



July 19, 2007

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F. Street, N.E.  
Washington, DC 20549-1090

Re: Securities Exchange Act Release No. 34-55940;  
File Number SR-DTC-2007-04

Dear Ms. Morris:

The Operations Committee (“Committee”) of the Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> appreciates the opportunity to comment on the above referenced rule change in which The Depository Trust Company (“DTC”) proposes a new Policy Statement on the eligibility of securities of foreign issuers (“Foreign Securities”) for deposit and book-entry transfer through the facilities of DTC. We strongly support the DTC proposal and urge the Commission to grant prompt approval.

Although the criteria and procedures for making new issues of Foreign Securities eligible for deposit and book-entry transfer are clear, DTC has not established criteria and procedures for making older issues of unregistered Foreign Securities DTC-eligible. Consequently, transactions in these older issues of unregistered Foreign Securities by U.S. investors are denied the benefits of settlement through DTC and instead settle through foreign intermediaries and central securities depositories in multiple jurisdictions.

The criteria and procedures proposed by DTC for older issues of unregistered Foreign Securities would not be fundamentally different than those that now apply to new issues of unregistered Foreign Securities. Issuers and participants would be responsible

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<sup>1</sup> The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

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for determining that their deposit of Foreign Securities with DTC and their transactions in Foreign Securities through the facilities of DTC are in compliance with the Rules of DTC and the federal securities laws. In addition to an Eligibility Questionnaire, issuer Letter of Representation, and riders to the issuer Letter of Representation, DTC will require from any participant that wishes to deposit any unregistered Foreign Securities with DTC, or engage in any transactions in unregistered Foreign Securities through the facilities of DTC, a one-time blanket Letter of Representation in which the participant represents that it will not deposit any unregistered Foreign Securities with DTC unless such securities are eligible for resale without registration under the Securities Act of 1933 (“Securities Act”) and that it will not engage in transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of DTC, in violation of the Securities Act and the rules and regulation of the Securities and Exchange Commission thereunder. DTC will systemically block deposits and transactions in unregistered Foreign Securities of any participant that has not executed the blanket Letter of Representation.

Given the controls that DTC proposes, the Committee believes that older issues of unregistered Foreign Securities pose no additional risk to DTC or to the national clearance and settlement system. Indeed, participants and the markets will benefit from making a wider range of unregistered Foreign Securities eligible for cost effective transfers and the risk management controls available through DTC facilities. DTC’s proposed Policy Statement will codify the criteria and procedures for making all Foreign Securities eligible for deposit and book-entry transfer through DTC. We look forward to the Commission’s prompt approval of the DTC proposal.

If you have any questions or would like to discuss our comments further, please contact Richard Bommer, SIFMA Vice President of Operations, at 212.618.1500.

Sincerely

Noland Cheng  
Chairman  
SIFMA Operations Committee