

SECURITIES AND EXCHANGE COMMISSION  
Release No. 34-71206; File No. SR-DTC-2013-12

December 30, 2013

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Revise the Fee Schedule of The Depository Trust Company with Respect to its Underwriting Service

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 23, 2013, 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)(ii)<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. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change is to modify DTC’s Rules and Procedures, as described below.

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

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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)(ii).

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

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

(i) Purpose

Pursuant to the proposed rule change DTC will revise certain Underwriting service fees as more fully described below. Under the proposal, in order to align costs of processing to the associated revenue, DTC will replace Underwriting service fees which are currently applied with respect to eligibility processing for equity, corporate bond and municipal bond transactions (in tiered amounts depending upon the complexity of an issue) with new fees specific to the respective asset classes. Pursuant to the proposal DTC will charge Participants a fixed Underwriting fee for eligibility processing for municipal issues with one CUSIP, and a separate greater fixed fee for issues with more than one CUSIP. Underwriting fees for equities and corporate issues will migrate to a fee per CUSIP structure with an initial fixed fee for the first CUSIP and an incremental fee for each additional CUSIP. Also in order to align processing costs with associated revenues, the current fixed Underwriting fee for processing of eligibility requests by Participants for certificates of deposit will be lowered. In addition, DTC proposes to implement a separate fee to be charged to Participants for processing of book-entry only (BEO) certificates deposited at DTC. This will allow DTC to recover costs associated with processing BEO certificates (as opposed to "FAST" issues where the security remains on the books of the transfer agent and DTC does not incur the cost of processing certificates issued in the name of DTC's nominee, Cede & Co.).

*Proposed Rule Changes*

The revised fees are set forth in the tables below:

<b>Deleted Fees</b>	
<b>Fee Description</b>	<b>Fee Amount</b>
Basic (Single CUSIP) Eligibility Fee	\$350 per Issue
Basic (Multi CUSIP) Eligibility Fee	\$500 per Issue
Complex Eligibility Fee	\$750 per Issue

<b>New Fees</b>	
<b>Fee Description</b>	<b>Fee Amount</b>
Equity Eligibility Fee	\$750 per Issue w/ 1 CUSIP PLUS \$250 Each Additional CUSIP
Corporate Debt Eligibility Fee	\$350 per Issue w/ 1 CUSIP PLUS \$250 Each Additional CUSIP
Municipal Debt Eligibility Fee	\$350 per Issue w/ 1 CUSIP; \$800 Per Issue w/ more than 1 CUSIP
BEO Certificate (Non-FAST) Processing Fee	\$50 per CUSIP; up to a maximum charge of \$500 per Issue

<b>Fee Change</b>		
<b>Fee Description</b>	<b>Current Fee Amount</b>	<b>Proposed Fee Amount</b>
Certificate of Deposit Eligibility Fee	\$275 per CUSIP	\$175 per CUSIP

The fee changes set forth above will be incorporated into DTC's fee schedule which is available at [www.dtcc.com](http://www.dtcc.com).

*Implementation Timeframe*

The proposed fee changes will take effect on January 1, 2014.

(ii) Statutory Basis

The proposed rule change will align DTC's Underwriting fees with the costs of delivering applicable services, and the charges will apply equally in accordance with Participants' use of DTC services. Therefore, DTC believes the proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended ("Act") and the rules and regulations thereunder applicable to DTC, in particular Section 17A(b)(3)(D) of the Act,<sup>5</sup> which requires that DTC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants.

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. As stated above, the proposed changes will align DTC's fees with the costs of delivering services to its Participants, and the revised fee schedule will apply equally to all DTC Participants in accordance with their use of DTC's Underwriting service.

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 will become effective on January 1, 2014, pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and paragraph (f)(2) of Rule 19b-4<sup>7</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such

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<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(2)

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](mailto:rule-comments@sec.gov). Please include File No. SR-DTC-2013-12 on the subject line.

##### Paper Comments:

- Send 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-2013-12. 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 such filings will also be available for inspection and copying at the principal office of DTC.

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-2013-12 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>8</sup>

Elizabeth M. Murphy  
Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).