

The Depository Trust Company

# IMPORTANT

## FAST & DRS REQUIREMENTS

**B#:** 0414-06

**DATE:** October 17, 2006

**TO:** All Transfer Agents and Participants

**CATEGORY:** Operations

**FROM:** Joe Clemente

**ATTENTION:** Officers/Operations Management/Cashiers

**SUBJECT:** SEC Rule File Regarding  
New FAST and DRS Requirements

On October 12, 2006, DTC filed a rule change (SR-DTC-2006-16) with the Securities and Exchange Commission (SEC) to amend the requirements for transfer agents to participate in the FAST and DRS programs. The amended FAST and DRS requirements reflect a necessary enhancement of the standards for these programs in light of the changes the industry will experience that will be brought about by the major exchanges (NYSE, AMEX, NASDAQ, and ARCA) requiring all listed issues to become DRS eligible at the depository by January 2008, with new issues coming to market required to be DRS eligible starting January 2007.

The amended FAST and DRS requirements, among other matters:

- Standardize insurance and audit requirements,
- Establish minimum requirements to safeguard DTC's book-entry and physical securities assets, and
- Require agents, as part of their FAST commitments, to comply with regulatory issues, such as OFAC screening.

In addition, the rule filing proposes changes to DTC Rule 6 to delineate the responsibilities of DTC and the transfer agents with respect to the securities held by transfer agents as part of the FAST program.

Copies of the proposed rule filing are on DTC's public website, [www.dtc.org](http://www.dtc.org). Written comments on the changes may be addressed to Larry Thompson, General Counsel, at 55 Water Street, 22nd Floor, New York, N.Y. 10041; any such comments will be forwarded to the SEC. Written comments may also be addressed to the SEC at 100 F Street, NE, Washington D.C. 20549-9303. We request that you provide a copy of any such comments to DTC. The new requirements will become effective on approval by the SEC.

Questions about the rule filing can be addressed to Joseph Clemente at [jclemente@dtcc.com](mailto:jclemente@dtcc.com), or Joseph Trezza at [jtrezza@dtcc.com](mailto:jtrezza@dtcc.com).