

Proposed Rule Change by The Depository Trust Company
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
			Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

Eliminate the SRO Requirement as a condition of DTC eligibility for securities which are eligible for resale under Rule 144A.

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name	<input type="text" value="Sheila"/>	Last Name	<input type="text" value="Candler"/>
Title	<input type="text" value="Vice President and Senior Counsel"/>		
E-mail	<input type="text" value="scandler@dtcc.com"/>		
Telephone	<input type="text" value="(212) 855-3281"/>	Fax	<input type="text" value="(212) 855-3215"/>

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date	<input type="text" value="10/09/2008"/>
By	<input type="text" value="Larry E. Thompson"/>
	(Name)
	<input type="text" value="Managing Director and General Counsel"/>
	(Title)

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information

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

Exhibit 1 - Notice of Proposed Rule Change

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

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

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change.

(a) The Depository Trust Company (“DTC”) proposes to eliminate the SRO Requirement (as defined below) as a condition of DTC-eligibility for securities which are eligible for resale under Rule 144A (“Rule 144A Securities”) under the Securities Act of 1933 (the “Securities Act”)¹. Currently the SRO Requirement is in place for all Rule 144A Securities other than Investment Grade Securities².

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

DTC’s Board of Directors has not taken, and is not required to take, action on the proposed rule change.

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

(a) Background. In April of 1990, the Securities and Exchange Commission (the “SEC”) adopted Rule 144A under the Securities Act. This Rule provides a safe-harbor from the registration requirements of the Securities Act for resales to qualified institutional buyers (“QIBS”) of certain restricted securities that, when issued, were not of the same class as securities listed on a national securities exchange, registered under the Securities Exchange Act of 1934 (the “Exchange Act”). Rule 144A(d)(2) requires

¹ 17 CFR 230.144A.

² “Investment Grade Securities” are defined as nonconvertible debt securities and nonconvertible preferred stock which are in one of the top four categories by a nationally recognized statistical rating organization.

that the seller or any person acting on its behalf take reasonable steps to ensure that the purchaser is aware that the seller may rely on the safe-harbor provided by Rule 144A.

Shortly after the adoption of Rule 144A, DTC filed a rule change, which was subsequently amended, to make Rule 144A securities eligible for deposit, book-entry delivery and other depository services (the “DTC Rule 144A Filing”)³. In 1993, the SEC approved the DTC Rule 144A Filing which provides in part that DTC is required to “condition the eligibility of the Rule 144A Securities (other than Investment Grade Securities) on initial and continued inclusion of those securities in an SRO Rule 144A System, such as the NASD’s PORTAL Market System”.⁴ This requirement is referred to herein as the “SRO Requirement”. The SRO Requirement contemplated that an SRO Rule 144A System would include comprehensive requirements that would facilitate the SRO’s ability to detect violations of Rule 144A. In fact, however, the only SRO Rule 144A System that was developed, the NASD’s PORTAL Market System (“PORTAL”) did not develop as anticipated and did not include the requirements contemplated by the DTC Rule 144A Filing in 1993.⁵ In light of the above, DTC believes that the SRO Requirement is no longer necessary or appropriate.

The elimination of the SRO Requirement would result in a uniform procedure for making Rule 144A Securities DTC-eligible, whether or not they were classified as Investment Grade Securities.

Under the proposed rule change issuers and Participants shall continue to be

³ See Securities Exchange Act Release No. 34-28028 (May 18, 1990); File No. DTC-90-06; Securities Exchange Act Release No. 34-30568 (April 10, 1992); Securities Exchange Act Release No. 34-32114 (April 7, 1993).

⁴ See Securities Exchange Release No. 34-33327 (December 22, 1993); File No. SR-DTC-90-06.

⁵ See Securities Exchange Release No. 34-56172 (July 31, 2007); File No. SR-NASDAQ-2006-65.

responsible for determining that their deposit of Rule 144A Securities with DTC, and their transactions in Rule 144A Securities through the facilities of DTC, are in compliance with the Rules of DTC and the federal securities laws as follows:

(i) Rule 2 Section 7 of the DTC Rules provides: “In connection with their use of the Corporation’s [DTC’s] services, Participants and Pledges must comply with all applicable laws, including all applicable laws relating to securities, taxation and money laundering”.

(ii) DTC’s “Operational Arrangements (Necessary for an Issue to Become and Remain Eligible for DTC Services)” of DTC (the “DTC Operational Arrangements”) relating to BEO issues being made eligible for DTC services provides that: “Issuer recognizes that DTC does not in any way undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in the Securities with the following, as amended from time to time: (1) any exemptions from registration under the Securities Act of 1933; (2) the Investment Company Act of 1940; (3) the Employee Retirement Income Security Act of 1974; (4) the Internal Revenue Code of 1986; (5) any rules of any self-regulatory organizations (as defined under the Securities Exchange Act of 1934); or (6) any other local, state, federal, or foreign laws or regulations there under”.⁶ This and other representations made by issuers to DTC pursuant to the DTC Operational Arrangements are mirrored in the Letter of Representations that DTC receives from issuers in connection with their deposits of BEO

⁶ In 1994, in an order clarifying certain language in the Rule 144A Approval Order, the Commission concurred in the position taken by DTC with respect to Rule 5 of the DTC Rules that “Rule 5 does not require DTC to determine whether securities, when deposited at DTC, may be transferred lawfully by book-entry in light of the Federal securities law”. See Order Approving Proposed Rule Change Relating to a Clarification of Rule 5, Release No. 34-33672, 56 SEC Docket 315 (Feb. 23, 1994) (the “Rule 5 Clarification Order”). *NB*: Rule 5 of the DTC Rules was subsequently amended to delete any implication that DTC was under any statutory or contractual obligation to determine whether securities deposited with DTC could be legally transferred by book-entry.

issues with DTC.

(iii) When a Rule 144A Security is made DTC eligible the issuer will continue to be required to execute a copy of the rider to the Letter of Representation in the form it appears today, except that the reference to the SRO Requirement will be deleted.

(b) The proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations there under, in that the elimination of the unnecessary SRO Requirement will remove an impediment to the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.

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

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

6. Extension of Time Period for Commission Action.

Not applicable.

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

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.

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

Not applicable.

9. Exhibits

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

Exhibit 2 – N/A

Exhibit 3 – N/A

Exhibit 4 – N/A

Exhibit 5 – N/A

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2008-13)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by THE DEPOSITORY TRUST COMPANY (“DTC”) to eliminate the SRO Requirement as a condition of DTC-eligibility for securities which are eligible for resale under Rule 144A under the Securities Act of 1933.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, DTC filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Depository Trust Company (“DTC”) proposes to eliminate the SRO Requirement (as defined below) as a condition of DTC-eligibility for securities which are eligible for resale under Rule 144A (“Rule 144A Securities”) under the Securities Act of 1933 (the “Securities Act”)¹. Currently the SRO Requirement is in place for all Rule 144A Securities other than Investment Grade Securities².

¹ 17 CFR 230.144A.

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

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change 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. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

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

(a) Background. In April of 1990, the Securities and Exchange Commission (the "SEC") adopted Rule 144A under the Securities Act. This Rule provides a safe-harbor from the registration requirements of the Securities Act for resales to qualified institutional buyers ("QIBS") of certain restricted securities that, when issued, were not of the same class as securities listed on a national securities exchange, registered under the Securities Exchange Act of 1934 (the "Exchange Act"). Rule 144A(d)(2) requires that the seller or any person acting on its behalf take reasonable steps to ensure that the purchaser is aware that the seller may rely on the safe-harbor provided by Rule 144A.

Shortly after the adoption of Rule 144A, DTC filed a rule change, which was subsequently amended, to make Rule 144A securities eligible for deposit, book-entry delivery and other depository services (the "DTC Rule 144A Filing")³. In 1993, the SEC approved the DTC Rule 144A Filing which provides in part that DTC is required to

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“condition the eligibility of the Rule 144A Securities (other than Investment Grade Securities) on initial and continued inclusion of those securities in an SRO Rule 144A System, such as the NASD’s PORTAL Market System”.⁴ This requirement is referred to herein as the “SRO Requirement”. The SRO Requirement contemplated that an SRO Rule 144A System would include comprehensive requirements that would facilitate the SRO’s ability to detect violations of Rule 144A. In fact, however, the only SRO Rule 144A System that was developed, the NASD’s PORTAL Market System (“PORTAL”) did not develop as anticipated and did not include the requirements contemplated by the DTC Rule 144A Filing in 1993.⁵ In light of the above, DTC believes that the SRO Requirement is no longer necessary or appropriate.

The elimination of the SRO Requirement would result in a uniform procedure for making Rule 144A Securities DTC-eligible, whether or not they were classified as Investment Grade Securities.

Under the proposed rule change issuers and Participants shall continue to be responsible for determining that their deposit of Rule 144A Securities with DTC, and their transactions in Rule 144A Securities through the facilities of DTC, are in compliance with the Rules of DTC and the federal securities laws as follows:

(i) Rule 2 Section 7 of the DTC Rules provides: “In connection with their use of the Corporation’s [DTC’s] services, Participants and Pledges must comply with all applicable laws, including all applicable laws relating to securities, taxation and money laundering”.

(ii) DTC’s “Operational Arrangements (Necessary for an Issue to Become and Remain Eligible for DTC Services)” of DTC (the “DTC Operational Arrangements”) relating to BEO issues being made eligible for DTC services provides that: “Issuer recognizes that DTC does not in any way undertake to, and shall not have any

⁴ See Securities Exchange Release No. 34-33327 (December 22, 1993); File No. SR-DTC-90-06.

⁵ See Securities Exchange Release No. 34-56172 (July 31, 2007); File No. SR-NASDAQ-2006-65.

responsibility to, monitor or ascertain the compliance of any transactions in the Securities with the following, as amended from time to time: (1) any exemptions from registration under the Securities Act of 1933; (2) the Investment Company Act of 1940; (3) the Employee Retirement Income Security Act of 1974; (4) the Internal Revenue Code of 1986; (5) any rules of any self-regulatory organizations (as defined under the Securities Exchange Act of 1934); or (6) any other local, state, federal, or foreign laws or regulations there under”.⁶ This and other representations made by issuers to DTC pursuant to the DTC Operational Arrangements are mirrored in the Letter of Representations that DTC receives from issuers in connection with their deposits of BEO issues with DTC.

(iii) When a Rule 144A Security is made DTC eligible the issuer will continue to be required to execute a copy of the rider to the Letter of Representation in the form it appears today, except that the reference to the SRO Requirement will be deleted.

(b) The proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations there under, in that the elimination of the unnecessary SRO Requirement will remove an impediment to the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.

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

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

⁶ In 1994, in an order clarifying certain language in the Rule 144A Approval Order, the Commission concurred in the position taken by DTC with respect to Rule 5 of the DTC Rules that “Rule 5 does not require DTC to determine whether securities, when deposited at DTC, may be transferred lawfully by book-entry in light of the Federal securities law”. See Order Approving Proposed Rule Change Relating to a Clarification of Rule 5, Release No. 34-33672, 56 SEC Docket 315 (Feb. 23, 1994) (the “Rule 5 Clarification Order”). *NB:* Rule 5 of the DTC Rules was subsequently amended to delete any implication that DTC was under any statutory or contractual obligation to determine whether securities deposited with DTC could be legally transferred by book-entry.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to rule-comment@sec.gov. Please include File No. SR-DTC-2008-13 on the subject line.

- Paper comments should be sent in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-1090.

All submissions should refer to File Number SR-DTC-2008-13. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Room Section 100 F Street, NE, Washington DC 20549-1090. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to the file number above and should be submitted within _____ days after the date of publication.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.

Secretary