OMB APPROVAL

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

File No.* SR - 2016 - * 013
Amendment No. (req. for Amendments *)

Filing by The Depository Trust Company

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1) ☑ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 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 *).

The proposed rule change would make conforming and technical to texts in the DTC Settlement Service Guide and Distributions Service Guide with respect to the anticipated shortening of the standard settlement cycle.

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 * John Last Name * Petrofsky
Title * Assistant General Counsel
E-mail * jpetrofsky@dtcc.com
Telephone * (813) 470-2115 Fax

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.

Date 11/07/2016
By Lois J. Radisch
(Name *)

(Title *)
Managing Director and Deputy General Counsel

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.

Persona Not Validated - 1450121136367,

Required fields are shown with yellow backgrounds and asterisks.

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	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	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * 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, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies 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	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 the Proposed Rule Change.

(a) The text of the proposed rule change is annexed hereto as Exhibit 5. The proposed rule change would amend the Settlement Service Guide ("Settlement Guide")[1] and the Distributions Guide ("Distributions Guide")[2] (collectively, "Guides") of The Depository Trust Company ("DTC") to make technical revisions to the Guides in anticipation of the U.S. market transition to "T+2" settlement and other revisions, as described below.[3] The proposed rule changes to the Guides would not become effective until DTC has submitted a subsequent proposed rule change under Rule 19b-4.[4] Therefore, DTC would not implement versions of the Guides reflecting the proposed rule change until an effective date is established by the subsequent proposed rule change.[5]

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

The proposed rule change was approved by the Businesses, Technology and Operations Committee of the Board of Directors of DTC at a meeting duly called and held on June 14, 2016.

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

(a) Purpose

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1 Available at http://www.dtcc.com/~/media/Files/Downloads/legal/service-guides/Settlement.pdf.

2 Available at http://www.dtcc.com/~/media/Files/Downloads/legal/service-guides/Distributions%20Service%20Guide%20FINAL%20November%202014.pdf.

3 Capitalized terms not otherwise defined herein have the respective meanings set forth in the DTC Rules, By-laws and Organization Certificate ("Rules"), available at http://www.dtcc.com/legal/rules-and-procedures.aspx, the Settlement Guide and the Distributions Guide.

4 17 CFR 240.19b-4.

5 DTC will post a versions of the relevant sections of the respective Guides reflecting the changes as they would appear upon the effectiveness of the subsequent proposed rule change mentioned above and will include a note on the cover page of the Guides to advise Participants of these changes.

The standard settlement cycle for certain securities has not changed since 1993, when the U.S. Securities and Exchange Commission ("Commission") adopted the current version of Rule 15c6-1(a) under the Securities Exchange Act of 1934, as amended ("Act"),[6] which (subject to certain exceptions) prohibits any broker-dealer from entering into a contract for the purchase or sale of a security that provides for payment and delivery later than three business days after the trade date, unless otherwise expressly agreed to by the parties at the time of the transaction.

In an effort to reduce counterparty risk, decrease clearing capital requirements, reduce liquidity demands and harmonize the settlement cycle globally, the financial services industry, in coordination with its regulators, has been working on shortening the standard settlement cycle from T+3 to T+2. In connection therewith, the Commission has proposed a rule change to shorten the standard settlement cycle from T+3 to T+2.[7]

Effect on DTC

DTC provides depository and book-entry services pursuant to its Rules and Procedures, including its service guides and operational arrangements.[8] DTC services include custody of securities certificates and other instruments, and settlement and asset services for types of eligible securities including, among others, equities, warrants, rights, corporate debt and notes, municipal bonds, government securities, asset-backed securities, depositary receipts and money market instruments. As the holder of securities *vis a vis* issuers, DTC receives distributions, dividends, and corporate actions and passes them to its Participants.

DTC processes transactions for settlement, subject to its risk controls, on the same day it receives them. Distributions on securities held at DTC on behalf of its Participants pass through DTC and are credited to the accounts of Participants on the same day that they are paid to DTC. As a result, DTC's Rules and Procedures are not generally affected by the industry's move to T+2.

However, certain provisions in the Settlement Guide and Distributions Guide, respectively, relating to the DTC ID Net Service ("ID Net")[9] and distributions on

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6 17 CFR 240.15c6-1.

7 Amendment to Securities Transaction Settlement Cycle. See Securities Exchange Act Release No. 78962 (September 28, 2016), 81 FR 69240 (October 5, 2016) (S7-22-16).

8 Available at www.dtcc.com.

9 ID Net allows DTC Participants that are also members of National Securities Clearing Corporation ("NSCC") to realize certain processing efficiencies with respect to institutional transactions processed at DTC for which related broker

securities held at DTC include a presumption that transactions settle on a three-day settlement cycle (i.e., T+3). This is expected to change as the securities industry switches to a standard T+2 settlement cycle in 2017. Pursuant to the proposed rule change, DTC would revise the texts of Guides to make conforming and technical changes as described below.

Settlement Guide Changes

DTC would modify the Settlement Guide relating to ID Net to accommodate the eventual move to T+2.

First, the deadline for submission of affirmed ID Net trades by a Matching Utility would be changed to 11:30 a.m. eastern time on settlement date minus one ("SD-1") rather than specifically stating the deadline at 9 p.m. on T+2. The move to T+2 necessitates this change since ID transactions must enter the ID Net processing on the date prior to settlement date to realize processing efficiencies in relation to related CNS transactions settling on settlement date, as set forth in the Settlement Guide.[10]

Second, the Settlement Guide would be revised to state that ID Net Firms may exempt a receive obligation from ID Net before the night of SD-1 rather than before the night of T+2 as is currently stated. The move to T+2 necessitates this change because transactions are staged for ID Net on the night before settlement date.

DTC would also delete a reference in the Settlement Guide that states that ID Net trades must settle in the "regular way" and defines "regular way" as T+3. This provision is obsolete as DTC does not include scheduled settlement date as a criteria for ID Net processing.

Distributions Guide Changes

DTC would modify the Distributions Guide text relating to the DTC interim accounting process to account for the Shortened Settlement Cycle.

Interim accounting is an important part of the entitlement and allocation process relating to distributions. During the interim accounting period, DTC facilitates the entitlements and allocation process systematically for both the buyer and seller of a transaction conducted in the marketplace and submitted to CNS.[11] The interim

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transactions are processed through NSCC's Continuous Net Settlement System ("CNS"). See Settlement Guide, supra note 1, at 35-43.

10 Id.

11 Securities movements for transactions processed through CNS occur free of payment at DTC. See Settlement Guide, supra note 1, at 15.

accounting period is defined as the time period during which a trade settling has income or a due bill attached to it.[12] The due bill period is determined in accordance with market rules[13] and currently extends for the time from the record date[14] plus one day up to the ex-date plus two days.[15]

In order to prepare for the migration to T+2 settlement, DTC would modify the interim accounting process to account for the shortened period. In this regard, DTC would revise the Distributions Guide to reflect that the interim accounting period would reflect the anticipated due bill period that would be recognized by the industry, such that the interim accounting period would extend from the record date plus one day up to the ex-date plus one day. The proposed change to the interim accounting period would be reflected in the text of the subsections of the Interim Accounting section of the Distributions Guide.

DTC would also adjust the table in the Distributions Guide which describes the date on which certain stock distributions, the timing for which are tied to the settlement cycle, are allocated. Specifically, the table would be revised for affected distribution types, as follows to account for the shortening of the settlement cycle:

For this type of distribution[16]	**Allocation normally occurs**[17]

12 In the absence of DTC's interim accounting process, trades scheduled to settle after the record date "with distribution" (those that entitle the receiver to the distribution) would have a due bill or income payment that attached to document the entitlement and associated obligations between the seller and buyer relating to the distribution. The distribution entitlement would then need to be handled between the seller and the buyer of the security outside of DTC's Distributions Service.

13 E.g., New York Stock Exchange ("NYSE") Rules 255-259, available at http://nyserules.nyse.com/nyse/rules/nyse-rules/chp_1_3/chp_1_3_16/default.asp.

14 The record date is the date when an investor must be on the issuer's books as a shareholder to receive a distribution.

15 The ex-date is determined in accordance with the applicable market procedures. E.g., NYSE Listed Company Manual, Section 703.03 (part 2) (Stock Split/Stock Rights/Stock Divident Listing Process, available at http://nysemanual.nyse.com/lcm/Help/mapContent.asp?sec=lcm-sections&title=sx-ruling-nyse-policymanual_703.02(part2)&id=chp_1_8_3_4.

16 Stock distribution types unaffected by the proposed rule change are not shown.

Stock dividends with a late ex-date	On the payable date or ex-date +~~**3**~~**<u>2</u>**, whichever comes later.
Stock splits, with ex-distribution beginning on the business day following the payable date	For the split shares on ex-date +~~**3**~~**<u>2</u>**.
Stock spinoffs to a DTC-eligible security	On the payable date, or ex-date +~~**3**~~**<u>2</u>**, whichever comes later.

DTC would also revise the text of the Distributions Guide to make a grammatical correction.

<u>Implementation Date</u>

The proposed rule changes to the Guides would not become effective until DTC has submitted a subsequent proposed rule change under Rule 19b-4.[18] Therefore DTC would not implement the proposed changes until an effective date is established by the subsequent proposed rule change. DTC anticipates that the implementation date would correspond with the industry's transition to a T+2 settlement cycle, which is currently anticipated to be in September 2017. It is anticipated by DTC that the proposed rule changes to the Guides would become effective immediately unless further regulatory action is required.

(b) <u>Statutory Basis</u>

Section 17A(b)(3)(F) of the Act[19] requires that the rules of the clearing agency be designed, <u>inter alia</u>, to promote the prompt and accurate clearance and settlement of securities transactions. DTC believes that the proposed rule change is consistent with this provision because it would allow ID Net transactions and distributions to continue to be processed when the U.S. market standard settlement cycle is shortened. Thus, by allowing processing of transactions through ID Net and the Distributions Service in accordance with standard U.S. settlement timeframes (including when the standard settlement cycle is shortened), the proposed rule changes would promote the prompt and accurate clearance and settlement of securities transactions.

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17 Bold, strike-through text indicates a deletion. Bold, underlined text indicates an addition.

18 17 CFR 240.19b-4.

19 15 U.S.C. 78q-1(b)(3)(F).

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

DTC does not believe that the proposed rule change have any impact on competition because the proposed rule change consists of conforming and technical changes to the texts of the Guides that would correspond with the industry's transition to a T+2 settlement cycle.

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

DTC has not solicited and does not intend to solicit comments regarding the proposed rule change. DTC has not received any unsolicited written comments from interested parties. To the extent DTC receives written comments on the proposed rule change, DTC will forward such comments to the Commission.

6. Extension of Time Period for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

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

(a) This filing is made pursuant to Section 19(b)(3)(A) of the Act[20] and subparagraph (f)(4) of Securities Exchange Act Rule 19b-4.[21]

(b) The proposed rule change effects a change in an existing service of a registered clearing agency that: (A) does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible; and (B) does not significantly affect the respective rights or obligations of the clearing agency or persons using the service because the proposed rule change makes conforming and technical changes necessary to conform the text of the Guides with respect to the industry's move from a T+3 to a T+2 settlement cycle. Therefore the proposed rule change does not adversely affect DTC's safeguarding of securities or funds, or significantly affect the rights or obligations of DTC or its Participants.

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[20] 15 U.S.C. 78s(b)(3)(A).

[21] 17 CFR 240.19b-4(f)(4).

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

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– Text of proposed rule change

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_________]; File No. SR-DTC-2016-013)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Modify the DTC Settlement Service Guide and Distributions Guide Relating to the Anticipated U.S. Market Transition to a Shortened Settlement Cycle

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4,[2] notice is hereby given that on ____________, 2016, 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)[3] of the Act and Rule 19b-4(f)(4)[4] thereunder. The proposed rule change was effective upon filing with the Commission. 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 would amend the Settlement Service Guide ("Settlement Guide")[5] and the Distributions Guide ("Distributions Guide")[6] (collectively,

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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)(4).

5 Available at http://www.dtcc.com/~/media/Files/Downloads/legal/service-guides/Settlement.pdf.

"Guides") of The Depository Trust Company ("DTC") to make technical revisions to the Guides in anticipation of the U.S. market transition to "T+2" settlement and other revisions, as described below.[7] The proposed rule changes to the Guides would not become effective until DTC has submitted a subsequent proposed rule change under Rule 19b-4.[8] Therefore, DTC would not implement versions of the Guides reflecting the proposed rule change until an effective date is established by the subsequent proposed rule change.[9]

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.

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6 Available at http://www.dtcc.com/~/media/Files/Downloads/legal/service-guides/Distributions%20Service%20Guide%20FINAL%20November%202014.pdf.

7 Capitalized terms not otherwise defined herein have the respective meanings set forth in the DTC Rules, By-laws and Organization Certificate ("Rules"), available at http://www.dtcc.com/legal/rules-and-procedures.aspx, the Settlement Guide and the Distributions Guide.

8 17 CFR 240.19b-4.

9 DTC will post versions of the relevant sections of the respective Guides reflecting the changes as they would appear upon the effectiveness of the subsequent proposed rule change mentioned above and will include a note on the cover page of the Guides to advise Participants of these changes.

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

1. Purpose

The standard settlement cycle for certain securities has not changed since 1993, when the Commission adopted the current version of Rule 15c6-1(a) under the Act,[10] which (subject to certain exceptions) prohibits any broker-dealer from entering into a contract for the purchase or sale of a security that provides for payment and delivery later than three business days after the trade date, unless otherwise expressly agreed to by the parties at the time of the transaction.

In an effort to reduce counterparty risk, decrease clearing capital requirements, reduce liquidity demands and harmonize the settlement cycle globally, the financial services industry, in coordination with its regulators, has been working on shortening the standard settlement cycle from T+3 to T+2. In connection therewith, the Commission has proposed a rule change to shorten the standard settlement cycle from T+3 to T+2.[11]

Effect on DTC

DTC provides depository and book-entry services pursuant to its Rules and Procedures, including its service guides and operational arrangements.[12] DTC services include custody of securities certificates and other instruments, and settlement and asset services for types of eligible securities including, among others, equities, warrants, rights, corporate debt and notes, municipal bonds, government securities, asset-backed

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10 17 CFR 240.15c6-1.

11 Amendment to Securities Transaction Settlement Cycle. See Securities Exchange Act Release No. 78962 (September 28, 2016), 81 FR 69240 (October 5, 2016) (S7-22-16).

12 Available at www.dtcc.com.

securities, depositary receipts and money market instruments. As the holder of securities *vis a vis* issuers, DTC receives distributions, dividends, and corporate actions and passes them to its Participants.

DTC processes transactions for settlement, subject to its risk controls, on the same day it receives them. Distributions on securities held at DTC on behalf of its Participants pass through DTC and are credited to the accounts of Participants on the same day that they are paid to DTC. As a result, DTC's Rules and Procedures are not generally affected by the industry's move to T+2.

However, certain provisions in the Settlement Guide and Distributions Guide, respectively, relating to the DTC ID Net Service ("ID Net")[13] and distributions on securities held at DTC include a presumption that transactions settle on a three-day settlement cycle (i.e., T+3). This is expected to change as the securities industry switches to a standard T+2 settlement cycle in 2017. Pursuant to the proposed rule change, DTC would revise the texts of Guides to make conforming and technical changes as described below.

Settlement Guide Changes

DTC would modify the Settlement Guide relating to ID Net to accommodate the eventual move to T+2.

First, the deadline for submission of affirmed ID Net trades by a Matching Utility would be changed to 11:30 a.m. eastern time on settlement date minus one ("SD-1")

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[13] ID Net allows DTC Participants that are also members of National Securities Clearing Corporation ("NSCC") to realize certain processing efficiencies with respect to institutional transactions processed at DTC for which related broker transactions are processed through NSCC's Continuous Net Settlement System ("CNS"). See Settlement Guide, supra note 5, at 35-43.

rather than specifically stating the deadline at 9 p.m. on T+2. The move to T+2 necessitates this change since ID transactions must enter the ID Net processing on the date prior to settlement date to realize processing efficiencies in relation to related CNS transactions settling on settlement date, as set forth in the Settlement Guide.[14]

Second, the Settlement Guide would be revised to state that ID Net Firms may exempt a receive obligation from ID Net before the night of SD-1 rather than before the night of T+2 as is currently stated. The move to T+2 necessitates this change because transactions are staged for ID Net on the night before settlement date.

DTC would also delete a reference in the Settlement Guide that states that ID Net trades must settle in the "regular way" and defines "regular way" as T+3. This provision is obsolete as DTC does not include scheduled settlement date as a criteria for ID Net processing.

Distributions Guide Changes

DTC would modify the Distributions Guide text relating to the DTC interim accounting process to account for the Shortened Settlement Cycle.

Interim accounting is an important part of the entitlement and allocation process relating to distributions. During the interim accounting period, DTC facilitates the entitlements and allocation process systematically for both the buyer and seller of a transaction conducted in the marketplace and submitted to CNS.[15] The interim accounting period is defined as the time period during which a trade settling has income

14 Id.

15 Securities movements for transactions processed through CNS occur free of payment at DTC. See Settlement Guide, supra note 5, at 15.

or a due bill attached to it.[16] The due bill period is determined in accordance with market rules[17] and currently extends for the time from the record date[18] plus one day up to the ex-date plus two days.[19]

In order to prepare for the migration to T+2 settlement, DTC would modify the interim accounting process to account for the shortened period. In this regard, DTC would revise the Distributions Guide to reflect that the interim accounting period would reflect the anticipated due bill period that would be recognized by the industry, such that the interim accounting period would extend from the record date plus one day up to the ex-date plus one day. The proposed change to the interim accounting period would be reflected in the text of the subsections of the Interim Accounting section of the Distributions Guide.

DTC would also adjust the table in the Distributions Guide which describes the date on which certain stock distributions, the timing for which are tied to the settlement

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16 In the absence of DTC's interim accounting process, trades scheduled to settle after the record date "with distribution" (those that entitle the receiver to the distribution) would have a due bill or income payment that attached to document the entitlement and associated obligations between the seller and buyer relating to the distribution. The distribution entitlement would then need to be handled between the seller and the buyer of the security outside of DTC's Distributions Service.

17 E.g., New York Stock Exchange ("NYSE") Rules 255-259, available at http://nyserules.nyse.com/nyse/rules/nyse-rules/chp_1_3/chp_1_3_16/default.asp.

18 The record date is the date when an investor must be on the issuer's books as a shareholder to receive a distribution.

19 The ex-date is determined in accordance with the applicable market procedures. E.g., NYSE Listed Company Manual, Section 703.03 (part 2) (Stock Split/Stock Rights/Stock Dividend Listing Process, available at http://nysemanual.nyse.com/lcm/Help/mapContent.asp?sec=lcm-sections&title=sx-ruling-nyse-policymanual_703.02(part2)&id=chp_1_8_3_4.

cycle, are allocated. Specifically, the table would be revised for affected distribution types, as follows to account for the shortening of the settlement cycle:

For this type of distribution[20]	**Allocation normally occurs**[21]
Stock dividends with a late ex-date	On the payable date or ex-date +**32**, whichever comes later.
Stock splits, with ex-distribution beginning on the business day following the payable date	For the split shares on ex-date +**32**.
Stock spinoffs to a DTC-eligible security	On the payable date, or ex-date +**32**, whichever comes later.

DTC would also revise the text of the Distributions Guide to make a grammatical correction.

Implementation Date

The proposed rule changes to the Guides would not become effective until DTC has submitted a subsequent proposed rule change under Rule 19b-4.[22] Therefore DTC would not implement the proposed changes until an effective date is established by the subsequent proposed rule change. DTC anticipates that the implementation date would correspond with the industry's transition to a T+2 settlement cycle, which is currently anticipated to be in September 2017. It is anticipated by DTC that the proposed rule changes to the Guides would become effective immediately unless further regulatory action is required.

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[20] Stock distribution types unaffected by the proposed rule change are not shown.

[21] Bold, strike-through text indicates a deletion. Bold, underlined text indicates an addition.

[22] 17 CFR 240.19b-4.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act[23] requires that the rules of the clearing agency be designed, inter alia, to promote the prompt and accurate clearance and settlement of securities transactions. DTC believes that the proposed rule change is consistent with this provision because it would allow ID Net transactions and distributions to continue to be processed when the U.S. market standard settlement cycle is shortened. Thus, by allowing processing of transactions through ID Net and the Distributions Service in accordance with standard U.S. settlement timeframes (including when the standard settlement cycle is shortened), the proposed rule changes would promote the prompt and accurate clearance and settlement of securities transactions.

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

DTC does not believe that the proposed rule change have any impact on competition because the proposed rule change consists of conforming and technical changes to the texts of the Guides that would correspond with the industry's transition to a T+2 settlement cycle.

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

DTC has not solicited and does not intend to solicit comments regarding the proposed rule change. DTC has not received any unsolicited written comments from interested parties. To the extent DTC receives written comments on the proposed rule change, DTC will forward such comments to the Commission.

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

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[23] 15 U.S.C. 78q-1(b)(3)(F).

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)[24] of the Act and paragraph (f) of Rule 19b-4[25] 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. Please include File Number SR-DTC-2016-013 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-2016-013. 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

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24 15 U.S.C. 78s(b)(3)(A).

25 17 CFR 240.19b-4(f).

Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's website (http://dtcc.com/legal/sec-rule-filings.aspx). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2016-013 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.[26]

Secretary

[26] 17 CFR 200.30-3(a)(12).

Exhibit 5

Bold, Underlined text indicates additions.

~~**Bold, Strikethrough**~~ text indicates deletions.

DTC Settlement Service Guide

Important Note: In anticipation of the shortening of the settlement cycle, DTC has filed in advance certain changes to this Settlement Service Guide with the SEC ("T2 Changes"). However, the T2 Changes will not become effective until either (i) the SEC approves a subsequent rule filing to be submitted by DTC, or (ii) DTC files with the SEC a subsequent rule filing for immediate effectiveness, that establishes an effective date for the T2 changes in coordination with other industry participants. Sections of the Settlement Service Guide reflecting the T2 Changes are available on DTCC's website.

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ID Net Service

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B. ID Net Security Eligibility

Most equity securities that are eligible for CNS are eligible for ID Net processing.

ID Net Processing Eligibility

In addition to Participant and security eligibility requirements, for a transaction to be eligible for ID Net:

- The trade must be affirmed/matched by a Matching Utility.
- **DTC should receive the Affirmed Transaction from the Matching Utility no later than 11:30 a.m. eastern time on the business day immediately preceding settlement date ("SD-1") to be considered for ID Net eligibility.** ~~**The trade must be affirmed before 9:00 p.m. eastern time on (T+1).**~~
- ~~**The trade must be regular way; i.e., T+3 settlement.**[1]~~
- The transaction must be between an ID Net Firm and an ID Net Bank, on behalf of an institutional customer.

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Inventory Management System (IMS) Processing

~~[1] "Regular way"~~

***

Authorization, Exemption and Cancel Processing for ID Net Firms

ID Net Firms may exempt a receive before the night of ~~T+2~~ **SD-1** from a bank that is in the ID Net Service via a new IMS capability. This receive exemption will only be permitted on a trade-for-trade basis. This exemption will exit the transaction from ID Net by returning the original clearing firm number back into the receiver field and making the appropriate CNS adjustment entries. The transaction will then be available for trade-for-trade settlement.

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Inventory Management System (IMS) Processing

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Authorization, Exemption and Cancel Processing for ID Net Firms

ID Net Firms may exempt a receive before the night of ~~T+2~~ **SD-1** from a bank that is in the ID Net Service via a new IMS capability. This receive exemption will only be permitted on a trade-for-trade basis. This exemption will exit the transaction from ID Net by returning the original clearing firm number back into the receiver field and making the appropriate CNS adjustment entries. The transaction will then be available for trade-for-trade settlement.

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Processing of ID Net Firm Trades Exited from ID Net

A previously eligible ID Net trade can be exited from the ID Net process for a number of reasons. If an ID Net trade is exited from the ID Net Service, it will revert back to an original ID trade from the ID Net Firm's account, despite the fact that the ID Net Firm or IMS may have already performed the authorization or exemption process for ID trades from its account. Trades that are exited from ID Net before settlement processing begins on the night of ~~T+2~~ **SD-1** will be placed back into an unprocessed state in IMS and the ID Net Firm has to authorize these trades if it intends to deliver them. Applicable output messages are available for all exited ID Net trades.

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Change of Eligibility

After a trade has been affirmed and deemed eligible for ID Net, the ID Net process will continue to check the transaction's eligibility up until 8 p.m. on the night of ~~T+2~~ **SD-1**. If a trade becomes ineligible, for example, a Reorganization is announced, the trade will be removed from the ID Net process regardless of whether it is in an authorized or an exempt state. The trade will be staged for trade-for-trade settlement between the ID Net Firm and the ID Net Bank and will maintain its current state, i.e., authorized trades will remain authorized and exempted trades will remain exempted.

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DTC Distributions Service Guide

Important Note: In anticipation of the shortening of the settlement cycle, DTC has filed in advance certain changes to this Distributions Service Guide with the SEC ("T2 Changes"). However, the T2 Changes will not become effective until either (i) the SEC approves a subsequent rule filing to be submitted by DTC, or (ii) DTC files with the SEC a subsequent rule filing for immediate effectiveness, that establishes an effective date for the T2 changes in coordination with other industry participants. Sections of the Distributions Service Guide reflecting the T2 Changes are available on DTCC's website.

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Interim Accounting

Overview

Interim Accounting is an important part of the Entitlements and Allocations process. The interim period is defined as the time period during which a trade settling still has due bills attached to it. The period of time in which due bills are used is called the due bill period, which extends from the record date +1 up to the ex-date +~~2~~**1**.

Reasons for Interim Accounting

Normally, the registered holder of a security on the close of business on the record date is entitled to the distribution. There are times, however, when that is not the case. There are two common reasons why this could occur:

1. The buyer is entitled to the distribution when the registered holder of an equity issue where ex-date is not ~~two~~**one** business day~~s~~ prior to record date (for example, if the ex-date is after the record date) sells the security prior to the ex-date with the distribution.
2. For most bonds, the buyer (receiver) of the security is entitled to the interest payment on trades settling up to and including the day before the payable date, even though the buyer is not the registered holder.

Without DTC's Interim Accounting

Normally, due bill processing involves the following activities:

- Trades that would settle after the record date "with distribution" (those that entitle the receiver to the distribution) would have a due bill attached to them. The distribution entitlement would then need to be handled between the seller and the buyer of the security outside of DTC's Distribution processing service potentially in the form of a special payment order, wire or postdated check equal to the amount of the distribution.

- The receiver must present the due bill on the payable date to the deliverer to receive the distribution.

With DTC's Interim Accounting

During the due bill period, DTC:

- Tracks all activity, such as trades, where the receiver is entitled to the announced distribution (cash/stock dividend or interest payment).
- Adjusts participants' record date positions, crediting the receiver and debiting the deliverer

This ensures accurate payment on the payable date and eliminates time-consuming, costly paper processing.

Note: During this due bill period, all DTC activities involving the physical movement of securities are excluded from the dividend allocation. These include your deposits, withdrawals-by-transfer (WTs) and certificates-on-demand (CODs).

Interim Accounting Usage

Activation of DTC's Interim Accounting process depends on the type of distribution. The following table describes the conditions under which interim accounting occurs:

For	Interim accounting is used
Cash dividends	When the ex-date is not equal to record date –~~2~~**1** business days, and DTC is aware of the ex-date prior to the payable date. In this case, the interim period runs from record date +1 through close of business on ex-date +~~2~~**1.**
Stock distributions	For: All stock splits or A stock distribution with an ex-date that is not equal to record date –~~2~~**1.** In this case, the interim period runs from record date +1 through close of business on ex-date **+~~2~~1**. Note: Stock splits are allocated to your general free and pledged accounts on the business day following the close of the due bill period. Shares allocated to the pledged account automatically become additional collateral for the loan.
Rights	When the ex-date is not equal to record date –~~2~~**1**, and there is adequate time for you to submit your rights instructions to DTC for presentation to the paying agent prior to the expiration date. In this case, the interim period runs from record date +1 through

	close of business on ex-date +~~2~~**1**. Note: If there is not adequate time for you to submit your rights instructions to DTC for presentation to the paying agent prior to the expiration date, DTC will credit your account based on your record date position. You must settle due bills outside DTC's Distribution event processing service.
Corporate bonds, CDs, and government bond interest	Because the majority of these settle with interest up to the business day before the payable date. In this case, the interim period runs from record date +1 through payable date −1.
Asset-backed securities (ABS)	As dictated by the issuer's accrual period. For example, if the accrual period ends after the record date and before the payable date, the interim period runs from record date +1 through the end of the accrual period. Note: If the accrual period ends prior to the record date, DTC will not run interim or run "reverse" interim (reverse due bill).
Supplemental due bills	For special large cash dividends, when the ex-date is the day after the announced payable date. In this case: The interim period runs from record date +1 through payable date −1 Allocation is made on payable date, and Interim accounting starts again on the payable date and continues on a daily basis through ex-date +~~2~~**1**. Allocation is made on the business day following the day of delivery by crediting the money settlement account of the receiver and debiting the money settlement account of the deliverer.

New York City Record Date Mini-Interim

The Industry standard for dividend cutoff days is a maximum of two business days prior to the out-of-town record date. (DTC refers to this as the New York equivalent record date.)

Mini-interim accounting was developed to allow DTC to meet the record date deadlines when the transfer agent (TA) is located outside of New York City. Mini-interim is set up at the start of business on the first business day after the New York equivalent record date and closes at the end of business on the actual record date.

Deposits and WTs processed during the mini-interim period do not affect your position for dividend allocations. If you make a rush withdrawal-by-transfer (RWT) during the mini-interim period, your position for dividend or interest allocation is reduced. You must submit a formal claim for any dividend or interest involving certificates withdrawn as RWTs during this mini-interim period. See Claims.

Dividend allocation is made to your position based on the New York equivalent record date position, updated to include any deliver orders movements that were made up to and including the actual record date.

Participant Deposits Missing Transfer

When participant deposits of registered securities are submitted by DTC to the transfer agent (TA) on or before record date for transfer into DTC's nominee name Cede & Co., and are not transferred in time to meet the record date deadline, upon request, DTC will send the registered holder or first guarantor copies of the affected certificates in a secured pdf file via email as notification of a pending adjustment or charge-back.

DTC proactively monitors deposits made before the record date, which remain un-transferred by the record date, so it can determine if adjustments to your record date position are required, and attempts to do so on or prior to the payable date. For transactions not identified in time, the following timetable applies to adjustments:

- **Where the missed-transfer is identified within 30 days of the original allocation:** the claim is sent to participants three days before DTC processes a charge to the participant's account.
- **Where the missed-transfer is identified beyond 30 days of the original allocation:** the claim is sent to participants five days before DTC processes a charge to the participant's account.

Participant Withdrawal-by-Transfer (WT) Missing Transfer

When your withdrawal-by-transfer (WT) instructions are submitted by DTC to the TA on or before the record date for transfer into your name or your customer's name, and are not transferred in time to meet the record date deadline, DTC will credit your DTC account with the appropriate dividend/interest payment.

Just as with deposit activities, DTC monitors WT requests that remain un-transferred by the record date, and attempts to adjust your record date position, as necessary, on or prior to the payable date. For transactions not identified in time, DTC will provide you with advance notification before processing a credit to your account.

Allocations

Allocations can be divided into two groups: cash distributions and stock distributions.

Cash Distributions

Funds from agents/issuers received by 3:00 p.m. with corresponding CUSIP-level identification information are generally allocated upon receipt, beginning at 8:20 a.m. Eastern Time and continuing every 20 minutes. Funds received after **the** cutoff are allocated the following morning.

Also, from time to time DTC may determine that a payment received by you or your customer directly from the paying agent was rightfully due DTC. In this case, DTC may, in accordance with established procedures, charge your account for the amount of the improper payment.

Cash Distributions for MMI Issues

DTC distributes income payments for various MMIs, including Medium Term Notes (MTNs). The allocation process differs from non-MMI issues in the way in which payment is received from the paying agent. At start-of-day, all MMI distributions payable that day are credited to the applicable participant’s account and offset by a debit to the issuer's issuing paying agent's (IPA’s) account at DTC. You can view these credits via DTC's Settlement service. In the rare instance that an issuer defaults, these credits are reversed prior to DTC's final settlement process.

Dividend Cash Settlement Reporting

The Dividend Cash Settlement Reporting feature notifies you of cash dividend, periodic principal, and interest payments. Reporting is available in various forms. ISO 20022, CCF file format and SMART/Search reports are created daily throughout the day and at end of day. The ISO 20022 transmission is also available in real time throughout the day via SMART MQ, SWIFT Interact Store and Forward or in end of day slices via NDM, FTP or FileAct for SWIFT. The Dividend/Cash Settlement Reporting contains the following categories:

- Cash dividends
- Units
- Pass-through payments (CMO/ABS)
- Corporate bonds
- Municipal bonds
- Stock distributions
- Miscellaneous payments and charges
- Claims and reversals
- Securities not allocated that day

Stock Distributions

Stock Distribution events such as stock dividends, splits, and spinoffs are allocated on the ex-date +~~3~~**2** or the payable date, whichever comes later once DTC receives the securities. Your DTC position is increased in the security for which the distribution was declared, or in securities of another issue resulting from a spinoff or rights distribution event. Typically, cash is paid in lieu of fractional shares.

The allocation of stock distributions depends on the type of distribution being allocated. The following table describes stock distributions:

For this type of distribution	Allocation normally occurs
Stock dividends, regular trading	On the morning of the payable date.
Stock dividends with a late ex-date	On the payable date or ex-date +~~3~~**2**, whichever comes later.
Stock splits, with ex-distribution beginning on the business day following the payable date	For the split shares on ex-date +~~3~~**2**.
Stock spinoffs to a DTC-eligible security	On the payable date, or ex-date +~~3~~**2**, whichever comes later.
Stock spinoffs to an ineligible security*	When the security becomes DTC-eligible, or else exited upon receipt.
Rights	As soon as possible after the record date to allow for adequate execution time frames.
Dividend reinvestment securities	On the first business day after the price is received from the agent.

*DTC allocates the appropriate share entitlement to the spinoff security's assigned CUSIP or to a contra-CUSIP (when there is no available CUSIP for the distribution shares or the distribution shares are not eligible for DTC services). These shares are initially chilled for all DTC activity (for example, deposits, WTs, DOs, CODs) until DTC exits the ineligible security to you. On the exit date, the chill is lifted for CODs, position is taken away from your account, and you are responsible for picking up the ineligible securities at the Central Delivery Department, 570 Washington Street, Jersey City NJ.

If you are outside of the New York City metropolitan region, you need not pick up securities from the delivery window; DTC will arrange for the delivery of the securities to you.

Fractions of Stock Distributions

Fractions resulting from stock distributions are either dropped, rounded up, or paid as cash (cash-in-lieu). DTC makes every effort to obtain rounded shares or cash-in-lieu to the beneficial owner level. In instances where the agent or issuer agrees to round fractional shares or cash in lieu at the beneficial owner level, participants have the ability via CA Web to enter the number of round-up shares required for round-up situations, or the number of shares to be liquidated for cash-in-lieu situations.

Note: Cash-in-lieu and round up shares are distributed in the following ways:

- Cash-in-lieu at the DTC participant level: upon receipt of the cash-in-lieu price but no earlier than the payable date +1

- Cash-in-lieu at the beneficial owner (the DTC participant's customer) level: upon DTC's receipt of the funds from the paying agent but no earlier than payable date +1
- Round up shares at the DTC participant level: upon allocation date
- Round up shares at the beneficial owner (the DTC participant's customer) level: upon DTC's receipt of the additional round up shares from the paying agent but no earlier than the allocation date

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