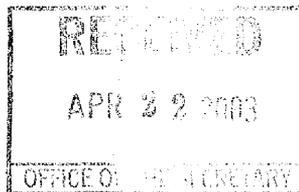




April 16, 2003



SRDTC 2003 02 - 79

Citicorp North America, Inc.  
Global Securities Services  
3800 Citibank Center  
Building B, 2nd Floor, Zone 9  
Tampa, FL 33610

The Secretary  
United States Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609

Re: Federal Register File No. SR-DTC-23003-03

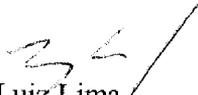
Dear Sir/Madam *SR-DTC-2003-02*

Citibank, N.A. appreciates the opportunity to write to the Commission regarding proposed Rule (the "Rule"), proposed by The Depository Trust Company ("DTC") in Federal Register release number No.34-47365; File No. SR-DTC-2003-02. Citibank, N.A. is a leading provider of custodial services for clients holding interests in securities in the US and in over 70 other countries. In our capacity as custodian, we fully support adoption of the Rule, which would limit withdrawals of physical certificates from DTC to DTC participants. In our view, the full benefit of advances made by the industry in recent years to provide a stable, secure and efficient system for the custody and clearance of securities, as well as the industry's ability to achieve its goal of Straight Through Processing ("STP"), could be threatened if nonparticipants retain the ability to remove public securities from the system.

We acknowledge the steps taken by the Commission and the industry in the past to increase efficiency and reduce risk in the settlement system by encouraging automation and supporting the book entry process. The immobilizing of securities was a necessary condition to the establishment, growth and success of the electronic custody and clearance infrastructure in use today. That infrastructure has enabled the industry to reduce risk and cost, both to the benefit of the firms and their clients. However, the ability of nonparticipants to remove securities from the system limits settlement timeliness, hinders efficiency, increases costs to investors and increases risks of loss resulting from lost, stolen or destroyed physical certificates. In addition, we do not believe that the withdrawal of certificates from a depository would have any material or effective impact on the short selling concerns of issuers.

We believe that adoption of the Rule makes sense, because it will enable the industry to maintain advances made in the past and is a necessary element of achieving STP, and for these reasons we ask that the Commission approve the Rule.

Very truly yours,

  
Luiz Lima  
Director  
Americas Regional Service Center