

[Federal Register: August 1, 2007 (Volume 72, Number 147)]
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[DOCID:fr01au07-125]

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56126; File No. SR-DTC-2007-08]

Self-Regulatory Organizations; The Depository Trust Company;
Notice of Filing and Immediate Effectiveness of a Proposed Rule Change
Relating to Use of the National Settlement Service

July 24, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934
(`Act'),\1\ notice is hereby given that on May 1, 2007, The
Depository Trust Company (`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
primarily by DTC. The Commission is publishing this notice to

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solicit comments on the proposed rule change from interested persons.

\1\ 15 U.S.C. 78s(b)(1).

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

The proposed rule change permits DTC to use the Federal Reserve
Bank's National Settlement Service (`NSS') for the settlement of
credit balances.

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.\2\

\2\ The Commission has modified parts of these statements.

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

In 2003, DTC mandated NSS as the vehicle for all DTC Settling Banks
to satisfy their end of day net debits.\3\ In an effort to increase the
efficiencies afforded by NSS, DTC is modifying its rules and procedures
to permit DTC's use of NSS to also distribute net credits.\4\ Utilizing
NSS as the payment mechanism for net credits will eliminate the need
for DTC to initiate wire payments for settlement monies owed by DTC.
However, should NSS not be available for any reason, DTC will retain
the capability to satisfy its settlement obligations using wire
transfer.

\3\ Securities Exchange Act Release No. 48089 (June 25, 2003),
68 FR 40314 (July 7, 2003) (File No. SR-DTC-2002-06).

\4\ The National Securities Clearing Corporation ('`NSCC') has
submitted a similar proposed rule change (File No. SR-NSCC-2007-02)
providing for the use of NSS for the distribution of net-net
credits.

The proposed rule change is consistent with the requirements of
section 17A of the Act and the rules and regulations thereunder because
it will not affect the safeguarding of funds or securities in DTC's
custody and control or for which it is responsible.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the proposed rule change would 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)(iii) of the Act \5\ and Rule 19b-4(f)(4) \6\ promulgated
thereunder because the proposal effects a change in an existing service
of DTC that (A) Does not adversely affect the safeguarding of
securities or funds in the custody or control of DTC or for which it is
responsible and (B) does not significantly affect the respective rights
or obligations of DTC or persons using the service. At any time within
sixty days of the filing of the proposed rule change, the Commission
could have summarily abrogated such rule change if it appeared to the
Commission that such action was necessary or appropriate in the public
interest, for the protection of investors, or otherwise in furtherance
of the purposes of the Act.

\5\ 15 U.S.C. 78s(b)(3)(A)(iii).
\6\ 17 CFR 240.19b-4(f)(4).

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

Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
Send an e-mail to rule-comments@sec.gov. Please include

File Number SR-DTC-2007-08 on the subject line.

Paper Comments

Send paper comments in triplicate to Nancy M. Morris,
Secretary, Securities and Exchange Commission, 100 F Street, NE.,
Washington, DC 20549-1090.

All submissions should refer to File Number SR-DTC-2007-08. 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, on official business days between the hours of 10 a.m. and 3 p.m. 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 File Number SR-DTC-2007-08 and should be submitted on or before August 22, 2007.

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

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

Florence E. Harmon,
Deputy Secretary.
[FR Doc. E7-14830 Filed 7-31-07; 8:45 am]

BILLING CODE 8010-01-P