

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21

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

File No. * SR 2023 - * 009

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"/>
--	---	--	--	--	---

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)	Submit with link to Prefiling or Request for Waiver option
-----------------------------------	--	--	--	--

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>
--	---	--

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
--	--

Description

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

Amend the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services)

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: 2023.09.14
09:51:53 -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 EFFS website.

Form 19b-4 Information *

Add Remove View

Narrative -Expired Rights and Warrant

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

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

Exh 1A - Expired Rights and Warrants

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 *

Add Remove View

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

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

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

Add Remove View

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

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

Exh 5 - Expired Rights and Warrants

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.

(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 on September 6, 2023 pursuant to delegated authority from DTC’s Board of Directors.

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

(a) Purpose

The purpose of the proposed rule change is to amend the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (the “OA”)¹ to (i) allow DTC to delete the Participant positions and dispose of the underlying certificates, if any, for a warrant² or right³ that is past its expiration date as reflected on DTC books and records (“Expiration Date”), provided that DTC did not receive a notice of extension of the Expiration Date from the Agent or Issuer within the applicable timeframe (“Notice Period”) set forth in the OA; and (ii) make technical and clarifying changes relating to expired warrants/rights, as described below.

¹ Available at www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf. Each term not otherwise defined herein has its respective meaning as set forth in the OA and in the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), available at www.dtcc.com/legal/rules-and-procedures.aspx.

² A warrant generally represents the right of the holder to acquire common stock of an issuer at some future date at a specified price. Warrants, by their terms, have an expiration date, i.e., the date after which a holder can no longer exercise its rights under the warrant, thereby rendering the warrant worthless.

³ A right generally represents an opportunity for stockholders to buy new securities issued by a corporation in proportion to the number of shares they own before the new shares are offered to the public. Rights, by their terms, have an expiration date, i.e., the date on which the subscription period under the rights offering expires, thereby rendering the right worthless.

(i) Background

On November 21, 1990, DTC filed a rule change providing for the deletion and disposal of a warrant/right whose Expiration Date had passed (“Expired Warrant/Right”).⁴ The rule change provided that DTC be permitted to delete and dispose of an Expired Warrant/Right after DTC (i) obtains written confirmation from the Issuer or Agent that the Expired Warrant/Right has expired and is null, void, and worthless (the “Confirmation”), and (ii) provides Participants with thirty days’ notice of the proposed deletion and disposal of the Expired Warrant/Right. After thirty days, DTC is permitted to delete the positions in the Expired Warrant/Right from Participants’ accounts and to dispose of the underlying certificates.

Over the years, DTC has encountered difficulties in contacting the Issuers or Agents of Expired Warrants/Rights and/or obtaining the Confirmation from the Issuers or Agents. In addition to the administrative burden on DTC to follow-up with Issuers and Agents, if DTC does not receive the Confirmation from the Issuer or Agent of an Expired Warrant/Right (i) the DTC books and records continue to reflect the expired security, and (ii) the underlying certificates, if any,⁵ continue to be maintained in the DTC vault. This exposes DTC to the unnecessary risks and costs associated with the ongoing monitoring of positions and the custody of certificates for worthless securities. In addition, the positions in the Expired Warrant/Right remain credited to Participant accounts and the Participants continue to be charged for their positions in the Expired Warrant/Right.

At the time of this filing, DTC maintains approximately 16,700 certificates in the vault and the associated Participant positions representing approximately 890 CUSIPs of Expired Warrants/Rights for which DTC did not obtain a Confirmation. DTC is also maintaining Participant positions in certain Expired Warrants/Rights in the FAST program for which DTC did not obtain a Confirmation.

(ii) Proposed Rule Change

In order to reduce the burden, costs, and risks presented to DTC, Participants, Agents and Issuers by requiring DTC to obtain a Confirmation from the Issuer or Agent of an Expired Warrant/Right prior to deletion and disposal, DTC is proposing to amend the OA to make the following changes:

Notice of Extension of Expiration Date of Warrants/Rights: DTC is proposing to amend the OA to revise the Notice Period from 15 (fifteen) business days after the Expiration Date to

⁴ Securities Exchange Act Release No. 28642 (Nov. 21, 1990), 55 FR 49725 (Nov. 30, 1990) (SR-DTC-90-11).

⁵ Currently, warrants/rights are required to be part of the FAST program (Fast Automated Securities Transfer) program. This means that the Agent for a warrant/right, and not DTC, is responsible for maintaining the physical certificates representing the warrant/right. See OA, *supra* note 1, at 65.

ten (10) business days after the Expiration Date for a warrant, and two (2) business days after the Expiration Date for rights.⁶

Further, pursuant to the proposed rule change, DTC would change the email address to which such notice is required to be sent from voluntaryreorgannouncements@dtcc.com to conversionsandwarrantsannouncements@dtcc.com.

Deletion and Disposal of Expired Warrants/Rights: DTC is proposing to amend the OA to advise Issuers and Agents that if DTC has not received a notice of extension for an Expired Warrant/Right within ten (10) business days after the Expiration Date for a warrant or within two (2) business days after the Expiration Date for rights, DTC may delete all Participant positions and dispose of any underlying certificates for the Expired Warrant/Right, without further instruction or notice. In addition, DTC is proposing to insert an asterisked footnote stating that with respect to expired warrants/rights with an expiration date prior to August 1, 2023 (“aged expired warrants/rights”), DTC will issue an Important Notice at least thirty (30) days prior to deleting and disposing of an aged Expired Warrant/Right, and the footnote will be automatically be deleted after DTC issues such Important Notice(s) for all of the aged expired warrants/rights. Finally, DTC is proposing to remove the language referencing the requirement for the Issuer or Agent to provide a null, void, and worthless declaration for Expired Warrants/Rights.

Reactivation of Expired Warrants/Rights: DTC is proposing to amend the OA to replace and revise the language relating to reactivation of Expired Warrants/Rights to (i) enhance the readability of the requirements and (ii) change the email address to which a notice of reactivation is required to be sent from voluntaryreorgannouncements@dtcc.com to conversionsandwarrantsannouncements@dtcc.com.

(b) Statutory Basis

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 (the “Act”) requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.⁷ DTC believes that by amending the OA to (i) permit DTC to delete the Participant positions and dispose of the underlying certificates, if any, for an Expired Warrant/Right, provided that DTC did not receive a notice of extension within the ten (10) business days’ Notice Period for a warrant or the two (2) business days’ Notice Period for rights, as applicable; and (ii) make technical and clarifying changes to the OA with respect to Expired

⁶ The fifteen (15) business day timeframe was established on or around 2002, when notices of extension were required to be physically mailed or telecopied to DTC. Given the technological advances in the intervening years, and the current requirement that an Issuer or Agent email a notice of extension to DTC, DTC believes that a shorter Notice Period for warrants is appropriate. DTC believes that a two (2) business day Notice Period for rights is appropriate because the payment and allocation on exercised rights typically occurs two business days after expiration date, after which the rights offer can no longer be amended or extended.

⁷ 15 U.S.C. 78q-1(b)(3)(F).

Warrants/Rights, the proposed rule change would facilitate the ability of Issuers, Agents, and Participants to understand their rights and obligations relating to Expired Warrants/Rights and activity relating thereto. Therefore, DTC believes that the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act, cited above.

Rule 17Ad-22(e)(11) under the Act⁸ requires, in part, that DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain securities in an immobilized or dematerialized form for their transfer by book entry, ensure the integrity of securities issues, and minimize and manage the risks associated with the safekeeping and transfer of securities. DTC believes that by amending the OA to permit DTC to delete all Participant positions and dispose of any underlying certificates for an Expired Warrant/Right, without further instruction or notice, provided that DTC has not received a notice of extension for the Expired Warrant/Right from the Issuer or Agent within the applicable Notice Period, the proposed rule change would reduce the burden, costs, and risks associated with the administration of the Confirmation process, the recordkeeping of Participant positions in Expired Warrants/Rights, and the custody of the physical certificates for Expired Warrants/Rights. Based on the foregoing, DTC believes that the proposed rule change is designed to enhance DTC's maintenance of Participants' book-entry positions in warrants and rights, and its management and reduction of the risks associated with the safekeeping of its physical securities inventory, consistent with Rule 17Ad-22(e)(11) under the Act, cited above.

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

DTC believes that the proposed rule change to amend the OA to (i) permit DTC to delete the Participant positions and dispose of the underlying certificates, if any, for an Expired Warrant/Right, provided that DTC did not receive a notice of extension within the ten (10) business days' Notice Period for a warrant or the two (2) business days' Notice Period for rights, as applicable; and (ii) make technical and clarifying changes to the OA with respect to Expired Warrants/Rights procedures, would not have any impact on competition.⁹ The proposed rule change would merely streamline the processing of Expired Warrants/Rights and would apply to all Issuers and Agents of Expired Warrants/Rights and to all holders of Expired Warrants/Rights. In light of the foregoing, DTC does not believe that the proposed rule change would impose a burden on competition.¹⁰

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

⁸ 17 CFR 240.17Ad-22(e)(11).

⁹ 15 U.S.C. 78q-1(b)(3)(I).

¹⁰ Id.

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 www.sec.gov/regulatory-actions/how-to-submit-comments. 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 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 changes are to take effect pursuant to paragraph A of Section 19(b)(3) of the Act¹¹ and subparagraph (f)(6) of Rule 19b-4¹² thereunder.

(b) The proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. As noted above, the proposed changes would merely streamline the processing of Expired Warrants/Rights and make clarifying and technical changes to the procedures. Therefore, these proposed changes would not significantly affect the protection of investors or the public interest, nor would these changes impose any significant burden on competition, for the reasons also described above.

DTC has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.¹³

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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule should be approved or disapproved.

(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.

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 Operational Arrangements.

¹³ 17 CFR 240.19b-4(f)(6).

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_____]; File No. SR-DTC-2023-009)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule to Amend the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on September __, 2023, 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 Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 consists of amendments to the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (the “OA”)⁵ to (i) allow DTC to delete the Participant positions and dispose of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ Available at www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf. Each term not otherwise defined herein has its respective meaning as set forth in the OA and in the Rules,

the underlying certificates, if any, for a warrant⁶ or right⁷ that is past its expiration date as reflected on DTC books and records (“Expiration Date”), provided that DTC did not receive a notice of extension of the Expiration Date from the Agent or Issuer within the applicable timeframe (“Notice Period”) set forth in the OA; and (ii) make technical and clarifying changes relating to expired warrants/rights, as described in greater detail below.

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.

By-Laws and Organization Certificate of DTC (the “Rules”), available at www.dtcc.com/legal/rules-and-procedures.aspx.

⁶ A warrant generally represents the right of the holder to acquire common stock of an issuer at some future date at a specified price. Warrants, by their terms, have an expiration date, i.e., the date after which a holder can no longer exercise its rights under the warrant, thereby rendering the warrant worthless.

⁷ A right generally represents an opportunity for stockholders to buy new securities issued by a corporation in proportion to the number of shares they own before the new shares are offered to the public. Rights, by their terms, have an expiration date, i.e., the date on which the subscription period under the rights offering expires, thereby rendering the right worthless.

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

1. Purpose

On November 21, 1990, DTC filed a rule change providing for the deletion and disposal of a warrant/right whose Expiration Date had passed (“Expired Warrant/Right”).⁸ The rule change provided that DTC be permitted to delete and dispose of an Expired Warrant/Right after DTC (i) obtains written confirmation from the Issuer or Agent that the Expired Warrant/Right has expired and is null, void, and worthless (the “Confirmation”), and (ii) provides Participants with thirty days’ notice of the proposed deletion and disposal of the Expired Warrant/Right. After thirty days, DTC is permitted to delete the positions in the Expired Warrant/Right from Participants’ accounts and to dispose of the underlying certificates.

Over the years, DTC has encountered difficulties in contacting the Issuers or Agents of Expired Warrants/Rights and/or obtaining the Confirmation from the Issuers or Agents. In addition to the administrative burden on DTC to follow-up with Issuers and Agents, if DTC does not receive the Confirmation from the Issuer or Agent of an Expired Warrant/Right (i) the DTC books and records continue to reflect the expired security, and (ii) the underlying certificates, if any,⁹ continue to be maintained in the DTC vault. This exposes DTC to the unnecessary risks and costs associated with the ongoing monitoring

⁸ Securities Exchange Act Release No. 28642 (Nov. 21, 1990), 55 FR 49725 (Nov. 30, 1990) (SR-DTC-90-11).

⁹ Currently, warrants/rights are required to be part of the FAST program (Fast Automated Securities Transfer) program. This means that the Agent for a warrant/right, and not DTC, is responsible for maintaining the physical certificates representing the warrant/right. See OA, supra note 1, at 65.

of positions and the custody of certificates for worthless securities. In addition, the positions in the Expired Warrant/Right remain credited to Participant accounts and the Participants continue to be charged for their positions in the Expired Warrant/Right.

At the time of this filing, DTC maintains approximately 16,700 certificates in the vault and the associated Participant positions representing approximately 890 CUSIPs of Expired Warrants/Rights for which DTC did not obtain a Confirmation. DTC is also maintaining Participant positions in certain Expired Warrants/Rights in the FAST program for which DTC did not obtain a Confirmation.

(i) Proposed Rule Change

In order to reduce the burden, costs, and risks presented to DTC, Participants, Agents and Issuers by requiring DTC to obtain a Confirmation from the Issuer or Agent of an Expired Warrant/Right prior to deletion and disposal, DTC is proposing to amend the OA to make the following changes:

Notice of Extension of Expiration Date of Warrants/Rights: DTC is proposing to amend the OA to revise the Notice Period from 15 (fifteen) business days after the Expiration Date to ten (10) business days after the Expiration Date for a warrant, and two (2) business days after the Expiration Date for rights.¹⁰

¹⁰ The fifteen (15) business day timeframe was established on or around 2002, when notices of extension were required to be physically mailed or telecopied to DTC. Given the technological advances in the intervening years, and the current requirement that an Issuer or Agent email a notice of extension to DTC, DTC believes that a shorter Notice Period for warrants is appropriate. DTC believes that a two (2) business day Notice Period for rights is appropriate because the payment and allocation on exercised rights typically occurs two business days after expiration date, after which the rights offer can no longer be amended or extended.

Further, pursuant to the proposed rule change, DTC would change the email address to which such notice is required to be sent from voluntaryreorgannouncements@dtcc.com to conversionsandwarrantsannouncements@dtcc.com.

Deletion and Disposal of Expired Warrants/Rights: DTC is proposing to amend the OA to advise Issuers and Agents that if DTC has not received a notice of extension for an Expired Warrant/Right within ten (10) business days after the Expiration Date for a warrant or within two (2) business days after the Expiration Date for rights, DTC may delete all Participant positions and dispose of any underlying certificates for the Expired Warrant/Right, without further instruction or notice. In addition, DTC is proposing to insert an asterisked footnote stating that with respect to expired warrants/rights with an expiration date prior to August 1, 2023 (“aged expired warrants/rights”), DTC will issue an Important Notice at least thirty (30) days prior to deleting and disposing of an aged Expired Warrant/Right, and the footnote will be automatically be deleted after DTC issues such Important Notice(s) for all of the aged expired warrants/rights. Finally, DTC is proposing to remove the language referencing the requirement for the Issuer or Agent to provide a null, void, and worthless declaration for Expired Warrants/Rights.

Reactivation of Expired Warrants/Rights: DTC is proposing to amend the OA to replace and revise the language relating to reactivation of Expired Warrants/Rights to (i) enhance the readability of the requirements and (ii) change the email address to which a notice of reactivation is required to be sent from voluntaryreorgannouncements@dtcc.com to conversionsandwarrantsannouncements@dtcc.com.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.¹¹ DTC believes that by amending the OA to (i) permit DTC to delete the Participant positions and dispose of the underlying certificates, if any, for an Expired Warrant/Right, provided that DTC did not receive a notice of extension within the ten (10) business days' Notice Period for a warrant or the two (2) business days' Notice Period for rights, as applicable; and (ii) make technical and clarifying changes to the OA with respect to Expired Warrants/Rights, the proposed rule change would facilitate the ability of Issuers, Agents, and Participants to understand their rights and obligations relating to Expired Warrants/Rights and activity relating thereto. Therefore, DTC believes that the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act, cited above.

Rule 17Ad-22(e)(11) under the Act¹² requires, in part, that DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain securities in an immobilized or dematerialized form for their transfer by book entry, ensure the integrity of securities issues, and minimize and manage the risks associated with the safekeeping and transfer of securities. DTC believes that by amending the OA to permit DTC to delete all Participant positions and dispose of any underlying certificates for an Expired Warrant/Right, without further instruction or notice, provided that DTC has not received a notice of extension for the Expired

¹¹ 15 U.S.C. 78q-1(b)(3)(F).

¹² 17 CFR 240.17Ad-22(e)(11).

Warrant/Right from the Issuer or Agent within the applicable Notice Period, the proposed rule change would reduce the burden, costs, and risks associated with the administration of the Confirmation process, the recordkeeping of Participant positions in Expired Warrants/Rights, and the custody of the physical certificates for Expired Warrants/Rights. Based on the foregoing, DTC believes that the proposed rule change is designed to enhance DTC's maintenance of Participants' book-entry positions in warrants and rights, and its management and reduction of the risks associated with the safekeeping of its physical securities inventory, consistent with Rule 17Ad-22(e)(11) under the Act, cited above.

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

DTC believes that the proposed rule change to amend the OA to (i) permit DTC to delete the Participant positions and dispose of the underlying certificates, if any, for an Expired Warrant/Right, provided that DTC did not receive a notice of extension within the ten (10) business days' Notice Period for a warrant or the two (2) business days' Notice Period for rights, as applicable; and (ii) make technical and clarifying changes to the OA with respect to Expired Warrants/Rights procedures, would not have any impact on competition.¹³ The proposed rule change would merely streamline the processing of Expired Warrants/Rights and would apply to all Issuers and Agents of Expired Warrants/Rights and to all holders of Expired Warrants/Rights. In light of the foregoing, DTC does not believe that the proposed rule change would impose a burden on competition.¹⁴

¹³ 15 U.S.C. 78q-1(b)(3)(I).

¹⁴ Id.

(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 www.sec.gov/regulatory-actions/how-to-submit-comments. 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 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

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁵ and Rule 19b-4(f)(6) thereunder.¹⁶

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. Please include File Number SR-DTC-2023-009 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-2023-009. This file number should be included on the subject line if e-mail is used. To help the Commission process

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6).

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>). 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-2023-009 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.¹⁷

Secretary

¹⁷ 17 CFR 200.30-3(a)(12).

Bolded, underlined text indicates proposed added language.

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

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)

VI. REORGANIZATION INSTRUCTIONS/NOTIFICATION PROCEDURES

C. Processing for Specific Voluntary Reorganizations

Issuer or Agent agrees to abide by specific procedures for certain event-types or security-types.

4. Standards for Convertible Issues/Warrants/Rights

a. Convertible Issues/Warrants/Rights Notifications

Extension of Warrant/Right Expiration Date: To notify DTC of an extension of the expiration date of a warrant/right, Issuer or Agent shall adhere to the following notice requirements:

- ~~Expired Warrants /Rights Offers:~~ Notices to DTC ~~relating to~~ **of the extension of the expiration date of a warrant/right shall be provided shall must** be provided no later than **15 10 business days following the expiration date for warrants and two business days following the expiration date for rights following its expiration.**
- Such notice shall be emailed to DTC at **conversionsandwarrantsannouncements@dtcc.com** **voluntaryreorgannouncements@dtcc.com.**

Deletion and Disposal of Expired Warrants and Rights:

Issuers and Agents are advised that if DTC has not received a notice of extension for an expired warrant/right within the applicable timeframe, DTC may delete all Participant positions and dispose of any underlying certificates for the expired warrant/right, without further instruction or notice.*

~~Reactivation of Warrant/Right or Declaration of Worthless Security: Issuer of a warrant/right, or the warrant/right exercise Agent, on the advice of Issuer, must provide notice to DTC by email to voluntaryreorgannouncements@dtcc.com for such events and include along with the CUSIP number and security description the following:~~

- ~~For reactivation a statement of the registration of the offering of such underlying Securities under the Securities Act has been reactivated following a period during which it had lapsed; and~~

* **With respect to expired warrants/rights with an expiration date prior to August 1, 2023 (“aged expired warrants/rights”), DTC will issue an Important Notice at least thirty (30) days prior to deleting and disposing of an aged expired warrant/right. This footnote will be automatically deleted after DTC issues such Important Notice(s) for all of the aged expired warrants/rights.**

- ~~• For a valueless or worthless Security, a statement that the warrant/ right has expired and the certificate evidencing the warrants/rights is valueless including a declaration that the warrants are “null, void and worthless”, and shall have an indemnity statement (if notice is from the Agent), and is be delivered to DTC within 24 hours of when such information is known to the Agent.~~

Reactivation of a Warrant or Right

To notify DTC of a reactivation of a warrant/right, Issuer or Agent must provide notice to DTC by e-mail to conversionsandwarrantsannouncements@dtcc.com for such events and include along with the CUSIP number and security description the SEC registration statement of the offering of such underlying Securities that has been reactivated following a period during which it had lapsed.
