

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

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
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 <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

The proposed rule change consists of a Policy Statement on the Eligibility of Foreign Securities describing the criteria and procedures for making the securities of foreign issuers eligible for deposit and book-entry transfer through the facilities of DTC.

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	<input type="text" value="Diane"/>	Last Name	<input type="text" value="Brennan"/>
Title	<input type="text" value="Director, Legal & Compliance"/>		
E-mail	<input type="text" value="dbrennan@dtcc.com"/>		
Telephone	<input type="text" value="(212) 855-3320"/>	Fax	<input type="text" value="(212) 855-3214"/>

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 officer.

Date	<input type="text" value="04/19/2007"/>
By	<input type="text" value="Larry E. Thompson"/>
	(Name)
	<input type="text" value="Managing Director, General Counsel"/>
	(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 EDFS 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 consists of a “Policy Statement on the Eligibility of Foreign Securities” describing the criteria and procedures for making the securities of foreign issuers eligible for deposit and book-entry transfer through the facilities of The Depository Trust Company (“DTC”).¹ For purposes of the Policy Statement, (i) the term “security” has the meaning provided in Section 2(a)(1) of the Securities Act of 1933 (the “Securities Act”), (ii) the term “foreign issuer” has the meaning provided in Rule 405 of the Securities and Exchange Commission (the “Commission”) under the Securities Act (and includes both a “foreign government” and a “foreign private issuer” as defined in Rule 405) and (iii) capitalized terms that are used but not otherwise defined in the Policy Statement have the meanings given to such terms in the Rules of DTC. The text of the Policy Statement is annexed hereto as Exhibit 5.

(b) Not Applicable

(c) Not Applicable

2. Procedures of the Self-Regulatory Organization

(a) The proposed rule change has been approved by the Senior Management of DTC, no other action required to be taken by DTC under its organization certificate, by-laws or rules for a proposed rule change of this type.

(b) The names and telephone numbers of the persons on the staff of DTC prepared to respond to questions and comments on the proposed rule change are Richard B. Nesson at (212) 855-3200 and Diane L. Brennan at (212) 855-3320.

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

(a) The purpose of the Policy Statement is to set forth in a single place in an accessible manner the criteria and procedures for making the securities of foreign issuers (“Foreign Securities”) eligible for deposit and book-entry transfer through the facilities of DTC, in accordance with the Securities Act and the rules and regulations of the Commission thereunder.

The Policy Statement covers both Foreign Securities deposited with DTC at the time that such Foreign Securities are first distributed (referred to as “new issues” in the DTC system) and Foreign Securities deposited with DTC subsequent to the time that such Foreign Securities are first distributed (referred to as “older issues” in the DTC system). The criteria and procedures for making new issues of Foreign Securities eligible for deposit and book-entry transfer through the facilities of DTC have previously been codified by DTC. The criteria and procedures for making older issues of Foreign Securities eligible for deposit and book-entry transfer through the facilities of DTC have not previously been codified by DTC. Accordingly, what is new in the Policy Statement are the criteria and procedures for making *older issues of unregistered Foreign Securities* DTC-eligible.² These are generally securities that may be freely traded outside the

United States over the counter or on foreign exchanges or traded in the United States over the counter market subject to the resale restrictions of the Securities Act.

The proposed rule change, as it relates to older issues of unregistered Foreign Securities, represents an extension, with no material change, in arrangements that now apply to new issues of unregistered Foreign Securities, including securities that may be resold without registration under the Securities Act pursuant to Regulation S or Rule 144A. The proposed rule change, by establishing the criteria and procedures for a wider, but not fundamentally different, range of unregistered Foreign Securities to settle at DTC, will increase the transparency and reduce the risk and cost of transactions in these securities.

At the present time, purchases and sales of older issues of unregistered Foreign Securities by US investors typically settle through foreign intermediaries and central securities depositories in multiple jurisdictions. By having these transactions settle at DTC, US investors and intermediaries will benefit from (i) DTC risk management controls approved by the Commission and the Board of Governors of the Federal Reserve System, (ii) a more visible and less complicated settlement process and (iii) greater control over settlement costs with fees determined by the user-representative board of directors of DTC.

In all cases and circumstances, Participants of DTC will be responsible for determining that their deposit of older issues of unregistered Foreign Securities with DTC, as well as their transactions in such securities through the facilities of DTC, are in compliance with the Rules of DTC and the federal securities laws.

Categories of Foreign Securities Eligible for DTC Services

The following categories of Foreign Securities shall be eligible for DTC book-entry delivery services as and to the extent set forth below:

(a) Foreign Securities that are registered under the Securities Act (“Registered Foreign Securities”) shall be eligible for all DTC services.

(b) Foreign Securities that are exempt from registration under the Securities Act pursuant to an exemption that does not involve any resale restrictions (“Exempt Foreign Securities”) shall be eligible for all DTC services.

(c) Foreign Securities that may be offered and sold without registration under the Securities Act pursuant to Regulation S (“Foreign Regulation S Securities”)³ shall be eligible for all DTC services; this shall include Category 1 securities, Category 2 securities and Category 3 securities under Regulation S.⁴

(d) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144A (“Foreign Rule 144A Securities”)³ shall be eligible for all DTC services; if such Foreign Rule 144A Securities are not investment grade securities (nonconvertible debt securities or nonconvertible preferred stock rated in one of the top four categories by a nationally recognized statistical rating agency), then, to be eligible for DTC services, such Foreign Rule 144A Securities must be securities designated for inclusion in a system of a self-regulatory organization approved by the Commission for

the reporting of quotation and trade information on Rule 144A transactions (an “SRO Rule 144A System”).⁵

(e) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144 (“Foreign Restricted Securities”)³ shall be eligible for all DTC services.

(f) Foreign Securities that may be resold without registration under the Securities Act pursuant to any other exemption (“Foreign Other Eligible Securities”)³ shall be eligible for all DTC services; this shall include (without limitation) an exemption pursuant to Rule 801 in connection with a rights offering or an exemption pursuant to Rule 802 in connection with an exchange offer.

Although all the foregoing categories of Foreign Securities shall be eligible for deposit and book-entry transfer through the facilities of DTC, DTC shall have the right, and may adopt associated procedures, to determine, in accordance with Rule 5 Section 1 of the DTC Rules, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any particular issue shall be accepted for deposit and made eligible for some or all DTC services.

Responsibilities of Issuers and Participants

Issuers and Participants shall be responsible for determining that their deposit of Foreign Securities with DTC, and their transactions in Foreign Securities through the facilities of DTC, are in compliance with the Rules of DTC and the federal securities laws. In particular (but without limitation), issuers and Participants shall not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of DTC, in violation of the Securities Act and the rules and regulations of the Commission thereunder. These responsibilities of issuers and Participants are based on the following:

(a) Issuers and Participants depositing Foreign Securities with DTC, and Participants engaging in transactions in Foreign Securities through the facilities of DTC, are subject to the Rules of DTC and the federal securities laws.

(b) Rule 2 Section 7 of the DTC Rules provides: “In connection with their use of the Corporation’s [DTC’s] services, Participants and Pledges must comply with all applicable laws, including all applicable laws relating to securities, taxation and money laundering”.

(c) Section 7(b) of the “Operational Arrangements (Necessary for an Issue to Become and Remain Eligible for DTC Services)” of DTC (the “DTC Operational Arrangements”) relating to BEO issues being made eligible for DTC services provides that: “Issuer recognizes that DTC does not in any way undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in the Securities with the following, as amended from time to time: (1) any exemptions from registration under the Securities Act of 1933; (2) the Investment Company Act of 1940; (3) the Employee Retirement Income Security Act of 1974; (4) the Internal Revenue Code of 1986; (5) any rules of any self-regulatory organizations (as defined under the Securities Exchange Act of 1934); or (6) any other local, state, federal, or foreign laws or

regulations thereunder”. This and other representations made by issuers to DTC pursuant to the DTC Operational Arrangements are mirrored in the Letter of Representations that DTC receives from issuers in connection with their deposits of BEO issues with DTC.

(d) In 1994, in an order clarifying certain language in the Rule 144A Approval Order (see Note 5 hereof), the Commission concurred in the position taken by DTC with respect to Rule 5 of the DTC Rules that “Rule 5 does not require DTC to determine whether securities, when deposited at DTC, may be transferred lawfully by book-entry in light of the Federal securities law”. See Order Approving Proposed Rule Change Relating to a Clarification of Rule 5, Release No. 34-33672, 56 SEC Docket 315 (Feb. 23, 1994) (the “Rule 5 Clarification Order”). *NB*: Rule 5 of the DTC Rules was subsequently amended to delete any implication that DTC was under any statutory or contractual obligation to determine whether securities deposited with DTC could be legally transferred by book-entry.⁶

DTC Procedures

DTC implements a variety of measures designed to facilitate compliance by issuers and Participants with their obligations to DTC and pursuant to the federal securities laws. These measures are set forth below, with particular reference to Foreign Securities.

New Issues

With respect to new issues of Foreign Securities:

(a) For *all Foreign Securities*, DTC will require (i) from the Participant seeking DTC eligibility (e.g., the underwriter), an Eligibility Questionnaire that sets forth *inter alia* the basis on which the securities are eligible for deposit and book-entry transfer through the facilities of DTC, and (ii) from the issuer, a Letter of Representations with representations that incorporate by reference substantially all of the standard representations set forth in the DTC Operational Arrangements.

(b) For *Foreign Regulation S Securities*, DTC will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Regulation S and having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class.

(c) For *Foreign Rule 144A Securities*, DTC will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Rule 144A, having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class and whether the securities are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

Older Issues

With respect to older issues of Foreign Securities:⁷

(a) DTC (i) will determine that any unregistered Foreign Securities deposited with DTC have a CUSIP or CINS identification number that is different from the CUSIP or CINS identification of any registered securities of the issuer of the same class and (ii) will confirm that any Foreign Rule 144A Securities deposited with DTC are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

(b) DTC will require from any Participant that wishes to deposit any unregistered Foreign Securities with DTC, or engage in any transactions in unregistered Foreign Securities through the facilities of DTC, a one-time blanket Letter of Representations (a “Participant Foreign Securities BLOR”) with *inter alia* representations that such Participant (i) will not deposit any unregistered Foreign Securities with DTC unless such securities are eligible for resale without registration under the Securities Act and (ii) will not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of DTC, in violation of the Securities Act and the rules and regulations of the Commission thereunder. A form of the proposed Participant Foreign Securities BLOR is annexed hereto as Exhibit 2.

(c) DTC will systemically block any Participant that has not executed a Participant Foreign Securities BLOR from (i) depositing any unregistered Foreign Securities with DTC or (ii) engaging in any transactions in unregistered Foreign Securities through the facilities of DTC.

Additional Documentation

Although the foregoing documentation (for new issues and older issues) shall be provided by issuers or Participants in connection with the deposit of Foreign Securities with DTC and/or as a condition to engaging in transactions in Foreign Securities through the facilities of DTC, DTC shall have the right, and may adopt associated procedures, to determine in accordance with Rule 5 Section 1 of the DTC Rules, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any other or additional documentation shall be required.

(b) Statutory Basis for the Proposed Rule Change. Section 17A(a)(2)(A) of the Exchange Act directs the Commission to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of securities transactions and the establishment of linked or coordinated facilities for clearance and settlement. The deposit and book-entry transfer of Foreign Securities through the facilities of DTC in accordance with the criteria and procedures set forth in the Policy Statement will (i) enable DTC to provide its Participants with prompt and accurate clearance and settlement of their cross-border securities transactions, (ii) enable DTC to enhance and extend its linkages with foreign depositories and exchanges and (iii) enable DTC to support the cross-border initiatives of US broker-dealers, banks and exchanges.

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

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

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

No written comments relating to the proposed rule change have been solicited or received by DTC from members, participants or other persons. DTC will notify the Commission of any written comments it receives.

6. Extension of Time for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Exchange Act.

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

Not Applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

Not Applicable.

9. Exhibits

Exhibit 1 - Form of Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 2 - Participant Foreign Securities Blanket Letter of Representations.

Exhibit 3 - Not Applicable.

Exhibit 4 - Not Applicable.

Exhibit 5 - Policy Statement on the Eligibility of Foreign Securities.

NOTES

¹ A Policy Statement is used by DTC to clarify and consolidate the Rules of DTC with respect to the subject of the Policy Statement. A Policy Statement is a part of the Rules of DTC. As such, pursuant to Rule 2 Section 1 of the DTC Rules, and the Participants Agreement that Participants enter into with DTC, a Policy Statement is binding on Participants.

² *Registered securities*, whether new issues or older issues, whether foreign or domestic, are always DTC-eligible.

³ The categories of Foreign Regulation S Securities, Foreign Rule 144A Securities, Foreign Restricted Securities and Foreign Other Eligible Securities are not all mutually exclusive. For example, (i) Foreign Regulation S Securities may be resold to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A, (ii) Foreign Rule 144A Securities may be resold in offshore transactions (as defined in Regulation S) pursuant to Regulation S and (iii) Foreign Regulation S Securities and Foreign Rule 144A Securities that are restricted securities (as defined in Rule 144) may be resold pursuant to Rule 144.

⁴ Category 1 of the primary offering safe harbor of Regulation S includes the securities of foreign issuers for which there is no substantial US market in the subject securities, securities being offered by foreign (or domestic) issuers in overseas directed offerings, the securities of foreign governments and securities being offered by foreign issuers pursuant to employee benefit plans. Category 2 of the primary offering safe harbor of Regulation S includes the equity securities of reporting foreign issuers, the debt securities of foreign (or domestic) reporting issuers and the debt securities of nonreporting foreign issuers even if there is substantial US market interest in the subject securities. Category 3 of the primary offering safe harbor of Regulation S includes the equity securities of non-reporting foreign issuers with substantial US market interest in the subject securities.

⁵ For the requirement that securities other than investment grade securities be designated for inclusion in an SRO Rule 144A System approved by the Commission, see Order Approving a Proposed Rule Change by The Depository Trust Company Relating to the Eligibility of Rule 144A Securities at The Depository Trust Company, Release No. 34-33327, 55 SEC Docket 1814 (Dec. 13, 1993) (the "Rule 144A Approval Order"). The original SRO Rule 144A System approved by the Commission was the PORTAL [Private Offerings, Resales, and Trading Through Automated Linkages] Market System operated by the National Association of Securities Dealers, Inc. ("NASD"). For a description of the PORTAL Market System, and the relationship between the PORTAL Market System and DTC, see *inter alia* Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendments to Proposed Rule of the National Association of Securities Dealers, Inc., Relating to the Operation of the PORTAL Market, Release No. 34-27956, 46 SEC Docket 158-67 (April 27, 1990), and Order Approving a Proposed Rule Change Relating to the Operation of the PORTAL Market, Release No. 34-33326, 55 SEC Docket 1803-930 (Dec. 13, 1993). In 2001, the Commission approved changes in the PORTAL Rules to require PORTAL Participants to submit trade reports of secondary market transactions in PORTAL equity securities through the NASD Automated Confirmation and Transaction Service ("ACT") and PORTAL high-yield debt securities through the NASD Trade Reporting and Comparison Entry Service ("TRACE"), and to redefine the PORTAL Market System to include ACT and TRACE. See Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment Nos. 2, 3 and 4 by the National Association of Securities Dealers, Inc. Relating to the Implementation of Mandatory Trade Reporting for PORTAL Securities, Release No. 34-44042, 74 SEC Docket 1094-23 (March 6, 2001). Accordingly, each of ACT and TRACE would now be an SRO Rule 144A System for purposes of the DTC Rule 144A eligibility requirement.

⁶ The position taken by DTC with respect to (old) Rule 5 and the Rule 5 Clarification Order issued by the Commission are in accord with Section 17A(b)(3)(A) of the Securities Exchange Act of 1934 (the "Exchange Act"), which provides that a clearing agency shall not be registered under Section 17A unless the Commission determines *inter alia* that "[s]uch clearing agency is so organized and has the capacity to . . . enforce (subject to any rule or order of the Commission pursuant to Section 17(d) or 19(g)(2) of this title [the Exchange Act]) compliance by its participants with the rules of the clearing agency, and to carry out the purposes of this section [Section 17A]". Accordingly, a clearing agency is authorized and required to enforce against its participants the rules of the clearing agency and the provisions of Section 17A of the Exchange Act but is not authorized or required (because it does not have the jurisdiction or power) to enforce against its participants (or non-participant issuers or transfer agents) the provisions of the Securities Act and the rules and regulations of the Commission thereunder.

⁷ Foreign Securities that have historically been traded only on foreign securities exchanges and in foreign over-the-counter markets can be deposited as older issues and transferred by book-entry through the facilities of DTC, provided that (as described herein) they may legally be resold in the United States, i.e., they are registered under the Securities Act or they are eligible for resale in the United States without registration under the Securities Act.

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2007-04)

SELF-REGULATORY ORGANIZATIONS

Proposed rule change by The Depository Trust Company relating to the adoption of a “Policy Statement on the Eligibility of Foreign Securities”.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on [date], The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (the “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 annexed as Exhibit 5 to the filing.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and statutory 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. The self-regulatory organization 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

(1) The purpose of the Policy Statement¹ is to set forth in a single place in an accessible manner the criteria and procedures for making the securities of foreign issuers (“Foreign Securities”) eligible for deposit and book-entry transfer through the facilities of DTC, in accordance with the Securities Act of 1933 (the “Securities Act”) and the rules and regulations of

the Commission thereunder. For purposes of the Policy Statement, (i) the term “security” has the meaning provided in Section 2(a)(1) of the Securities Act, (ii) the term “foreign issuer” has the meaning provided in Rule 405 of the Commission under the Securities Act (and includes both a “foreign government” and a “foreign private issuer” as defined in Rule 405) and (iii) capitalized terms that are used but not otherwise defined in the Policy Statement have the meanings given to such terms in the Rules of DTC.

The Policy Statement covers both Foreign Securities deposited with DTC at the time that such Foreign Securities are first distributed (referred to as “new issues” in the DTC system) and Foreign Securities deposited with DTC subsequent to the time that such Foreign Securities are first distributed (referred to as “older issues” in the DTC system). The criteria and procedures for making new issues of Foreign Securities eligible for deposit and book-entry transfer through the facilities of DTC have previously been codified by DTC. The criteria and procedures for making older issues of Foreign Securities eligible for deposit and book-entry transfer through the facilities of DTC have not previously been codified by DTC. Accordingly, what is new in the Policy Statement are the criteria and procedures for making *older issues of unregistered Foreign Securities* DTC-eligible.² These are generally securities that may be freely traded outside the United States over the counter or on foreign exchanges or traded in the United States over the counter market subject to the resale restrictions of the Securities Act.

The proposed rule change, as it relates to older issues of unregistered Foreign Securities, represents an extension, with no material change, in arrangements that now apply to new issues of unregistered Foreign Securities, including securities that may be resold without registration under the Securities Act pursuant to Regulation S or Rule 144A. The proposed rule change, by establishing the criteria and procedures for a wider, but not fundamentally different, range of unregistered Foreign Securities to settle at DTC, will increase the transparency and reduce the risk and cost of transactions in these securities.

At the present time, purchases and sales of older issues of unregistered Foreign Securities by US investors typically settle through foreign intermediaries and central securities depositories in multiple jurisdictions. By having these transactions settle at DTC, US investors and intermediaries will benefit from (i) DTC risk management controls approved by the Commission and the Board of Governors of the Federal Reserve System, (ii) a more visible and less complicated settlement process and (iii) greater control over settlement costs with fees determined by the user-representative board of directors of DTC.

In all cases and circumstances, Participants of DTC will be responsible for determining that their deposit of older issues of unregistered Foreign Securities with DTC, as well as their transactions in such securities through the facilities of DTC, are in compliance with the Rules of DTC and the federal securities laws.

Categories of Foreign Securities Eligible for DTC Services

The following categories of Foreign Securities shall be eligible for DTC book-entry delivery services as and to the extent set forth below:

(a) Foreign Securities that are registered under the Securities Act (“Registered Foreign Securities”) shall be eligible for all DTC services.

(b) Foreign Securities that are exempt from registration under the Securities Act pursuant to an exemption that does not involve any resale restrictions (“Exempt Foreign Securities”) shall be eligible for all DTC services.

(c) Foreign Securities that may be offered and sold without registration under the Securities Act pursuant to Regulation S (“Foreign Regulation S Securities”)³ shall be eligible for all DTC services; this shall include Category 1 securities, Category 2 securities and Category 3 securities under Regulation S.⁴

(d) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144A (“Foreign Rule 144A Securities”)³ shall be eligible for all DTC services; if such Foreign Rule 144A Securities are not investment grade securities (nonconvertible debt securities or nonconvertible preferred stock rated in one of the top four categories by a nationally recognized statistical rating agency), then, to be eligible for DTC services, such Foreign Rule 144A Securities must be securities designated for inclusion in a system of a self-regulatory organization approved by the Commission for the reporting of quotation and trade information on Rule 144A transactions (an “SRO Rule 144A System”).⁵

(e) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144 (“Foreign Restricted Securities”)³ shall be eligible for all DTC services.

(f) Foreign Securities that may be resold without registration under the Securities Act pursuant to any other exemption (“Foreign Other Eligible Securities”)³ shall be eligible for all DTC services; this shall include (without limitation) an exemption pursuant to Rule 801 in connection with a rights offering or an exemption pursuant to Rule 802 in connection with an exchange offer.

Although all the foregoing categories of Foreign Securities shall be eligible for deposit and book-entry transfer through the facilities of DTC, DTC shall have the right, and may adopt associated procedures, to determine, in accordance with Rule 5 Section 1 of the DTC Rules, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any particular issue shall be accepted for deposit and made eligible for some or all DTC services.

Responsibilities of Issuers and Participants

Issuers and Participants shall be responsible for determining that their deposit of Foreign Securities with DTC, and their transactions in Foreign Securities through the facilities of DTC, are in compliance with the Rules of DTC and the federal securities laws. In particular (but without limitation), issuers and Participants shall not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of DTC, in violation of the Securities Act and the rules and regulations of the Commission thereunder. These responsibilities of issuers and Participants are based on the following:

(a) Issuers and Participants depositing Foreign Securities with DTC, and Participants engaging in transactions in Foreign Securities through the facilities of DTC, are subject to the Rules of DTC and the federal securities laws.

(b) Rule 2 Section 7 of the DTC Rules provides: “In connection with their use of the Corporation’s [DTC’s] services, Participants and Pledges must comply with all applicable laws, including all applicable laws relating to securities, taxation and money laundering”.

(c) Section 7(b) of the “Operational Arrangements (Necessary for an Issue to Become and Remain Eligible for DTC Services)” of DTC (the “DTC Operational Arrangements”) relating to BEO issues being made eligible for DTC services provides that: “Issuer recognizes that DTC does not in any way undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in the Securities with the following, as amended from time to time: (1) any exemptions from registration under the Securities Act of 1933; (2) the Investment Company Act of 1940; (3) the Employee Retirement Income Security Act of 1974; (4) the Internal Revenue Code of 1986; (5) any rules of any self-regulatory organizations (as defined under the Securities Exchange Act of 1934); or (6) any other local, state, federal, or foreign laws or regulations thereunder”. This and other representations made by issuers to DTC pursuant to the DTC Operational Arrangements are mirrored in the Letter of Representations that DTC receives from issuers in connection with their deposits of BEO issues with DTC.

(d) In 1994, in an order clarifying certain language in the Rule 144A Approval Order (see Note 5 hereof), the Commission concurred in the position taken by DTC with respect to Rule 5 of the DTC Rules that “Rule 5 does not require DTC to determine whether securities, when deposited at DTC, may be transferred lawfully by book-entry in light of the Federal securities law”. See Order Approving Proposed Rule Change Relating to a Clarification of Rule 5, Release No. 34-33672, 56 SEC Docket 315 (Feb. 23, 1994) (the “Rule 5 Clarification Order”). *NB*: Rule 5 of the DTC Rules was subsequently amended to delete any implication that DTC was under any statutory or contractual obligation to determine whether securities deposited with DTC could be legally transferred by book-entry.⁶

DTC Procedures

DTC implements a variety of measures designed to facilitate compliance by issuers and Participants with their obligations to DTC and pursuant to the federal securities laws. These measures are set forth below, with particular reference to Foreign Securities.

New Issues

With respect to new issues of Foreign Securities:

(a) For *all Foreign Securities*, DTC will require (i) from the Participant seeking DTC eligibility (e.g., the underwriter), an Eligibility Questionnaire that sets forth *inter alia* the basis on which the securities are eligible for deposit and book-entry transfer

though the facilities of DTC, and (ii) from the issuer, a Letter of Representations with representations that incorporate by reference substantially all of the standard representations set forth in the DTC Operational Arrangements.

(b) For *Foreign Regulation S Securities*, DTC will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Regulation S and having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class.

(c) For *Foreign Rule 144A Securities*, DTC will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Rule 144A, having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class and whether the securities are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

Older Issues

With respect to older issues of Foreign Securities:⁷

(a) DTC (i) will determine that any unregistered Foreign Securities deposited with DTC have a CUSIP or CINS identification number that is different from the CUSIP or CINS identification of any registered securities of the issuer of the same class and (ii) will confirm that any Foreign Rule 144A Securities deposited with DTC are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

(b) DTC will require from any Participant that wishes to deposit any unregistered Foreign Securities with DTC, or engage in any transactions in unregistered Foreign Securities through the facilities of DTC, a one-time blanket Letter of Representations (a "Participant Foreign Securities BLOR") with *inter alia* representations that such Participant (i) will not deposit any unregistered Foreign Securities with DTC unless such securities are eligible for resale without registration under the Securities Act and (ii) will not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of DTC, in violation of the Securities Act and the rules and regulations of the Commission thereunder. [A form of the proposed Participant Foreign Securities BLOR is annexed as Exhibit 2 to the proposed rule change filed by DTC with the Commission.]

(c) DTC will systemically block any Participant that has not executed a Participant Foreign Securities BLOR from (i) depositing any unregistered Foreign Securities with DTC or (ii) engaging in any transactions in unregistered Foreign Securities through the facilities of DTC.

Additional Documentation

Although the foregoing documentation (for new issues and older issues) shall be provided by issuers or Participants in connection with the deposit of Foreign Securities with DTC and/or as a condition to engaging in transactions in Foreign Securities through the facilities of DTC, DTC shall have the right, and may adopt associated procedures, to determine in accordance with Rule 5 Section 1 of the DTC Rules, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any other or additional documentation shall be required.

(2) Statutory Basis for the Proposed Rule Change. Section 17A(a)(2)(A) of the Exchange Act directs the Commission to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of securities transactions and the establishment of linked or coordinated facilities for clearance and settlement. The deposit and book-entry transfer of Foreign Securities through the facilities of DTC in accordance with the criteria and procedures set forth in the Policy Statement will (i) enable DTC to provide its Participants with prompt and accurate clearance and settlement of their cross-border securities transactions, (ii) enable DTC to enhance and extend its linkages with foreign depositories and exchanges and (iii) enable DTC to support the cross-border initiatives of US broker-dealers, banks and exchanges.

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

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

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

No written comments relating to the proposed rule change have been solicited or received by DTC from members, participants or other persons. DTC will notify the Commission of any written comments it receives.

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 reason 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 Exchange 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. SR-DTC-2007-04 on the subject line.
- Paper comments should be sent in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington D.C. 20549.

All submissions should refer to File Number SR-DTC-2007-04. 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 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 submissions should refer to the file number above and should be submitted by _____.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR § 200.30-3(a)(12).

Nancy M. Morris

NOTES

¹ A Policy Statement is used by DTC to clarify and consolidate the Rules of DTC with respect to the subject of the Policy Statement. A Policy Statement is a part of the Rules of DTC. As such, pursuant to Rule 2 Section 1 of the DTC Rules, and the Participants Agreement that Participants enter into with DTC, a Policy Statement is binding on Participants.

² *Registered securities*, whether new issues or older issues, whether foreign or domestic, are always DTC-eligible.

³ The categories of Foreign Regulation S Securities, Foreign Rule 144A Securities, Foreign Restricted Securities and Foreign Other Eligible Securities are not all mutually exclusive. For example, (i) Foreign Regulation S Securities may be resold to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A, (ii) Foreign Rule 144A Securities may be resold in offshore transactions (as defined in Regulation S) pursuant to Regulation S and (iii) Foreign Regulation S Securities and Foreign Rule 144A Securities that are restricted securities (as defined in Rule 144) may be resold pursuant to Rule 144.

⁴ Category 1 of the primary offering safe harbor of Regulation S includes the securities of foreign issuers for which there is no substantial US market in the subject securities, securities being offered by foreign (or domestic) issuers in overseas directed offerings, the securities of foreign governments and securities being offered by foreign issuers pursuant to employee benefit plans. Category 2 of the primary offering safe harbor of Regulation S includes the equity securities of reporting foreign issuers, the debt securities of foreign (or domestic) reporting issuers and the debt securities of nonreporting foreign issuers even if there is substantial US market interest in the subject securities. Category 3 of the primary offering safe harbor of Regulation S includes the equity securities of non-reporting foreign issuers with substantial US market interest in the subject securities.

⁵ For the requirement that securities other than investment grade securities be designated for inclusion in an SRO Rule 144A System approved by the Commission, see Order Approving a Proposed Rule Change by The Depository Trust Company Relating to the Eligibility of Rule 144A Securities at The Depository Trust Company, Release No. 34-33327, 55 SEC Docket 1814 (Dec. 13, 1993) (the "Rule 144A Approval Order"). The original SRO Rule 144A System approved by the Commission was the PORTAL [Private Offerings, Resales, and Trading Through Automated Linkages] Market System operated by the National Association of Securities Dealers, Inc. ("NASD"). For a description of the PORTAL Market System, and the relationship between the PORTAL Market System and DTC, see *inter alia* Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendments to Proposed Rule of the National Association of Securities Dealers, Inc., Relating to the Operation of the PORTAL Market, Release No. 34-27956, 46 SEC Docket 158-67 (April 27, 1990), and Order Approving a Proposed Rule Change Relating to the Operation of the PORTAL Market, Release No. 34-33326, 55 SEC Docket 1803-930 (Dec. 13, 1993). In 2001, the Commission approved changes in the PORTAL Rules to require PORTAL Participants to submit trade reports of secondary market transactions in PORTAL equity securities through the NASD Automated Confirmation and Transaction Service ("ACT") and PORTAL high-yield debt securities through the NASD Trade Reporting and Comparison Entry Service ("TRACE"), and to redefine the PORTAL Market System to include ACT and TRACE. See Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment Nos. 2, 3 and 4 by the National Association of Securities Dealers, Inc. Relating to the Implementation of Mandatory Trade Reporting for PORTAL Securities, Release No. 34-44042, 74 SEC Docket 1094-23 (March 6, 2001). Accordingly, each of ACT and TRACE would now be an SRO Rule 144A System for purposes of the DTC Rule 144A eligibility requirement.

⁶ The position taken by DTC with respect to (old) Rule 5 and the Rule 5 Clarification Order issued by the Commission are in accord with Section 17A(b)(3)(A) of the Securities Exchange Act of 1934 (the "Exchange Act"), which provides that a clearing agency shall not be registered under Section 17A unless the Commission determines *inter alia* that "[s]uch clearing agency is so organized and has the capacity to . . . enforce (subject to any rule or order of the Commission pursuant to Section 17(d) or 19(g)(2) of this title [the Exchange Act]) compliance by its participants with the rules of the clearing agency, and to carry out the purposes of this section [Section 17A]". Accordingly, a clearing agency is authorized and required to enforce against its participants the rules of the clearing agency and the provisions of Section 17A of the Exchange Act but is not authorized or required (because it does not have the jurisdiction or power) to enforce against its participants (or non-participant issuers or transfer agents) the provisions of the Securities Act and the rules and regulations of the Commission thereunder.

⁷ Foreign Securities that have historically been traded only on foreign securities exchanges and in foreign over-the-counter markets can be deposited as older issues and transferred by book-entry through the facilities of DTC, provided that (as described herein) they may legally be resold in the United States, i.e., they are registered under the Securities Act or they are eligible for resale in the United States without registration under the Securities Act.

THE DEPOSITORY TRUST COMPANY
(A Subsidiary of The Depository Trust & Clearing Corporation)
PARTICIPANT FOREIGN SECURITIES BLANKET LETTER OF REPRESENTATIONS
(To be Completed by Participant)

Name of Participant

The Depository Trust Company
55 Water Street
New York, New York 10041-0097

Ladies and Gentlemen:

This letter sets forth our understanding with respect to older issues of the securities of foreign issuers (“Foreign Securities”) that are not registered under the Securities Act of 1933 (the “Securities Act”) but are eligible for deposit and book-entry transfer through the facilities of The Depository Trust Company (the “Corporation”). For purposes of this Letter of Representations, (i) the term “securities” has the meaning provided in Section 2(a)(1) of the Securities Act, (ii) the term “foreign issuer” has the meaning provided in Rule 405 of the Securities and Exchange Commission (the “Commission”) under the Securities Act (and includes both a “foreign government” and a “foreign private issuer” as defined in Rule 405) and (iii) capitalized terms that are used but not otherwise defined in this Letter of Representations have the meanings given to such terms in the Rules of the Corporation.

To induce the Corporation to accept from the Participant Foreign Securities for deposit with the Corporation and to permit the Participant to engage in transactions in Foreign Securities through the facilities of the Corporation, the Participant represents to and agrees with the Corporation as follows:

1. The Participant shall not deposit with the Corporation any Foreign Securities unless such securities are eligible for resale without registration under the Securities Act.
2. The Participant shall not engage in any transactions in Foreign Securities, including any distribution of Foreign Securities through the facilities of the Corporation, in violation of the Securities Act and the rules and regulations of the Commission thereunder.

3. The Participant shall provide to the Corporation such information and documentation as the Corporation may reasonably request with respect to (i) any Foreign Securities deposited by the Participant with the Corporation or (ii) any Foreign Securities transferred by the Participant through the facilities of the Corporation.

Name of Participant

By: _____
Name: _____
Title: _____
Date: _____

POLICY STATEMENT
ON THE
ELIGIBILITY OF FOREIGN SECURITIES

Preliminary Note: For purposes of this Policy Statement, (i) the term “security” has the meaning provided in Section 2(a)(1) of the Securities Act of 1933 (the “Securities Act”), (ii) the term “foreign issuer” has the meaning provided in Rule 405 of the Securities and Exchange Commission (the “Commission”) under the Securities Act (and includes both a “foreign government” and a “foreign private issuer” as defined in Rule 405) and (iii) capitalized terms that are used but not otherwise defined in this Policy Statement have the meanings given to such terms in the Rules of the Corporation.

Section 1. Categories of Foreign Securities Eligible for the Services of the Corporation. The following categories of securities of foreign issuers (“Foreign Securities”) shall be eligible for the book-entry delivery services of the Corporation as and to the extent set forth below:

(a) Foreign Securities that are registered under the Securities Act (“Registered Foreign Securities”) shall be eligible for all services of the Corporation.

(b) Foreign Securities that are exempt from registration under the Securities Act pursuant to an exemption that does not involve any resale restrictions (“Exempt Foreign Securities”) shall be eligible for all services of the Corporation.

(c) Foreign Securities that are exempt from registration under the Securities Act pursuant to Regulation S (“Foreign Regulation S Securities”)* shall be eligible for all services of the Corporation; this shall include both Category 1 securities and Category 2 securities under Regulation S.

(d) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144A (“Foreign Rule 144A Securities”)* shall be eligible for all services of the Corporation; if such Foreign Rule 144A Securities are not investment grade securities (nonconvertible debt securities or nonconvertible preferred stock rated in one of the top four categories by a nationally recognized statistical rating agency), then, to be eligible for DTC services, such Foreign Rule 144A Securities must be securities designated for inclusion in a system of a self-regulatory organization approved by the Commission for the reporting of quotation and trade information on Rule 144A transactions (an “SRO Rule 144A System”).

(e) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144 (“Foreign Restricted Securities”)* shall be eligible for all services of the Corporation.

(f) Foreign Securities that may be resold without registration under the Securities Act pursuant to any other exemption (“Foreign Other Eligible Securities”)* shall be eligible for all services of the Corporation; this shall include (without limitation) an exemption pursuant to Rule

801 in connection with a rights offering or an exemption pursuant to Rule 802 in connection with an exchange offer.

Although all the foregoing categories of Foreign Securities shall be eligible for deposit and book-entry transfer through the facilities of the Corporation, the Corporation shall have the right, and may adopt associated procedures, to determine, in accordance with Rule 5 Section 1 of the Rules of the Corporation, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any particular issue shall be accepted for deposit and made eligible for some or all services of the Corporation.

Section 2. Responsibilities of Issuers and Participants. Issuers and Participants shall be responsible for determining that their deposit of Foreign Securities with the Corporation, and their transactions in Foreign Securities through the facilities of the Corporation, are in compliance with the Rules of the Corporation and the federal securities laws. In particular (but without limitation), issuers and Participants shall not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of the Corporation, in violation of the Securities Act and the rules and regulations of the Commission thereunder.

Section 3. Procedures of the Corporation. The Corporation implements a variety of measures designed to facilitate compliance by issuers and Participants with their obligations to the Corporation and pursuant to the federal securities laws. These measures are set forth below, with particular reference to Foreign Securities.

(a) *New Issues*. With respect to Foreign Securities deposited with the Corporation at the time that such Foreign Securities are first distributed (referred to as “new issues”):

(1) For *all Foreign Securities*, the Corporation will require (i) from the Participant seeking eligibility (e.g., the underwriter), an Eligibility Questionnaire that sets forth *inter alia* the basis on which the securities are eligible for deposit and book-entry transfer through the facilities of the Corporation, and (ii) from the issuer, a Letter of Representations with representations that incorporate by reference substantially all of the standard representations set forth in the “Operational Arrangements (Necessary for an Issue to Become and Remain Eligible for DTC Services)” of the Corporation.

(2) For *Foreign Regulation S Securities*, the Corporation will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Regulation S and having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class.

(3) For *Foreign Rule 144A Securities*, the Corporation will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Rule 144A, having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class and whether the securities are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

(b) *Older Issues.* With respect to Foreign Securities deposited with the Corporation subsequent to the time that such Foreign Securities are first distributed (referred to as “older issues”):

(1) The Corporation (i) will determine that any unregistered Foreign Securities deposited with the Corporation have a CUSIP or CINS identification number that is different from the CUSIP or CINS identification of any registered securities of the issuer of the same class and (ii) will confirm that any Foreign Rule 144A Securities deposited with the Corporation are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

(2) The Corporation will require from any Participant that wishes to deposit any unregistered Foreign Securities with the Corporation, or engage in any transactions in unregistered Foreign Securities through the facilities of the Corporation, a one-time blanket Letter of Representations (a “Participant Foreign Securities BLOR”) with *inter alia* representations that such Participant (i) will not deposit any unregistered Foreign Securities with the Corporation unless such securities are eligible for resale without registration under the Securities Act and (ii) will not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of the Corporation, in violation of the Securities Act and the rules and regulations of the Commission thereunder.

(3) The Corporation will systemically block any Participant that has not executed a Participant Foreign Securities BLOR from (i) depositing any unregistered Foreign Securities with the Corporation or (ii) engaging in any transactions in unregistered Foreign Securities through the facilities of the Corporation.

(c) *Additional Documentation.* Although the foregoing documentation (for new issues and older issues) shall be provided by issuers or Participants in connection with the deposit of Foreign Securities with the Corporation and/or as a condition to engaging in transactions in Foreign Securities through the facilities of the Corporation, the Corporation shall have the right and may adopt associated procedures to determine in accordance with Rule 5 Section 1 of the Rules of the Corporation, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any other or additional documentation shall be required.

NOTE

* The categories of Foreign Regulation S Securities, Foreign Rule 144A Securities, Foreign Restricted Securities and Foreign Other Eligible Securities are not all mutually exclusive. For example, (i) Foreign Regulation S Securities may be resold to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A, (ii) Foreign Rule 144A Securities may be resold in offshore transactions (as defined in Regulation S) pursuant to Regulation S and (iii) Foreign Regulation S Securities and Foreign Rule 144A Securities that are restricted securities (as defined in Rule 144) may be resold pursuant to Rule 144.