

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-74831; File No. SR-DTC-2015-004)

April 29, 2015

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to a DTC Custody Service Fee Change

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”) and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on April 17, 2015, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by DTC. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(2)<sup>4</sup> thereunder. The proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of a change to DTC’s Fee Schedule (“Fee Schedule”) with respect to the DTC Custody Service.<sup>5</sup>

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> Each term not otherwise defined herein has its respective meaning as set forth in the DTC Rules (the “Rules”), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

II. Clearing Agency'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.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would revise the Fee Schedule with respect to a fee charged to Participants that use the Custody Service, as described below.

The Custody Service provides safe keeping and physical transaction processing for securities certificates and other items (collectively, "certificates"), including certificates for securities and other assets not eligible for deposit in DTC's core depository services.<sup>6</sup> In utilizing the Custody Service, Participants are able to leverage DTC's vault facility to outsource the safe keeping and subsequent physical transaction processing for certificates. DTC charges each Participant a monthly fee (currently described in the Fee Schedule as a "Long Position" Fee) of \$0.70 per certificate, per month ("Current Fee") for safe keeping in the Custody Service.

Pursuant to the proposed rule change, in order to better align fees with the cost of offering the Custody Service, DTC would revise the Fee Schedule to replace the Current

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<sup>6</sup> Please see the DTC Custody Service Guide at p. 5, available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Custody.pdf> for an overview on Custody Service eligibility.

Fee with a reduced fee to be named the “Custody Certificate Position” Fee (“New Fee”).

The New Fee would be a monthly fee calculated in accordance with a “tiered” fee structure taking into account the quantity of certificates held in the Custody Service for the Participant on a per account basis as follows:

<b>Amount (\$)</b>	<b>Conditions</b>
0.61	Monthly fee per certificate, per account; fee applied for each certificate on deposit counted up to an aggregate quantity of 50,000 certificates for the account (i.e., certificates counted as 1-50,000)
0.20	Monthly fee per certificate, per account; fee applied for each certificate on deposit counted in excess of an aggregate quantity of 50,000 up to an aggregate quantity of 100,000 certificates for the account (i.e., certificates counted as 50,001-100,000)
0.10	Monthly fee per certificate, per account; fee applied for each certificate on deposit counted in excess of an aggregate quantity of 100,000 certificates for the account (i.e., certificates counted as 100,001 and above)

For example, a Participant with 200,000 certificates held in the Custody Service as of a month-end for one of its accounts would be charged New Fees for the month as follows for that account:

<b>Certificates Counted by Tier</b>	<b>Fee Amount Per Certificate</b>	<b>Fee Totals</b>
First 50,000 certificates counted	\$0.61	\$30,500.00
Second 50,000 certificates counted	\$0.20	\$10,000.00
Remaining 100,000 certificates	\$0.10	\$10,000.00
	<b>Total New Fees for Account</b>	\$50,500.00

Since the New Fee would be charged on a per account basis, a Participant with multiple accounts would be charged a New Fee amount for each account, as applicable. The amount would be calculated based upon the quantity of certificates held for that account only (i.e., excluding certificates held for the other accounts of the Participant).<sup>7</sup>

#### Implementation Date

The proposed fee change would take effect on May 1, 2015.

#### 2. Statutory Basis

The proposed rule change would better align DTC's fees with its costs of providing safe keeping for certificates in the Custody Service, and the proposed fee would apply equally in accordance with Participants' use of the Custody Service. Therefore, DTC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to DTC, in particular Section

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<sup>7</sup> Using the example above, a Participant with two accounts, each with a deposit of 200,000 certificates, would be charged a New Fee amount of \$50,500.00 per account, or total New Fees of \$101,000.00.

17A(b)(3)(D)<sup>8</sup> of the Act, which requires that DTC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants.

(B) Clearing Agency's Statement on Burden on Competition

DTC does not believe that the proposed rule change would have any impact, or impose any burden, on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments relating to the proposed rule change have not yet 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>9</sup> of the Act and paragraph (f) of Rule 19b-4<sup>10</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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.

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<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f).

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2015-004 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-DTC-2015-004. 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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's website

(<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-2015-004 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>11</sup>

Brent J. Fields  
Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).