

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

---

Form 19b-4

Proposed Rule Change

by

THE DEPOSITORY TRUST COMPANY

Pursuant to Rule 19b-4 under  
the Securities Exchange Act of 1934

---

March 5, 2004

**1. Text of the Proposed Rule Change**

- (a) The proposed rule change relates to the termination of DTC's TaxReclaim service.
- (b) Not applicable.
- (c) Not applicable.

**2. Procedures of the Self-Regulatory Organization**

- (a) DTC's Board of Directors is not required to approve the proposed rule change.
- (b) The following person at DTC is prepared to respond to questions and comments on the proposed rule change:

Carol A. Jameson, Senior Counsel, (212) 855-3213

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

- (a) The proposed rule change consists of the termination of DTC's TaxReclaim service. TaxReclaim assists Participants in preparing foreign tax reclaim forms required for reclaiming taxes withheld by foreign jurisdictions in respect of distributions in foreign securities. The Participant inputs data over DTC's Participant Terminal System ("PTS") relating to the beneficial owner, foreign security and payment details as required by the country of issuance. TaxReclaim processes the information and transmits back to the Participant the completed tax reclaim form, reclaim calculation and instructions for filing the reclaim form.

TaxReclaim was introduced in 1999. Usage in recent years has decreased significantly, due in part to the expansion of DTC's TaxRelief product. TaxRelief facilitates Participants in obtaining tax relief at source, reducing the instances of overwithholding by the taxing authorities of the foreign jurisdiction. The expansion of TaxRelief has reduced the need for participants to use TaxReclaim, to file reclaim forms. Usage of TaxReclaim declined to 209 transactions processed by seven Participants in calendar year 2003.

DTC notified the users of TaxReclaim in January that the service would be terminated in this calendar year. All users have found alternate tax reclaim service providers and there are currently no users of the TaxReclaim service.

- (b)** The proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to DTC and is consistent with the safeguarding of securities and funds in DTC's custody or control or for which it is responsible. The proposed rule change promotes the efficient allocation of DTC resources and services among DTC's Participants by terminating operation of a service which was not being utilized by a sufficient number of DTC Participants to support its costs.

**4. Self-Regulatory Organization's Statement on Burden on Competition**

DTC perceives no impact on competition by reason of the proposed rule change.

**5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others**

DTC has not solicited nor received written comments on the proposed rule change. DTC will inform the Commission of any written comments it receives.

**6. Extension of Time Period for Commission Action**

Not applicable.

**7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

(a) The proposed rule change is to take effect pursuant to paragraph (A) of Section 19(b)(3) of the Act and subparagraph (f) of the Securities Exchange Act Rule 19b-4.

(b) DTC is terminating the TaxReclaim service due to a lack of usage by its Participants. The proposed rule change therefore makes a change to DTC's services without adversely affecting the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible, and does not adversely affect the respective rights or obligations of DTC or its Participants.

(c) Not applicable.

(d) Not applicable.

**8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

**9. Exhibits**

1. Completed Notice of the Proposed Rule Change for publication in the Federal Register.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the self-regulatory organization has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

**The Depository Trust Company**

**By: /s/ Donald F. Donahue  
Donald F. Donahue  
President and Chief Operating Officer**

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-DTC-2004-01)

SELF REGULATORY ORGANIZATIONS

Proposed Rule Change by

The Depository Trust Company

Relating to the termination of DTC's TaxReclaim service.

Comments requested within \_\_\_\_ days after the date of this publication.

\_\_\_\_\_

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. §78s(b)(1), notice is hereby given that on, \_\_\_\_\_, The Depository Trust Company filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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**

- (a) The proposed rule change consists of the termination of DTC's TaxReclaim service.
- (b) Not applicable.
- (c) Not applicable.

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

In its filing with the Commission, the self-regulatory organization 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. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change**

- (a) The proposed rule change consists of the termination of DTC's TaxReclaim service. TaxReclaim assists Participants in preparing foreign tax reclaim forms required for reclaiming taxes withheld by foreign jurisdictions in respect of distributions in foreign securities. The Participant inputs data over DTC's Participant Terminal System ("PTS")

relating to the beneficial owner, foreign security and payment details as required by the country of issuance. TaxReclaim processes the information and transmits back to the Participant the completed tax reclaim form, reclaim calculation and instructions for filing the reclaim form.

TaxReclaim was introduced in 1999. Usage in recent years has decreased significantly, due in part to the expansion of DTC's TaxRelief product. TaxRelief facilitates Participants in obtaining tax relief at source, reducing the instances of overwithholding by the taxing authorities of the foreign jurisdiction. The expansion of TaxRelief has reduced the need for participants to use TaxReclaim, to file reclaim forms. Usage of TaxReclaim declined to 209 transactions processed by seven Participants in calendar year 2003.

DTC notified the users of TaxReclaim in January that the service would be terminated in this calendar year. All users have found alternate tax reclaim service providers and there are currently no users of the TaxReclaim service.

**(b)** The proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to DTC and is consistent with the safeguarding of securities and funds in DTC's custody or control or for which it is responsible. The

proposed rule change promotes the efficient allocation of DTC resources and services among DTC's Participants by terminating operation of a service which was not being utilized by a sufficient number of DTC Participants to support its costs.

**B. Self-Regulatory Organization's Statement on Burden on Competition**

DTC perceives no impact on competition by reason of the proposed rule change.

**C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others**

DTC has not solicited nor received written comments on the proposed rule change. DTC will inform 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 pursuant to Section 19(b)(3)(A) of the Act and subparagraph (f) of Securities Exchange Act Rule 19b-4. At any time within 60 days of the filing of such 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. 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 Room, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted within \_\_\_\_ days after the date of this publication.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Secretary.

Dated: