

The Depository Trust Company
IMPORTANT

B#: 2004-08

DATE: July 30, 2004

TO: All Interested Parties

CATEGORY: SEC Rule Filings

FROM: General Counsel's Office

ATTENTION: All Interested Parties

SUBJECT: Investor's Voluntary Redemptions & Sales Service (IVORS)

File No. SR-DTC-2004-08

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

1. Text of the Proposed Rule Change

The Depository Trust Company ("DTC") is filing a proposed rule change that enhances DTC's Investor's Voluntary Redemptions and Sales ("IVORS") Service.¹ IVORS enables Participants that hold certain financial assets, primarily DTC eligible Unit Investment Trusts ("UITs"), to redeem for cash or receive securities by book-entry, and to sell back to the UIT's sponsor for cash payment. The proposed enhancement will allow for the instruction and processing of UIT rollover instructions (the "Rollover Enhancement").

2. Procedures of the Self-Regulatory Organization

(a) DTC's Board of Directors has not taken, and is not required to take, action on the proposed rule change.

(b) Jeffrey T. Waddle, Senior Counsel (212-855-3260), may be contacted concerning this filing.

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

(a) The goal of the Rollover Enhancement is to provide a secure and efficient rollover service for certain financial assets such as UITs. When implemented, the Rollover Enhancement will allow the transfer agent or sponsor to announce the details of an eligible UIT rollover using IVORS. Once announced, DTC will create an envelope that will include the deadline for submitting rollover instructions. Using IVORS, participants can submit their instruction to rollover their current UIT into any of up to ten new UITs that the transfer agent or sponsor may have designated as being eligible for the rollover.

¹ For information on DTC's IVORS Service, see DTC's filing on Form 19b-4, File No. SR-DTC-97-12.

As with the current IVORS redemption function, prior to settlement date of the transaction the transfer agent or sponsor enters the settlement details into IVORS. On settlement date, IVORS processes the necessary entries to debit the surrendered UITs and credit participants with the new UITs and any associated cash-in-lieu or other payments.

A draft Important Notice describing IVORS and related procedures is attached as Exhibit B.

(b) DTC's proposed rule is designed to eliminate unnecessary certificate movements, reduce and simplify cash movements, and synchronize the decisions of the party rolling over the asset, sponsor, and transfer agent/trustee. The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to DTC in that it promotes efficiencies in the prompt and accurate clearance and settlement of securities transactions.

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

DTC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, in the public interest, and for the protection of investors.

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

DTC has discussed the proposed rule change with certain Participants. DTC has not solicited or received written comments on the proposed rule change.

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 upon filing pursuant to paragraph (A) of Section 19(b)(3) of the Act and subparagraph (f)(4) of Securities Exchange Act Rule 19b-4.

(b) The proposed rule change effects a change in an existing service of DTC that (A) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible and (B) does not significantly affect the respective rights or obligations of DTC or persons using the service since the operation of IVORS, as modified by the proposed rule change, will be similar to the current operation of the function.

(c) Not applicable

(d) Not applicable

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

Not applicable.

9. Exhibits

- A.** Form of notice of proposed rule change for publication in the Federal Register.
- B.** Draft Important Notice for Enhancements to DTC's Investors' Voluntary Redemptions and Sales (IVORS) Service.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, DTC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

The Depository Trust Company

By: /s/ Larry E. Thompson
Name: Larry E. Thompson
Title: Managing Director and
General Counsel