

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

The purpose of this rule filing is to clarify certain procedures pertaining to the previously approved DTC-2003-09.

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.

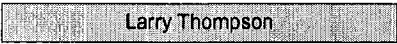
First Name Last Name
 Title
 E-mail
 Telephone Fax

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
(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 purpose of this rule filing is to clarify certain procedures with respect to an earlier filing submitted by The Depository Trust Company (“DTC”), DTC-2003-09, which has already been approved by the Commission.

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

(a) DTCC Board or Committee approval is not required for the present filing.

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

(a) The purpose of this rule filing is to clarify certain procedures pertaining to the previously approved DTC-2003-09.

(i) *Background*

In rule filing DTC-2003-09, DTC proposed a new service designed to allow DTC to destroy certain certificates representing positions in securities for which transfer agent services are no longer available, or “issues of non-transferable certificates”. At the time of the original filing, DTC held 1.2 million such certificates, representing nearly 22% of the depository’s entire certificate inventory. DTC therefore instituted the Destruction of Non-Transferable Securities Certificates Program (the “Program”) in order to eliminate the significant risks and costs associated with the ongoing maintenance of custody, control, and audit of these non-transferable certificates.

Prior to instituting the Program, many participants used DTC’s Position Removal (“PREM”) function to delete positions in issues of non-transferable certificates from their participant accounts. These positions were then moved to a DTC internal PREM account. However, the certificates representing those positions were still held in the depository’s vaults,

with all the risks and costs associated with storing such certificates, maintaining the related accounts, and monitoring the status of such issues. Under the Program, DTC extended the PREM process by indicating that using PREM to delete a position constituted an acknowledgement by the participant that the depository may cease crediting the security to the participant's securities account, and that the depository may at its option, and based upon its own criteria, include the certificates underlying the position in a certificate destruction program.

(ii) Clarification of Procedures

In DTC-2003-09, DTC indicated that it would implement the Program in the second half of 2003, "beginning first with issues in which all participant positions have been put in PREM." However, the Commission's approval order of DTC-2003-09 stated that "DTC will implement this new program with issues in which all participant positions have been moved to PREM."¹ It has come to DTC's attention that this may have been interpreted to mean that, as a prerequisite for the destruction of a particular issue of non-transferable certificates, every participant must have deleted their respective positions in that issue via PREM. DTC's intent in the original filing was to start the Program with fully PREMed issues, but to thereafter continue with those issues which had not been fully PREMed. The purpose of the present filing is to clarify this point. DTC wishes to make clear that DTC may destroy any non-transferable certificates for which the underlying issues have been PREMed, even if all participants have not yet entered their positions into PREM. DTC will maintain a certificate representing those positions that have not yet been entered into PREM. DTC has no intention of modifying any other part of DTC-2003-09 with this filing.

(b) The proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Securities Exchange Act of 1934, as amended, (the "Act") and the rules and regulations thereunder applicable to DTC in that it promotes efficiencies in the clearance and settlement of securities transactions.

¹ See SEC Release No. 34-49930.

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.**

Written comments relating to the proposed rule change have not yet been solicited or received.

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.

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 Form of notice of proposed rule change for publication in the Federal Register.

with all the risks and costs associated with storing such certificates, maintaining the related accounts, and monitoring the status of such issues. Under the Program, DTC extended the PREM process by indicating that using PREM to delete a position constituted an acknowledgement by the participant that the depository may cease crediting the security to the participant's securities account, and that the depository may at its option, and based upon its own

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2005-09)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by THE DEPOSITORY TRUST COMPANY ("DTC" relating to the clarification of certain procedures pertaining to the previously approved SR-DTC-2003-09.

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 purpose of this rule filing is to clarify certain procedures pertaining to the previously approved DTC-2003-09.

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.

(i) The purpose of this rule filing is to clarify certain procedures pertaining to the previously approved DTC-2003-09.

(a) Background

In rule filing DTC-2003-09, DTC proposed a new service designed to allow DTC to destroy certain certificates representing positions in securities for which transfer agent services are no longer available, or “issues of non-transferable certificates”. At the time of the original filing, DTC held 1.2 million such certificates, representing nearly 22% of the depository’s entire certificate inventory. DTC therefore instituted the Destruction of Non-Transferable Securities Certificates Program (the “Program”) in order to eliminate the significant risks and costs associated with the ongoing maintenance of custody, control, and audit of these non-transferable certificates.

Prior to instituting the Program, many participants used DTC’s Position Removal (“PREM”) function to delete positions in issues of non-transferable certificates from their participant accounts. These positions were then moved to a DTC internal PREM account. However, the certificates representing those positions were still held in the depository’s vaults, with all the risks and costs associated with storing such certificates, maintaining the related accounts, and monitoring the status of such issues. Under the Program, DTC extended the PREM process by indicating that using PREM to delete a position constituted an acknowledgement by the participant that the depository may cease crediting the security to the participant’s securities account, and that the depository may at its option, and based upon its own criteria, include the certificates underlying the position in a certificate destruction program.

(b) Clarification of Procedures

In DTC-2003-09, DTC indicated that it would implement the Program in the second half of 2003, “beginning first with issues in which all participant positions have been put in PREM.” However, the Commission’s approval order of DTC-2003-09 stated that “DTC will implement this new program with issues in which all participant positions have been moved to PREM.”¹ It has come to DTC’s attention that this may have been interpreted to mean that, as a prerequisite for the destruction of a particular issue of non-transferable certificates, every participant must have deleted their respective positions in that issue via PREM. DTC’s intent in the original filing was to start the Program with fully PREMEd issues, but to thereafter continue with those issues which had not been fully PREMEd. The purpose of the present filing is to clarify this point. DTC wishes to make clear that DTC may destroy any non-transferable certificates for which the underlying issues have been PREMEd, even if all participants have not yet entered their positions into PREM. DTC will maintain a certificate representing those positions that have not yet been entered into PREM. DTC has no intention of modifying any other part of DTC-2003-09 with this filing.

¹ See SEC Release No. 34-49930.

(ii) The proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Securities Exchange Act of 1934, as amended, (the “Act”) and the rules and regulations thereunder applicable to DTC in that it promotes efficiencies in the 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 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. [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 DTC. 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