

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55829; File No. SR-DTC-2006-20)

May 30, 2007

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify DTC's Fee Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 20, 2006, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by DTC. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) and Rule 19b-4(f)(2) thereunder so that the proposed rule change was effective upon filing with the Commission.² The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The purpose of the proposed rule change would revise fees for certain services provided by DTC, including (1) decreases to certain fees related to settlement services as part of DTC's continuing efforts to more closely align fees with costs, (2) increases to certain fees related to securities processing, custody and asset servicing, and underwriting services to realign fees with costs, (3) introduction of fees for to discourage certain activities that increase industry inefficiencies, and (4) introduction of new fees related to cost recovery for certain manually

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(ii) and 17 CFR 240.19b-4(f)(2).

intensive services, systems development, or use of Investor's Voluntary Redemptions and Sales Service ("IVORS").³

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 these statements.⁴

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

DTC is revising its fees for certain services provided by DTC. These changes include (1) decreases to certain settlement services fees as part of DTC's continuing efforts to more closely align fees with costs and (2) increases to certain fees related to securities processing, custody and asset servicing, and underwriting services to realign fees with costs.

In addition, DTC is implementing fees to discourage activities which increase industry inefficiencies. Changes in these fees for 2007 include fee increases for (1) withdrawal by transfer (in connection with DTC's continuing efforts to discourage use of physical certificates), (2) deposit services (to encourage the use of the paperless legal deposit services), and (3) custody services (to encourage the elimination of positions in nontransferable securities). DTC is introducing new fees for (1) manually intensive photocopy and research requests performed in

³ The text of the DTC's specific fee changes is set forth in its filing, which can be found at www.dtc.org/impNtc/mor/index.html#2006.

⁴ The Commission has modified the text of the summaries prepared by the DTC.

the reorganization service, (2) cost recovery relating to the ongoing development of the new issue information dissemination service under DTC's underwriting services, and (3) transactions processed using the rollover feature of the IVORS.⁵

These proposed fee revisions are consistent with DTC's overall pricing philosophy to align service fees with underlying costs, to discourage manual and exception processing, and to encourage immobilization and dematerialization of securities. The effective date for these fee adjustments was January 2, 2007.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁶ and the rules and regulations thereunder that are applicable to DTC because it clarifies and updates DTC's fee schedule. As such, the rule change provides for the equitable allocation of fees among its participants.

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

DTC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

(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 the DTC.

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

⁵ For more information on the IVORS rollover feature, see Exchange Act Release No. 34-50279 (August 27, 2004) 69 FR 50279 (September 7, 2004) [File No. SR-DTC-2004-08].

⁶ 15 U.S.C. 78q-1.

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act⁷ and Rule 19b-4(f)(2)⁸ thereunder because it is establishing or changing a due, fee, or other charge applicable only to a participant. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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. Please include File Number SR-DTC-2006-20 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-DTC-2006-20. 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

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ 17 CFR 240.19b-4(f)(2).

comments on the Commission's Internet Web site (<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. Copies of such filings also will be available for inspection and copying at the principal office of DTC and on DTC's Web site, www.dtcc.com. 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-2006-20 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Florence E. Harmon
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).