

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54367; File No. SR-DTC-2006-09)

August 25, 2006

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule to Revise the DTC Custody Service Guide to Incorporate the Terms of Certain Participant Agreements

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on May 19, 2006, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change and on June 23, 2006, amended 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)(iii) of the Act² and Rule 19b-4(f)(4) thereunder³ 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 parties.

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

The proposed rule change would incorporate the terms and conditions of certain participant agreements related to DTC’s custody service into the DTC Custody Service Guide.

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

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).

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 filing the proposed rule change to incorporate the terms and conditions of various participant agreements relating to DTC's custody service into the DTC Custody Service Guide ("Guide").⁵ Specifically, DTC is incorporating the terms of three custody service participant agreements into the Guide: (i) the High Value Letter,⁶ (ii) New York Window Service Agreement,⁷ and (iii) Medallion Signature Guarantee/Stamp Letter.⁸ The terms proposed to be incorporated by this filing into the Guide match those currently included in the agreements thereby affording both DTC and its participants the same rights and responsibilities as those afforded by the agreements.

DTC believes that the proposed rule change is consistent with the requirements of the Act, as amended, and the rules and regulations thereunder because it incorporates existing terms

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

⁵ For background information on the Custody Service Guide, which replaced applicable participant operating procedures relating to the custody service, see Securities Exchange Act Release No. 34-44719 (August 17, 2001), 66 FR 44656 (August 24, 2001) [File No. SR-DTC-2001-01].

⁶ The High Value Letter defines the extent of loss that DTC would incur in connection with the processing of certain "high value" certificates as being limited by the extent of the DTC insurance coverage at the time of an incident of loss.

⁷ The New York Window Service Agreement sets forth the terms and conditions for a participant's use of the New York Window Service, a service offered under the umbrella of DTC's custody service.

⁸ The Medallion Signature Guarantee/Stamp Letter sets forth the terms and conditions for DTC's use of certain participant stamps and medallions in connection with the New York Window Service.

of DTC participant agreements into DTC's Guide and thus facilitates the safeguarding of securities in DTC's custody or control.

(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 upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act⁹ and Rule 19b-4(f)(4)¹⁰ thereunder because the proposed rule effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of DTC or persons using the service. At any time within sixty days of the filing of the proposed 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.

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 CFR 240.19b-4(f)(4).

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-2006-09 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-2006-09. 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 inspection and copying in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC and on DTC's Web site at <http://www.dtc.org>. 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-2006-09 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.¹¹

Nancy M. Morris
Secretary

¹¹ 17 CFR 200.30-3(a)(12).