

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-62119; File No. SR-DTC-2010-08)

May 18, 2010

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Revise its Procedures Regarding the Participant Tender Offer Program Function

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on April 29, 2010, 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 primarily by DTC. DTC filed the proposal pursuant to Section 19(b)(3)(A)(iii) of the Act² and Rule 19b-4(f)(4)³ thereunder so that the proposal 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. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to revise DTC’s Procedures regarding the Participant Tender Offer Program function.

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.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(iii).

³ 17 CFR 240.19b-4(f)(4).

DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.⁴

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

DTC distributes information to Participants regarding the reorganization activity that it handles.⁵ Upon receiving notice of such reorganization activity, Participants may use DTC's Participant Tender Offer Program ("PTOP") function to elect participation in the reorganization event and to place related instructions for DTC to process. Current examples of reorganization activity managed through the PTOF function include the processing of voluntary corporate actions, tenders and exchanges, cash conversions, and mandatory event processing of mergers with elections.

In an effort to promote the use of a streamlined and efficient process for making elections regarding corporate action events, DTC proposes updating its Procedures to reflect that Participants may use the PTOF function to facilitate the processing of corporate action events that DTC deems appropriate.⁶ Because of the large number of corporate action events in which Participants may make elections, DTC believes the ability to process such events through the PTOF function would provide Participants with the efficiency benefits that result from automation. For instance, Participants could identify appropriate tax treatment prior to allocation which would help decrease alternative reliance on the reclaim process. DTC believes this

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

⁵ Generally, this information is distributed through the Participant Tender Offer Program Function ("PTOP") or the Reorganization Inquiry for Participants ("RIPS") function of the Participant Terminal System ("PTS").

⁶ The proposed changes to DTC's Procedures can be found in Exhibit 5 to proposed rule change SR-DTC-2010-08 at http://www.dtcc.com/downloads/legal/rule_filings/2010/dtc/2010-08.pdf

proposal would also offer greater automation and efficiency to consent solicitation collection, which is currently a manual and paper-driven process.

DTC believes the proposed rule change is consistent with the requirements of Section 17A of the Act⁷ and the rules and regulations thereunder applicable to DTC because the proposed rule change promotes efficiencies in the clearance and settlement of securities transactions by revising DTC's Procedures to promote use of the PTOF function for elections in corporate action events.

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

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

(C) Self-Regulatory Organization'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)(iii) of the Act⁸ and Rule 19b-4(f)(4)⁹ thereunder because the proposed rule change effects a change in an existing service of a registered clearing agency that: (i) does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of the clearing agency or persons using the service. At any time within sixty days of the filing of such rule change, the Commission

⁷ 15 U.S.C. 78q-1.

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 17 CFR 240.19b-4(f)(4).

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:

- Electronic comments may be submitted by using 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 No. SR-DTC-2010-04 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-2010-08. 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 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 Web site viewing

and printing 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 filings also will be available for inspection and copying at the principal office of DTC and on DTC's Web site at http://www.dtcc.com/downloads/legal/rule_filings/2010/dtc/2010-08.pdf

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-2010-08 and should be submitted on or before [insert 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Florence E. Harmon
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).