

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information

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

Exhibit 1 - Notice of Proposed Rule Change

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

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

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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of the Proposed Rule Change.
 - (a) The proposed rule change relates to The Depository Trust Company (“DTC”) SMART/Track for Buy-Ins functionality related to National Securities Clearing Corporation (“NSCC”) Continuous Net Settlement (“CNS”) Retransmittal buy-ins.
 - (b) Not applicable.
 - (c) Not applicable.
2. Procedures of the Self-Regulatory Organization.
 - (a) The Board of Directors of DTC has not approved, and is not required to approve, this rule filing.
3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.
 - (a) The proposed rule change relates to The Depository Trust Company (“DTC”) SMART/Track for Buy-Ins function as it pertains to National Securities Clearing Corporation (“NSCC”) Continuous Net Settlement (“CNS”) Retransmittal buy-ins.

Between 2003 and the present date, DTC made several rule filings relating to a service known as Universal Hub, which later became known as SMART/Track¹. In rule filing SR-DTC-2005-19², DTC announced the fourth phase of SMART/Track, “SMART/Track for Buy-Ins” which would provide automated communication, warehousing and tracking of various types of buy-in related notices pertaining to buy-ins governed by the rules of either NSCC, or other self-regulatory organizations (“SRO’s”) such as but not limited to the New York Stock Exchange. SMART/Track for Buy-Ins will ultimately replace the buy-in functionality of DTC’s PEX platform

The phase-in of SMART/Track for Buy-In functionality pertaining to NSCC CNS Buy-Ins was commenced on November 14, 2005 (CNS Buy-In Executions), and completed on February 10, 2006 (CNS Notices of Intent to

¹ See SR-DTC-2003-10 (Universal Hub, Stock Loan notification service), Securities Exchange Act Release No. 50029 (July 15, 2004), 69 FR 43870 (July 22, 2004); SR-DTC-2004-11 (Corporate Action Liability Notification Service), Securities Exchange Act Release No. 50887 (Dec. 20, 2004), 69 FR 77802 (Dec. 28, 2004); SR-DTC-2005-06 (SMART/Track for Agency Lending Disclosure), Securities Exchange Act Release No. 52104 (July 21, 2005), 70 FR 43730 (July 28, 2004); and SR-DTC-2005-19 (SMART/Track for Buy-Ins), Securities Exchange Act Release No. 53032 (December 28, 2005), 71 FR 1457 (January 9, 2006).

² See Securities Exchange Act Release No. 53032 (December 28, 2005), 71 FR 1457 (January 9, 2006), and DTC Important Notice B#8796 (Nov. 23, 2005) available online at <http://www.dtc.org/>

Buy-In and CNS Buy-In Orders). The PEX functionality relating to NSCC CNS Buy-Ins was discontinued on March 13, 2006³.

In 2005, NSCC submitted rule filing SR-NSCC-2005-15, which, when approved by the Commission, will modify NSCC's Rules with regard to CNS Buy-Ins, creating a new buy-in retransmittal procedure that may be utilized by NSCC Members receiving buy-in notices initiated outside of the CNS System (a "Buy-In Retransmittal Notice").

The NSCC Member originating a Buy-In Retransmittal Notice will be provided with five additional fields to be used for identification of the entity (or entities, as appropriate) that initiated the buy-in against the Member. At least one such entity other than the originating Member must be identified, or the Buy-In Retransmittal Notice will be rejected. Short NSCC Members will be advised of their potential buy-in liability via SMART/Track for Buy-Ins.

Upon the Commission's approval of NSCC's rule filing (and concurrent with NSCC's implementation of the changes set forth in its rule filing), DTC will make corresponding changes to SMART/Track for Buy-Ins to activate CNS Retransmittal Buy-In functionality (Notices of Intent to Buy-In, Buy-In Orders, Buy-In Executions and short Member buy-in liability notification).

- (b) As the NSCC CNS Retransmittal Buy-In functionality is an added feature to an existing DTC service which will conform functionality to that which is required by NSCC's rules, the proposed rule change effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC, and (ii) does not significantly affect the respective rights or obligations of DTC or those participants using the service. The proposed rule change is therefore consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act") and the rules and regulations thereunder applicable to DTC. The proposed rule change will be implemented consistently with the safeguarding of securities and funds in the custody or control of DTC because DTC will be acting as a notification service.

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

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

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

Written comments on the proposed rule change have not been solicited or received.

³ See SR-DTC-2006-01

6. Extension of Time Period for Commission Action.

Not Applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D).

- (a) This filing is made pursuant to paragraph (A) of Section 19(b)(3) of the Act and subparagraph (f) of Securities Exchange Act Rule 19b-4.
- (b) The proposed rule change effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of DTC or persons using the service, since the proposed rule change consists of an additional feature to an existing DTC service which will conform functionality to that which is required by NSCC's rules.
- (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 based on the rules of DTC's affiliate, NSCC.

9. Exhibits

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

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2006-06)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company (“DTC”) relating to changes to DTC’s SMART/Track for Buy-Ins functionality.

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

See section A below.

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 change relates to The Depository Trust Company (“DTC”) SMART/Track for Buy-Ins function as it pertains to National Securities Clearing Corporation (“NSCC”) Continuous Net Settlement (“CNS”) Retransmittal buy-ins.

Between 2003 and the present date, DTC made several rule filings relating to a service known as Universal Hub, which later became known as SMART/Track¹. In rule filing SR-DTC-2005-19², DTC announced the fourth phase of SMART/Track, “SMART/Track for Buy-Ins” which would provide automated communication, warehousing and tracking of various types of buy-in related notices pertaining to buy-ins governed by the rules of either NSCC, or other self-regulatory organizations (“SRO’s”) such as but not limited to the New York Stock Exchange. SMART/Track for Buy-Ins will ultimately replace the buy-in functionality of DTC’s PEX platform

The phase-in of SMART/Track for Buy-In functionality pertaining to NSCC CNS Buy-Ins was commenced on November 14, 2005 (CNS Buy-In Executions), and completed on February 10, 2006 (CNS Notices of Intent to Buy-In and CNS Buy-In Orders). The PEX functionality relating to NSCC CNS Buy-Ins was discontinued on March 13, 2006³.

In 2005, NSCC submitted rule filing SR-NSCC-2005-15, which, when approved by the Commission, will modify NSCC’s Rules with regard to CNS Buy-Ins, creating a new buy-in retransmittal procedure that may be utilized by NSCC Members receiving buy-in notices initiated outside of the CNS System (a “Buy-In Retransmittal Notice”).

The NSCC Member originating a Buy-In Retransmittal Notice will be provided with five additional fields to be used for identification of the entity (or entities, as appropriate) that initiated the buy-in against the Member. At least one such entity other than the originating Member must be identified, or the Buy-In Retransmittal Notice will be rejected. Short NSCC Members will be advised of their potential buy-in liability via SMART/Track for Buy-Ins.

Upon the Commission’s approval of NSCC’s rule filing (and concurrent with NSCC’s implementation of the changes set forth in its rule filing), DTC will make corresponding changes to SMART/Track for Buy-Ins to activate CNS Retransmittal Buy-In functionality (Notices of Intent to Buy-In, Buy-In Orders, Buy-In Executions and short Member buy-in liability notification).

¹ See SR-DTC-2003-10 (Universal Hub, Stock Loan notification service), Securities Exchange Act Release No. 50029 (July 15, 2004), 69 FR 43870 (July 22, 2004); SR-DTC-2004-11 (Corporate Action Liability Notification Service), Securities Exchange Act Release No. 50887 (Dec. 20, 2004), 69 FR 77802 (Dec. 28, 2004); SR-DTC-2005-06 (SMART/Track for Agency Lending Disclosure), Securities Exchange Act Release No. 52104 (July 21, 2005), 70 FR 43730 (July 28, 2004); and SR-DTC-2005-19 (SMART/Track for Buy-Ins), Securities Exchange Act Release No. 53032 (December 28, 2005), 71 FR 1457 (January 9, 2006).

² See Securities Exchange Act Release No. 53032 (December 28, 2005), 71 FR 1457 (January 9, 2006), and DTC Important Notice B#8796 (Nov. 23, 2005) available online at <http://www.dtc.org/>

³ See SR-DTC-2006-01

(ii) As the NSCC CNS Retransmittal Buy-In functionality is an added feature to an existing DTC service which will conform functionality to that which is required by NSCC's rules, the proposed rule change effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC, and (ii) does not significantly affect the respective rights or obligations of DTC or those participants using the service. The proposed rule change is therefore consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act") and the rules and regulations thereunder applicable to DTC. The proposed rule change will be implemented consistently with the safeguarding of securities and funds in the custody or control of DTC because DTC will be acting as a notification service.

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

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

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

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