PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

1285 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-6064
TELEPHONE (212) 373 3000

LLOYD K GARRISON (1946-1991)
RANDOLPH E PAUL (1946-1956)
SIMON H RIFKIND (1950-1995)
LOUIS S WEISS (1927-1950)
JOHN F WHARTON (1927-1977)

UNIT 3601, OFFICE TOWER A BEIJING FORTUNE PLAZA
NO 7 DONGSANHUAN ZHONGLU
CHAOYANG DISTRICT
BEIJING 100020
PEOPLE S REPUBLIC OF CHINA
TELEPHONE (86-10) 5828-6300

12TH FLOOR HONG KONG CLUB BUILDING
3A CHATER ROAD CENTRAL
HONG KONG
TELEPHONE (852) 2846-0300

ALDER CASTLE
10 NOBLE STREET
LONDON EC2V 7JU, U K
TELEPHONE (44 20) 7367 1600

FUKOKU SEIMEI BUILDING
2-2 UCHISAIWAICHO 2-CHOME
CHIYODA-KU TOKYO 100-0011 JAPAN
TELEPHONE (81-3) 3597-8101

TORONTO-DOMINION CENTRE
77 KING STREET WEST SUITE 3100
PO BOX 226
TORONTO ONTARIO M5K 1J3
TELEPHONE (416) 504-0520

2001 K STREET NW
WASHINGTON DC 20006-1047
TELEPHONE (202) 223-7300

500 DELAWARE AVENUE SUITE 200
POST OFFICE BOX 32
WILMINGTON DE 19899-0032
TELEPHONE (302) 655-4410

WRITER S DIRECT DIAL NUMBER
(212) 373-3124

WRITER S DIRECT FACSIMILE
(212) 492-0124

WRITER S DIRECT E-MAIL ADDRESS
dhuntington@paulweiss.com

December 15, 2016

FIRST CLASS MAIL AND EMAIL

Tim Henseler, Esq.
Chief, Office of Enforcement Liaison
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: In the Matter of Deutsche Bank Securities Inc. – Waiver Request under Rule 405

Dear Mr. Henseler:

We submit this letter on behalf of our client, Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG"), in connection with the settlement of the above-referenced administrative proceeding by the Securities and Exchange Commission (the "Commission") against Deutsche Bank Securities Inc. ("DBSI"), a wholly owned indirect subsidiary of Deutsche Bank AG.

Pursuant to Rule 405 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), Deutsche Bank AG hereby respectfully requests that the Commission determine that for good cause shown it is not necessary under the circumstances that Deutsche Bank AG be considered an "ineligible issuer" under Rule 405.

BACKGROUND

DBSI has engaged in settlement discussion with the Division of Enforcement in connection with the administrative proceedings referenced above, which will be brought pursuant to Section 8A of the Securities Act of 1933, as amended (the "Securities Act"), Sections 15(b) and 21C of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 203(e) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). As a result of these discussions, DBSI submitted an offer of settlement, pursuant to which it consented to an Order of the Commission (the "Order"). Under the terms of the offer of settlement, DBSI will admit the findings set forth in Section IV of the Order and acknowledge that its conduct violated the federal securities laws.

The Order relates in part to a software algorithm called the Dark Pool Ranking Model (the "DPRM"), which was formerly included by DBSI as part of its SuperX Plus order router offered to clients. SuperX Plus is designed to assist in choosing among alternative trading systems ("ATSs") that employ non-displayed order books and anonymous trading, or so-called "dark pools," when executing a given order for U.S. equity securities. Among the tools used by SuperX Plus to assist in these decisions was the DPRM, which "ranked" trading venues according to certain statistical measures. The Order concerns the first iteration of the DPRM.

The Order will find that, from January 2012 through February 2014 (the "Relevant Period"), the DPRM did not operate as expected because of "unanticipated technological problems" that resulted in the rankings and related fill probabilities not being calculated, and that the DPRM's rankings were updated only once, in February 2013. The Order will also find that the February 2013 update departed from DBSI's typical update procedure and that, in response to a computer coding error, DBSI's own ATS was erroneously ranked in the lowest tier of trading venues and DBSI manually edited the rankings to place its ATS in the highest ranking position. The Order will state that a subsequent analysis commissioned by DBSI during the course of the staff's investigation determined that the same coding error that had prevented DBSI from updating the DPRM had also caused the erroneous drop in the ATS's ranking in February 2013, and that had DBSI updated the DPRM in February 2013 without the coding error the ATS would have been ranked in the top tier and thus been eligible to receive all classes of client orders during the Relevant Period. The Order will find that DBSI failed to inform clients and potential clients of these and other facts, with the result that certain of its written materials included materially misleading descriptions of SuperX Plus. The Order will state that in February 2014, after several years of development, DBSI implemented a new ranking methodology in the ordinary course of business, and that the new methodology has operated continuously since February 2014 and remains in use to the present day.

The Order will: (i) find that during the Relevant Period DBSI violated Section 17(a)(2) of the Securities Act and Rule 301(b)(2) of Regulation ATS, (ii) censure DBSI, (iii) order DBSI to cease and desist from future violations of Section 17(a)(2) of the Securities Act and Rule 301(b)(2) of Regulation ATS and (iv) require DBSI to pay a civil monetary penalty in the amount of $18,500,000. The Order is also expected to state that in determining to accept the Offer, the Commission considered remedial acts undertaken by DBSI.

In addition, DBSI and the Office of the Attorney General of the State of New York (the "NYAG") are expected to enter into a Settlement Agreement (the "Agreement") arising out of these same facts. In the Agreement, DBSI will admit certain facts and agree to pay an additional monetary penalty in the amount of $18,500,000. The NYAG is also expected to censure DBSI.

DISCUSSION

A well-known seasoned issuer ("WKSI") is a category of issuer created under Rule 405 that is eligible for significant securities offering reforms adopted by the Commission in 2005 that have changed the way corporate finance transactions for larger issuers are planned, brought to market and executed.[1] At the same time, the Commission created another category of issuer under Rule 405, the "ineligible issuer." Rule 405 deems an issuer ineligible when, among other things, "[w]ithin the past three years . . . , the issuer or any entity that at the time was a subsidiary of the issuer was made the subject of any judicial or administrative decree or order arising out of a governmental action that . . . [r]equires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws . . . ." An ineligible issuer is excluded from the category of "well-known seasoned issuer" and is thus prohibited from taking advantage of the significant securities offering reforms referred to above.

The entry of the Order would make Deutsche Bank AG, absent a determination by the Commission to the contrary, an ineligible issuer under Rule 405 for a period of three years. This result would preclude Deutsche Bank AG from qualifying as a WKSI and having the benefits of automatic shelf registration and other provisions of the securities offering reforms referred to above for three years

Securities Act Rule 405 authorizes the Commission to determine, "upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer."

REASONS FOR GRANTING A WAIVER

Under the facts and circumstances of this action and considering the conduct involved as described in the Order, Deutsche Bank AG respectfully submits that according ineligible issuer status to Deutsche Bank AG is not necessary for the public interest or the protection of investors.

---

[1] *See* Securities Offering Reform, Securities Act Release No. 8591, Exchange Act Release No. 52,056, Investment Company Act Release No. 26,993, 70 Fed. Reg. 44,722, 44,790 (Aug. 3, 2005).

In making this request, Deutsche Bank AG has carefully considered the policy statement on the framework for well-known seasoned issuer waivers[2] and, as discussed in more detail below, believes that the granting of the waiver request would be consistent with the policy statement.

Responsibility for and Duration of the Violations

The Order concerns conduct during the Relevant Period relating to DBSI's business offering electronic U.S. equity trading services (the "Conduct"), and relates particularly to the routing (not the execution) of orders. None of the Conduct has occurred since February 2014 and none of the Conduct pertains to activities undertaken by Deutsche Bank AG in connection with Deutsche Bank AG's role as an issuer of securities, or with any disclosure related to any such issuer activity.

The Order will find that the Conduct was the result of unanticipated technological problems. The Order will not find that the directors or senior managers of Deutsche Bank AG engaged in any deliberate misconduct or were aware of violative conduct or ignored any warning signs or "red flags" regarding the Conduct. Rather, the Conduct related to a computer coding error during the Relevant Period within DBSI. None of the persons employed in positions overseeing aspects of the Conduct were officers or directors of Deutsche Bank AG and none of them were responsible for, or had any influence over, Deutsche Bank AG's disclosure as an issuer of securities. While the Commission will find that during the Relevant Period DBSI failed to make certain disclosures and amendments in its Form ATS, the Commission will not find that Deutsche Bank AG's disclosure controls and procedures or filings with the Commission during this time period were deficient.

The Commission will make no findings that any employees of Deutsche Bank AG or DBSI acted with scienter and none of the violations referenced in the Order are scienter-based.

For the foregoing reasons, Deutsche Bank AG believes that the Conduct does not call into question the reliability of Deutsche Bank AG's current and future disclosure and that designation as an ineligible issuer is not required for the protection of existing and potential investors in Deutsche Bank AG's securities.

Remedial Steps

None of the relevant individuals associated with the DPRM remain employed at Deutsche Bank AG or its affiliates. From top to bottom, the executives, managers, product developers, quantitative researchers and computer coders working with DPRM during 2012 and 2013 are no longer associated in any way with Deutsche Bank AG, including the Global Head of Equity Electronic Trading, the Head of Equity Electronic Trading for the Americas, the Global Heads of Product Development, the Heads of Product Development for the Americas, the Director of

---

2 Division of Corporate Finance "Revised Statement on Well-Known Seasoned Issuer Waivers," April 24, 2014.

Quantitative Research and the lead IT Department computer coder assigned to SuperX Plus. All of them have been replaced by other personnel.

In addition, while the DPRM ranking system described in the Order was retired in the ordinary course of business in February 2014 and has not been used since, Deutsche Bank AG and DBSI have implemented policies and procedures designed to prevent recurrence of the Conduct or of similar conduct. Since becoming aware of issues surrounding the DPRM, DBSI has fundamentally altered its compliance and internal control standards and structures relating both to the management of algorithmic equity trading products and to the disclosures and marketing relating to such products. Such changes include the following:

- Since July 2014, any proposed changes in order routing and execution algorithms are required to be brought to the attention of the senior business leadership before implementation. Presently, any proposed changes are discussed in DBSI's Best Execution Council's meetings. The Council reviews and, as appropriate, approves or disapproves proposed changes. The Council is also empowered to direct that changes be made, based on its judgment and on data reviewed, market conditions, and other factors. Any emergency fixes made based on the professional judgment of DBSI employees are required to be brought to the attention of the Best Execution Council as soon as reasonably practicable. In addition to approving any changes to be made to the way in which clients' cash equity orders are executed, including material changes to routing logic, the Best Execution Council also reviews, among other things, (i) the operation of any order internalization mechanism, (ii) material adds, deletes, or changes to a venue's order types or execution features, and (iii) authoring, maintaining and ensuring adherence to policies relating thereto.

- In order to ensure that the information DBSI is communicating internally and to clients is both consistent and accurate, DBSI revised and formalized a process and policy for the creation, maintenance and review of marketing material regarding its equity trading platform and products generally. The scope of the policy is global, except for regional differences if and where mandated by regulatory requirements, and covers all marketing material for equity trading platform electronic products distributed by DBSI to clients or the general public. The revised policy made the following enhancements:

    - creation of a central repository for "live" marketing materials, separate from "drafts" and "retired" materials, to mitigate the risk of stale versions and ensure that all customers are given the same most recent documents;

    - development of guiding principles with respect to content and presentation standards, including that all materials "be updated as soon as practically possible in the event of a material functional change";

- creation of consistent standards for review and sign-off requirements, ensuring that the relevant stakeholders are involved in the appropriate steps in the creation and review of marketing materials;

- establishment of a periodic refresh process, with a formal logging procedure to mark when and by whom the refresh is conducted, to ensure materials remain accurate and current; and

- formalization of considerations with respect to customer and regulator notifications, including details on when customers and regulators should be notified, thorough directives as to the process for communicating changes to customers and regulators, and formal policies as to approval and documentation of notification.

In addition to quarterly review of marketing materials, the new policy also states that if material changes occur in functionality or product offering then any related marketing materials (including those published on DBSI's website) should be updated. For both new marketing materials and the quarterly review of existing marketing materials, Product Development reviews the materials for functional accuracy to the extent such materials discuss functionality within Product Development's purview.

Finally, with respect to the Order's finding of a violation of Rule 301(b)(2) of Regulation ATS, the issue in question was fully addressed by an amended filing in 2015.

Prior Requests

As the staff is aware, Deutsche Bank AG has previously requested waivers regarding its WKSI status from the Division of Corporation Finance in connection with settlements involving other of its subsidiaries. Waivers have previously been granted concerning (a) Deutsche Bank Trust Company Americas' settlement in connection with certain practices relating to auction-rate securities on January 9, 2007; (b) Deutsche Bank Securities Inc.'s settlement in connection with it allegedly misleading its customers about the fundamental nature and increasing risks associated with auction-rate securities that it underwrote, marketed and sold on June 16, 2009; and (c) DB Group Services (UK) Limited's guilty plea in connection with the attempted manipulation of the certain interest rate benchmarks from 2003 through 2010, on May 1, 2015. In addition, Deutsche Bank AG has requested a waiver relating to the conviction of Deutsche Securities Korea Co. in a Korean proceeding in connection with manipulation of the Korea Composite Stock Price Index 200.

The conduct that was the subject of the previous waiver requests, and for which certain remediation steps were implemented, is unrelated to the conduct which is the subject of this waiver request. Because these matters involved different products and business areas, and are unrelated to the conduct which is the subject of this waiver request, the remedial steps taken in response to the conduct at issue in these prior matters are not implicated by the conduct at issue here. The conduct at issue here in no way suggests that Deutsche Bank AG affiliates did not

adequately implement remedial steps in other, earlier settlements involving other businesses and other products. All of these facts concerning Deutsche Bank AG's remedial efforts support the grant of the requested waiver.

Impact on Issuer

The Order will censure DBSI, require DBSI to cease and desist from future violations of Section 17(a)(2) of the Securities Act and Rule 301(b)(2) of Regulation ATS, and require DBSI to pay a civil monetary penalty in the amount of $18,500,000. Determining to maintain ineligible issuer status for Deutsche Bank AG would be disproportionately severe given the non-scienter-based violations that are the subject of this action, the lack of any nexus to Deutsche Bank AG's public disclosures, the duration of time that has passed since the relevant events, and the remedial steps taken.

As the Staff is aware, Deutsche Bank AG was a frequent issuer of securities that were registered with the Commission and offered and sold under its shelf registration statements on Form F-3 (the "WKSI shelf"). Deutsche Bank AG filed its most recent WKSI shelf on July 31, 2015. Deutsche Bank AG issued a variety of securities under the WKSI shelf, including ordinary shares and subscription rights therefor, unsecured senior and subordinated debt securities, capital securities and warrants. Since January 1, 2014, Deutsche Bank AG has issued off the WKSI shelf approximately $9.5 billion of securities qualifying as regulatory capital (ordinary shares, capital securities and subordinated debt securities) and more than $20.0 billion in other securities (mainly senior debt securities). In that period, Deutsche Bank AG conducted over 600 offerings from its WKSI shelf, and utilized approximately 900 free writing prospectuses ("FWPs"). Approximately 10% of these FWPs consisted of marketing materials that could not have been used by an ineligible issuer. The remainder consisted of term sheets and similar documents that would likely have been able to be used by an ineligible issuer, but in some cases only after modifications. Moreover, most of this remainder pertained to notes distributed through third-party distributors, who may wish to have latitude to use FWPs that only eligible issuers may use, and therefore may choose to restrict their distributions to securities of eligible issuers issued off of WKSI shelves.

As an ineligible issuer, Deutsche Bank AG would lose significant flexibility, most importantly the ability to register additional types of securities not covered by the WKSI shelf, by filing a new registration statement, filing a new registration statement to replace the WKSI shelf upon its expiration or filing a post-effective amendment, in each case on an automatically effective basis. The adverse market and issuer impact of the potential loss of flexibility with respect to new types of securities is particularly important to Deutsche Bank AG in light of regulatory and market conditions and uncertainties that are significantly transforming the landscape for financial institutions like Deutsche Bank AG.

In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. Legislation has already been enacted and regulations issued in response to many of these proposals. The wide range of new laws and regulations or current proposals includes, among other things, provisions for more stringent regulatory capital and liquidity standards, stress testing and capital planning regimes and heightened reporting requirements. In addition, over the next few years, certain international bodies, such as the Financial Stability Board, are expected to recommend or impose further capital, liquidity or similar requirements on institutions such as Deutsche Bank AG (*e.g.*, "total loss absorbing capacity," or TLAC), the outlines and impacts of which are not fully known.

Finally, European Union law, set forth in a legislative package referred to as "CRR/CRD 4," contains, among other things, detailed rules on bank regulatory capital, increased capital requirements and additional capital buffers (which will increase from year to year), as well as tightened liquidity standards and a leverage ratio not based upon risk-weightings. CRR/CRD 4 became effective on January 1, 2014, with some provisions being gradually phased in through 2019. The results of the law and similar regulations can further dictate additional capital needs. Although qualifying regulatory capital currently generally consists of common equity, preferred equity and certain subordinated debt, given all of the recent and potential future changes to Deutsche Bank AG's capital, liquidity and similar requirements, it is likely that capital raising efforts going forward will involve the issuance of new types of securities. As an example, in November 2014, Deutsche Bank AG filed a post-effective amendment to its WKSI shelf to issue $1.5 billion of capital securities which qualified as Additional Tier 1 capital and contained provisions to comply with then-new requirements under German and European Union law. Implementation of a buffer requirement and uncertainty as to its design, as well as the other potential capital needs described above, could impose additional needs on Deutsche Bank AG to access the capital markets, including through the use of securities with characteristics that are not yet known and therefore are difficult to anticipate in a shelf registration statement. "File and launch" for the public offering of new securities has developed as the market standard for large issuers since the advent of the Commission's securities offering reform in 2005. By the time Deutsche Bank AG may be able to enter the market if it were an ineligible issuer (*i.e.*, after it files an amendment to its non-WKSI shelf registration statement subject to staff review and approval), market conditions may have changed, so that there may not be the same level of demand or pricing terms may have become disadvantageous.

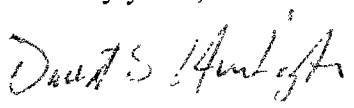
* * *

In sum, Deutsche Bank AG respectfully submits that, based on the factors set forth in the framework, the loss to Deutsche Bank AG of certainty and flexibility if it were to become an ineligible issuer would be a disproportionate hardship in light of the nature of the Conduct. More importantly, because the Conduct at issue in this matter in no way relates to Deutsche Bank AG's ability to produce reliable disclosures, including in its role as an issuer of securities,

granting a waiver in this instance is consistent with the public interest and the protection of investors. We respectfully request that the Commission make that determination.

Please do not hesitate to contact me at (212) 373-3124 if you should have any questions regarding this request.

Sincerely yours,



David S. Huntington

cc: Steven F. Reich
General Counsel – Americas
Deutsche Bank AG