

## CUSIP Global Services

### CGS License Fees For End-User Customers

License fees for access to and use of CGS's commercial database products that contain CUSIP standard identifiers, CUSIP standard descriptions, CGS ISIN, CGS CIN identifiers, and/or other information about financial instruments (the "CGS Data"), apply to both direct customers (those who subscribe to an appropriate licensed product directly from CGS) and indirect customers (those who obtain CGS Data from data vendors or information providers).

License fees described below only apply to end-user customers and **DO NOT** apply to data vendors, information providers or service facilitators, whose fees for their own usage and redistribution of CGS Data are calculated using a different pricing model. Providers seeking to become authorized distributors of CGS Data should contact CGS directly at [cusip\\_custservice@cusip.com](mailto:cusip_custservice@cusip.com) for information regarding authorized distribution licenses.

### CGS Licensing Policies FAQs (#cgs-licensing-policies-FAQs)

#### CUSIP Use of Service Statement

The first step in the CGS licensing process is to complete and return a CUSIP Use of Service Statement (CUSIP UOSS) ([https://www.access.cusip.com/CUSIP Use of Service Statement \(CUSIPUOSS\)Rev042412.doc](https://www.access.cusip.com/CUSIP%20Use%20of%20Service%20Statement%20(CUSIPUOSS)Rev042412.doc)). This allows CGS to understand how a potential end-user customer plans on using the CGS Data originating from CGS's commercial databases so that CGS can ensure that end-user customers are treated in a fair, reasonable and non-discriminatory manner.

#### Fee Calculator

1. Number of CGS Identifiers	2. Number of Lines of Business	3. Number of Regions
Please Select	Please Select	Please Select
		Total \$U.S.

### Fee Model Example | Fee Model Tables

#### Fee Structure

The fees applicable to direct and indirect end-user customers are the same and are based on the number of:

- CGS identifiers used and accessed by end-user customers (includes CUSIP, CGS CINS and CGS ISINs).
- End-user customers business lines where CGS Data is used.
- Regions in which an end-user customer has access to or usage of a CGS commercial databases.

Additionally, the single fee covers the use of the CGS Data that CGS regularly maintains and periodically enhances and further develops.

#### Establishing the Base Fee

- To establish the base fee, CGS looks at the largest operating unit of the end-user customer, i.e. the primary Business Line and Region.
- If there is a second Business Line or Region, the additional fee equals 50% of the base fee for a Business Line and/or Region.
- If there is a third or fourth Business Line or Region, the additional fee equals 75% of the base fee for a Business Lines and/or Region.
- For 2015, a maximum of only four Business Lines and three Regions/Countries will be counted to calculate total fees.
- Combinations of Business Lines and/or Regions yield further modifications to the base fee.

See the Fee Model Tables for more information.

## **Additional Notes**

- No license fee is required if the number of CGS identifiers accessed and used by the end-user customer is fewer than 500.
- Once an indirect end-user customer enters into a license agreement with CGS, the fees payable under such license agreement entitles that end-user customer to access CGS Data via multiple authorized data vendors or information providers without paying any additional fees to CGS.
- There is no fee or license requirement imposed on end-user customers who only read/view CGS Data via authorized data vendors' online screen display without download or similar capability.
- Complimentary CGS services may be available with a CGS license; contact your Sales Representative or [cusip\\_custservice@cusip.com](mailto:cusip_custservice@cusip.com) for details.
- Final determination of fees is at the judgment of CGS and consideration will be given to aspects of a customer's profile including, but not limited to:
  - Academia/research.
  - Asset Under Management for asset managers or fund managers.
  - US customers operating in one region of the country (e.g. the Midwest).
  - Municipal, state or federal government or government sponsored entities.
  - Other equitable factors in the judgment of CGS.
  - Fees are valid for the initial term of the end-user customer's license agreement, but may be adjusted on each renewal anniversary date thereafter.
  - For 2015, annual fees typically will not exceed \$455,000.
  - Since 2009, annual fees have typically not exceeded \$455,000. Unique circumstances for large, global financial institutions (multiple business lines, a distribution component to the business, etc.) may result in higher fees.

## **CGS Licensing Policies FAQs**

### **1. When does a firm need to enter into a license agreement with CGS?**

- a. License agreement with CGS is required when an end-user wishes to obtain access to an electronic download, datafeed or similar capability to retrieve CGS Data in bulk format of CGS Data- either directly from CGS or indirectly through any third party service providers. Authorized Distributors are data vendors, information providers or service facilitators who have entered into distribution agreements with CGS to distribute or otherwise make available CGS Data to end-user customers. A license agreement with CGS is also required when an end-user's database that contains CUSIP Data is updated, stored, maintained and/or operated by an Authorized Distributor, regardless of whether such end-user's database is located internally at the end-user's site or maintained and/or updated on the end-user's behalf at the Authorized Distributors' site or other third-party sites (e.g., a hosted solutions provider, service facilitator or other application service provider).
- b. A license with CGS is also required when a firm acts as a distributor, service facilitator, application service provider or hosted solution provider in which an end-user's database containing CGS Data is: (i) stored on the firm's data storage systems, including use of software either owned or controlled by the firm or a third-party provider; or (ii) the firm acts as a source of CGS Data and/or updates or maintains CGS Data for an end-user's database.

### **2. How are license fees calculated?**

CGS charges fair, reasonable and non-discriminatory license fees for providing the convenience and functionality of access to information originating from an accurate, up-to-date and dynamic commercial database compiled and maintained by CGS. License fees are based upon an end-user customer's own particular access to and usage of the CGS Data. End-user Customers are asked to complete a Use of Service Statement that allows CGS to determine the appropriate fees for that end-user customer. CGS's Use of Service Statement helps achieve the objective of ensuring that end-user customers are treated in a fair, reasonable and non-discriminatory fashion and that license fees are always directly associated with access to and usage of CGS Data.

### **3. Please explain CGS's basic licensing structure.**

- a. Like other suppliers of financial information, CGS distributes information from its various commercial databases directly to end-user customers, as well as indirectly through Authorized Distributors. While many of CGS's end-user customers elect to receive access to CGS's Data directly from CGS via a specific CGS database product, other end-user customers elect to receive CGS Data through one or more Authorized Distributors. Both methods of distribution provide a high degree of functionality and convenience to end-user customers, and allow end-user customers to choose their preferred method of delivery.

b. CGS's end-user customers fall into two basic categories. The first group of end-user customers subscribe to a particular CGS commercial database service directly from CGS (a "direct customer"). The second group of end-user customers elects to receive CGS Data through one or more Authorized Distributors or any third-party vendors distributing CGS Data ("indirect customers"). CGS provides Authorized Distributors with the right to incorporate CGS Data and make such CGS Data available to their own customers as part of such Authorized Distributor's own products.

c. Both direct and indirect end-user customers must enter into a license agreement with CGS that establishes the appropriate license fees (if any) and terms of use for that end-user customer's access to and usage of CGS Data. CGS's license fees are based upon that end-user customer's own particular access to and usage of the CGS Data.

#### **4. Why isn't CGS Data available for free from CGS or its Authorized Distributors?**

a. CGS has made, and continues to make, significant investments in developing and updating its commercial databases and delivering its proprietary data in formats and frequencies valued in the marketplace. CGS Data contains data selected and arranged by CGS through the application of methods and standards of judgment used and developed through the expenditure of considerable work, time and money. License fees cover the expense of maintaining the CGS Data and provide incentives to innovate and upgrade the data products that CGS offers.

b. The value of CGS Data is not only the CUSIP identifier itself but also the linked descriptive data that enables the financial marketplace to uniquely identify a particular security. End-users customers can therefore rely on the provenance of data originating from CGS, which helps them run their operations with reliability.

c. The American Bankers Association is the owner of all intellectual property rights to the CUSIP system, including all intellectual property rights in and to CGS's various commercial databases.

#### **5. Are all end-users of CGS Data required to enter into a license agreement with CGS and pay a fee to CGS?**

a. CGS requires a license agreement with the end-user when such end-user obtains access to CGS identifiers and related descriptive data either: (a) directly from CGS via a particular CUSIP product or service, or (b) indirectly from an Authorized Distributor or any third party that distributes CGS Data in downloadable, machine readable or similar bulk format.

b. End-users who obtain display-only access to CGS Data by virtue of an Authorized Distributor's on-line screen display either through a terminal or website (as distinguished from receipt of the CGS Data from the Authorized Distributor in downloadable, bulk or machine readable format), do not have to enter into a license agreement with CGS or pay any license fees to CGS.

c. Additionally, CGS waives the license fees for an end-user customer who receives access to CGS Data from an Authorized Distributor in machine readable or downloadable format (e.g., a datafeed or other bulk delivery method) but maintains fewer than 500 securities containing CGS Data in its internal database.

#### **6. Can firms take CGS Data from public sources and create their own database without signing a license agreement with CGS?**

CGS Data may be publicly available in some offering documents and from other sources. Firms can elect to collect this information and store it in their internal databases for non-commercial use, provided that the source of such information has the legal authority to permit the reproduction and use of such information. However, CGS's experience has been that the CGS Data generally has not come from publicly available sources but rather from other sources such as a CGS Authorized Distributor or through improperly scraping websites of CGS customers with valid CGS' licenses. Most end-user customers of CGS Data prefer to enter into a license agreement with CGS for authorized use and to enjoy the benefits of the integrity and functionality of downloadable, timely and accurate CGS Data (either from CGS directly or from an Authorized Distributor).

#### **7. How does a license agreement work when an end-user customer receives CGS Data from several Authorized Distributors?**

It is important to note that the end-user customer only pays CGS once as it only needs one license agreement with CGS. Once a firm has signed a license agreement with CGS for access to and usage of certain CGS Data, they can obtain such CGS Data through multiple Authorized Distributors at no additional charge and without entering into another license agreement with CGS. This is an efficient and fair distribution model as the end-user customer only pays once for access to and use of the CGS Data.

#### **8. Why do both Authorized Distributors and indirect End-user customers have to pay license fees to CGS?**

a. CGS charges license fees to indirect end-user customers based upon that end-user's own particular access to and usage of CGS Data as described in its Use of Service Statement. This is to be distinguished from the usage of the CGS Data by Authorized Distributors. CGS's license fees applicable to Authorized Distributors cover the Authorized Distributor's right to (a) access and use CGS's commercial databases for internal purposes, (b) incorporate the CGS Data in their own databases and their own services, and (c) distribute the CGS Data as part of an Authorized Distributor's own services to their own customers. Therefore, the Authorized Distributor is not charged for the end-user's particular access to and usage of the CGS Data.

b. CGS does not charge both Authorized Distributors and indirect end-user Customers for the same service or for the same data. If the Authorized Distributor makes CGS Data available in read-only access (computer or website display) to its own customer, the fees paid by the Authorized Distributor to CGS may factor in that access, but the end-user customer is not charged separately by CGS. On the other hand, if the end-user customer is obtaining a download or datafeed of CGS Data from the Authorized Distributor (which acts as a substitute for CGS's direct datafeed products), then the end-user customer is charged a license fee by CGS, but the Authorized Distributor is not so charged for this particular use.

c. Thus, indirect end-user customers and Authorized Distributors derive separate benefit from their access to and usage of CGS Data and CGS charges them according to such access and usage.



45 Years of Service

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