

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-51034; File No. SR-DTC-2004-13)

January 13, 2005

Self-Regulatory Organizations; Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to an Amendment of the Fee Schedule to Revise Fees for Certain Services Provided by DTC

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on December 27, 2004, 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. 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 fees for certain services provided by DTC.

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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

<sup>2</sup> The Commission has modified parts of these statements.

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

The changes to DTC's fees for services include:

1. reductions to book-entry delivery fees for book-entry deliveries and dropped deliveries,
2. application of an existing surcharge for underwriting distributions of collateralized mortgage obligations to all asset-backed issues to cover the additional costs involved in handling these complex instruments,
3. increases to delivery fees for money market instruments to recover the cost of recent modifications to the MMI system,
4. increases to fees relating to various deposit service types to raise revenues for these services closer to full cost recovery,
5. increases to voluntary offering instruction fees to increase cost recovery for this service in line with efforts to revise the overall fee structure for these types of corporate actions initiated last year, and
6. increases to certain global tax services in line with a multiyear plan to revise the fee structure for this service to provide higher cost recovery.

In addition, DTC's Board approved certain disincentive fees to discourage behavior that keeps the industry from achieving peak efficiency in areas such as the use of physical securities certificates, manual adjustments, and hardcopy offering documents.

The effective date for these fee adjustments is January 1, 2005. These proposed fee revisions are consistent with DTC's overall pricing philosophy to align service fees with underlying costs, discourage manual and exception processing, and encourage immobilization and dematerialization of securities.

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 provides for a reasonable fee to cover costs. As such, it promotes the prompt and accurate clearance and settlement of securities transactions.

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

DTC does not believe 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

Because the foregoing rule change changes fees imposed by NSCC, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2)<sup>4</sup> promulgated thereunder. 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.

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

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

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

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-2004-13 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609.

All submissions should refer to File Number SR-DTC-2004-13. 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, 450 Fifth Street, NW, 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-2004-13 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.<sup>5</sup>

J. Lynn Taylor  
Assistant Secretary

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<sup>5</sup> 17 CFR 200.30-3(a)(12).