

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 19b-4

File No. \* SR 2024 - \* 004

Amendment No. (req. for Amendments \*)

Filing 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 type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input checked="" 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)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010  
Section 806(e)(1) \*

Section 806(e)(2) \*

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934  
Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Update the Deposits Service Guide and the Operational Arrangements

**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 action.

First Name \*  Last Name \*

Title \*

E-mail \*

Telephone \*  Fax

**Signature**

Pursuant to the requirements of the Securities Exchange of 1934, The Depository Trust Company has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date

(Title \*)

By

(Name \*)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Date: 2024.04.02  
15:16:41 -04'00'

Required fields are shown with yellow backgrounds and astericks.

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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Narrative -SPA DWAC Filing 04.02.24

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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Exhibit 1A SPA DWAC Filing 04.02.24

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 Advanced 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 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

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 Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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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 Sent As Paper Document

**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**

Add Remove View

Exhibit 5 SPA DWAC Filing 04.02.24.c

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 Proposed Rule Change

(a) The proposed rule filing 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 has been approved by the Investment Management Committee of the Board of Directors of DTC at a meeting duly called and held on February 21, 2024.

## 3. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

### (a) Purpose

The proposed rule change would amend the Deposits Guide and the Operational Arrangements to reflect the upcoming migration of the Deposit/Withdrawal at Custodian (“DWAC”) functionality for securities in the DTC Fast Automated Securities Transfer (“FAST”) program (“FAST-eligible Securities”)<sup>2</sup> from PTS/PBS<sup>3</sup> to the new DTC Securities Processing Application (“SPA”) system. In addition, DTC is proposing to amend the Deposits Guide to make technical and ministerial changes, as more fully described below.

### (i) Background

#### Securities Processing Modernization Program

DTC has undertaken a multiyear and multiphase initiative to enhance and modernize its securities processing systems. DTC’s current security processing system (“SPS”) applications utilize legacy mainframe, terminal-based, centralized computing technology, which Participants

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

<sup>2</sup> A FAST-eligible Security is a DTC-eligible Security that has a transfer agent that is an approved FAST transfer agent.

<sup>3</sup> PTS (Participant Terminal System) and PBS (Participant Browser System) are user interfaces for DTC settlement and asset services functions. PTS is mainframe-based, and PBS is web-based with a mainframe back-end. Participants may use either PTS or PBS, as they are functionally equivalent.

and FAST Agents typically access through PTS/PBS. The SPS applications are, and have been for decades, robust and reliable. However, because the SPS is comprised of various distinct mainframe legacy applications, enhancements and maintenance of such are becoming more difficult and more costly. Accordingly, as part of its overall modernization efforts, DTC determined to create a more effective and efficient securities processing model with greater flexibility for new products, maintenance and future enhancements – the SPA system.

With this proposed rule change, DTC would migrate the DWAC functionality currently used by Participants and FAST Agents through PTS/PBS to the SPA system, without any cost or investment needed by Participants or FAST Agents. SPA is built on distributed server-based computing and is designed to provide a system that is streamlined, resilient and in line with the needs and usability standards of Participants and FAST Agents.

### About FAST and DWAC

The FAST program reduces and streamlines certificate movements between DTC and transfer agents. For FAST-eligible Securities, the FAST Agent, as custodian for DTC, hold the securities registered in the name of DTC’s nominee, Cede & Co., in the form of global balance certificates (“FAST Balance Certificate”). Each FAST Balance Certificate represents the amount (e.g., shares, units, obligations) of a specific security registered to Cede & Co., as nominee of DTC, on the books of the FAST Agent (i.e., the “DTC FAST Balance” of the security).

A FAST Agent may custody the FAST Balance Certificates in the form of a certificate that either (i) evidences a fixed number of shares, units, or obligations and is cancelled and reissued daily, or (ii) reflects that the amount of the DTC FAST Balance shown on the books of the issuer is represented by such certificate, and the certificate is not cancelled as that number of shares, units, or obligations fluctuates. FAST Agents are required to confirm daily to DTC the numbers of shares, units or obligations, as the case may be, reflected on each FAST Balance Certificate and registered in the name of Cede & Co.

A Participant can deposit a physical certificate for a FAST-eligible Security with DTC directly, and DTC will credit the Participant’s account by the amount of the deposit, and send the certificate received from the Participant to the FAST Agent. The FAST Agent will cancel the certificate and increase the DTC FAST Balance for the security by the amount being deposited.<sup>4</sup>

The deposit functionality of DWAC permits a Participant to make a deposit of a FAST-eligible Security directly with the FAST Agent for the security, which will then cancel the certificate (if a physical deposit) and increase the DTC FAST Balance for the security by the amount being deposited. The FAST Agent will confirm the deposit to DTC, which will credit the

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<sup>4</sup> For more information about FAST, see Securities Exchange Act Release Nos. 12353 (Apr. 20, 1976), 41 FR 17823 (Apr. 28, 1976) (SR-DTC-76-3); 13342 (Mar. 8, 1977) (SR-DTC-76-3); 14997 (Jul. 26, 1978), 43 FR 33977 (Aug. 2, 1978) (SR-DTC-78-11); 21401 (Oct. 16, 1984) (SR-DTC-84-8); 31941 (Mar. 3, 1993), 58 FR 13291 (Mar. 10, 1993) (SR-DTC-92-15); 46956 (Dec. 6, 2002), 67 FR 77115 (Dec. 16, 2002) (SR-DTC 2002-15); 64191 (Apr. 5, 2011), 76 FR 20061 (Apr. 11, 2011) (SR-DTC-2010-15).

Participant's account with the amount of the deposit. Similarly, a Participant can make a DWAC withdrawal, in which the FAST Agent will reduce the DTC FAST Balance for the amount of the security being withdrawn and will re-register the amount of the security being withdrawn into the name of the Participant or to another party identified by the Participant.<sup>5</sup>

(ii) Proposed Rule Change

DWAC Functionality

FAST Agents currently use the Custodian Deposit/Withdrawal at Custodian ("CDWC") function on PTS (or the TA Direct Deposit/Withdrawal function on PBS), to view and approve the DWAC transactions of Participants. In addition, FAST Agents can also use the optional DWAC Centralized Billing through PTS/PBS to automate the billing and collection of pass-through DWAC fees charged to Participants by the FAST Agent. Participants currently use the Participant Deposit/Withdrawal at Custodian ("PDWC") function on PTS (or the Part Direct Deposit/Withdrawal functions on PBS) to view and to input deposit and withdrawal instructions for their DWAC transactions.

Pursuant to the proposed rule change, the DWAC functionality currently used by Participants and FAST Agents through PTS/PBS will migrate to the SPA system. As of March 28, 2024, FAST Agents and Participants will be required to conduct these activities through the SPA system, which is accessible through the DTCC Portal at MyDTCC.com. In addition, pursuant to the proposed rule change, APIs for the SPA system would be available in connection with DWAC.

Deposits Guide and Operational Arrangements Amendments

To effectuate the proposed rule change, DTC would make the following changes to the Deposits Guide and the Operational Arrangements:

a) *The Deposits Guide*

i) In the "Depositing Securities at DTC" section:

- (1) Add a reference to the Securities Processing Application (SPA) system and, in the list of methods for deposit, replace "The Fast Automated Securities Transfer system (FAST) (via the PTS function PDWC and PBS function Participant Direct Deposit Withdrawal)" with "The SPA system (via Application Programming Interface (API) or via the DTCC Portal) to inquire, create and review transactions;" and

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<sup>5</sup> For more information about the DWAC service, see Securities Exchange Act Release No. 30283 (Jan. 23, 1992), 57 FR 3658 (Jan. 30, 1992) (SR-DTC-91-16).

- (2) Clarify that a Participant receives same-day credit for its DWAC deposit, as long as the DWAC deposit is “entered by the Participant and created via SPA and approved by the custodian/agent” prior to noon Eastern Time.<sup>6</sup>
- ii) In the “Deposit/Withdrawal at Custodian (DWAC)” section:
    - (1) In the “About the Product” subsection, add the following at the end of the paragraph, “DWAC is available on the Securities Processing Application (SPA) system via the DTCC Portal or Application Programming Interface (API).”
    - (2) In the “How the Product Works” subsection:
      - (a) Replace references to DWACs being performed through PTS/PBS with references to the SPA system, and add language to reflect that when a Participant requests a DWAC, a unique Transaction ID is assigned (which allows for tracking by the Participant and the custodian/agent);
      - (b) Replace references to the confirmation ticket and confirmation status types generated by PTS/PBS with a list of the SPA Transaction Status types available in the SPA DWAC transaction life cycle; and
      - (c) Add a note that the information is available via API and that information on APIs is available on the DTCC API Marketplace via <https://www.dtcc.com/api>.
    - (3) Replace the entirety of the “Associated PTS/PBS File Functions” subsection with the new “Associated SPA Portal Navigation/File Functions/Application Programming Interface (APIs)” subsection. The new subsection would provide a table of the applicable SPA Function access path and a description of the function, as well as a row reflecting API and the continuing availability of the CCF Batch Files.
- b) *The Operational Arrangements*
    - i) In Section II.B.2.c (DWAC), (i) add a reference to the SPA system for processing DWAC transactions; (ii) replace a reference to DWAC with “SPA system;” and (iii) replace a reference to PTS/PBS with “SPA system.”

(b) Statutory Basis

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 (“Act”) requires, *inter alia*, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>7</sup> As described above, the proposed rule change would amend the Deposits

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<sup>6</sup> Pursuant to the proposed rule change, DTC would also remove “Standard” from the references to “Eastern Standard Time” in this subsection.

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



Guide and the Operational Arrangements to reflect the upcoming migration of the DWAC functionality for Participants and FAST Agents from the legacy PTS/PBS system to the new SPA system. By migrating the DWAC functionality to a system with enhanced usability, flexibility, and resiliency, the proposed rule change is designed to support a more effective and efficient DTC securities processing model. Accordingly, DTC believes that the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions, consistent with the requirements of Section 17A(b)(3)(F) of the Act, cited above.

The proposed rule changes are also designed to be consistent with Rule 17ad-22(e)(21), which requires, in part, that each covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves.<sup>8</sup> As described above, by migrating the DWAC functionality to a system with enhanced usability, flexibility, and resiliency, the proposed rule change is designed to support a more effective and efficient DTC securities processing model, which would make DTC more effective and efficient in meeting the requirements of its participants and the markets it serves, in accordance with the requirements of Rule 17ad-22(e)(21).

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

DTC believes that the proposed rule change to amend the Deposits Guide and the Operational Arrangements to reflect the upcoming migration of the DWAC functionality for Participants and FAST Agents from the legacy PTS/PBS system to the new SPA system would not have any impact on competition.<sup>9</sup> The proposed rule change would migrate the DWAC functionality to a system with enhanced usability and flexibility that will be available to all Participants and FAST Agents equally at no additional cost or effort to them. In light of the foregoing, DTC does not believe that the proposed rule change would impose a burden on competition.<sup>10</sup>

#### **5. Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they would be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email

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<sup>8</sup> 17 CFR 240.17ad-22(e)(21).

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

<sup>10</sup> Id.

address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at <https://www.sec.gov/regulatory-actions/how-to-submitcomments>. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at [tradingandmarkets@sec.gov](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

DTC reserves the right to not respond to any comments received.

**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 change is to take effect upon filing pursuant to Section 19(b)(3)(A) of the Act.<sup>11</sup>

(b) The proposed rule change effects changes in an existing service of DTC that (x) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible; and (y) does not significantly affect the respective rights or obligations of DTC or persons using its services,<sup>12</sup> as it would merely amend the Deposits Guide and the Operational Arrangements to reflect the upcoming migration of the DWAC functionality for Participants and FAST Agents from the legacy PTS/PBS system to the new SPA system.

(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.

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

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(4).



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 revisions to the text of the Deposits Guide and the Operational Arrangements.

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-[\_\_\_\_\_]; File No. SR-DTC-2024-004)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Update the Deposits Service Guide and the Operational Arrangements

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 April \_\_, 2024, 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.

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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).

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

The proposed rule change would amend the Deposits Guide and the Operational Arrangements to reflect the upcoming migration of the Deposit/Withdrawal at Custodian ("DWAC") functionality for securities in the DTC Fast Automated Securities Transfer ("FAST") program ("FAST-eligible Securities")<sup>5</sup> from PTS/PBS<sup>6</sup> to the new DTC Securities Processing Application ("SPA") system. In addition, DTC is proposing to amend the Deposits Guide to make technical and ministerial changes, as described in greater detail below.<sup>7</sup>

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

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<sup>5</sup> A FAST-eligible Security is a DTC-eligible Security that has a transfer agent that is an approved FAST transfer agent.

<sup>6</sup> PTS (Participant Terminal System) and PBS (Participant Browser System) are user interfaces for DTC settlement and asset services functions. PTS is mainframe-based, and PBS is web-based with a mainframe back-end. Participants may use either PTS or PBS, as they are functionally equivalent.

<sup>7</sup> Each term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC ("Rules"), the Deposits Service Guide ("Deposits Guide"), the Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) ("Operational Arrangements"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

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 Deposits Guide and the Operational Arrangements to reflect the upcoming migration of the Deposit/Withdrawal at Custodian (“DWAC”) functionality for securities in the DTC Fast Automated Securities Transfer (“FAST”) program (“FAST-eligible Securities”)<sup>8</sup> from PTS/PBS<sup>9</sup> to the new DTC Securities Processing Application (“SPA”) system. In addition, DTC is proposing to amend the Deposits Guide to make technical and ministerial changes, as more fully described below.

(i) Background

Securities Processing Modernization Program

DTC has undertaken a multiyear and multiphase initiative to enhance and modernize its securities processing systems. DTC’s current security processing system (“SPS”) applications utilize legacy mainframe, terminal-based, centralized computing technology, which Participants and FAST Agents typically access through PTS/PBS. The SPS applications are, and have been for decades, robust and reliable. However, because

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<sup>8</sup> A FAST-eligible Security is a DTC-eligible Security that has a transfer agent that is an approved FAST transfer agent.

<sup>9</sup> PTS (Participant Terminal System) and PBS (Participant Browser System) are user interfaces for DTC settlement and asset services functions. PTS is mainframe-based, and PBS is web-based with a mainframe back-end. Participants may use either PTS or PBS, as they are functionally equivalent.

the SPS is comprised of various distinct mainframe legacy applications, enhancements and maintenance of such are becoming more difficult and more costly. Accordingly, as part of its overall modernization efforts, DTC determined to create a more effective and efficient securities processing model with greater flexibility for new products, maintenance and future enhancements – the SPA system.

With this proposed rule change, DTC would migrate the DWAC functionality currently used by Participants and FAST Agents through PTS/PBS to the SPA system, without any cost or investment needed by Participants or FAST Agents. SPA is built on distributed server-based computing and is designed to provide a system that is streamlined, resilient and in line with the needs and usability standards of Participants and FAST Agents.

*About FAST and DWAC*

The FAST program reduces and streamlines certificate movements between DTC and transfer agents. For FAST-eligible Securities, the FAST Agent, as custodian for DTC, hold the securities registered in the name of DTC’s nominee, Cede & Co., in the form of global balance certificates (“FAST Balance Certificate”). Each FAST Balance Certificate represents the amount (e.g., shares, units, obligations) of a specific security registered to Cede & Co., as nominee of DTC, on the books of the FAST Agent (i.e., the “DTC FAST Balance” of the security).

A FAST Agent may custody the FAST Balance Certificates in the form of a certificate that either (i) evidences a fixed number of shares, units, or obligations and is cancelled and reissued daily, or (ii) reflects that the amount of the DTC FAST Balance shown on the books of the issuer is represented by such certificate, and the certificate is

not cancelled as that number of share, units, or obligations fluctuates. FAST Agents are required to confirm daily to DTC the numbers of share, units or obligations, as the case may be, reflected on each FAST Balance Certificate and registered in the same of Cede & Co.

A Participant can deposit a physical certificate for a FAST-eligible Security with DTC directly, and DTC will credit the Participant's account by the amount of the deposit, and send the certificate received from the Participant to the FAST Agent. The FAST Agent will cancel the certificate and increase the DTC FAST Balance for the security by the amount being deposited.<sup>10</sup>

The deposit functionality of DWAC permits a Participant to make a deposit of a FAST-eligible Security directly with the FAST Agent for the security, which will then cancel the certificate (if a physical deposit) and increase the DTC FAST Balance for the security by the amount being deposited. The FAST Agent will confirm the deposit to DTC, which will credit the Participant's account with the amount of the deposit. Similarly, a Participant can make a DWAC withdrawal, in which the FAST Agent will reduce the DTC FAST Balance for the amount of the security being withdrawn and will re-register the amount of the security being withdrawn into the name of the Participant or

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<sup>10</sup> For more information about FAST, see Securities Exchange Act Release Nos. 12353 (Apr. 20, 1976), 41 FR 17823 (Apr. 28, 1976) (SR-DTC-76-3); 13342 (Mar. 8, 1977) (SR-DTC-76-3); 14997 (Jul. 26, 1978), 43 FR 33977 (Aug. 2, 1978) (SR-DTC-78-11); 21401 (Oct. 16, 1984) (SR-DTC-84-8); 31941 (Mar. 3, 1993), 58 FR 13291 (Mar. 10, 1993) (SR-DTC-92-15); 46956 (Dec. 6, 2002), 67 FR 77115 (Dec. 16, 2002) (SR-DTC 2002-15); 64191 (Apr. 5, 2011), 76 FR 20061 (Apr. 11, 2011) (SR-DTC-2010-15).



to another party identified by the Participant.<sup>11</sup>

(ii) Proposed Rule Change

DWAC Functionality

FAST Agents currently use the Custodian Deposit/Withdrawal at Custodian (“CDWC”) function on PTS (or the TA Direct Deposit/Withdrawal function on PBS), to view and approve the DWAC transactions of Participants. In addition, FAST Agents can also use the optional DWAC Centralized Billing through PTS/PBS to automate the billing and collection of pass-through DWAC fees charged to Participants by the FAST Agent. Participants currently use the Participant Deposit/Withdrawal at Custodian (“PDWC”) function on PTS (or the Part Direct Deposit/Withdrawal functions on PBS) to view and to input deposit and withdrawal instructions for their DWAC transactions.

Pursuant to the proposed rule change, the DWAC functionality currently used by Participants and FAST Agents through PTS/PBS will migrate to the SPA system. As of March 28, 2024, FAST Agents and Participants will be required to conduct these activities through the SPA system, which is accessible through the DTCC Portal at MyDTCC.com. In addition, pursuant to the proposed rule change, APIs for the SPA system would be available in connection with DWAC.

Deposits Guide and Operational Arrangements Amendments

To effectuate the proposed rule change, DTC would make the following changes to the Deposits Guide and the Operational Arrangements:

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<sup>11</sup> For more information about the DWAC service, see Securities Exchange Act Release No. 30283 (Jan. 23, 1992), 57 FR 3658 (Jan. 30, 1992) (SR-DTC-91-16).

a) *The Deposits Guide*

i) In the “Depositing Securities at DTC” section:

- (1) Add a reference to the Securities Processing Application (SPA) system and, in the list of methods for deposit, replace “The Fast Automated Securities Transfer system (FAST) (via the PTS function PDWC and PBS function Participant Direct Deposit Withdrawal)” with “The SPA System (via Application Programming Interface (API) or via the DTCC Portal) to inquire, create and review transactions;” and
- (2) Clarify that a Participant receives same-day credit for its DWAC deposit, as long as the DWAC deposit is “entered by the Participant and created via SPA and approved by the custodian/agent” prior to noon Eastern Time.<sup>12</sup>

ii) In the “Deposit/Withdrawal at Custodian (DWAC)” section:

- (1) In the “About the Product” subsection, add the following at the end of the paragraph, “DWAC is available on the Securities Processing Application (SPA) system via the DTCC Portal or Application Programming Interface (API).”
- (2) In the “How the Product Works” subsection:
  - (a) Replace references to DWACs being performed through PTS/PBS with references to the SPA system, and add language to reflect that when a Participant requests a DWAC, a unique Transaction ID is

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<sup>12</sup> Pursuant to the proposed rule change, DTC would also remove “Standard” from the references to “Eastern Standard Time” in this subsection.

assigned (which allows for tracking by the Participant and the custodian/agent);

(b) Replace references to the confirmation ticket and confirmation status types generated by PTS/PBS with a list of the SPA Transaction Status types available in the SPA DWAC transaction life cycle; and

(c) Add a note that the information is available via API and that information on APIs is available on the DTCC API Marketplace via <https://www.dtcc.com/api>.

(3) Replace the entirety of the “Associated PTS/PBS File Functions” subsection with the new “Associated SPA Portal Navigation/File Functions/Application Programming Interface (APIs)” subsection. The new subsection would provide a table of the applicable SPA Function access path and a description of the function, as well as a row reflecting API and the continuing availability of the CCF Batch Files.

b) *The Operational Arrangements*

i) In Section II.B.2.c (DWAC), (i) add a reference to the SPA system for processing DWAC transactions; (ii) replace a reference to DWAC with “SPA system;” and (iii) replace a reference to PTS/PBS with “SPA system.”

2. Statutory Basis

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 (“Act”) requires, inter alia, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>13</sup> As described above, the proposed rule change

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<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(F).

would amend the Deposits Guide and the Operational Arrangements to reflect the upcoming migration of the DWAC functionality for Participants and FAST Agents from the legacy PTS/PBS system to the new SPA system. By migrating the DWAC functionality to a system with enhanced usability, flexibility, and resiliency, the proposed rule change is designed to support a more effective and efficient DTC securities processing model. Accordingly, DTC believes that the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions, consistent with the requirements of Section 17A(b)(3)(F) of the Act, cited above.

The proposed rule changes are also designed to be consistent with Rule 17ad-22(e)(21) which requires, in part, that each covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves.<sup>14</sup> As described above, by migrating the DWAC functionality to a system with enhanced usability, flexibility, and resiliency, the proposed rule change is designed to support a more effective and efficient DTC securities processing model which would make DTC more effective and efficient in meeting the requirements of its participants and the markets it serves, in accordance with the requirements of Rule 17ad-22(e)(21).

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

DTC believes that the proposed rule change to amend the Deposits Guide and the Operational Arrangements to reflect the upcoming migration of the DWAC functionality for Participants and FAST Agents from the legacy PTS/PBS system to the new SPA

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<sup>14</sup> 17 CFR 240.17ad-22(e)(21).

system would not have any impact on competition.<sup>15</sup> The proposed rule change would migrate the DWAC functionality to a system with enhanced usability and flexibility that will be available to all Participants and FAST Agents equally at no additional cost or effort to them. In light of the foregoing, DTC does not believe that the proposed rule change would impose a burden on competition.<sup>16</sup>

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they would be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at <https://www.sec.gov/regulatory-actions/how-to-submit-comments>. General questions regarding the rule filing process or logistical questions

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

<sup>16</sup> Id.

regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at [tradingandmarkets@sec.gov](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

DTC reserves the right to not respond to any comments received.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission 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-2024-004 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-2024-004. 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 ([dtcc.com/legal/sec-rule-filings](http://dtcc.com/legal/sec-rule-filings)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR- DTC-2024-004 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>17</sup>

Secretary

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

**Bold and underlined text** indicates proposed added language

~~**Bold and strikethrough text**~~ indicates proposed deleted language

# DEPOSITS

## SERVICE GUIDE

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### Depositing Securities at DTC

This section briefly describes how deposits are processed by DTC. Participants can review information and account activity via various **functions in PTS, or PBS or the Securities Processing Application (SPA) functions system**, as explained in Tracking Deposits.

Participants can make deposits by using one of the following methods:

- DTC's Deposit Automation Management system (via the PTS function DAMP or PBS function Deposit Automation), and deposits made through DTC's Interface Department)
- The Branch Deposits system (via Computer-to-Computer Facility [CCF/CCF II] transmissions)
- The Restricted Deposits system (via the PTS function RDSP and PBS function Restricted Deposit Service – Participant)
- **The SPA system (via Application Programming Interface (API) or via the DTCC Portal) to inquire, create and review transactions**
- ~~The Fast Automated Securities Transfer system (FAST) (via the PTS function PDWC and PBS function Participant Direct Deposit Withdrawal).~~

Note:

To expedite the deposit process, Participants should carefully follow the steps described in Preparing Certificates for Transfer before making a shipment to DTC.

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Participants can submit certificates in one of three ways:

1. **Messenger delivery** to DTC's Central Delivery Department at 570 Washington Blvd. (side entrance 30 Newport Parkway), Deposits Window (for New York metropolitan area Participants)
2. **Overnight delivery** to the Interface Department (for Participants outside the New York metropolitan area)
3. **Branch deposits** via air courier or messenger

Once an acceptable deposit is received, DTC credits the Participant's general free account at the depository as follows:

- Same-day credit: Deposits received before noon Eastern ~~Standard~~ Time at DTC's Central Delivery window, or by DWAC deposit **entered by the Participant and created via SPA and approved by the custodian/agent.**
- Next Day credit: Deposits received between 2:00 p.m. and 5:30 p.m. Eastern ~~Standard~~ Time at the Central Delivery Window or via the Interface Department.
- Same-day credit: Branch deposits received by 11:00 a.m. Eastern Time.

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**Note:**

This processing schedule does not apply to certain products such as restricted deposits and mandatory reorg deposits. See those sections for details.

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# DEPOSIT / WITHDRAWAL AT CUSTODIAN (DWAC)

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## About the Product

Deposit/Withdrawal at Custodian (DWAC) is available as an online facility, file transfer or MQ format that lets Participants send requests to Fast Automated Securities Transfer (FAST) agents/custodians to deposit or withdraw securities into or out of their respective DTC account(s). **DWAC is available on the Securities Processing Application (SPA) system via the DTCC Portal or Application Programming Interface (API).**

## How the Product Works

FAST minimizes certificate movement and streamlines transfers for Participants who maintain a quantity of securities at a transfer agent in the form of a balance certificate registered to Cede & Co, DTC's nominee. These balance certificates are increased and decreased daily by the net of deposit and withdrawal-by-transfer (WT) activity.

Once a Participant requests a DWAC through ~~PTS, PBS~~ **the SPA system via the DTCC Portal or API**, or ~~through the CF2DWX file,~~ **a unique Transaction ID is assigned, which allows for tracking by the Participant and the custodian/agent. The custodian/agent then** responds to DTC, either accepting or rejecting the transaction. If the transaction is accepted then the custodian/agent also confirms that it has registered the transfer in the name of Cede & Co. in accordance with the (Balance) Certificate Agreement between itself, the transfer agent or registrar, and DTC. DTC will then increase the Participant's free position for the quantity of the transfer.

Once the custodian has acted on the Participant's request, ~~PTS generates a confirmation ticket for both the Participant and the custodian indicating that a transaction is~~ **SPA assigns a Transaction Status indicating the disposition of the transaction in the transaction life cycle, with a full audit trail of the various statuses. The following are the available types of Transaction Status in the transaction life cycle:**

- **Approved by TA**
- ~~Recycled~~
- **Cancelled by Participant**
- ~~Dropped (custodian did not approve or cancel the Participant's request by the deadline)~~
- **Chilled Error in position update**
- ~~Pending custodian approval~~
- **Made. Approved by TA**
- ~~Canceled.~~
- **Made. Pending TA Approval**

- **No Action by TA (custodian/agent did not approve or reject the Participants request by the deadline)**
- **Pending DTC processing**
- **Pending TA Approval**
- **Recycle**
- **Recycle made, Pending TA Approval**
- **Rejected by TA**
- **Transaction Dropped**

This information is available via:

- (i) the DWCEOD file. The function user guide can be found at <http://dtcc.com/~media/Files/Downloads/Settlement-Asset-Services/CCF/securities%20processing/21DWACEOD.pdf>; **and**
- (ii) **API. Information on APIs is available on the DTCC API Marketplace via <https://www.dtcc.com/api>.**

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## **Associated PTS / PBS/File Functions**

*Participants can use the following list of PTS/PBS /File functions to submit DWAC deposits at DTC and to track their status*

<b>Use This Function</b>	<b>To</b>
<b>CDWC / TA Direct Deposit/Withdrawal</b>	<b>Receive and reply to participant requests. For custodian use only.</b>
<b>PDWC / Part Direct Deposit/Withdrawal</b>	<b>Submit deposit and withdrawal instructions to the custodian. For Participant use only.</b>
<b>CF2DWX File</b>	<b>Submit deposit and withdrawal instructions to the custodian. For Participant use only.</b>

## **Associated SPA Portal Navigation/File Functions/Application Programming Interface (APIs)**

<b><u>Follow to Access SPA Function</u></b>	<b><u>To</u></b>
<b><u>MyDTCC.com&gt;Securities Processing Application&gt;Transactions&gt;DWAC&gt;Create Instruction</u></b>	<b><u>Participant submission to Create a DWAC Deposit or Withdrawal Transaction.</u></b>
<b><u>MyDTCC.com&gt;Securities Processing Application&gt;Transactions&gt;DWAC&gt;Pending Approval</u></b>	<b><u>Custodian/Agent can Approve or Reject DWAC Deposit or Withdrawal. Participant can view inquire on the Transaction Status.</u></b>
<b><u>Application Programming Interface (API)</u></b>	<b><u>APIs provide a real-time processing solution, although CCF Batch Files are still currently supported.</u></b>

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# The Depository Trust Company,

a subsidiary of The Depository Trust & Clearing Corporation

## OPERATIONAL ARRANGEMENTS

(Necessary for Securities to Become and Remain Eligible for DTC Services)

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### 2. FAST Program

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#### c. DWAC

DTC may require that a FAST Agent for certain issue types (*e.g.*, Rule 144A issues, unit investment trusts (“UITs”), unsponsored American Depositary Receipts (“ADRs”), Unit separation into components or other Securities requiring special processing) use DTC’s **Securities Processing Application (SPA) system, Transactions, DWAC** function. On each day on which the Agent is open for business and on which it receives an instruction originated by a Participant through DTC’s **SPA system** ~~DWAC~~ to either submit deposit (increase) or withdrawal (decrease) instructions to a FAST Agent via DTC’s **PTS, PBS, SPA system** or other DTC-approved electronic communications medium by a specified number of shares, units or obligations, the FAST Agent is responsible for approving or canceling deposit or withdrawal instructions no later than 5:30 p.m. ET.

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