

## THE ASSOCIATION OF GLOBAL CUSTODIANS

THE BANK OF NEW YORK MELLON CORPORATION  
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August 25, 2009

### **By Electronic Delivery**

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

### **RE: File Number SR-DTC-2009-13**

Dear Ms. Murphy:

We write on behalf of the members of the Association of Global Custodians ("Association")<sup>1</sup> with respect to SR-DTC-2009-13, a proposed rule change of the Depository Trust Company ("DTC") that would modify the timeframe for issuer/paying agent notices to be filed with DTC on municipal bond redemptions and advance refundings. We appreciate the opportunity to offer the Securities and Exchange Commission (the "Commission") this summary of Association members' favorable views concerning DTC's proposal.

Background. As DTC notes in its filing, this rule change grew out of a series of discussions under DTC's auspices over the course of 2008 and into early 2009. The discussions involved a diverse set of industry groups, including the Association, SIFMA and issuer paying agents, and focused on the underlying reasons for late filings of redemption information. The discussions also covered various potential action steps that could be taken over time to improve timeliness and communications effectiveness throughout the chain of institutions involved. Discussion participants concurred that a

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<sup>1</sup> Association members are leading providers of custody services and asset-servicing functions to global, cross-border institutional investors as well as domestic US investors, including pension funds, mutual funds, insurance companies and banks. Members, listed on the letterhead above, are significant users of DTC services.

THE ASSOCIATION OF GLOBAL CUSTODIANS

Elizabeth M. Murphy

August 25, 2009

Page 2

key, early action step should be a change in the notice filing timeframe under DTC's Rules to make the timeframe both workable and more realistic.

Comments. The Association encourages the Commission to approve the rule change promptly, as members believe the change to the notice filing timeframe in DTC's Operational Arrangements will improve -- industry-wide -- the timeliness of receipt and transmission of notice information regarding redemptions and refundings. As DTC indicates in its filing, historically many announcements have been submitted by issuers or their agents to DTC later than the time required under DTC's Operational Arrangements and, more significantly, later in time than is necessary to enable timely and effective communication of information details from DTC to intermediaries, and in turn, from intermediaries to customers. Over time, these shortfalls in communication have become an increasing processing problem, with attendant increases in financial risk, for intermediaries and investor-customers alike.

In addition, members believe that the new notice filing timeframe, as proposed to be redefined in DTC's Operational Arrangements, will in fact provide issuers and their agents with adequate time to make filings that are accurate and timely as a routine matter. The industry discussions noted above and reported in DTC's filing affirmed that.

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Thank you for the opportunity to convey the Association's views. As our comments suggest, and consistent with the earlier industry discussions, other industry steps following on the implementation of this rule change may prove useful, and if so, Association members will be pleased to participate in industry work efforts to that end.

If you have questions about these comments or would like further information, please contact the undersigned at 312.861.2620

Sincerely yours,



Dan W. Schneider  
Baker & McKenzie LLP  
Counsel to the Association