

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-62990; File No. SR-DTC-2010-12)

September 24, 2010

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of a Proposed Rule Change To Automate the Approval Process In Providing Trustee Access to the Security Position Report Service

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on September 14, 2010, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to replace the manual approval process whereby trustees of an issue receive access to DTC's Security Position Report ("SPR") service with an automated approval process.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified the text of the summaries prepared by DTC.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

DTC's SPR service provides valuable information on the record date holdings of an issuer's security in DTC Participant accounts. An SPR provides information needed to contact shareholders on corporate-related events such as annual meetings. DTC currently provides SPRs to Issuers, Trustees, and authorized third parties.

DTC's Proxy area receives requests for SPR services access and reviews such requests to ensure that only appropriate parties receive access. The review process to approve a Trustee's access to the SPR service for a security is done manually, and the process is therefore subject to error. Currently, the SPR system sends an e-mail to the DTC Proxy mailbox notifying the Proxy staff that a Trustee has added a CUSIP to its eligible issues list. Any Trustee can add a CUSIP to its eligible issues list. The CUSIP will show "unauthorized" until reviewed and approved by the DTC Proxy staff. DTC Proxy staff requires that the Trustee provide to it one of the following: Trust agreement, Annual Report, 10K, 10Q, SEC filing, and/or any other document deemed necessary and appropriate. Generally, it takes two or more days for a response on access requests because of the manual process associated with the review of trustee information.

To increase the efficiency by which DTC provides Trustees with access to the SPR service, DTC is seeking to collect Trustee data at the point of eligibility of the issue. This will allow DTC to store and maintain Trustee data on the Entity Master File and the Security Master File ("Master Files"). DTC will then have the ability to automate the validation done by the SPR system against the information stored on the Master Files in response to a Trustee request for SPR access.

Initially, DTC will populate and update the Trustee field on the Master Files through DTC's Participant Terminal System. Ultimately, and as set forth below, this information will be

updated through DTC's UW (underwriting) Source System by underwriters at the time of issue eligibility. This change requires DTC to update the UW Source System to designate trustee data as a mandatory field at the time of eligibility. In order to provide the time it may take for underwriters to update their systems to populate the information required by this new mandatory field, DTC plans to implement the change to the UW Source System in the fourth quarter of 2011. In the event of a change in trustee, DTC will require that the new and the prior trustees both update the trustee information using the 17Ad-16 form used today to update transfer agent changes. By making the trustee authorization process more efficient, DTC will increase information flow to industry participants and will reduce the risk associated with the manual processing of trustee data.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act,<sup>3</sup> as amended, and the rules and regulations thereunder applicable to DTC because the proposed rule change is designed to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions by replacing the manual approval process whereby trustees of an issue receive access to DTC's SPR service with an automated approval process.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

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<sup>3</sup> 15 U.S.C. 78q-1.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments relating to the proposed rule change have been solicited or received. DTC will notify the Commission of any written comments received by DTC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2010-12 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-DTC-2010-12. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of DTC and on DTC's website at [http://www.dtcc.com/legal/rule\\_filings/dtc/2010.php](http://www.dtcc.com/legal/rule_filings/dtc/2010.php). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2010-12 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>4</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>4</sup> 17 CFR 200.30-3(a)(12).