

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"/>
			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"/>
--	--

**Description**  
Provide a brief description of the proposed rule change (limit 250 characters).

By this filing, The Depository Trust Company proposes to open an omnibus account at Euroclear Bank to facilitate the repositioning of inventory between European markets and U.S. markets for securities listed in multiple marketplaces.

**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="John"/>	Last Name	<input type="text" value="Petrofsky"/>
Title	<input type="text" value="Associate Counsel"/>		
E-mail	<input type="text" value="jpetrofsky@dtcc.com"/>		
Telephone	<input type="text" value="(212) 855-7634"/>	Fax	<input type="text" value="(212) 855-3215"/>

**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="09/12/2007"/>
By	<input type="text" value="Larry Thompson"/>
	(Name)
	<input type="text" value="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 EFFS website.

**Form 19b-4 Information**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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**

[Add](#) [Remove](#) [View](#)

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 Depository Trust Company (“DTC”) proposes to open an omnibus account at Euroclear Bank (“ECB”) to facilitate the repositioning of inventory between European markets and U.S. markets for securities listed in multiple marketplaces.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) The Core Services Operations and Planning Committee of the DTC Board of Directors approved the proposed change on July 11, 2007.

(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 Sheila Candler at (212) 855-3281 and John Petrofsky at (212) 855-7634.

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

(a) The purpose of the proposed rule change is to facilitate the efficient processing of cross-border securities transactions between DTC Participants and ECB Participants. The proposal contemplates the opening of a DTC omnibus account at ECB, enabling more efficient inventory positioning by Participants of DTC and ECB as needed in order to settle securities at ECB and at DTC.

The arrangement would accommodate dual listing of certain foreign and domestic securities on both U.S. and European trading platforms. One recent example of such dual listings is the common stock of NYSE Euronext Group. This U.S.-issued security,

resulting from the merger of the NYSE Group and Euronext, is currently registered, listed and traded in the U.S. on the New York Stock Exchange (“NYSE”) and in Europe on the Euronext platform and is eligible for settlement at both ECB and DTC. When traded on the NYSE, the security is cleared and settled in the Continuous Net Settlement (“CNS”) system operated by National Securities Clearing Corporation (“NSCC”) with the associated security movements taking place at DTC. When traded on Euronext, the transaction is eligible for clearance through the facilities of LCH.Clearnet SA and settlement effected by ECB through the local central securities depository (“CSD”). ECB utilizes the services of a U.S. custodian bank as agent to access DTC for position management (as they do for all other U.S. issues eligible for settlement at ECB). Participants of ECB and DTC have the ability to reposition their inventory of NYSE Euronext common stock between ECB and DTC through this arrangement.

DTC is proposing a similar arrangement with ECB to allow for custody and repositioning movements of non-U.S. dually-listed securities held on deposit with ECB, to the extent they are made eligible for listing and traded on U.S. domestic markets. Under this proposal, ECB would accommodate this activity by acting as DTC’s custodian for issues on deposit at ECB-controlled CSDs as well as at other CSDs via ECB’s sub-custody network. This arrangement will enable DTC participants to settle trades in foreign issues in U.S. dollars executed on a U.S. domestic market through the normal clearance and DTC book-entry settlement processes. Further, DTC/ECB common participants may reposition share balances between their DTC account and their ECB account either directly or through their custodian agent to facilitate settlements of trades in these dually-listed foreign issues executed in either marketplace.

Specifically, the new account will allow for European securities that are listed in the U.S. to be custodied by ECB for DTC. The securities will in turn be credited to an account at a European CSD that is maintained by or on behalf of ECB. The process for creating position at DTC would be initiated by a participant of the European CSD delivering the securities free to ECB's account (or to the account of ECB's agent) at the CSD. ECB will credit DTC's account at ECB and DTC will then credit the securities to the DTC Participant account designated by the delivering participant. The position is then available to satisfy settlements at DTC. To the extent marketmakers need to move position back to Europe to facilitate settlements there, the process would be reversed. Under this arrangement, for a security for which physical certificates have been issued, there would be no need for transporting the physical certificates to or from DTC. Any re-registration of securities from one holder to another that is required due to the market practices of any particular market would be processed by the European registrar for the issue. Any position at DTC would be represented by securities that are registered in the name of the European CSD, ECB or ECB's agent.

ECB would provide sub-custody services such as principal and income collection, and corporate action processing on securities held in DTC's omnibus account at ECB in accordance with ECB procedures. DTC in turn will provide its participants with principal and income payment and corporate actions services without its participants needing to interact directly with ECB.

(b) The primary benefits of DTC opening an omnibus account at ECB are to facilitate expanded dual listing programs of marketplaces operating in the U.S. and Europe and the avoidance of failed transactions on the trade settlement date as a result of inefficient methods of inventory repositioning. The realization of these benefits is

consistent with DTC's objective of providing efficient book-entry clearance and settlement facilities and reducing risk to DTC Participants by immobilizing certificates.

The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because the proposed link will reduce risks and associated costs to DTC and ECB Participants by streamlining the processing of cross-border securities transactions between U.S. and European entities.

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 undue 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) Not applicable.
- (b) Not applicable.
- (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-2007-12)**

**SELF-REGULATORY ORGANIZATIONS**

Proposed Rule Change by THE DEPOSITORY TRUST COMPANY (“DTC”) proposing that DTC open an omnibus account at Euroclear Bank (“ECB”) to facilitate the repositioning of inventory between European markets and U.S. markets for securities listed in multiple marketplaces.

Comments requested within \_\_\_\_ days after the date of this publication.

---

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**

As stated above, and as more fully described below, by this filing DTC proposes to open an omnibus account at ECB to facilitate the repositioning of inventory between European markets and U.S. markets for securities listed in multiple marketplaces.

**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. 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 purpose of the proposed rule change is to facilitate the efficient processing of cross-border securities transactions between DTC Participants and ECB Participants. The proposal contemplates the opening of a DTC omnibus account at ECB, enabling more efficient inventory positioning by Participants of DTC and ECB as needed in order to settle securities at ECB and at DTC.

The arrangement would accommodate dual listing of certain foreign and domestic securities on both U.S. and European trading platforms. One recent example of such dual listings is the common stock of NYSE Euronext Group. This U.S.-issued security, resulting from the merger of the NYSE Group and Euronext, is currently registered, listed and traded in the U.S. on the New York Stock Exchange (“NYSE”) and in Europe on the Euronext platform and is eligible for settlement at both ECB and DTC. When traded on the NYSE, the security is cleared and settled in the Continuous Net Settlement (“CNS”) system operated by National Securities Clearing Corporation (“NSCC”) with the associated security movements taking place at DTC. When traded on Euronext, the transaction is eligible for clearance through the facilities of LCH.Clearnet SA and settlement effected by ECB through the local central securities depository (“CSD”). ECB utilizes the services of a U.S. custodian bank as agent to access DTC for position management (as they do for all other U.S. issues eligible for settlement at ECB). Participants of ECB and DTC have the ability to reposition their inventory of NYSE Euronext common stock between ECB and DTC through this arrangement.

DTC is proposing a similar arrangement with ECB to allow for custody and repositioning movements of non-U.S. dually-listed securities held on deposit with ECB, to the extent they are made eligible for listing and traded on U.S. domestic markets. Under this proposal, ECB would accommodate this activity by acting as DTC’s custodian for issues on deposit at ECB-controlled CSDs as well as at other CSDs via ECB’s sub-custody network. This arrangement will enable DTC participants to settle trades in foreign issues in U.S. dollars executed on a U.S. domestic market through the normal clearance and DTC book-entry settlement processes. Further, DTC/ECB common participants may reposition share balances between their DTC account and their ECB account either directly or through their custodian agent to facilitate settlements of trades in these dually-listed foreign issues executed in either marketplace.

Specifically, the new account will allow for European securities that are listed in the U.S. to be custodied by ECB for DTC. The securities will in turn be credited to an account at a European CSD that is maintained by or on behalf of ECB. The process for creating position at DTC would be initiated by a participant of the European CSD delivering the securities free to ECB’s account (or to the account of ECB’s agent) at the CSD. ECB will credit DTC’s account at ECB and DTC will then credit the securities to the DTC Participant account designated by the delivering participant. The position is then available to satisfy settlements at DTC. To the extent marketmakers need to move position back to Europe to facilitate settlements there, the process would be reversed.

Under this arrangement, for a security for which physical certificates have been issued, there would be no need for transporting the physical certificates to or from DTC. Any re-registration of securities from one holder to another that is required due to the market practices of any particular market would be processed by the European registrar for the issue. Any position at DTC would be represented by securities that are registered in the name of the European CSD, ECB or ECB's agent.

ECB would provide sub-custody services such as principal and income collection, and corporate action processing on securities held in DTC's omnibus account at ECB in accordance with ECB procedures. DTC in turn will provide its participants with principal and income payment and corporate actions services without its participants needing to interact directly with ECB.

(ii) The primary benefits of DTC opening an omnibus account at ECB are to facilitate expanded dual listing programs of marketplaces operating in the U.S. and Europe and the avoidance of failed transactions on the trade settlement date as a result of inefficient methods of inventory repositioning. The realization of these benefits is consistent with DTC's objective of providing efficient book-entry clearance and settlement facilities and reducing risk to DTC Participants by immobilizing certificates.

The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because the proposed link will reduce risks and associated costs to DTC and ECB Participants by streamlining the processing of cross-border securities transactions between U.S. and European entities.

**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 been solicited or received.

**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 reasons 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 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 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 by sending an e-mail to [rule-comment@sec.gov](mailto:rule-comment@sec.gov). Please include File No. SR-DTC-2007-12 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. 20549-1090.

All submissions should refer to File Number SR-DTC-2007-12. 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 DTC's principal office and on DTC's Web site at [www.dtc.org](http://www.dtc.org). 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 within \_\_\_\_\_ days after the date of publication.

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

Nancy M. Morris