

# IMPORTANT NOTICE

**The Depository Trust Company**



**B#:** B6272-10  
**Date:** March 2, 2010  
**To:** All Participants  
**Category:** Compliance  
**From:** Office of Corporate Regulatory Compliance  
**Attention:** Managing Partners, Officers, CFO, Compliance Officers  
**Subject:** Participant Financial Responsibility and Operational Capability Notification Requirements

The purpose of this notice is to remind Participants of their responsibilities under The Depository Trust Company's ("DTC") Rules to furnish DTC with certain required information, which includes ongoing financial, operational and regulatory reports. Please note that all amendments or addenda to such reports or information must be submitted to DTC concurrently with their submission to the applicable primary regulator, or as soon as practicable if not filed with a regulator. Pursuant to DTC's Rules, those Participants that fail to comply with these requirements may be subject to disciplinary sanctions including, but not limited to, fines. *Pursuant to regulatory requirements, all fines imposed by DTC are subsequently reported to the U.S. Securities and Exchange Commission.*

The Rules can be obtained on DTC's website at [www.dtcc.com](http://www.dtcc.com).

**Please note the address for forwarding required reports and information submitted by overnight delivery to 55 Water Street has been changed to the 3rd Floor. However, DTC prefers receiving this information by e-mail (see instructions below).**

## Ongoing Submission of Financial and Regulatory Reports

Pursuant to DTC's Rule 2, Participants must demonstrate to DTC that the Participant has adequate financial and operational capability to meet all of its anticipated obligations to the Corporation. The Rule also requires that Participants furnish to the Corporation adequate assurances of their financial responsibility and operational capability, as the Corporation may at any time deem necessary.

The attached schedule provides guidelines to firms for submission of ongoing financial and regulatory reports. **Participants are urged to review the attached schedule and incorporate the indicated filing deadlines into their internal procedures.** DTC prefers to receive financial information by email:

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit [http://www.dtcc.com/subscription\\_form.php](http://www.dtcc.com/subscription_form.php).

To remove your name from the former system of email notifications, send a message to [unsubscribe@dtcc.com](mailto:unsubscribe@dtcc.com).

- 1) By email to: [Credit-MarketRisk@dtcc.com](mailto:Credit-MarketRisk@dtcc.com)  
No contact name is needed. Please provide in the “subject” line the Firm Name, Reporting Period Covered and Type of Report

If you choose not to send financial information by email, additional options are listed below:

- 2) By mail (return receipt recommended) to:  
The Depository Trust & Clearing Corporation (DTCC)  
P.O. Box 5082  
Bowling Green Station  
New York, NY 10274
- 3) By Facsimile to: 212-363-3120 or 212-482-0040  
Attn: Risk Management
- 4) **By Over Night Mail Only to:**  
The Depository Trust & Clearing Corporation (DTCC)  
55 Water Street  
Attn: Risk Management, 3<sup>rd</sup> Floor  
New York, NY 10041

In addition, DTC Participants are required to timely notify the Corporation of material events that may impact the Participant’s financial and operational capability. Such events include, but are not limited to:

- Material change in ownership, control or management;
- Material organizational changes including mergers, acquisitions, changes in corporate form, name changes;
- Material change in business lines, including but not limited to, new business lines undertaken;
- Decreases of 25% or greater in excess net capital (broker/dealers) or net worth (banks);
- Participation as a defendant in litigation, which could reasonably have a direct negative impact on the Participant’s financial condition or ability to conduct business.

Participants that are submitting identical reports to FICC or NSCC need not submit duplicate reports to DTC so long as they identify DTC among the names of the clearing agencies to which the submission relates.

Questions regarding the information Participants are required to provide under DTC’s Rules should be addressed to Martha Ruotolo, Risk Management, at (212) 855-5764.

Questions regarding fines imposed by the Corporation should be addressed to Darlene Norman, Office of Corporate-Regulatory Compliance, at (212) 855-3271.

**Failure to Timely Provide Financial and Related Information**

**Fine Schedule**

Request for information*	First Occasion	Second Occasion	Third Occasion	Fourth Occasion
Reports/Information**	\$300	\$600	\$1,500	***

\*Fines to be levied for offenses within a moving twelve-month period beginning with the first occasion.

\*\*For purposes of this Fine Schedule, “Reports/Information” shall mean the financial, regulatory and other information required to be submitted within a specified deadline to the Corporation.

\*\*\*Fourth or more occasion fines will be determined by the Corporation with the concurrence of the Board of Directors.

If the Member’s late submission applies to more than one DTCC clearing agency subsidiary, the fine amount will be divided equally among the clearing agencies. Where the Member is a participant of DTC and is a common member of one or more of the other clearing agencies, the fine would be collected by DTC and allocated equally among other clearing agencies, as appropriate. If the member is not a DTC participant, but is a common member between NSCC and FICC, NSCC will collect the fine and allocate the appropriate portion to FICC. If the member is an FICC-only member, the fine amount will be divided equally between GSD and MBSD, as appropriate, and each division will collect its portion of the fine.

## DTC Submission Deadlines\*

<b>Broker/Dealers</b>	<b>Required Report/Information</b>	<b>Due Date for Receipt by DTC<sup>1</sup></b>
All brokers or dealers registered under the Securities Exchange Act of 1934	Annual audited financial statements <sup>2</sup> , or regulatory extension letter <b>(Confidential version, including the report on internal control), including regulatory extension letter, if applicable</b>	70 calendar days after the fiscal year-end (for specialist firms not required to file same with their primary regulator, no later than 30 days following date of auditors' opinion letter)
	FOCUS <sup>3</sup> or FOGS reports, including regulatory extension letter, if applicable	20 business days after month-end or quarter-end, as applicable
	Supplemental report required to be filed pursuant to SEC Rule 17a-11 or 17 C.F.R. Sec. 405.3	Submitted concurrently with submission to the SEC

<b>Banks/Trusts</b>	<b>Required Report/Information</b>	<b>Due Date for Receipt by DTC<sup>1</sup></b>
All domestic banks or trusts	Annual audited financial statements <sup>2</sup>	100 calendar days after fiscal year-end
	A copy of any regulatory notification required to be made when a Participant's capital levels or other financial requirements fall below levels prescribed by the applicable regulator	Submitted concurrently with submission to the applicable regulator
Domestic bank or trust company with obligation to file CALL or TFR Reports <u>and domestic offices only</u>	CALL or TFR report	35 calendar days after quarter-end
Domestic bank or trust company with obligation to file CALL or TFR Reports <u>and non-domestic offices</u>	CALL or TFR report	45 calendar days after quarter-end

\* Please note that all amendments or addenda to such reports or information must be submitted to DTC concurrently with their submission to the applicable primary regulator, or as soon as practicable if not filed with a regulator.

<sup>1</sup> In all cases where a due date falls on a day that is not a DTC business day, the due date shall be deemed to be the first DTC business day immediately thereafter.

<sup>2</sup> If a Participant is admitted with a guarantee, the Participant's annual audited financial statements, as well as annual audited financial statements for the guarantor, must be provided. The Participant's timeframe is as designated for that Participant's entity type; the guarantor's timeframe is as designated for that guarantor's entity type. If annual audited financial statements of the member or its guarantor are not available, DTC in its sole discretion may accept consolidated financial statements prepared at the parent level. If parent company audited consolidated financials are accepted by DTC, they must be provided to DTC no later than 30 days following the date of the auditor's opinion letter.

<sup>3</sup> If Participant files its FOCUS report electronically with FINRA or CHX, and has authorized the primary regulator to forward the report to DTC, then the Participant need not file another copy with DTC, unless notified by DTC. These Participants must however submit all other reports (including extension letters) to DTC.

<b>Banks/Trusts</b>	<b>Required Report/Information</b>	<b>Due Date for Receipt by DTC<sup>1</sup></b>
Bank or trust company with no obligation to file CALL or TFR Reports	Unaudited quarterly financial information as filed with Participant's state or federal regulatory authority	Submitted within 5 calendar days of submission to the Participant's state or federal regulatory authority
All foreign banks, including those with a U.S. branch or agency	Annual audited financial statements <sup>2</sup>	5 months after the fiscal year-end
	Quarterly financial statements for the foreign bank	75 calendar days after the end of each fiscal quarter
All banks and trusts	A copy of any regulatory notification required to be made when a Participant's capital levels or other financial requirements fall below prescribed levels	Submitted concurrently with submission to the applicable regulator

<b>Others</b>	<b>Required Report/Information</b>	<b>Due Date for Receipt by DTC<sup>1</sup></b>
All Central Securities Depositories	Annual audited financial statements <sup>3,2</sup>	5 months after the fiscal year-end
All other Participants	Annual audited financial statements <sup>2</sup>	Within 30 calendar days from date of auditors' opinion letter, but no later than 5 months after the fiscal year-end.
	Unaudited quarterly financial information	Submitted within 5 calendar days of submission to the applicable regulator
	A copy of any regulatory notification required to be made when a Participant's capital levels or other financial requirements fall below prescribed levels	Submitted concurrently with submission to the applicable regulator

Pursuant to DTC's *Policy Statement on the Admission of Non-U.S. Entities as Direct Depository Participants*, foreign entities must provide to DTC, for financial monitoring purposes, audited financial statements prepared in accordance with U.S. generally accepted accounting principles or other generally accepted accounting principles that are satisfactory to DTC. Foreign entities must provide all financial reports or other information requested by DTC in English, with monetary amounts stated in U.S. dollar equivalents indicating the conversion rate and date used.

<sup>1</sup> In all cases where a due date falls on a day that is not a DTC business day, the due date shall be deemed to be the first DTC business day immediately thereafter.

<sup>2</sup> If a Participant is admitted with a guarantee, the Participant's annual audited financial statements, as well as annual audited financial statements for the guarantor, must be provided. The Participant's timeframe is as designated for that Participant's entity type; the guarantor's timeframe is as designated for that guarantor's entity type. If annual audited financial statements of the member or its guarantor are not available, DTC in its sole discretion may accept consolidated financial statements prepared at the parent level. If parent company audited consolidated financials are accepted by DTC, they must be provided to DTC no later than 30 days following the date of the auditor's opinion letter.