

OMB APPROVAL

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SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No. SR - -
 Amendment No.

Proposed Rule Change by The Depository Trust Company
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input type="checkbox"/>	Section 19(b)(3)(A) <input checked="" type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Date Expires <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input checked="" type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document

Description
 Provide a brief description of the proposed rule change (limit 250 characters).

Contact Information
 Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Last Name
 Title
 E-mail
 Telephone Fax

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

Date
 By Managing Director
 (Name) (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change.

(a) The proposed rule change relates to a proposal by The Depository Trust Company (“DTC”) to enhance its Universal Hub (currently known as SMART/Track) service by adding a new phase consisting of a Corporate Action Liability Notification Service, that will provide industry participants an efficient means to facilitate the notification, acknowledgement and maintenance of corporate action liability information.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) The Equity Operations and Planning Committee of DTC approved the proposed rule filing at its November 6, 2003 meeting.

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

(a) In 2003, DTC made a rule filing on Form 19b-4, File No. SR-DTC-2003-10, relating to a service known at the time as the Universal Hub, which is now known as SMART/Track. That filing focused on the first phase of the service, a stock loan recall notification service. This filing relates to the Corporate Action Liability Notification Service, which is the second of the planned phases of SMART/Track.

When one party is owed securities by its counterparty, and those securities are the subject of a voluntary corporate action, it is industry practice for the first party to send a liability notice to the counterparty, holding the counterparty liable for delivery of the securities in time to participate in the voluntary corporate action (a “Liability Notice”). It is also customary in the industry for a party receiving the notice to reject the notice, deliver the securities that are the subject of the notice to the sender of the notice, or convert or exchange the securities to the corresponding corporate actions proceeds. Currently, industry participants use faxes and phone calls to communicate Liability Notices. Lack of a formal mechanism to send and receive Liability Notices has proved to be inefficient as the process is paper intensive, subject to transmission error and also delays in response time.

To remedy these issues, and to support the industry groups with which DTC has worked on this project (the Corporate Actions Division of the Securities Industry Association (“SIA”) and the Corporate Actions Liability Working Group, a subcommittee of the SIA’s STP Steering Committee), DTC

developed the Corporate Action Liability Notification Service, which will automate this labor-intensive process.

The goal of the Corporate Action Liability Notification Service is to provide a central point of access for industry participants to send and receive Liability Notices, to allow for the receiving party to respond to Liability Notices, and to allow both parties to review status information relating to those Notices. In addition, a link to DTC's Reorganization Inquiry for Participants System ("RIPS") allows some fields to be populated automatically when the corporate action event is in RIPS. The sender of the message, however, remains responsible for the content of the message. By providing a central point of access to all parties, the Corporate Action Liability Notification Service provides interoperability between participants and permits participants to avoid the costs and inefficiencies of each participant building multiple automated bilateral links to its counterparties.

The Corporate Action Liability Notification Service is subject to DTC's general standard of liability for information services (that is, responsibility for gross negligence and willful misconduct). The service will be available only to DTC Participants. If, in the future, DTC decides to make the Corporate Action Liability Notification Service available to non-Participants, it will be the subject of another rule filing.

- (b) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act") and the rules and regulations thereunder applicable to DTC because it will promote efficiencies relating to Liability Notices. The proposed rule change will be implemented consistently with the safeguarding of securities and funds in the custody or control of DTC because DTC will be acting as a notification service.

4. 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.

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

DTC has discussed this rule change proposal with various DTC Participants and industry groups, a number of whom have worked closely in developing the proposed Corporate Action Liability Notification Service. 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.

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) or Section 19(b)(7)(D).

- (a) This filing is made pursuant to paragraph (A) of Section 19(b)(3) of the Act and subparagraph (f) 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 proposed rule change consists only of the automation of a time consuming manual process used for communicating Liability Notices.
- (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 the rules of another self-regulatory organization or the Commission.

9. Exhibits

- Exhibit 1 - Notice of proposed rule change for publication in the Federal Register.
- Exhibit 2 - NA
- Exhibit 3 - NA
- Exhibit 4 - NA
- Exhibit 5 - NA

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2004-11)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company ("DTC") relating to an enhancement to DTC's Universal Hub (currently known as SMART/Track) service.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, 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 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 proposed rule change relates to a proposal by DTC to enhance its Universal Hub (currently known as SMART/Track) service by adding a new phase consisting of a Corporate Action Liability Notification Service, that will provide industry participants an efficient means to facilitate the notification, acknowledgement and maintenance of corporate action liability information.

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.

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

In 2003, DTC made a rule filing on Form 19b-4, File No. SR-DTC-2003-10, relating to a service known at the time as the Universal Hub, which is now known as SMART/Track. That filing focused on the first phase of the service, a stock loan recall notification service. This filing relates to the Corporate Action Liability Notification Service, which is the second of the planned phases of SMART/Track.

When one party is owed securities by its counterparty, and those securities are the subject of a voluntary corporate action, it is industry practice for the first party to send a liability notice to the counterparty, holding the counterparty liable for delivery of the securities in time to participate in the voluntary corporate action (a “Liability Notice”). It is also customary in the industry for a party receiving the notice to reject the notice, deliver the securities that are the subject of the notice to the sender of the notice, or convert or exchange the securities to the corresponding corporate actions proceeds. Currently, industry participants use faxes and phone calls to communicate Liability Notices. Lack of a formal mechanism to send and receive Liability Notices has proved to be inefficient as the process is paper intensive, subject to transmission error and also delays in response time.

To remedy these issues, and to support the industry groups with which DTC has worked on this project (the Corporate Actions Division of the Securities Industry Association (“SIA”) and the Corporate Actions Liability Working Group, a subcommittee of the SIA’s STP Steering Committee), DTC developed the Corporate Action Liability Notification Service, which will automate this labor-intensive process.

The goal of the Corporate Action Liability Notification Service is to provide a central point of access for industry participants to send and receive Liability Notices, to allow for the receiving party to respond to Liability Notices, and to allow both parties to review status information relating to those Notices. In addition, a link to DTC’s Reorganization Inquiry for Participants System (“RIPS”) allows some fields to be populated automatically when the corporate action event is in RIPS. The sender of the message, however, remains responsible for the content of the message. By providing a central point of access to all parties, the Corporate Action Liability Notification Service provides interoperability between participants and permits participants to avoid the costs and inefficiencies of each participant building multiple automated bilateral links to its counterparties.

The Corporate Action Liability Notification Service is subject to DTC’s general standard of liability for information services (that is, responsibility for gross negligence and willful misconduct). The service will be available only to DTC Participants. If, in the future, DTC decides to make the Corporate Action Liability Notification Service available to non-Participants, it will be the subject of another rule filing.

The proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to DTC because it will promote efficiencies relating to Liability Notices. The proposed rule change will be implemented consistently with the safeguarding of securities and funds in the custody or control of DTC because DTC will be acting as a notification service.

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.

DTC has discussed this rule change proposal with various DTC Participants and industry groups, a number of whom have worked closely in developing the proposed Corporate Action Liability Notification Service. 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 pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 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 may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to rule-comment@sec.gov. Please include File No. SR-DTC-2004-11 on the subject line.
- Paper comments should be sent in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington D.C. 20549-0609

All submissions should refer to File Number SR-DTC-2004-11. 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 Room, 450 Fifth Street, NW, Washington DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of [SRO]. 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 submission should refer to the file number above and should be submitted within _____ days after the date of publication.

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

Jonathan G. Katz