact cost to the applicable 1-day volatility charge exceeds the threshold, and (2) the 1-day volatility charge allocated to that asset group~~ **or subgroup**~~.

~~**All MLA charges for each of the equities subgroups shall be added together to result in one MLA charge for the equities subgroup.**~~ ~~**All**~~**For**

each Member, all MLA charges for each of the asset groups shall be added together to result in a total MLA charge.

The Corporation may apply a downward adjusting scaling factor to the total MLA charge based on the ratio of calculated market impact cost to a portion of the applicable volatility charge, where a higher ratio would trigger a larger downward adjustment of the MLA charge and a lower ratio would trigger no downward adjustment of the MLA charge.

If a Member's portfolio contains both (i) SFT Positions and (ii) Net Unsettled Positions or Net Balance Order Unsettled Positions, the MLA charge shall be calculated as set forth in Rule 56.

(2) For Balance Order Transactions

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(f) An MLA charge shall apply to a Member's Net Balance Order Unsettled Positions, other than long Net Balance Order Unsettled Positions in Family-Issued Securities.

For purposes of calculating this charge, Net Balance Order Unsettled Positions shall be categorized into the following asset groups: (1) equities (excluding Illiquid Securities), (2) Illiquid Securities **(including ETPs that are deemed Illiquid Securities)**, (3) UITs, (4) municipal bonds ~~**(including municipal bond ETPs)**~~, and (5) corporate bonds ~~**(including corporate bond ETPs)**~~. The equities asset group shall be further segmented into the following subgroups: (i) micro-capitalization equities, (ii) small capitalization equities, (iii) medium capitalization equities, (iv) large capitalization equities, (v) treasury ETPs, **(vi) corporate bond ETPs, (vii) municipal bond ETPs,** and (vi**ii**) all other ETPs.[1]

Equities Asset Subgroup MLA Calculations

For each equities asset subgroup, ~~T~~**t**he Corporation shall first calculate a measurement of market impact cost for **each** Net Balance Order Unsettled Position~~s~~ **at the security level as the product of the following three components:** ~~**in each of the asset groups or subgroups, as described below.**~~

~~**i. For Net Balance Order Unsettled Positions in the market capitalization subgroups of the equities asset group, by multiplying four components:**~~

[1] **ETPs with underlying securities separately categorized in an equities asset subgroup are categorized by the asset types and capitalizations of their underlying securities. ETPs that are deemed Illiquid Securities are categorized in the Illiquid Securities asset group.**

1. an impact cost coefficient that is a multiple of the one-day market volatility of ~~that~~ **the** subgroup **in which the security is categorized**,

2. the gross market value of the Net Balance Order Unsettled Position in **each security** ~~that subgroup~~, **and**

3. the square root of the gross market value of the Net Balance Order Unsettled Position in **each security in each** ~~that~~ subgroup in the portfolio divided by an assumed percentage of the average daily trading volume of **such security.**~~that subgroup, and~~

~~4. a measurement of the concentration of each Net Unsettled Position in that subgroup.~~

~~ii. For Net Balance Order Unsettled Positions in the Illiquid Securities, UIT, municipal bond, and corporate bond asset groups and for Net Balance Order Unsettled Positions in the treasury ETP and other ETP subgroups of the equities asset group, by multiplying three components:~~

The impact cost for the equity asset group is the sum of the impact cost calculated at the security level, as described above, for all equity asset subgroups.

The impact cost for ETFs with in-kind baskets that are not Illiquid Securities will include calculations comparing the impact costs if such ETFs were being liquidated in the secondary market to the impact costs if such ETFs were being liquidated in the primary market.[1] The Corporation will calculate impact costs in two scenarios: (1) a baseline calculation to simulate such ETFs being liquidated in the secondary market where the impact costs would be calculated at the security level (i.e., the ETF shares) utilizing the equities asset subgroup calculations (as discussed above) and (2) a create/redeem calculation to simulate an authorized participant using the primary market to liquidate such ETFs using the creation/redemption process. The impact costs for the create/redeem calculation would be calculated by decomposing the ETFs into their underlying securities and calculating impact costs of such underlying securities utilizing the equity asset subgroup calculations (as discussed above). An adjustment would be made in the create/redeem calculation to reflect the different portfolio

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[1] **Liquidation in the secondary market would involve selling the ETF shares in the market. Liquidation in the primary market would involve liquidating the ETFs based on the value of their underlying securities by an authorized participant using the creation/redemption process.**

<u>risks of the original portfolio used in the baseline calculation and the decomposed portfolio used in the create/redeem calculation.</u>

<u>The Corporation will then use the smaller calculated impact costs of the baseline calculation and the create/redeem calculation for purposes of calculating the MLA charge for ETFs.</u>

<u>Other Asset Group Calculations</u>

<u>For asset groups other than the equites asset group, the Corporation shall first calculate a measurement of market impact cost for Net Balance Order Unsettled Positions in each of the asset groups as the product of the following three components:</u>

1. an impact cost coefficient that is a multiple of the one-day market volatility of that asset group ~~**or subgroup**~~,

2. the gross market value of the Net Balance Order Unsettled Position in that asset group ~~**or subgroup**~~, and

3. the square root of the gross market value of the Net Balance Order Unsettled Position in that asset group ~~**or subgroup**~~ in the portfolio divided by an assumed percentage of the average daily trading volume of that asset group ~~**or subgroup**~~.

For each asset group ~~**and equities subgroup**~~, the calculated market impact cost shall be compared to a portion of the volatility charge applicable to Net Balance Order Unsettled Positions (as determined by Section I.(A)(2)(a) of this Procedure XV). If the ratio of the calculated market impact cost to the portion of the volatility charge is greater than a threshold, to be determined by the Corporation from time to time, an MLA charge will be applicable to that asset group ~~**or subgroup**~~. If the ratio of these two amounts is equal to or less than the threshold, an MLA charge will not be applicable to that asset group ~~**or subgroup**~~.

When applicable, an MLA charge for each asset group ~~**or subgroup**~~ would be calculated as a proportion of the product of (1) the amount by which the ratio of the calculated market impact cost to the applicable 1-day volatility charge exceeds the threshold, and (2) the 1-day volatility charge allocated to that asset group ~~**or subgroup**~~.

~~**All MLA charges for each of the equities subgroups shall be added together to result in one MLA charge for the equities subgroup. All**~~**<u>For each Member, all</u>** MLA charges for each of the asset groups shall be added together to result in a total MLA charge.

The Corporation may apply a downward adjusting scaling factor to the total MLA charge based on the ratio of calculated market impact cost to a portion of the applicable volatility charge, where a higher ratio would trigger a larger downward adjustment of the MLA charge and a lower ratio would trigger no downward adjustment of the MLA charge.

If a Member's portfolio contains both (i) SFT Positions and (ii) Net Unsettled Positions or Net Balance Order Unsettled Positions, the MLA charge shall be calculated as set forth in Rule 56.

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