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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53471; File No. **SR-DTC-2005-21**]

Self-Regulatory Organizations; The Depository Trust Company;  
Order Approving **Proposed** Rule Change To Implement and Revise Fees  
Related to Non-Participant Services

March 13, 2006.

I. Introduction

On December 20, **2005**, The Depository Trust Company (**DTC**) filed with the Securities and Exchange Commission (**Commission**) and on December 20, **2005**, January 23, 2006, and January 25, 2006, \1\ amended the **proposed** rule change **SR-DTC-2005-21** pursuant to section 19(b)(1) of the

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Securities Exchange Act of 1934 (**Act**). \2\ Notice of the proposal as amended was published in the Federal Register on February 9, 2006. \3\ The Commission received no comment letters in response to the **proposed** rule change. For the reasons discussed below, the Commission is approving the **proposed** rule change.

- \1\ The **proposed** rule change filing was amended twice on January 25, 2006.
- \2\ 15 U.S.C. 78s(b)(1).
- \3\ Securities Exchange Act Release No. 53219 (February 3, 2006), 71 FR 6800.

II. Description

**DTC** is (1) revising fees for special requests for Security Position Reports (**SPRs**) and for weekly, monthly, and quarterly dividend record date SPR subscriptions, \4\ (2) revising existing fees for audit confirmations provided to issuers and their agents, and (3) implementing new fees for (a) audit confirmations for certificates of deposit (**CDs**) provided to issuers and their agents and (b) access by transfer agents to **DTC**'s imaging database.

- \4\ Weekly reports, monthly reports, and quarterly dividend record date reports are available by annual subscription only.

Fees for Issuance of Security Position Reports

Several types of SPRs are available through **DTC**. These include: (1) Weekly reports showing daily closing positions during that week; (2) monthly reports showing closing positions on the last business day of the month; (3) quarterly dividend record date reports showing closing positions on the dividend record date; and (4) special requests showing closing positions for the date specified.

**DTC** charges fees for SPRs. Currently, the fee charged to issuers or

trustees for weekly, monthly, and quarterly dividend record date SPR subscriptions is \$1,950, \$450, and \$150, respectively. The fee charged to issuers or trustees for special requests is \$85 per special request. The purpose of this filing is to formally seek Commission approval of these fees. Because **DTC** incurs significantly higher costs for the production of special request SPRs relative to the costs of producing reports by subscription and because **DTC** has determined that a fee increase is necessary to more fully recover costs associated with such production, **DTC** is increasing the fee charged to issuers or trustees for special request SPRs from \$85 to \$120 per special request. The increase will become effective on a date in the first quarter of 2006 to be announced by **DTC** upon the Commission's approval of this **proposed** rule change.

#### Fees Charged to Issuers/Agents

##### 1. Audit Confirmations

**DTC** receives frequent requests from issuers and/or their agents for confirmations of audit information relating to securities held by **DTC**. In connection with the processing of such requests for audit confirmations, **DTC** currently charges a fee of \$10.00 per request containing up to and including five CUSIPs and \$2.13 for each CUSIP beyond the fifth CUSIP. **DTC** also receives requests from issuers and/or their agents for confirmations relating to information concerning CDs deposited at **DTC**. A fee is not currently charged to process these CD audit confirmation requests. Providing issuers and/or their agents with audit confirmation information requires the allocation of significant resources to process the requests resulting in considerable cost to **DTC**. To more fully recover the costs associated with such audit confirmation processing, **DTC** is (1) increasing fees related to processing of audit confirmations to \$22 per request for requests of up to and including five CUSIPs and an additional \$5.00 per item for each CUSIP beyond the fifth CUSIP and (2) implementing fees for CD confirmation requests that are identical to those for audit confirmation requests relating to securities. The **proposed** audit confirmation fees will be effective upon approval by the Commission.

##### 2. Imaging

**DTC** frequently receives requests from transfer agents for access to **DTC**'s security image database to obtain copies of certificates deposited at **DTC**. **DTC** incurs significant costs to maintain the database but currently does not charge transfer agents for access to the database. Therefore, in order to recover costs associated with this function, **DTC** is implementing a new subscription fee of \$350 per month for access to the **DTC** security image database. This fee will be effective upon approval by the Commission.\5\

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 \5\ **DTC** has separately filed a **proposed** rule change (File No. **SR-DTC-2005-22**) with the Commission to impose a subscription fee in the same amount on participants who subscribe for access to the **DTC** security image database. Securities Exchange Act Release No. 53463 (March 10, 2006).  
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#### III. Discussion

Section 19(b) of the Act directs the Commission to approve a **proposed** rule change of a self-regulatory organization if it finds that such **proposed** rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(D) of the Act requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges.\6\ The Commission believes that **DTC**'s rule change is consistent with this section because it will provide for the equitable allocation of reasonable dues, fees, and other charges among the users of **DTC**'s services.  
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\6\ 15 U.S.C. 78q-1(b)(3)(D).

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IV. Conclusion

On the basis of the foregoing, the Commission finds that the **proposed** rule change is consistent with the requirements of the Act and in particular section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the **proposed** rule change (File No. **SR-DTC-2005-21**) be and hereby is approved.

For the Commission by the Division of Market Regulation,  
pursuant to delegated authority.\7\

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\7\ 17 CFR 200.30-3(a)(12).

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Nancy M. Morris,  
Secretary.

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