

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-63886; File No. SR-DTC-2011-02)

February 10, 2011

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to A New Standard to Communicate Corporate Action Events to Participants

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> notice is hereby given that on January 28, 2011, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared primarily by DTC. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>2</sup> and Rule 19b-4(f)(4) thereunder<sup>3</sup> 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

Under the proposed rule change, a group of DTC Participants has volunteered to participate in a pilot test whereby on or about April 25, 2011, DTC will publish corporate actions pursuant to the International Standard Organization (“ISO”) 20022 format.

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.

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

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>3</sup> 17 C.F.R. 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.

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

DTC handles essential aspects of corporate action<sup>4</sup> processing by routinely receiving and distributing information to its Participants using its proprietary computer to computer facility (“CCF”) files. In order to reduce risk and to improve transparency in the announcement and processing of corporate actions, DTC is updating its standards for announcing these events by publishing corporate action data pursuant to the International Standards Organization (“ISO”) 20022 format for the entire lifecycle of the event.

A group of DTC Participants has volunteered to participate in a pilot test on or about April 25, 2011, whereby corporate actions will be published in the ISO 20022 format. The pilot data will be created in a test environment with the data systemically generated from the prior day’s production and will include event types, payout types, and other key corporate action information. Participants have been advised that they should not rely on the data from this pilot to run their production processes.<sup>5</sup> DTC expects to make ISO 20022 messages available to all Participants beginning on or about June 30, 2011. DTC will continue to support its legacy proprietary CCF files until 2015.<sup>6</sup>

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<sup>4</sup> A corporate action is an event that produces a corporate restructuring. Some of the most common corporate actions include dividend payments, interest payments, voluntary tender offers, and redemption of municipal and corporate bonds.

<sup>5</sup> The Participants participating in the pilot will continue to receive corporate action information by CCF files in order to run their production processes.

<sup>6</sup> DTC notified its participants of this initiative to communicate corporate actions messages based on ISO 20022 through several Important Notices. See, e.g., DTC Important Notice B7024-10 (July 26, 2010), [http://www.dtcc.com/downloads/legal/imp\\_notices/2010/dtc/ope/7024-10.pdf](http://www.dtcc.com/downloads/legal/imp_notices/2010/dtc/ope/7024-10.pdf), and

DTC states that this rule filing is consistent with the requirements of Section 17A of the Act<sup>7</sup> and the rules and regulations thereunder because it modifies a DTC service in order to make the process for notifying Participants of corporate action events more efficient.

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

DTC has not solicited or received written comments relating to the proposed rule change. DTC will notify the Commission of any written comments it receives.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>8</sup> and Rule 19b-4(f)(4)<sup>9</sup> because the proposed rule change effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in DTC's custody or control or for which it is responsible and (ii) does not significantly affect the respective rights of DTC or persons using the service. 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

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DTC Important Notice 6620-10 (Apr. 20, 2010), [http://www.dtcc.com/downloads/legal/imp\\_notices/2010/dtc/reo/6620-10.pdf](http://www.dtcc.com/downloads/legal/imp_notices/2010/dtc/reo/6620-10.pdf).

<sup>7</sup> 15 U.S.C. 78q-1.

<sup>8</sup> Supra note 2.

<sup>9</sup> Supra note 3.

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](mailto:rule-comments@sec.gov). Please include File No. SR-DTC-2011-02 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 No. SR-DTC-2011-02. 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 Room, 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 DTC's principal office and DTC's Web site at <<http://www.dtc.org/impNtc/mor/index.html>>. 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 No. SR-DTC-2011-02 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>10</sup>

Cathy H. Ahn  
Deputy Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).