



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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

**Exhibit 1 - Notice of Proposed Rule Change \***

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

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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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, security-based swap submission, or advance notice 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**

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**

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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 of The Depository Trust Company (“DTC”) is attached hereto as Exhibit 5.<sup>1</sup>

(b) Not applicable.

(c) Not applicable.

## 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by a Deputy General Counsel of DTC pursuant to delegated authority from DTC’s Board of Directors.

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

### (a) Purpose

The proposed rule change would amend the Service Guides and the OA to provide enhanced clarity around (i) deadlines, timeframes, and cutoffs established by DTC in connection with DTC services (“DTC-established Stakeholder Deadlines”), and (ii) the times and timeframes for DTC actions and processes relating to DTC services (“DTC Processing Times”). In particular, the proposed rule change would enhance the transparency around the ability of DTC to extend DTC-established Stakeholder Deadlines, and around DTC Processing Times, which are standards, rather than deadlines, as further described below.

#### (i) DTC-established Stakeholder Deadlines

The Service Guides provide Participants with procedures and information pertaining to DTC settlement and asset services. The procedures and information include, among other things, descriptions of DTC-established Stakeholder Deadlines for Participant and stakeholder<sup>2</sup> action relating to DTC services. The OA is designed to provide Participants and other stakeholders with information and procedures related to DTC eligibility for securities, and to provide the

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<sup>1</sup> Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), the Canadian Link Service Guide, ClaimConnect Service Guide, Custody Service Guide, Deposits Service Guide, Distributions Service Guide, Redemptions Service Guide, Reorganizations Service Guide, Settlement Service Guide, and Underwriting Service Guide (collectively, the “Service Guides”) and the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (“Operational Arrangements” or “OA”), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

<sup>2</sup> Stakeholders include issuers, agents (as defined in the OA), underwriters (as defined in the OA), and other parties, as context requires.

requirements for, among other things, the orderly processing of securities, corporate actions, and distributions. The OA includes descriptions of DTC-established Stakeholder Deadlines in connection with the requirements and services.<sup>3</sup>

The purpose of DTC-established Stakeholder Deadlines is to help DTC efficiently and effectively manage its services and systems, in order to timely process instructions and securities transactions at DTC. However, there are times when, due to the facts and circumstances of a particular situation, DTC determines to extend a DTC-established Stakeholder Deadline. The situations can include, but are not limited to, a Participant operational issue or a change to a different deadline (whether DTC or external) that could affect the ability of one or more Participants to meet the DTC-established Stakeholder Deadline.

(ii) DTC Processing Times

The Service Guides and the OA also describe DTC Processing Times in connection with certain services.<sup>4</sup> The purpose of describing these DTC Processing Times is to provide Participants and other stakeholders with information about the typical timing or timeframe of a DTC action or process, in order to help Participants and other stakeholders to more efficiently and effectively use and understand DTC's services and processes. For example, if a Service Guide states that the processing time for a particular service is typically two business days, the Participant will understand that it is unlikely that it would get same-day turnaround from DTC and can plan accordingly, for instance, by ensuring that it submits its transaction with adequate lead-time.

(iii) Overview of Proposed Rule Change

DTC believes that Participants and other stakeholders benefit from clear information about their rights and obligations relating to DTC-established Stakeholder Deadlines and DTC Processing Times so that they are able to plan and conduct their business and securities transactions more effectively. Recent events, such as the COVID-19 pandemic and market volatility, have emphasized the need for flexibility in times of stress and the importance of transparency with respect to deadlines and timeframes. Accordingly, after reviewing the Service Guides and the OA, DTC is proposing to enhance the transparency around the DTC-established Stakeholder Deadlines and DTC Processing Times that are described in the Service Guides and the OA.

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<sup>3</sup> For example, the OA requires that, in order for DTC to make a same day allocation of funds, the agent must provide DTC with CUSIP-specific details for the payment before 2:50 p.m. on payable date, and that the details must match the amount of funds that are received by DTC no later than 3:00 p.m. See OA, supra note 1, at 27.

<sup>4</sup> For example, the Settlement Service Guide indicates that at 1:30 p.m. on a settlement day, DTC releases all pending delivery account positions and reverts to default recycle processing. See Settlement Service Guide, supra note 1, at 26.

Therefore, DTC is proposing to amend the Service Guides and the OA to clarify that (i) DTC may extend any DTC-established Stakeholder Deadline, including, without limitation, to (x) address operational or other delays that could reasonably affect the ability of DTC, a Participant, or other stakeholder from meeting the DTC-established Stakeholder Deadline or (y) allow DTC time operationally to exercise its existing rights under the Rules and Procedures; and (ii) the DTC Processing Times are standards and not deadlines; actual processing times may vary, based upon the circumstances. For additional transparency, DTC is proposing to clarify that any decision to extend a DTC-established Stakeholder Deadline in one instance does not establish any precedent for future situations that may arise.

In addition, although the Important Legal Information page of the Service Guides and the OA already contain general disclaimers of liability, DTC is proposing to expressly state that DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder, or any third-party resulting from, relating to, or arising from (i) any action taken by DTC with respect to an extension of a DTC-established Stakeholder Timeframe, (ii) the determination of DTC to decline to take action with respect to a DTC-established Stakeholder Timeframe, and/or (iii) the failure of a Participant, stakeholder or other third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC. DTC believes that this express disclaimer would enhance the understanding of Participants and other stakeholders of their responsibilities in connection with DTC-established Stakeholder Deadlines and possible extensions, which would help them to more effectively assess the risks relating to an inability to meet a DTC-established Stakeholder Deadline and conduct their business accordingly.

(iv) Proposed Rule Change

To effectuate the proposed changes described above, DTC would add the following paragraph near the beginning of each of the Service Guides and the OA:

Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.

(b) Statutory Basis

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 (“Act”) requires, in part, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>5</sup>

The proposed rule change would amend the Service Guides and the OA to clarify that DTC may extend any DTC-established Stakeholder Deadline, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the DTC-established Stakeholder Deadline; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. The proposed rule change would also clarify that the DTC Processing Times set forth in the Service Guides and the OA are standards and not deadlines, and that they may vary based upon the particular circumstances. The proposed rule change would also (i) clarify that any decision by DTC to extend a DTC-established Stakeholder Deadline in one case does not establish any precedent for future situations that may arise, and (ii) emphasize that DTC disclaims all liability for any losses or expenses incurred by a Participant, stakeholder or any third party relating to, or arising from, the above.

Taken together, the proposed amendments to the Service Guides and the OA would enhance Participants’ and stakeholders’ understanding of their rights and obligations relating to DTC-established Stakeholder Deadlines and DTC Processing Times. By providing this enhanced clarity and transparency, the proposed rule change would help Participants and other stakeholders to appropriately plan and to conduct their business and securities transactions through DTC more effectively, thereby promoting the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>6</sup>

**4. Self-Regulatory Organization’s Statement on Burden on Competition**

DTC does not believe the proposed rule changes described above would impact competition. Rather, DTC believes that the proposed rule changes would simply provide enhanced clarity around the rights and obligations of Participants and other stakeholders with respect to DTC-established Stakeholder Deadlines and DTC Processing Times, and would help them to appropriately plan and to conduct their business and securities transactions through DTC more effectively. As such, DTC believes the proposed rule changes would not have any impact on competition.<sup>7</sup>

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<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> Id.

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(I).

**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 been solicited or received. DTC will notify the Securities and Exchange Commission (“Commission”) of any written comments received by DTC.

**6. Extension of Time Period for Commission Action**

Not applicable.

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

(a) The proposed rule changes are to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3) of the Act.<sup>8</sup>

(b) The proposed rule change effects changes in an existing service of a registered clearing agency that: (A) do not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible; and (B) do not significantly affect the respective rights or obligations of the clearing agency or persons using the service because it would merely enhance the transparency around DTC-established Stakeholder Deadlines and DTC Processing Times.<sup>9</sup>

(c) Not applicable.

(d) Not applicable.

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

Not applicable.

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(4).

**10. Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing, and Settlement Supervision Act of 2010**

Not applicable.

**11. Exhibits**

Exhibit 1 – Not applicable.

Exhibit 1A – Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Proposed Changes to the Service Guides and the OA.

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_\_]; File No. SR-DTC-2021-009)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Provide Enhanced Clarity for Deadlines and Processing Times

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June \_\_, 2021, 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 by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(4) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change of DTC is attached hereto as Exhibit 5,<sup>5</sup> as described in greater detail below.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4).

<sup>5</sup> Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), the Canadian Link Service Guide, ClaimConnect Service Guide, Custody Service Guide, Deposits Service Guide, Distributions Service Guide, Redemptions Service Guide, Reorganizations Service Guide, Settlement Service

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would amend the Service Guides and the OA to provide enhanced clarity around (i) deadlines, timeframes, and cutoffs established by DTC in connection with DTC services (“DTC-established Stakeholder Deadlines”), and (ii) the times and timeframes for DTC actions and processes relating to DTC services (“DTC Processing Times”). In particular, the proposed rule change would enhance the transparency around the ability of DTC to extend DTC-established Stakeholder Deadlines, and around DTC Processing Times, which are standards, rather than deadlines, as further described below.

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Guide, and Underwriting Service Guide (collectively, the “Service Guides”) and the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (“Operational Arrangements” or “OA”), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

(i) DTC-established Stakeholder Deadlines

The Service Guides provide Participants with procedures and information pertaining to DTC settlement and asset services. The procedures and information include, among other things, descriptions of DTC-established Stakeholder Deadlines for Participant and stakeholder<sup>6</sup> action relating to DTC services. The OA is designed to provide Participants and other stakeholders with information and procedures related to DTC eligibility for securities, and to provide the requirements for, among other things, the orderly processing of securities, corporate actions, and distributions. The OA includes descriptions of DTC-established Stakeholder Deadlines in connection with the requirements and services.<sup>7</sup>

The purpose of DTC-established Stakeholder Deadlines is to help DTC efficiently and effectively manage its services and systems, in order to timely process instructions and securities transactions at DTC. However, there are times when, due to the facts and circumstances of a particular situation, DTC determines to extend a DTC-established Stakeholder Deadline. The situations can include, but are not limited to, a Participant operational issue or a change to a different deadline (whether DTC or external) that could affect the ability of one or more Participants to meet the DTC-established Stakeholder Deadline.

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<sup>6</sup> Stakeholders include issuers, agents (as defined in the OA), underwriters (as defined in the OA), and other parties, as context requires.

<sup>7</sup> For example, the OA requires that, in order for DTC to make a same day allocation of funds, the agent must provide DTC with CUSIP-specific details for the payment before 2:50 p.m. on payable date, and that the details must match the amount of funds that are received by DTC no later than 3:00 p.m. See OA, supra note 5, at 27.

(ii) DTC Processing Times

The Service Guides and the OA also describe DTC Processing Times in connection with certain services.<sup>8</sup> The purpose of describing these DTC Processing Times is to provide Participants and other stakeholders with information about the typical timing or timeframe of a DTC action or process, in order to help Participants and other stakeholders to more efficiently and effectively use and understand DTC's services and processes. For example, if a Service Guide states that the processing time for a particular service is typically two business days, the Participant will understand that it is unlikely that it would get same-day turnaround from DTC and can plan accordingly, for instance, by ensuring that it submits its transaction with adequate lead-time.

(iii) Overview of Proposed Rule Change

DTC believes that Participants and other stakeholders benefit from clear information about their rights and obligations relating to DTC-established Stakeholder Deadlines and DTC Processing Times so that they are able to plan and conduct their business and securities transactions more effectively. Recent events, such as the COVID-19 pandemic and market volatility, have emphasized the need for flexibility in times of stress and the importance of transparency with respect to deadlines and timeframes. Accordingly, after reviewing the Service Guides and the OA, DTC is proposing to enhance the transparency around the DTC-established Stakeholder Deadlines and DTC Processing Times that are described in the Service Guides and the OA.

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<sup>8</sup> For example, the Settlement Service Guide indicates that at 1:30 p.m. on a settlement day, DTC releases all pending delivery account positions and reverts to default recycle processing. See Settlement Service Guide, supra note 5, at 26.

Therefore, DTC is proposing to amend the Service Guides and the OA to clarify that (i) DTC may extend any DTC-established Stakeholder Deadline, including, without limitation, to (x) address operational or other delays that could reasonably affect the ability of DTC, a Participant, or other stakeholder from meeting the DTC-established Stakeholder Deadline or (y) allow DTC time operationally to exercise its existing rights under the Rules and Procedures; and (ii) the DTC Processing Times are standards and not deadlines; actual processing times may vary, based upon the circumstances. For additional transparency, DTC is proposing to clarify that any decision to extend a DTC-established Stakeholder Deadline in one instance does not establish any precedent for future situations that may arise.

In addition, although the Important Legal Information page of the Service Guides and the OA already contain general disclaimers of liability, DTC is proposing to expressly state that DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder, or any third-party resulting from, relating to, or arising from (i) any action taken by DTC with respect to an extension of a DTC-established Stakeholder Timeframe, (ii) the determination of DTC to decline to take action with respect to a DTC-established Stakeholder Timeframe, and/or (iii) the failure of a Participant, stakeholder or other third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC. DTC believes that this express disclaimer would enhance the understanding of Participants and other stakeholders of their responsibilities in connection with DTC-established Stakeholder Deadlines and possible extensions, which would help them to more effectively assess the risks relating to an inability to meet a DTC-established Stakeholder Deadline and conduct their business accordingly.

(iv) Proposed Rule Change

To effectuate the proposed changes described above, DTC would add the following paragraph near the beginning of each of the Service Guides and the OA:

Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>9</sup>

The proposed rule change would amend the Service Guides and the OA to clarify that DTC may extend any DTC-established Stakeholder Deadline, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the DTC-established Stakeholder Deadline; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. The proposed rule change would also clarify that the DTC Processing Times set forth in the Service Guides and the OA are standards and not deadlines, and that they may vary based upon the particular circumstances. The proposed rule change would also (i) clarify that any decision by DTC to extend a DTC-established Stakeholder Deadline in one case does not establish any precedent for future situations that may arise, and (ii) emphasize that DTC disclaims all liability for any losses or expenses incurred by a Participant, stakeholder or any third party relating to, or arising from, the above.

Taken together, the proposed amendments to the Service Guides and the OA would enhance Participants' and stakeholders' understanding of their rights and obligations relating to DTC-established Stakeholder Deadlines and DTC Processing Times. By providing this enhanced clarity and transparency, the proposed rule change

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<sup>9</sup> 15 U.S.C. 78q-1(b)(3)(F).

would help Participants and other stakeholders to appropriately plan and to conduct their business and securities transactions through DTC more effectively, thereby promoting the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>10</sup>

(B) Clearing Agency's Statement on Burden on Competition

DTC does not believe the proposed rule changes described above would impact competition. Rather, DTC believes that the proposed rule changes would simply provide enhanced clarity around the rights and obligations of Participants and other stakeholders with respect to DTC-established Stakeholder Deadlines and DTC Processing Times, and would help them to appropriately plan and to conduct their business and securities transactions through DTC more effectively. As such, DTC believes the proposed rule changes would not have any impact on competition.<sup>11</sup>

(C) Clearing Agency'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. 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)<sup>12</sup> of the Act and paragraph (f)<sup>13</sup> of Rule 19b-4 thereunder. At any time within 60 days of

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<sup>10</sup> Id.

<sup>11</sup> 15 U.S.C. 78q-1(b)(3)(I).

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f).

the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2021-009 on the subject line.

##### Paper Comments:

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

All submissions should refer to File Number SR-DTC-2021-009. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2021-009 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

Secretary

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<sup>14</sup> 17 CFR 200.30-3(a)(12).

**Bolded, underlined text** indicates proposed added language.

~~**Bolded, strikethrough text**~~ indicates proposed deleted language.

## CANADIAN LINK SERVICE SERVICE GUIDE

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**Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

### Overview

Since the early 1980's DTCC's subsidiaries DTC and NSCC have developed linkages and close working relationships with CDS Clearing and Depository Services Inc. (CDS), the national central securities depository of Canada. The existing links between CDS and NSCC/DTC are among the most robust inter-market links in the world, processing each month more than a million transactions. DTCC and CDS also have a strong cooperative relationship in their dealings with industry issues as markets have sought to support global trading.

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## CLAIMCONNECT™ SERVICE GUIDE

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About the ClaimConnect™ Service

Introduction

Overview

This guide describes DTC's claims processing service – ClaimConnect – a Corporate Actions product. Claim processing referred to in this guide is available on the ClaimConnect web application, via the MyDTCC portal, and for machine-to-machine processing via the ClaimConnect Application Programming Interfaces (“APIs”).

### Notes:

- ClaimConnect users (“Users”) are responsible for ensuring that their ClaimConnect activities are accounted for within the service, and that all activities are managed and reconciled properly.
- Users are responsible for the accurate reporting and withholding of taxes on transactions using the service.
- ClaimConnect APIs provide callable endpoints for creating and deleting data resources as well as reading and updating data resource values. Information including specifications related to ClaimConnect APIs can be found using <https://developer.dtcc.com> or by navigating through the MyDTCC portal menu on [www.dtcc.com](http://www.dtcc.com).
- ClaimConnect training is available on the DTCC Learning Center – <https://dtcclearning.com/products-and-services/asset-services/claimconnect-service.html>
- **Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder**

**or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

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## CUSTODY SERVICE GUIDE

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Introduction

Overview

This chapter describes DTC's Custody Service. Each section includes a description of the process, how it works, and the DTC interfaces by which Participants may access the Custody Service.

**Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

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## DEPOSITS SERVICE GUIDE

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Introduction

About Deposits

Overview

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***Warning!** Although DTC makes every effort to provide Participants with timely information with respect to deposit activity, Participants are primarily responsible for maintaining such information for purposes of their own bookkeeping. It is recommended that every Participant reconcile its records with information provided by DTC before and after making a deposit and before and after any critical dates.*

**Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

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## DISTRIBUTIONS SERVICE GUIDE

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### About Distribution Services

#### Introduction

#### Overview

This guide describes DTC's income processing services which collectively fall under the Distributions event group in the Corporate Actions product. Each section includes a description of the service and how it works. All Distribution services concerning income processing can be accessed on the Corporate Actions Web browser referred to as "CA Web".

**Note:** Although DTC makes every effort to provide you with timely information regarding income payments, you are primarily responsible for obtaining such information without reliance on DTC. We recommend that you reconcile your records with DTC's in advance of dividend or interest payable dates.

**Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

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## REDEMPTIONS SERVICE GUIDE

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About Redemption Services

Introduction

Overview

This guide describes DTC's redemption processing services which collectively fall under the Redemptions event group in the Corporate Actions product. Each section includes a description of the service and how it works. All Redemption services concerning redemption and maturity processing can be accessed on the Corporate Actions Web browser referred to as "CA Web".

Note: Although DTC makes every effort to provide you with timely information regarding redemption and maturity payments, you are primarily responsible for obtaining such information without reliance on DTC. We recommend that you reconcile your records with DTC's in advance of redemption or maturity payable dates.

**Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

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## REORGANIZATIONS SERVICE GUIDE

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About Reorganization Services

Introduction

Overview

This guide describes DTC's Reorganization services. Each section includes a description of the service, how it works, and a list of associated Participant Terminal System (PTS), Participant Browser Service (PBS) and Corporate Actions Web (CA Web) functions that you can use to access the services, as well as ISO 20022 messaging. With the exception of voluntary reorganization instruction input, the Reorganization services concerning reorganization processing can be accessed on the Corporate Actions Web browser referred to as "CA Web". Functionality for input of voluntary reorganization instructions can be accomplished via associated Participant Terminal System (PTS) and Participant Browser System (PBS) functions.

Note:

This guide provides information regarding DTC's processing of reorganization events. DTC obtains this information from sources it believes to be reliable, but DTC does not represent the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of this information, which is provided as is. Furthermore, this information is subject to change. Participants should independently obtain, monitor and review any available documentation relating to the reorganization activity and verify information obtained from DTC. In addition, nothing contained in such information shall relieve participants of their responsibility under DTC's Rules and Procedures to check the accuracy of this information.

**Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a**

**Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

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## [SETTLEMENT SERVICE GUIDE]

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### About Settlement

#### Overview

This chapter describes DTC's Settlement products. Each section includes a description of the product and how it works, as well as corresponding functions a Participant can use to access the product.

*Note-* Although DTC makes every effort to provide the Participant with timely information, the Participant is primarily responsible for obtaining such information without reliance on DTC. DTC recommends that Participants reconcile their records with DTC's records before any critical dates or cutoff times.

**Note: DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

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## UNDERWRITING SERVICE GUIDE

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### About Underwriting Services

#### Overview

DTC, through its underwriting department (“Underwriting Department”), serves the financial industry by making securities eligible for depository services. Through DTC, Participants have the ability to distribute new and secondary offerings quickly and economically by electronic book-entry delivery and settlement. These securities are then available for depository services. DTC maintains a master file of all CUSIP numbers representing securities made eligible at DTC.

This guide describes services offered through Underwriting and related requirements.

In addition, DTC’s Operational Arrangements (“OA”), available at <http://www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>, set forth the criteria for an issue to become and remain eligible at DTC and should be used in conjunction with this Service Guide. The OA outlines the various eligibility requirements, including, but not limited to:

- Securities Eligible for DTC’s services
- Standard time frames for providing underwriting information to DTC
- Documentation including Letters of Representations and applicable riders
- Opinions of counsel
- Ownership thresholds

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**stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.**

<b>Glossary Term</b>	<b>Abbreviation</b>	<b>Definition</b>
book-entry-only security	BEO	An issue authorized for deposit at DTC in the form of one or more global certificates for each tranche of an issue. Ownership positions and transactions in each security are reflected in DTC's records and in the records of participating banks and brokers. Transaction confirmations and periodic account statements provided to investors identify securities the investor owns and report on activity in the investor's account.
Blanket Letter of Representations	BLOR	An agreement accepted by DTC from issuers in which the issuer agrees to comply with the requirements stated in the Operational Arrangements, as they may be amended from time to time. DTC requires an issuer to submit a BLOR only once for all its future issuances distributed through DTC.
closing date		The date on which the Underwriting Department will distribute an issue to the underwriter's DTC participant account for book-entry delivery and settlement upon notification by both the underwriter and the issuer that an issue has closed. Also referred to as the distribution date.
CUSIP number		The identification number created by the American Banking Association's Committee on Uniform Security Identification Procedures (CUSIP) to uniquely identify issuers and issues of securities and financial instruments. The CUSIP number consists of nine digits; the first six digits identify the issuer and have been assigned to issuers in alphabetic sequence, and the next two characters (alphabetic or numeric) identify the issue. The ninth digit is the check digit.
data distribution box	DD	A receptacle located in the central delivery area of DTC used for distributing hard-copy reports and notices to participants.
Fast Automated Securities Transfer	FAST	An arrangement between DTC and transfer agents to eliminate the movement of securities certificates. By signing the Balance Certificate Agreement with DTC, agents agree to maintain DTC-eligible inventory in the form of jumbo certificates registered in the name of DTC's nominee name, Cede & Co. DTC and FAST agents electronically reconcile the results of participants' daily deposit and withdrawal activities.
flipping		The sale of shares of a security in the secondary market during the stabilization period or penalty-bid period.
global		An issue that is eligible to trade and settle at a domestic as well as an international depository.

<b>Glossary Term</b>	<b>Abbreviation</b>	<b>Definition</b>
initial public offering	IPO	A corporation's first offering of stock to the public. In an IPO, a corporation must comply with registration requirements of the Securities and Exchange Commission (SEC).
lead manager		The institution that organizes and leads a syndicate of underwriters in purchasing and distributing shares of an offering to investors. Also known as lead underwriter.
Letter of Representations	LOR	An agreement that contains certain representations that must be made to DTC by the issuer and others before various issue types (for example, book-entry-only issues, Rule 144A issues, and Regulation S issues) can be made eligible for DTC's services.
offering documents		A formal written offer to sell securities that sets forth the plan for the proposed business enterprise (or the facts concerning an existing one) that an investor needs in order to make an informed investment decision.
operational arrangements		The requirements for an issue to become eligible for DTC services that incorporates standards for income, reorganization, and redemption payments ("Principal and Income Payments"), adopting the guidelines set by the U. S. Working Committee Group of Thirty (G-30) Clearance and the Settlement Project Same-Day Funds Task Force (P Task Force).
penalty-bid period		Established time period in which the lead manager has the right to penalize syndicate members for their customers' flipping activity.
private placement		The sale of securities directly to private persons, institutional investors, or both outside a public offering. Unlike a public offering, a private placement does not have to be registered with the SEC.
SEC-registered company		An offering of securities that is filed with the Securities and Exchange Commission (SEC).
stabilization period		The duration of time immediately after the closing of an issue during which the lead manager may purchase securities in the open market in order to stop a decline in the price of the securities.
syndicate		A group of investment banks assembled by a lead manager to underwrite a new issue. Also known as a selling group.

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**THE DEPOSITORY TRUST COMPANY OPERATIONAL ARRANGEMENTS  
(NECESSARY FOR SECURITIES TO BECOME AND REMAIN ELIGIBLE FOR  
DTC SERVICES)**

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**IMPORTANT LEGAL INFORMATION**

The services described herein are provided by DTC pursuant to the terms and conditions of these Operational Arrangements, as well as the Rules and Procedures of DTC, and/or other agreements of the parties (collectively, the "Agreements"). All issuers of securities deposited at DTC, Agents and Underwriters are required to adhere to the requirements stated in these Operational Arrangements and are obligated, among other things, to follow precisely the procedures outlined in the Agreements and provide DTC with complete and accurate information. In accepting instructions from Issuers, Agents and/or Underwriters, DTC relies, among other things, upon the duty of Issuers, Agents Underwriters and Participants to exercise diligence in all aspects of each transaction processed through DTC. In connection with their use of the DTC's services, Issuers, Agents and Underwriters must comply with all applicable laws, including all applicable laws relating to securities, taxation, and money laundering, as well as sanctions administered and enforced by the Office of Foreign Assets Control ("OFAC"). As part of their compliance with OFAC sanctions regulations, all Issuers, Agents and Underwriters must agree not to conduct any transaction or activity through DTC that violates sanctions administered and enforced by OFAC. Issuers, Agents and Underwriters expressly acknowledge that the services provided by DTC are ministerial in nature. Moreover, as further reflected by DTC's fee structure (which typically bears no relationship to the dollar value of any given transaction), DTC does not accept any risk of loss to such Issuers, Agents or Underwriters with respect to transactions being processed by DTC.

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