

OMB APPROVAL

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

File No. SR - 2005 - 14  
 Amendment No. 1

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

Initial <input type="checkbox"/>	Amendment <input checked="" 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"/>
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 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  General Counsel  
 (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.

**Boldfaced underlined and ~~strikethrough~~ text reflects amended changes**

1. Text of the Proposed Rule Change.

(a) The proposed rule change is to help assure DTC's compliance with requirements of applicable laws, including economic sanctions and embargo programs administered under regulations issued by OFAC. The Proposed Rule Change is based upon guidance provided by OFAC to DTC.

Revisions of DTC's written procedures incorporating the proposed rule change are attached hereto as Exhibit 2.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) DTC Board approval for the proposed rule change is not required.

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

(a) The proposed rule changes being filed by The Depository Trust Company ("DTC") consist of the following revisions of DTC's Deposit Service, ~~and~~ Custody Service **and Withdrawals–By-Transfer Service** procedures:

- In order to receive immediate credit in its securities account at DTC for a deposit of registered securities, a Participant will be required to certify to DTC that it has compared the parties identified on the deposited certificate (e.g., the issuer, the party in whose name the deposited security is registered and all assignees) against the list of targeted countries, ~~Specifically~~ **Specially** Designated Nationals and other parties designated by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury (the "OFAC list") and that there were no "valid matches" identified by such comparison.
- Additionally, in the case of a deposit of registered securities by a Participant located outside the United States, including a deposit by or for the benefit of a Participant accepted at a Depository Facility located outside the United States, the Participant will not receive immediate credit in its securities account. DTC will give credit for the deposit only after DTC itself has screened the parties on the deposit against the OFAC list and has identified no "valid matches".

- With respect to securities and other financial instruments that are deposited pursuant to DTC's Custody Service procedures, DTC will act on the instructions of the depositing Participant only after DTC itself has screened the parties on the deposit against the OFAC list and has identified no "valid matches".
- **With respect to securities on deposit that are sought to be withdrawn pursuant to DTC's Withdrawal-By-Transfer Service, including Withdrawal-By-Transfer requests for Direct Registration, DTC will act on the instructions of the withdrawing Participant only after DTC itself has screened the investor in whose name the securities are to be registered against the OFAC list and has identified no "valid match."**

(b) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations thereunder, because it will enhance DTC's compliance with applicable laws, thereby reducing risks and associated costs to DTC and its Participants.

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.

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.

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

- (a) Not applicable.
- (b) Not applicable.

(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 – DTC’s Deposit Service, Withdrawal-By-Transfer (WTS) and Custody Service Procedures

Exhibit 3 – N/A

Exhibit 4 – N/A

Exhibit 5 – N/A

**Boldfaced underlined and ~~strickethrough~~ text reflects amended changes**

**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 34-\_\_\_\_\_ ; File No. SR-DTC-2005-14)**

**SELF-REGULATORY ORGANIZATIONS**

Proposed Rule Change by The Depository Trust Company (“DTC”) is to help assure DTC’s compliance with requirements of applicable laws, including economic sanctions and embargo programs administered under regulations issued by the Office of Foreign Assets Control (“OFAC”). The Proposed Rule Change is based upon guidance provided by OFAC to 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 2.

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 proposed rule changes being filed by The Depository Trust Company (“DTC”) consist of the following revisions of DTC’s Deposit Service, ~~and~~ Custody Service **and Withdrawals-By-Transfer Service** procedures:

- In order to receive immediate credit in its securities account at DTC for a deposit of registered securities, a Participant will be required to certify to DTC that it has compared the parties identified on the deposited certificate (e.g., the issuer, the party in whose name the deposited security is registered and all assignees) against the list of targeted countries, ~~{Specifically}~~ **Specially** Designated Nationals and other parties designated by the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury (the “OFAC list”) and that there were no “valid matches” identified by such comparison.
- Additionally, in the case of a deposit of registered securities by a Participant located outside the United States, including a deposit by or for the benefit of a Participant accepted at a Depository Facility located outside the United States, the Participant will not receive immediate credit in its securities account. DTC will give credit for the deposit only after DTC itself has screened the parties on the deposit against the OFAC list and has identified no “valid matches”.
- With respect to securities and other financial instruments that are deposited pursuant to DTC’s Custody Service procedures, DTC will act on the instructions of the depositing Participant only after DTC itself has screened the parties on the deposit against the OFAC list and has identified no “valid matches”.
- **With respect to securities on deposit that are sought to be withdrawn pursuant to DTC’s Withdrawal-By-Transfer Service, including Withdrawal-By-Transfer requests for Direct Registration, DTC will act on the instructions of the withdrawing Participant only after DTC itself has screened the investor in whose name the securities are to be registered against the OFAC list and has identified no “valid match.”**

(ii) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules and regulations thereunder, because it will enhance DTC’s compliance with applicable laws, thereby reducing risks and associated costs to DTC and its Participants.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

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. SR-DTC-2005-14 on the subject line.
- Paper comments should be sent in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington D.C. 20549-9303.

All submissions should refer to File Number SR-DTC-2005-14. 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

Double underlined boldfaced text indicates additions

~~Bold underlined~~ text indicates deletion

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## IMPORTANT LEGAL INFORMATION

The contents of all Service Guides constitute "Procedures" of The Depository Trust Company ("DTC") as defined in the Rules of DTC. If Participants or other authorized users of DTC's services fail to follow these Procedures precisely, DTC shall bear no responsibility for any losses associated with such failures.

**In connection with their use of the Corporation's services, Participants and Pledges must comply with all applicable laws, including all applicable laws relating to securities, taxation, and money laundering.**

From time to time, DTC receives from outside sources notices, other documents, and communications concerning financial assets. Although DTC may make certain of such documents and communications, or extracts therefrom, ("Information") available to Participants and other authorized users, it shall be under no obligation to do so nor, having once or more done so, shall DTC have a continuing obligation to make available Information of a certain type. Information is not independently verified by DTC and is not intended to be a substitute for obtaining advice from an appropriate professional advisor. Therefore, Participants and other authorized users are advised to obtain and monitor Information independently. In addition, nothing contained in Information made available to Participants and other authorized users shall relieve them of their responsibility under DTC's Rules and Procedures or other applicable contractual obligations to check the accuracy, where applicable, of Participant Daily Activity Statements and all other statements and reports received from DTC and to notify DTC of any discrepancies. **DTC DOES NOT REPRESENT THE ACCURACY, ADEQUACY, TIMELINESS, COMPLETENESS, OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY INFORMATION (AS DEFINED ABOVE) PROVIDED TO PARTICIPANTS AND OTHER AUTHORIZED USERS, WHICH IS PROVIDED AS-IS. DTC SHALL NOT BE LIABLE FOR ANY LOSS RELATED TO SUCH INFORMATION (OR THE ACT OR PROCESS OF PROVIDING SUCH INFORMATION) RESULTING DIRECTLY OR INDIRECTLY FROM MISTAKES, ERRORS, OR OMISSIONS, OTHER THAN THOSE CAUSED DIRECTLY BY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF DTC.** Further, such Information is subject to change. Participants and other authorized users should obtain, monitor, and review independently any available documentation relating to their activities and should verify independently information received from DTC.

**DTC SHALL NOT BE LIABLE FOR: (1) ANY LOSS RESULTING DIRECTLY OR INDIRECTLY FROM INTERRUPTIONS, DELAYS, OR DEFECTS ARISING**

**FROM OR RELATED TO ITS SERVICES; AND (2) ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, OR PUNITIVE DAMAGES.**

The services provided by DTC to its Participants and other authorized users are provided only pursuant to the terms and conditions of the Participants Agreement, which references the Rules and Procedures of DTC, and/or other contractual documents (collectively, the "Contractual Documents"). DTC's obligations to Participants and other authorized users are therefore contractual in nature and are limited solely to those obligations expressly set forth in the Contractual Documents. Participants and other authorized users are obligated to, among other things, follow precisely the procedures outlined in the Contractual Documents and provide DTC with complete and accurate information. In accepting financial assets from Participants and/or providing services to other authorized users, DTC relies, among other things, upon the duty of Participants and other authorized users to exercise diligence in all aspects of each transaction processed through DTC.

Participants and other authorized users expressly acknowledge that the services provided by DTC are ministerial in nature. Moreover, as further reflected by DTC's fee structure (which typically bears no relationship to the dollar value of any given transaction), DTC does not accept any risk of loss to Participants, other authorized users and possible third party beneficiaries with respect to transactions being processed by DTC.

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The contents of the Service Guides are updated in different formats on a periodic basis. Participants and other authorized users of the Service Guides will find the most current version of the Service Guides, as well as DTC Important Notices which address the contents of the Service Guides, on DTC's internet site, [dtccservices.dtcc.com](http://dtccservices.dtcc.com). DTC shall bear no responsibility for any losses associated with the failure of Participants or other authorized users to follow DTC's most current Service Guides and/or Important Notices. Participants or other authorized users may direct inquiries about the Service Guides, as well as requests for additional copies, to the Customer Training and Information Services Department, The Depository Trust Company, 55 Water Street, 27th Floor, New York, NY 10041-0099, USA; fax number: (212) 855-2283; e-mail address: [training\\_administrator@dtcc.com](mailto:training_administrator@dtcc.com).

# Introduction

## (Deposits)

### Overview

This section describes DTC's Deposits products. Each section includes an overview of a product and how it works, as well as a list of associated Participant Terminal System (PTS) functions you can use to access the product.

### Overview

**Warning!** Although DTC makes every effort to provide you with timely information, you are primarily responsible for obtaining such information without relying on DTC. We recommend that you reconcile your records with DTC's before and after making a deposit and before and after any critical dates.

- **In order to receive immediate credit in its securities account at DTC for a deposit of registered securities, a Participant will be required to certify to DTC that it has compared the parties identified on the deposited certificate (e.g., the issuer, the party in whose name the deposited security is registered and all assignees) against the list of targeted countries, [Specifically] Specially Designated Nationals and other parties designated by the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury (the “OFAC list”) and that there were no “valid matches” identified by such comparison.**
- **Additionally, in the case of a deposit of registered securities by a Participant located outside the United States, including a deposit by or for the benefit of a Participant accepted at a Depository Facility located outside the United States, the Participant will not receive immediate credit in its securities account. DTC will give credit for the deposit only after DTC itself has screened the parties on the deposit against the OFAC list and has identified no “valid matches”.**

### About DTC's Deposits Service

DTC's Deposits service allows you to use a full range of safekeeping and processing services offered by the depository for various types of eligible securities. After receiving deposit instructions, DTC credits deposited securities to your general free account unless they are mandatory reorg deposits, restricted deposits, or full service legal deposits or if DTC's Interim Accounting procedures are in effect.

DTC's Deposits service offers the following products:

- Branch Deposits (Basic and Full Service)
- Reorganization (Reorg) Deposits
- Legal Deposits
- Deposit/Withdrawal at Custodian (DWAC)
- Restricted Deposits
- Custody
- Custody Reorg Deposits
- Continuous Net Settlement (CNS).

The Deposit Automation Management (DAM) system allows you to transmit details of a deposit via the PTS function DAMP before forwarding physical securities to DTC. DTC's Deposits staff reviews and edits this information, and, with high-value items, notifies you of any problems or other relevant information involving the securities. DAMP also allows you to consolidate deposits, research the status of a deposit, and pend a deposit for up to 10 days. See DAMP for more information.

## Depositing Securities at DTC

This section briefly describes how deposits are processed by DTC. You can review information and account activity via various PTS functions, as explained in Tracking Deposits.

You can make deposits by using one of the following methods:

- DTC's Deposit Automation Management system (via the PTS function DAMP for legal and reorg deposits, and deposits made through DTC's Interface Department)
- The Branch Deposits system (via Computer-to-Computer Facility [CCF/CCF II] transmissions)
- The Restricted Deposits system (via the PTS function RDSP)
- The Fast Automated Securities Transfer (FAST) system (via the PTS function PDWC) .

*Note-* To expedite the deposit process, you should carefully follow the steps described in Preparing Certificates for Transfer before making a shipment to DTC.

You can submit certificates to DTC in one of four ways:

1. **Messenger delivery** to DTC's Central Delivery Department at 55 Water Street, Window 13 (for New York City participants)
2. **Overnight delivery** to the Interface Department (for participants outside New York City)
3. Through **DTC-affiliated depository facilities** located throughout North America
4. **Branch deposits.**

Once an acceptable deposit is made via PTS, DTC credits your general free account at the depository as follows:

- Same-day credit: Deposits made before noon eastern time at DTC's Central Delivery window, by DWAC deposit, or through a depository facility.
- Overnight credit: Deposits made between 2:00 p.m. and 5:30 p.m. eastern time at the Central Delivery Window or via the Interface Department.
- Same-day credit: Branch deposits.

*Note-* This processing schedule does not apply to certain products such as restricted deposits and mandatory reorg deposits. See those sections for details.

## Reorg Deposits

The day after certificates are received as a reorg deposit, DTC sends the material to the agent with instructions to transfer or exchange the shares. The letter of transmittal generated by DTC also shows entitlements expected at DTC.

Appropriate payments and exchange of shares are usually made through DTC's Settlement area three days after the trade date.

## Overview

Glossary Term	Abbreviation	Definition
book-entry-only security	BEO	An issue authorized for deposit at DTC in the form of one or more global certificates for each tranche of an issue. Ownership positions and transactions in each security are reflected in DTC's records and in the records of participating banks and brokers. Transaction confirmations and periodic account statements provided to investors identify securities the investor owns and report on activity in the investor's account.
Chill		A systemic way DTC can prohibit you from processing certain activities (e. g. , a valued delivery chill will prevent you from making valued deliveries from your account).
Continuous Net Settlement	CNS	The system used by the National Securities Clearing Corporation (NSCC) to settle NYSE, AMEX and NASDAQ trades.

<b>Glossary Term</b>	<b>Abbreviation</b>	<b>Definition</b>
Contra-CUSIP		The CUSIP used to indicate your tendered position (representing instructions submitted by Participants to surrender securities).
CUSIP number		The identification number created by the American Banking Association's Committee on Uniform Security Identification Procedures (CUSIP) to uniquely identify issuers and issues of securities and financial instruments. The CUSIP number consists of nine digits; the first six digits identify the issuer and have been assigned to issuers in alphabetic sequence, and the next two characters (alphabetic or numeric) identify the issue. The ninth digit is the check digit.
Fast Automated Securities Transfer	FAST	An arrangement between DTC and transfer agents to eliminate the movement of securities certificates. By signing the Balance Certificate Agreement with DTC, agents agree to maintain DTC-eligible inventory in the form of jumbo certificates registered in the name of DTC's nominee name, Cede & Co. DTC and FAST agents electronically reconcile the results of participants daily deposit and withdrawal activities.
Free Account		General DTC Participant Account.
Letter of Transmittal		The document signed by the security holder in which it agrees to tender its securities pursuant to the terms of the offer. It contains information about the certificates and quantity being tendered, as well as where and to whom the payment should be made.
Transfer Agent	TA	Usually a commercial bank that acts as a "Trustee" for the Sponsor. The TA creates an IVORS database record for UIT CUSIPs. It can also enter and modify settlement information for the transactions originated by Participants, and cancel Participants' transactions.

<b>Glossary Term</b>	<b>Abbreviation</b>	<b>Definition</b>
American Depository Receipt (ADR)		A certificate issued by a U. S. bank or trust company against the deposit of the original foreign share certificate with a subcustodian in the country of original issue. As foreign shares are deposited abroad, the equivalent ADRs are issued to buyers in the U. S. markets.
bearer security		A security that is not registered with the issuer in the name of the owner and that is negotiable without endorsement and transferred by delivery.
Continuous Net Settlement (CNS)		The method of securities clearing used by DTC to settle NYSE, AMEX and NASDAQ trades. DTC matches securities available in a participant's account, resulting in one net receive or deliver at the end of the day.
legal deposit		A registered security and any legal documentation other than or in addition to a stock/bond power required for the transfer of that security, such as power-of-attorney or death certificate.
registered security		A security registered with the issuer of the security in the name of the owner or a nominee name on behalf of the beneficial owner.
reject		A deposit sent back to a participant because of nonnegotiable status, incomplete or incorrect PTS information entered by a participant, or the failure to meet DTC or transfer agent criteria necessary for the completion of the transfer.
RRG Account		The reorganization account created to hold the position of a security undergoing a reorganization activity. On the payment date, DTC reduces the security's position in the participant's RRG account.

<b>Glossary Term</b>	<b>Abbreviation</b>	<b>Definition</b>
stock power		A power of attorney form transferring ownership of a registered security from the owner to another party. It is typically used when endorsement and medallion guarantees are required on numerous certificates of the same security all registered to the exact same party undergoing the same transaction.
transfer agent (TA)		The financial institution that acts as a trustee for a security issuer to maintain records of ownership. The TA cancels certificates when ownership changes (known as a transfer) and issues certificates to the new owner.

## Preparing to Use the Products

In order to use the products associated with this service, you must have access to one of the following:

- The Participant Terminal System (PTS) network
- Computer-to-Computer Facility (CCF or CCF II) or Mainframe Dual Host (MDH).

Contact your Relationship Manager for more information.

*Note-* DTC also provides various hard copy reports.

## Understanding Relevant Dates

This table identifies important dates to be aware of when making a deposit at DTC,

<b>Date Term</b>	<b>Definition</b>
record date	The date on which the holder of a security must be registered on the books of the issuer in order to receive an income distribution on the payable date or to receive voting rights.
trade date	The date the trade was executed.
settlement date	The date on which a trade settles (when the purchasing participant pays the seller), usually 3 days after the trade date and the date on which the book entry transfer of securities takes place.

<b>Date Term</b>	<b>Definition</b>
deposit date	The date on which DTC credits your account, not necessarily the day on which you made the deposit.
payable date	The date on which income (such as principal, interest, and dividends) is paid to security holders.

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# Introduction

## (DAMP)

### Overview

The Deposit Automation Management (DAMP) function allows you to send deposit information to DTC for upcoming deposits, for which you can generate bar-coded deposit tickets that facilitate tracking and eliminate handwritten materials. Moreover, DAMP eliminates errors caused by the entry of incorrect CUSIP numbers, thereby reducing the number of rejected deposits and the attendant fees.

DTC reviews deposit information and notifies you of any problems that may affect processing by DTC's Reorganization Deposit Service. DTC also verifies that a redemption has been announced before accepting physical securities for that redemption. For mandatory reorganizations, DTC verifies that the security is eligible for its Mandatory Reorg Deposit Service. DTC notifies you of any errors so that you may make corrections before sending the physical securities to DTC. The DAMP function allows you to

- Consolidate multiple deposits through a bulk deposit feature that you can prearrange with DTC
- Place deposits in pend status for up to 10 business days
- Inquire about deposits entered today or during the last 60 business days
- Enter State of Israel bond deposits for safekeeping at DTC
- Deposit eligible debt or equity securities that are undergoing or have undergone (within the past three years) maturity, full call, partial calls, and mandatory reorganizations (Reorg Deposit service).

*Note-* A deposit can only be modified before DTC credits the position to your account. The DAMP function also

- Prints bar-coded deposit tickets either at your site or at DTC. You need a bar code printer for this service. If you use preprinted bar code labels supplied by DTC, you will not be able to reprint a ticket if it is lost or destroyed. In that case, you must delete the pending deposit and reenter it as a new deposit.
- Immediately updates the Automated Transfer Processing (ATP) system when deposits that have been sent to DTC are scanned into the DTC mainframe computer. The bar code is scanned at each stage of processing, generating an audit trail that you can monitor via the PTS function ART.
- Prints a unique deposit control number on each deposit ticket that makes it easier to track deposits. These deposit ID numbers are used for tracking inquiries, single ticket printing, and bin and shipment control list (SCL) processing.
- Allows you to request that images of your deposit be faxed or e-mailed to up to six recipients.

*Note-* The DAMP function also allows you to print deposit tickets for transactions entered via DTC's Computer-to-Computer Facility (CCF).

## Facility Deposits

If you are located outside New York City, you can deposit certificates at a designated bank or corporation that provides you with same-day credit at DTC. The DAMP function allows you to enter the information about these deposits.

- **In the case of a deposit of registered securities by a Participant located outside the United States, including a deposit by or for the benefit of a Participant accepted at a Depository Facility located outside the United States, the Participant will not receive immediate credit in its securities account. DTC will give credit for the deposit only after DTC itself has screened the parties on the deposit against list of targeted countries, [specifically] Specially Designated Nationals and other parties designated by the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury (the “OFAC list”) and has identified no “valid matches”.**

## Deposit Reject Conditions

DTC will reject your deposit if:

- The specified CUSIP number is invalid, or is currently chilled or frozen for DTC activities
- The specified CUSIP number is not DTC eligible for deposit
- The participant number is currently frozen for DTC activities
- An invalid quantity (0 or alpha) is entered
- DTC's master tables are currently inactive, which happens infrequently when the tables containing CUSIP number information is being serviced (you will receive a message via PTS)
- An invalid deposit type is entered
- The specified deposit date is before today's date
- There is a book-entry TA for the deposit issue.

*Note-* A book-entry TA is a Federal Reserve issue identified by transfer agent number 400. These issues are rejected back to the originating participant because they should normally be forwarded to the Federal Reserve for deposit.

In addition, DTC will reject your *reorganization* deposit if:

- No denomination is specified
- The total of denomination is not equal to the specified quantity
- The deposit date is invalid
- The wrong coupon number is specified for bearer issues

- The CUSIP number is not chilled (applies to full calls and mandatory reorganizations only)
- It is a book-entry TA issue
- The redemption date is invalid (applies to partial calls only).

*Note-* Deposits of past due issues will only be accepted on issues that have matured or have been fully or partially called during the period up to three years prior to the date of deposit.

## Reorganization Deposits

The Reorg Deposit service allows you to deposit with DTC eligible debt or equity securities that are currently undergoing or have undergone maturity, full call, partial calls or mandatory reorganization.

For Redemptions/Maturity, DTC credits the maturing or called portion of the securities to your Reorganization (RRG) account and credits any uncalled portion to your general free account. DTC then submits the deposited securities to the Paying Agent for payment, credits redemption proceeds to your settlement account and deletes your RRG position in the deposited security.

For Mandatory Reorganizations, DTC credits your RRG account under the old security and credits your general free account for the new security entitlement. Cash proceeds are credited to your settlement account. For more information, refer to Mandatory Reorganizations .

## Safekeeping Deposits

You can deposit State of Israel bonds at DTC for safekeeping if the following conditions are met:

- Chase Manhattan Bank NA is the fiscal agent
- The bonds are in registered form
- The bonds are registered in the firm's name, or in the firm's name for the benefit of a client
- The bonds are eligible for DTC's GWIZ function.

You can deposit State of Israel bonds from 7:30 a.m. to 12:00 p.m. eastern time for same-day credit, or from 2:00 p.m. to 6:00 p.m. for next-day credit.

To make a safekeeping deposit, you must prepare and return to DTC a letter of authorization that directs Chase Manhattan Bank to change the dividend address of record and pay future interest to DTC. All certificates must be assigned to Cede & Co. on the certificate or on a bond power, and must be signed with a medallion signature. All certificates must have the same customer account number.

For each State of Israel bond, include:

- Certificate (s) assigned and endorsed on the certificate or a bond power
- A photocopy of each certificate (front and back)
- The original and a photocopy of an attached bond power
- A bar code deposit ticket generated via DAMP.

## When to Use

Before depositing physical certificates, use DAMP to ensure that there are no problems that may affect processing by DTC's Reorganization Deposit service.

DAMP is available on business days from 6:00 a.m. to 8:00 p.m. eastern time.

## Associated Products

DAMP is used in association with the following Deposits service products:

- Reorg Deposits
- Legal Deposits
- Facility Deposits

*Note-* For other types of deposits, use the following products:

- Branch Deposits
- Restricted Deposits
- Deposit/Withdrawal at Custodian (DWAC)

**Boldfaced underlined** text indicates additions



## **4.16 WITHDRAWAL-BY-TRANSFER (WTS)**

[Overview How To Access How To Inquire About Rush Withdrawals-By-Transfer](#)

[Error Codes Messages And Corrections](#)

### **4.16.1 Overview**

The Withdrawal-By-Transfer function (WTS) provides the Participant with a convenient way to access multiple functions relating to withdrawals. The Participant accesses one main menu offering a choice of withdrawal functions and interaction between the functions.

The following functions are accessible through WTS:

- Withdrawals-By-Transfer Inquiry (AWTI): allows the Participant to inquire about dropped, pending and updated WT items for a specific date and/or CUSIP number (refer to Section 2.31 for detailed instructions for using AWTI).
- Night Withdrawals-By-Transfer (NWT1): allows the Participant to enter WTs during the day that are processed by the Auto WT System during the evening for next day update (refer to Section 4.07 for detailed instructions for using NWT1).
- Rush Withdrawals-By-Transfer Update (RWT1): allows the Participant to enter Rush Withdrawal-By-Transfer items (RWTs) during the day (refer to Section 4.11 for detailed instructions for using RWT1).
- Rush Withdrawals-By-Transfer Inquiry: allows the Participant to inquire about inputted, dropped and updated RWT items for a specific date and/or CUSIP number.
- Participant Transfer Activity (STSE): allows the Participant to make online inquiries about the status of its Withdrawal-By-Transfer (WT) activity (refer to Section 2.06 for detailed instructions for using STSE).
- Direct Mail Services (DMDB): allows the Participant to withhold from mailing certificate withdrawal requests for which DTC was previously instructed to mail to designated recipients (refer to Section 4.08 for detailed instructions for using DMDB).

- **DTC will act on the Participant’s instructions only after DTC itself has screened the investor in whose name the securities are to be registered against the list of targeted countries, specially Designated Nationals and other parties designated by the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury (the “OFAC list”) and that were no “valid matches” identified by such comparison.**
- **After a first review to identify and remove the “false positives”, DTC will present the potential matches (“pending review items”) to participants via a new PTS function “OFAP.” Participants will be required to review each certificate registration identified as a potential match via the “OFAP” function (comparing the certificate registration to the OFAC text information) and respond with a comment for each registration, providing factual information sufficient for DTC to conclude, in its sole discretion, that the investor is or is not the person or entity listed on the OFAC list.**

#### 4.16.2 How To Access

##### Step

##### Action

- Step 1** Enter 'WTS' when the Enter Function Prompt Screen appears (Figure 1).



*Figure 1. WTS Enter Function Prompt Screen*

##### Step 2

- Press the 'ENTER' key to obtain the Withdrawals Main Menu Screen (Figure 2).

```

XX99                DEPOSITORY TRUST COMPANY                MM/DD/YY
00002199-99        WITHDRAWALS MAIN MENU                    HH:MM:SS

1 - WITHDRAWALS-BY-TRANSFER INQUIRY                (AWTI)
2 - NIGHT WITHDRAWALS-BY-TRANSFER                    (NWT1)
3 - RUSH WITHDRAWALS-BY-TRANSFER UPDATE                (RWT1)
4 - RUSH WITHDRAWALS-BY-TRANSFER INQUIRY
5 - PARTICIPANT TRANSFER ACTIVITY                    (STSE)
    
```

6 - DIRECT MAIL SERVICES

(DMDB)

OPTION:

ENTER: CONTINUE

PF8/20: END FUNCTION

PF9/21: SIGN OFF

**Figure 2. Withdrawals Main Menu Screen**

**Step 3** Enter the applicable option on the Withdrawals Main Menu Screen:

- 1: Automated Withdrawals-By-Transfer (AWTI) (Section 2.31).
- 2: Night Withdrawals-By-Transfer (NWT1) (Section 4.07).
- 3: Rush Withdrawals-By-Transfer (RWT1) (Section 4.11).
- 4: Rush Withdrawals-By-Transfer Inquiry (Section 4.16.3).
- 5: Participant Transfer Activity (STSE) (Section 2.06).
- 6: Direct Mail Services (DMDB) (Section 4.08).

**Step 4** Press the 'ENTER' key to access the function selected.

**Note:** The 'PF7/19' key returns the Participant to the Withdrawals Main Menu Screen from any withdrawal function.

**Step 5** Press either:

- 'PF8/20' key to change the function.
- 'PF9/21' key to end the processing session.

### 4.16.3 How To Inquire About Rush Withdrawals-By-Transfer

<b>Step</b>	<b>Action</b>
<b>Step 1</b>	Enter 4 (Rush Withdrawals-By-Transfer Inquiry) in the Option field on the Withdrawals Main Menu Screen.
<b>Step 2</b>	Press the 'ENTER' key to obtain the Rush Withdrawal-By-Transfer Inquiry Options Menu Screen (Figure 1).

```

XX99 RUSH WITHDRAWAL-BY-TRANSFER
MM/DD/YY 00002199-99 INQUIRY OPTIONS MENU HH:MM:SS
PURGE DATE: MM/DD/YY

```

PLEASE SELECT ONE OF THE FOLLOWING OPTIONS:

- |           |              |
|-----------|--------------|
| RWT ITEMS | 1 - INPUTTED |
| RWT ITEMS | 2 - DROPPED  |
| RWT ITEMS | 3 - UPDATED  |
| RWT ITEMS | 4 -ALL RWT   |

ITEMS

PART NUM :  
OPTION :  
INPUT DATE : / /  
CUSIP NUMBER:

ENTER PROCESS OPTION PF8/20 END FUNCTION CLEAR  
REFRESH SCREEN PF7/19 MAIN MENU PF9/21 SIGNOFF

**Figure 1. Rush Withdrawal-By-Transfer Inquiry Options Menu Screen**

**Step 3** Enter data for the following fields:

- Part Num: enter the Participant number; for Group users only.
- Option: enter any of the following:
  - 1: for RWT items that were entered on the current business day.
  - 2: for RWT items that were dropped.
  - 3: for RWT items that were updated.
  - 4: for all RWT items.
- Input Date: enter the date the RWTs were entered; optional.  
This field defaults to the current business date when left blank.
- CUSIP Number: enter the CUSIP number; optional.

#### 4.16.3 How To Inquire About Rush Withdrawals-By-Transfer (continued)

**Step 4** Press the 'ENTER' key. The Inputted/Dropped/Updated RWT Items Screen appears displaying a list of the appropriate RWTs you want to view (Figure 2).

```
XX99 RUSH WITHDRAWAL-BY-TRANSFER
MM/DD/YY 00002199-99 DROPPED
RWT ITEMS HH:MM:SS PAGE: 01 OF 01

PART NUM: 1234 AB CDEFG INPUT DATE: 02/27/96

CUSIP SHARE BROKER SEQ NUM QUANTITY REFERENCE NUM

664397114 31.00000 BOX 5R/AAAAAAAA 40053
817917107 70,000.00000 5F/BBBBBB45 40141
876628124 2,037,600.00000 1234/JOHN Q. PUBLIC 40081

PF2/14 DETAIL SCREEN PF7/19 MENU PF8/20 END FUNCTION PF9/21 SIGNOFF PF10/22 PAGE BWD
PF11/23 PAGE FWD
```

**Figure 2. Dropped RWT Items Screen**

**To View Detail Information:**

**Step 5** Position the cursor to the left of the CUSIP number of the RWT you want to view.

**Step 6** Press the 'PF2/14' key to obtain the Detail Screen (Figure 3). The screen displays detail information.

**Note:**

1. The screen displays the status (inputted, dropped or updated) of the RWT in the Status field.
2. For 'dropped' RWTs, the screen displays the reason for not processing the RWT, in the Error Code field. Refer to Section 4.16.4 for a list of Error Codes.
3. Press the 'PF6/18' key to return to the previous screen.

**4.16.3 How To Inquire About Rush Withdrawals-By-Transfer (continued)**

```

XX99                      RUSH WITHDRAWAL-BY-TRANSFER
MM/DD/YY                  00002199-99          DETAIL SCREEN
HH:MM:SS

PART NUM: 1234 AB CDEFG          INPUT DATE:
02/27/96
STATUS:  DROPPED      ERROR CODE: B
CUSIP:   123456788    QTY: 31.00000          TAX ID: 123-33-4444
BROKER REF: BOX AA/BBBBB001          SEQ NUM: 11111

-----
REGISTRATION                      THIRD PARTY ADDRESS
-----
JOHN Q. PUBLIC
100 MAIN STREET
ANYTOWN, NY 12345

ISSUE INSTRUCTIONS
QTY DENOMINATION  QTY DENOMINATION  QTY DENOMINATION  QTY
DENOMINATION

PF6/18 PREVIOUS      PF7/19 MENU          PF8/20 END FUNCTION  PF9/21
SIGNOFF
```

**Figure 3. Detail Screen**

**To View RWTs Using The 'All' Option:**

**Step 7** Press the 'PF11/23' key to scroll to the list of RWTs you want to view. The list begins with inputted RWTs followed by dropped and updated RWTs.

**Step 8** Press any of the following keys:

- 'PF2/14' key to obtain the detail screen of the RWT you want to view.
- 'PF7/19' key to return to the Withdrawals Main Menu Screen.
- 'PF8/20' key to change the function.
- 'PF9/21' key to end the processing session.

**4.16.4 Error Codes**

<b>Code</b>	<b>Description</b>
A B	INVALID TRANS CODE/DUPE RECORD INELIG OR CHILLED CUSIP
C D	INELIG PART/SDFS OR REQD DROP FROZEN PARTICIPANT NUMBER
E F G	NON-NUMERIC QUANTITY QUANTITY NOT EVEN MULTIPLE INVALID DATE: ORIGINAL INPUT
H I J	NON-NUMERIC SEQUENCE NUMBER NON-NUMERIC NUM PIECES/DENOMIN INVALID TEFRA CODE
L	NON-NUMERIC TAXPAYER ID
M	INELIGIBLE MUNI BOND TYPE
N	INVALID ASSIGNMENT TYPE

O	INVALID DELETION DATE
P	INVALID TAX WAIVER CODE
Q R	RECORD DATE ITEM - PEND OR DROP SEQUENCE ERROR
S	NON-NUMERIC SEQUENCE DELETION
T	BOND NOT A MULTIPLE OF 1000
U	REGN NAME BLANK OR CEDE & CO.
V	BAD INCOME GOV OR COMMON ISSUE
W	INVALID UIT CODE
X	INVALID DMA CODE/PARTICIPANT
Y	INVALID REINVESTMENT CUSIP NUM
Z	INVALID INMODE/TA NOT WT ELIG

#### 4.16.5 Messages And Corrections

Message	Reason	Corrective Action
INPUT DATE MAY NOT BE IN THE FUTURE	The Participant entered a date greater than the current business date.	Enter a valid date.
INVALID CUSIP	Self-explanatory.	Enter a new CUSIP number.
INVALID DAY IN INPUT DATE	Self-explanatory.	Enter a new input date.
INVALID INPUT DATE	Self-explanatory.	Enter a new input date.
INVALID KEY PRESSED	Self-explanatory.	Press a valid PF key.
INVALID MONTH IN	Self-explanatory.	Enter a new input date.

INPUT DATE

INVALID OPTION

The Participant entered an invalid function.

Enter a valid option.

INVALID PARTICIPANT NUMBER

Self-explanatory.

Enter a valid Participant number.

INVALID YEAR IN INPUT DATE

Self-explanatory.

Enter a new input date.

PARTICIPANT IS INELIGIBLE FOR GROUP

Self-explanatory.

Enter an eligible Participant number.

**Boldfaced underlined** text indicates additions

## DRS

### Introduction

#### Eligibility Transfers Investor-Directed Movement

### ***INTRODUCTION***

The Direct Registration System (DRS) provides investors with an additional approach to holding their securities in certificated form. Under DRS, investors electing to have their ownership of securities registered on the issuer's records have a choice between a registered certificate or a book-entry or "direct registration" position recorded on the books of the issuer or transfer agent. An investor electing a book-entry or DRS position will receive a "transaction advice" from the corporation/ issuer/transfer agent reporting creation of the position, as well as periodic account statements evidencing it. The investor subsequently can arrange to have the DRS position transferred electronically to a bank or broker-dealer in connection with a sale or other disposition of the securities.

- **DTC will act on the Participant's instructions only after DTC itself has screened the investor in whose name the securities are to be registered against the list of targeted countries, specially Designated Nationals and other parties designated by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury (the "OFAC list") and that were no "valid matches" identified by such comparison.**
- **After a first review to identify and remove the "false positives", DTC will present the potential matches ("pending review items") to participants via a new PTS function "OFAP." Participants will be required to review each certificate registration identified as a potential match via the "OFAP" function (comparing the certificate registration to the OFAC text information) and respond with a comment for each registration, providing factual information sufficient for DTC to conclude, in its sole discretion, that the investor is or is not the person or entity listed on the OFAC list.**

### **Eligibility**

When an issue becomes eligible for DRS, Participants will be notified by Important Notice and a DRS indicator will be added to the Eligible Corporate Securities Files (ELISC and ELISCD) as well as to the GWIZ function on *PTS*.

## **Transfers**

Withdrawal-by-Transfer (WT) requests for Direct Registration must be entered via the Participant Terminal System (*PTS*) using the Night Auto Withdrawal-by-Transfer (NWT1) (refer to Section 4.07 of the *PTS* Manual) or Computer-to-Computer Facilities and must include the following information:

X DRS indicator X Customer's account number with the Participant X Participant or correspondent broker name

The participant should include in the DRS Indicator field the appropriate code indicating whether the transferee wants a certificate issued or a DRS position established.

**NOTE: Any WT for a DRS issue that lacks a DRS indicator will drop.**

The "account number" specified should be the transferee's account number at the Participant or correspondent firm.

When a Participant's customer requests that a DRS position be established, the DRS transaction advice will be mailed directly by the agent to the customer.

No DRS transaction advice will be mailed or forwarded to the Participant directly by DTC. However, DTC will receive an automated confirmation from the transfer agent that the DRS transaction advice has been processed, and will notify the Participant via the Participant's normal Direct Mail (DMA) return files (CCF, *PTS* or hardcopy). Participants not currently using the DMA service will need to consider modifications to their procedures to monitor these advices as they are printed over the *PTS* network.

### **NOTE:**

- 1. There is an indicator on the issue eligibility master file to identify DRS issues. This indicator permits depositories to systematically check DRS eligibility.**
- 2. The automated WT file from the Participant to DTC must include one of the indicators listed below:**

**S statement account for DRS**

**C issue certificate**

**Y third party transfers for DRS account only**

**X reverse prior DRS transaction\***

**If a Participant fails to provide an indicator on a WT instruction relating to a DRS issue, the depository will reject the specific WT instruction.**

- NOTE: Participants should be aware that when submitting the "X" transaction to the transfer agent to return a previously established position, the Participant is indemnifying the transfer agent (comparable to providing a letter of indemnity for a physical certificate) to return the customer's DRS position back to the Participant's account at DTC within 120 days of the initial transaction.**

### **Investor-Directed Movement**

An investor who has elected a DRS position will be registered directly on the books of the corporation at the transfer agent. Under this option, if the investor subsequently sells the securities through a bank or broker-dealer, the investor must contact the agent to direct the movement of the DRS position to the investor's bank or broker-dealer.

An individual investor must contact the transfer agent/corporation/issuer to advise the agent to move his securities to his bank or broker/dealer of choice. The agent obtains information from the investor (bank or broker/dealer name, customer account number) and verifies this information against the agent's customer profile. If this information does not agree with the agent's profile, additional documentation may be required from the investor.

Once verified, the agent will adjust the investor's DRS position and increase the depository FAST balance on its records.

The agent will then increase its Limited Participant Account (LPA) established for this purpose at DTC (via *PTS*, MDH or CCF functions) and provide the following information:

X CUSIP X Quantity X Bank or Broker/Dealer ID X Bank or  
Broker/Dealer/Correspondent Broker X Customer Account Number X Comment Field

The agent will also provide to DTC instructions to move the position by a book-entry deliver order directly to the investor's bank or broker-dealer account at DTC by using the *PTS* Deliver Order Function (DO) (refer to Section 3.01 of the *PTS* Manual), or through MDH or CCF.

DTC will then increase its FAST balance position and make the automated free delivery movement (DO) of position from the agent's LPA account to the broker dealer/custodian bank.

In the event the bank or broker/dealer cannot identify the transaction from the agent (e.g. incorrect customer account number), the normal DK process in book-entry form can be accommodated to move the position back to the agent's account.

## **HARD-COPY WITHDRAWALS-BY-TRANSFER (WTS)**

The following procedures serves as a back-up alternative to automated input via PTS. Hard-copy input is acceptable only when a Participant's automated means of input is not functioning or when hard-copy submission is required for specific issues (i.e., Maritime, Oil and Gas, Communication, etc.).

- **DTC will act on the Participant's instructions only after DTC itself has screened the investor in whose name the securities are to be registered against the list of targeted countries, specially Designated Nationals and other parties designated by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury (the "OFAC list") and that were no "valid matches" identified by such comparison.**
- **After a first review to identify and remove the "false positives", DTC will present the potential matches ("pending review items") to participants via a new PTS function "OFAP." Participants will be required to review each certificate registration identified as a potential match via the "OFAP" function (comparing the certificate registration to the OFAC text information) and respond with a comment for each registration, providing factual information sufficient for DTC to conclude, in its sole discretion, that the investor is or is not the person or entity listed on the OFAC list.**

**PARTICIPANT** – Check your security position to make sure it will be adequate to permit the withdrawal.

**Prepare** a Transfer Assignment Control Form (TACF) (#5028), typing the requested information in the spaces identified by capital letters.

- A. Participant number
- B. Participant name
- C. Unique identification
  - 1. Unique identification
    - This field is limited to 40 characters.
    - It is important that Participants create a code to be used in the **Unique Identification** field for internal identification purposes, since certain TAs no longer return a copy of the TACF to DTC with the transferred securities. Instead, they imprint the Participant number and the information contained in the **Unique Identification** field directly on the new certificates, enabling DTC and Participants to identify the items.

2. Unit Investment Trusts (UITs)
- Insert the following UIT codes. You may choose to enter the CUSIP number of the selected reinvestment fund when there are multiple funds to choose from:

<b>Reinvestment Option</b>	<b>Translation</b>
1	All Cash
2	Reinvest Principal & Interest
4	Reinvest Principal Only
5	Reinvest Interest Only
Blank	No Translation
Zero	No Translation

**NOTE: Code “3” is not valid.**

- The reinvestment CUSIP number must be printed on the TACF where the code and translation print under “**Unique Identification**.” DTC will edit and reject invalid UIT codes and reinvestment CUSIP numbers.

**D.** Security description

**E.** Quantity

- For debt issues, enter a maximum 9-digit maturity or principal dollar value to the nearest whole dollar.
- For other issues types, enter a maximum 9-digit security quantity.

**F.** Denominations requested

- For bonds, enter face value.

**NOTE: This field should be left blank when backup withholding is not applicable.**

**G.** Taxpayer number

- Enter the customer’s social security number or TIN. This is a 9 or 10-digit data item. If the taxpayer number is an individual Social Security type, enter the 9-digit number *only*. If it is a business type, in the form of XX-XXXXXXX, enter that *format*, including the dash in the third position.
- Participants should report the identification of non-resident aliens to the TA. If a Participant is submitting a WT on behalf of a customer who is a non-resident alien, the

Participant should enter the letters NRA in this field.

- H.** Cusip number
- I.** Submission date in MM/DD/YY format
- J.** Complete name and address of the Transferee
  - This field contains 6 lines of 35 characters each.
- K.** Tax Waiver Stamp (applicable only for equity issues)
  - Affix to Copy #1.

**Forward** copies #0 and #1 of the TACF to:

The Depository Trust Company  
Central Delivery Department  
55 Water Street – South Street Entrance  
New York, NY 10041

Participants should affix any stamps or documentation required (e.g., Certificate of Citizenship, Community Property Agreement, Certification of the Use of Initials) to separate papers and submit them with the TACF.

**Pick up** the securities at DTC's Central Delivery Department upon completion of the transfer

**Verify** that the quantity of the securities received coincides with the quantity of securities transferred out as reflected on the Participant Daily Activity Statement.

**NOTE: 1. Participants using DTC's Direct Mail Services (DMS) can verify the accuracy of their instructions by referring to the DMA/DMD Return Report.**

**2. Interface Participants should refer to Section I – INTERFACE for additional delivery instructions.**

## Introduction (Custody)

### Overview

This chapter describes DTC's Custody Service products. Each section includes a description of the product, how it works, and a list of associated Participant Terminal System (PTS) functions that you can use to access the product.

### About Custody

DTC's Custody Service allows you to outsource all or part of your physical securities inventory for safekeeping. When Regular Custody Services are used in conjunction with DTC's Branch Deposit Service (BDS), Restricted Deposit Service (RDS), and New York Window (NYW) Service, Custody participants are able to retain control of their securities without having to handle and secure them.

The Custody Service allows you to deposit securities not traditionally eligible for DTC, including securities such as customer-registered custodial assets, restricted shares, and certain DTC-ineligible securities like certificated money market instruments (MMIs), private placements, and limited partnerships. Refer to the Custody conversion checklist on DTC's Web site at **dtcservices.dtcc.com**.

**With respect to securities and other financial instruments that are deposited pursuant to DTC's Custody Service procedures, DTC will act on the instructions of the depositing Participant only after DTC itself has screened the parties on the deposit against the OFAC list and has identified no "valid matches".**

**After a first review to identify and remove the "false positives", DTC will present the potential matches ("pending review items") to participants via a new PTS function "OFAP." Participants will be required to review each certificate registration identified as a potential match via the "OFAP" function (comparing the certificate registration to the OFAC text information) and respond with a comment for each registration, providing factual information sufficient for DTC to conclude, in its sole discretion, that the registered holder on the certificate is or is not the person or entity listed on the OFAC file.**

## Eligibility

DTC intends to make all securities eligible for its Custody Service. Financial instruments not generally considered securities are not eligible for the service. DTC reserves the right to refuse an instrument for its Custody Service.

*Note-* DTC fully examines your deposits by reviewing the certificates for negotiability and ensuring the accuracy of the data you transmitted in your deposit expectancy file. Anything that can be securitized is eligible for custody including;

- Stocks (negotiable, non-negotiable and restricted)
- Bonds
- DTC-eligible: open-ended mutual funds, short-term money market instruments
- DTC-ineligible: foreign securities, interest only, limited partnerships, promissory notes, private placements, customer-registered custodial assets.

Items that cannot be securitized are not eligible for custody, such as:

- Currency
- Wills, deeds, insurance policies, mortgage papers
- Terminal output of stock record positions
- Vouchers or cash for airline tickets
- Legal correspondence on client assets
- Liquidity Letters of Credit
- Bank account applications
- Bills of sale
- Contracts of prevailing wage certificates
- Agreements
- Permanent loan certificates
- Assignment of real estate
- Sponsor's retained interest certificates
- Individual Retirement Accounts (IRA)
- Annuities
- Tax returns
- Gold certificates.

## Security Numbering

If no CUSIP number exists for your deposit, the Custody department processes the deposit using a DTC-issued user-CUSIP number and requests a CUSIP number from Standard and Poor's. When the number is issued and DTC is notified, your position is swung to that CUSIP number.

## Cent-Denominated Securities

Cent-denominated securities are eligible for Custody services. As with regular positions, cent positions are maintained to five decimal places under contra-CUSIPs. Before updating any transaction, you should ensure that the CUSIP is eligible for cents processing by checking the PTS Security Inquiry ( GWIZ ) function's Information screen.

## Imaging

The Custody imaging system was designed to allow you to view at your office images of your deposits to DTC.

- Each deposit ticket, certificate, and legal document is scanned.
- Each item is scanned front and back.
- Images are organized by deposit in DTC's imaging system database.
- A request for an image of a deposit through PTS will result in the display of all images associated with that particular deposit.
- The first image takes up to 20 seconds to appear. While the user is inspecting that image the others will be transmitted to the workstation almost immediately.
- The size and the position of an image can be manipulated.

When you request images through PTS, ( IFE) they are transmitted to an image window on the same workstation or on one nearby. Currently the CUST and BDSI functions have detail screens on which you can press a program function key to see the images associated with the details that are displayed.

Images are delivered to Windows NT workstations on a local-area network (LAN). The LAN and workstations can be existing workstations on a corporate LAN or an isolated LAN with special-purpose workstations. DTC supports both environments. The Participant LAN environment currently supported by DTC is 10BaseT Ethernet. DTC is willing to explore the support of other protocols. The workstations must be running Windows NT version 4, service pack 3 or higher, and have one of the following Systems Network Architecture (SNA) clients:

1. Wall Data Rumba
2. Attachmate EXTRA!
3. IBM e-Network Personal Communications (PComm).

DTC will assist you with initial configuration of the workstation, including sending a technician to help configure the first workstation at your site. The workstation will be configured with three windows:

1. PTS
2. Image 3270

### 3. Image Display

The PTS window is a 3270 emulation session that is dedicated to PTS. You have full access to PTS functions through this window, although its main purpose is to specify which images are to be displayed. You can also make image requests through any other PTS window. The purpose of the Image 3270 window is to initialize the image display window and for troubleshooting, which DTC may need to do during initial or future problem solving. The Image Display window is not a 3270 session, but rather IWP/NT. This window lets you rotate an image and zoom in and out of an image.

In order to receive images of securities from DTC, you will need a Frame Relay connection to DTC. If you already have a Frame Relay connection to DTC and you want to use the same one for imaging, DTC will research whether it is possible and will advise you whether response time would significantly degrade. Refer to the Fees Guide for information on connection fees.

*Note-* DTC handles the ordering and configuration of all telecommunications devices and services and works with Participants' telecommunication departments for installation.

If you need to print images, DTC recommends Lexmark printers. Lexmark supports a protocol that is proprietary to IBM. When properly configured for image printing, printing an image takes about half a minute, much less time than other printers.

### Insurance and Replacement of Certificates

DTC carries insurance to cover the costs of replacing certificates lost in transit or on its premises. It is recommended that you review your holdings and, when possible, submit these certificates for breakdowns so that the dollar value remains within DTC's insurance limits.

In addition, you are asked to consider assigning high-value certificates to Cede & Co. to limit negotiability. When possible, arrangements are made with transfer agents or issuers to cancel these certificates before shipment. Refer to the "Custody High Value Certificate" letter on DTC's Web site at **dtcservices.dtcc.com**.

*Note-* DTC's liability for loss, under any circumstance, is limited to its existing insurance coverage and participants will be required to acknowledge this in writing.

## Customized Letterheads

You can instruct DTC to have your company's letterhead and the facsimile signature of the person you choose appear on letters accompanying certificates being mailed by DTC to your customers.

## About the Custody Service Checklist

Before participating in the Custody Service, you must complete and return a checklist, which you can get from your Relationship Manager or via DTC's Web site at **dtcservices. dtcc. com** . The checklist is designed to

- Provide critical business information.
- Allow DTC to understand more thoroughly your business needs
- Make your move to the Custody Service as seamless as possible.

DTC also requires a signed letter acknowledging your awareness of insurance limitations on high- value certificates.

Refer to the "Custody High Value Certificate" letter on DTC's Web site at **dtcservices. dtcc. com**.

As part of the Custody Service, DTC's staff will

- Request a list of your custody assets, which will be compared with DTC's master files
- Determine which assets need to be photocopied for the Underwriting Department. The Underwriting Department will then request photocopies of certificates for issues that are determined not to be eligible for Custody Service.
- Request a list of members of your staff who need access to the PTS function CUST and ensure that access is granted.
- Establish contact between your information service department and that of DTC, to ensure that all system requirements are met.
- Agree on a start date.
- Set up a transition plan.