

OMB APPROVAL

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

File No. SR - 2004 - 13  
 Amendment No. [ ]

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

|  |   |  |   |  |   |
|--|---|--|---|--|---|
| Initial<br><input checked="" type="checkbox"/> | Amendment<br><input type="checkbox"/>   | Withdrawal<br><input type="checkbox"/> | Section 19(b)(2)<br><input type="checkbox"/>    | Section 19(b)(3)(A)<br><input checked="" type="checkbox"/> | Section 19(b)(3)(B)<br><input type="checkbox"/> |
| Pilot<br><input type="checkbox"/>              | Extension of Time Period<br>for Commission Action<br><input type="checkbox"/> | Date Expires<br><input type="text"/>   | Rule  |  |   |
|  |   |  | <input type="checkbox"/> 19b-4(f)(1)            | <input type="checkbox"/> 19b-4(f)(4)                       |   |
|  |   |  | <input checked="" 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).  
 The purpose of the proposed rule change is to revise fees for certain services provided by DTC.

**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 Proposed Rule Change.

(a) The proposed rule change consists of revisions to the Depository Trust Company's ("DTC" or the "Corporation") Fee Schedule and is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) The proposed rule change has been approved by the Corporation's Board of Directors.

(b) Contact regarding questions and comments:

Nancy Leo (212) 855-5083, or Jane Klueger (212) 855-3330

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

(a) The purpose of the proposed rule change is to revise fees for certain services provided by DTC.

These changes include:

- Reductions to book-entry delivery fees for book-entry deliveries and dropped deliveries,
- 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,
- Increases to delivery fees for Money Market Instruments to recover the cost of recent modifications to the MMI system,
- Increases to fees relating to various Deposit service types, to raise revenues for these services closer to full cost recovery,

- 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
- Increases to certain Global Tax Services, in line with a multi-year plan to revise the fee structure for this service to provide higher cost recovery.

In addition, the 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.

(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, since it provides for the equitable allocation of dues, fees and other charges among DTC's participants.

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

DTC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

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

No written comments relating to the proposed rule change have been solicited or received.

DTC will notify the Securities and Exchange Commission (the “Commission”) of any written comments received by DTC.

6. Extension of Time Period for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

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.

(b) The proposed rule change modifies DTC's fee structure and provides for the equitable allocation of dues, fees and other charges among DTC's 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

Exhibit 1 Notice of the proposed rule change for publication in the Federal Register

Exhibit 2 N/A

Exhibit 3 N/A

Exhibit 4 N/A

Exhibit 5 2005 DTC Participant Fee Changes

SR-DTC-2004-13.doc

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 34-\_\_\_\_\_ ; File No. SR-DTC 2004-13)**

**SELF-REGULATORY ORGANIZATIONS**

Proposed Rule Change by THE DEPOSITORY TRUST COMPANY (“DTC”) relating to an amendment of the fee schedule to revise fees for certain services provided by DTC.

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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 text of the proposed rule change is attached hereto as Exhibit 5.

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

(a) The purpose of the proposed rule change is to revise fees for certain services provided by DTC. These changes include:

- Reductions to book-entry delivery fees for book-entry deliveries and dropped deliveries,
- 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,
- Increases to delivery fees for Money Market Instruments to recover the cost of recent modifications to the MMI system,
- Increases to fees relating to various Deposit service types, to raise revenues for these services closer to full cost recovery,
- 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
- Increases to certain Global Tax Services, in line with a multi-year plan to revise the fee structure for this service to provide higher cost recovery.

In addition, the 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.

(ii) 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, 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 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.**

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 will become effective on January 1, 2005, pursuant to paragraph (A) of Section 19(b)(3) of the Securities Exchange Act of 1934 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 Securities Exchange Act of 1934.

#### 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](mailto:rule-comment@sec.gov). Please include File No. [XX] 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 [XX]. 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 NSCC. 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



| Service  | Current Fee | Proposed Fee | Fee Basis  |
|--|-------------|--------------|--|
| <b>Custody and Asset Servicing</b>   |             |              |  |
| <b>Deposit Services</b>  |             |              |  |
| Branch deposits: regular deposit received from a branch                              | \$2.49      | \$4.00       | per deposit  |
| Branch deposits: legal deposit received from a branch                                | \$7.80      | \$10.00      | per deposit  |
| Branch deposits: processing of trailing documents or items submitted thru PEND       | \$3.48      | \$4.00       | per item   |
| Restricted Deposits: Processing of trailing documents                                | \$3.48      | \$4.00       | per item   |
| Legal Deposits: Full-service   | \$6.25      | \$8.00       | per deposit  |
| Branch deposits: addition of branch item   | \$2.75      | \$4.00       | per item   |
| Branch deposits: deposit of bearer securities received from a branch                 | \$2.49      | \$6.25       | per deposit  |
| Recycling of internal package  | \$0.03      | n/c          | per envelope   |
| Consolidation of multiple deposits   | \$0.44      | n/c          | per consolidation  |
| Change to or correction of deposit type  | \$0.14      | n/c          | per change or correction   |
| Disposal of unused bar-coded tickets   | \$0.01      | n/c          | per ticket   |
| Telephone notification of errors   | \$3.58      | n/c          | per call   |
| Correction of registration   | \$0.70      | n/c          | per correction   |
| Processing of Multideposit exception   | \$4.45      | n/c          | per exception  |
| Please Code item   | \$1.08      | n/c          | per item   |
| Verification of package receipt  | \$2.03      | \$0.30       | per package  |
| <b>Reorganization Services</b>   |             |              |  |
| Voluntary exchange, put, tender offer, or tender offer withdrawal: Offer service fee | \$20.00     | \$25.00      | per position holder  |
| <b>Withdrawal Services</b>   |             |              |  |
| Withdrawal by Transfer: mailing of issue   | \$1.50      | n/a          | per withdrawal   |
| <b>Global Tax Service</b>  |             |              |  |
| <b>DTC TaxRelief</b>   |             |              |  |
| Foreign Currency Payment   | \$27.00     | \$30.00      | per instruction  |
| Direct Payment Service   | \$27.00     | \$30.00      | per instruction  |
| DTC TaxRelief <sup>SM</sup> via PTS function EDS                                     | \$500.00    | \$800.00     | 0.5% of tax relief secured with a minimum fee of \$30.00 and a maximum fee of \$800 per final election |

**Note: Fees not identified in this schedule remain unchanged from the 2004 Fee Schedule**



| Service  | Current Fee | Proposed Fee | Fee Basis  |
|--|-------------|--------------|--|
| <b>Settlement Services</b>                                   |             |              |  |
| <b>Book-Entry Delivery</b>                                   |             |              |  |
| Dropped DO not completed because of insufficient position    | \$0.44      | \$0.22       | per item   |
| Insufficient collateral, deliverer                           | \$0.44      | \$0.22       | per item delivered   |
| Insufficient collateral or net debit cap, receiver           | \$0.44      | \$0.22       | per item received  |
| CNS delivery   | \$0.16      | \$0.15       | per item received or delivered   |
| Institutional Delivery                                       | \$0.16      | \$0.15       | per delivery   |
| <b>Underwriting Services</b>                                 |             |              |  |
| <b>Surcharges</b>  |             |              |  |
| CMO/ABS Surcharge  | \$50.00     | \$50.00      | per CUSIP after the first five. Formerly this was the CMO Surcharge, ABS has been added. |
| <b>Money Market Instruments</b>                              |             |              |  |
| <b>MMI Book Entry Deliveries</b>                             |             |              |  |
| Deliver Orders (DO)  | \$0.70      | \$0.80       | per item delivered or received   |
| Maturity or Reorganization Presentment                       | \$0.70      | \$0.80       | per item delivered or received   |
| Issuance instruction, both directly placed and dealer placed | \$0.70      | \$0.80       | per instruction; charged to the issuer's agent   |
| Turnaround Deliver Order (DO)                                | \$0.70      | \$0.80       | per turnaround   |
| Issuance Deposit   | \$0.70      | \$0.80       | per item   |
| MMI Issuance Receiver  | \$0.70      | \$0.80       | per item   |

**Note: Fees not identified in this schedule remain unchanged from the 2004 Fee Schedule**



| Service  | Current Fee | Proposed Fee | Fee Basis                              |
|--|-------------|--------------|--|
| <b>Custody and Asset Servicing</b>   |             |              |  |
| <b>Asset Servicing</b>   |             |              |  |
| Surcharge for issue that remains nontransferable after six years                                 | \$1.00      | \$5.00       | per issue per month                    |
| <b>Direct Registration System</b>  |             |              |  |
| Surcharge for request of certificate for DRS-eligible issue                                      | \$5.00      | \$15.00      | per certificate                        |
| <b>Withdrawal Services</b>   |             |              |  |
| Withdrawals by Transfer  | \$9.50      | \$18.00      | per assignment                         |
| Withdrawals by Transfer: Direct mail by transfer agent of Direct Registration Certificate        | \$5.00      | \$12.00      | per assignment                         |
| Withdrawal at FAST transfer agent or other custodian using DWAC                                  | \$1.50      | \$3.00       | per withdrawal                         |
| Direct mail of WT by DTCC  | \$3.00      | \$4.00       | per assignment                         |
| Hold and Bust: Assignment held by depository upon return from transfer agent                     | \$1.00      | \$3.50       | per item                               |
| Rush Withdrawal by transfer  | \$65.00     | \$85.00      | per assignment                         |
| Withdrawals by Transfer: Return of DMD material  | \$25.00     | \$30.00      | per return                             |
| Urgent withdrawal: Certificates-on-Demand  | \$41.70     | \$45.00      | per withdrawal                         |
| Municipal bearer Bond Service: Certificates-on-Demand  | \$35.75     | \$45.00      | per withdrawal, first ten certificates |
| Urgent withdrawal: Critical withdrawal request   | \$75.00     | \$90.00      | per request                            |
| Urgent withdrawal: unclaimed security  | \$15.00     | \$30.00      | per unclaimed withdrawal               |
| Municipal Bearer Bond Service: unclaimed COD   | \$28.00     | \$30.00      | per unclaimed withdrawal               |
| Hold and Bust: Assignment cancelled in transfer  | \$1.54      | \$3.50       | per item                               |
| Hold and Bust: Assignment cancelled in hold status   | \$1.28      | \$3.50       | per item                               |
| Urgent withdrawal: dropped COD   | \$2.00      | \$10.00      | per dropped item                       |
| <b>Global Tax Service</b>  |             |              |  |
| <b>DTC TaxRelief</b>   |             |              |  |
| Manual adjustment after payable date related to tax service, via PTS function EDS                | \$100.00    | \$500.00     | per adjustment                         |
| <b>Underwriting Services</b>   |             |              |  |
| <b>Surcharges</b>  |             |              |  |
| Surcharge when an offering document is not received in electronic form (Municipal and Corporate) | n/a         | \$200.00     | per issue                              |

**Note: Fees not identified in this schedule remain unchanged from the 2004 Fee Schedule**



| Service   | Current Fee | Proposed Fee | Fee Basis  |
|---|-------------|--------------|--|
| <b>Settlement Services</b>                                  |             |              |  |
| Inventory Management System                                 |             |              |  |
| Inventory Management Service: customized submission/recycle | n/a         | \$0.06       | per transaction that is processed out of order from the DTC default submission/recycle order |
| Inventory Management Service: transaction promotion         | n/a         | \$0.45       | per transaction promoted   |
| <b>Custody and Asset Servicing</b>                          |             |              |  |
| Deposit Services  |             |              |  |
| Imaging deposit for agents                                  | n/a         | \$1,000.00   | per month  |
| Imaging files for branch user request                       | n/a         | \$350.00     | per month  |
| <b>Other</b>  |             |              |  |
| Smart/Track   |             |              |  |
| Stock Loan Recall Messaging                                 | n/a         | \$30.00      | per month  |
| Corporate Actions Liabilities                               | n/a         | \$75.00      | per month  |
| Corporate Actions Liabilities                               | n/a         | \$0.75       | per transaction for each receive and deliver   |
| Global Tax Service  |             |              |  |
| Processing 'Undistributed Capital Gains' Reports            | n/a         | \$100.00     | per report   |

**Note: Fees not identified in this schedule remain unchanged from the 2004 Fee Schedule**