

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) As more fully described below, the proposed rule change modifies a fee charged by DTC in connection with its provision of a mechanism by which DTC collects and pass-through fees owed by Participants to American Depositary Receipt agents for certain issues.

2. Procedures of the Self-Regulatory Organization.

(a) DTC has not received, and does not require, Board approval for the present filing.

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

(a) Typically, an American Depositary Receipt (“ADR”) agent is authorized under its agreement with the issuer to impose a custody fee on holders of the issue. A common practice for collection of this fee is for the ADR agent to subtract the amount of the fee from the gross dividend payable to the ADR holders. This practice is effectuated by DTC announcing to Participants both the gross dividend rate and the net dividend rate after deduction of the ADR custody fee, the ADR Agent paying DTC the net dividend, and DTC allocating the net dividend to Participants. A number of ADR issues do not pay periodic dividends, thus preventing the associated fees from being collected through the above-described mechanism.

Pursuant to discussions with the industry, and in order to facilitate a more efficient ADR fee collection process, earlier this year DTC introduced a mechanism by which it collects from Participants, and passes through to ADR Agents, custody fees for issues that do not pay periodic dividends as such fees are reported to DTC by the ADR Agents.¹ DTC discussed this proposal with three divisions of the Securities Industry Association (“SIA”), namely, Corporate Actions, Dividends, and Securities Operations Division (the “SOD”); with the SOD Regulatory and Clearance Committee issuing official comment that it agreed that DTC should collect such fees through its monthly billing process.

In order to cover costs incurred in collecting fees associated with ADR issues that do not pay periodic dividends, DTC currently retains a collection charge equal to three percent (3%) of the fee amount collected from each Participant’s calculated ADR collection fee, up to a limit of \$4,000 on the amount to be retained; however DTC does not retain a charge if the computed collection charge is less than \$50.

DTC has determined that due to recently implemented processing improvements, the costs incurred in providing this collection function have decreased, and therefore DTC can retain a lesser percentage of the fees collected and cover associated costs. Therefore by this filing, DTC is modifying the fee it retains for this service to increase the above-referenced limit to \$10,000, but to change the charge from one charged “per CUSIP, per participant position” to one charged “per CUSIP”. DTC projects that this change will result in an overall reduction in the charges DTC retains for this service in an amount consistent with the overall reduction in the cost of offering the service. The fee

¹ Please see Securities Exchange Act Release No. 34-53970 (June 12, 2006), 71 FR 116 (June 16, 2006) [File No. SR-DTC-2006-08] for the related Commission Notice of Filing and Immediate Effectiveness.

schedule entry for this item would thus be revised as follows (**Bold Underlined** text indicates additions, and **~~Bold Struck-through~~** text indicates deletions):

Service	Current Fee	Proposed Fee	Per
Collection of ADR agent fees for issues not paying periodic dividends	N/A	Scaled fee (3% of ADR agent fee); maximum of \$4,000 <u>\$10,000</u> ; \$0 if computed charge is less than \$50	Per CUSIP, per <u>participant position</u>

The above-referenced change shall become effective on January 2, 2007.

(b) This rule filing is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because it updates DTC's fee schedule. As such, it provides for the equitable allocation of fees among 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) The proposed rule change is to take effect pursuant to paragraph A of Section 19(b)(3).

(b) The proposed rule change establishes or changes a due, fee, or other charge applicable only to a participant.

(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 – 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-2006-21)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company (“DTC”) for the modification of a fee charged in connection with DTC’s offering of a mechanism by which DTC collects and passes-through fees owed by Participants to American Depository Receipt agents for certain issues.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, DTC filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

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

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

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

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

(i) Typically, an American Depository Receipt (“ADR”) agent is authorized under its agreement with the issuer to impose a custody fee on holders of the issue. A common practice for collection of this fee is for the ADR agent to subtract the amount of the fee

from the gross dividend payable to the ADR holders. This practice is effectuated by DTC announcing to Participants both the gross dividend rate and the net dividend rate after deduction of the ADR custody fee, the ADR Agent paying DTC the net dividend, and DTC allocating the net dividend to Participants. A number of ADR issues do not pay periodic dividends, thus preventing the associated fees from being collected through the above-described mechanism.

Pursuant to discussions with the industry, and in order to facilitate a more efficient ADR fee collection process, earlier this year DTC introduced a mechanism by which it collects from Participants, and passes through to ADR Agents, custody fees for issues that do not pay periodic dividends as such fees are reported to DTC by the ADR Agents.¹ DTC discussed this proposal with three divisions of the Securities Industry Association (“SIA”), namely, Corporate Actions, Dividends, and Securities Operations Division (the “SOD”); with the SOD Regulatory and Clearance Committee issuing official comment that it agreed that DTC should collect such fees through its monthly billing process.

In order to cover costs incurred in collecting fees associated with ADR issues that do not pay periodic dividends, DTC currently retains a collection charge equal to three percent (3%) of the fee amount collected from each Participant’s calculated ADR collection fee, up to a limit of \$4,000 on the amount to be retained; however DTC does not retain a charge if the computed collection charge is less than \$50.

DTC has determined that due to recently implemented processing improvements, the costs incurred in providing this collection function have decreased, and therefore DTC can retain a lesser percentage of the fees collected and cover associated costs. Therefore by this filing, DTC is modifying the fee it retains for this service to increase the above-referenced limit to \$10,000, but to change the charge from one charged “per CUSIP, per participant position” to one charged “per CUSIP”. DTC projects that this change will result in an overall reduction in the charges DTC retains for this service in an amount consistent with the overall reduction in the cost of offering the service. The fee schedule entry for this item will thus be revised as follows (**Bold Underlined** text indicates additions, and ~~**Bold Struck-through**~~ text indicates deletions):

¹ Please see Securities Exchange Act Release No. 34-53970 (June 12, 2006), 71 FR 116 (June 16, 2006) [File No. SR-DTC-2006-08] for the related Commission Notice of Filing and Immediate Effectiveness.

Service	Current Fee	Proposed Fee	Per
Collection of ADR agent fees for issues not paying periodic dividends	N/A	Scaled fee (3% of ADR agent fee); maximum of \$4,000 \$10,000 ; \$0 if computed charge is less than \$50	Per CUSIP, per participant position

The above-referenced change shall become effective on January 2, 2007.

(ii) This rule filing is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because it updates DTC's fee schedule. As such, it provides for the equitable allocation of fees among 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

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, 100 F Street, NE, Washington D.C. 20549-9303.

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, 100 F Street, NE, Washington D.C. 20549-9303. 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