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

File No.* SR - 2017 - * 023
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 Depository Trust Company is proposing to restore the timeframe for processing credit post-payable adjustments back to one year after the initial payment date.

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 * Aimee
Last Name * Bandler
Title * Assistant General Counsel
E-mail * abandler@dtcc.com
Telephone * (212) 855-3148
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 12/21/2017

By Lois Radisch

(Name *)

(Title *)

Managing Director, 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.

Digitally Sign and Lock Form

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 proposed rule change by The Depository Trust Company ("DTC") would amend the Distributions Service Guide ("Guide")[1] to (i) restore a practice of DTC relating to the timeframe for accepting a request from an issuer or its agent ("Paying Agent") for a post-payable adjustment ("PPA") of principal and income payments ("P&I") that results in the allocation of additional credits to Accounts of affected Participants ("Credit PPA"), and (ii) make technical changes to the Guide, as more fully described below.[2] The changes to the Guide are attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change with respect to the timeframe for accepting a Paying Agent request for a Credit PPA was approved on September 13, 2017 by the Business, Technology and Operations Committee of DTC's Board of Directors. The proposed rule change with respect to technical changes to the Guide was approved by the Deputy General Counsel of DTC on December 21, 2017, pursuant to delegated authority from the DTC Board of Directors.

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

(a) Purpose

The proposed rule change by DTC would amend the Guide to (i) restore a practice of DTC relating to the timeframe for accepting a request from a Paying Agent for a Credit PPA, and (ii) make technical changes to the Guide, as more fully described below.

(i) Background

One of the core asset services provided by DTC is the daily collection and allocation of funds distributions on Securities held by DTC. Commonly referred to as P&I, these funds include dividend, interest, periodic principal, redemption, and maturity payments arising from the servicing of Securities held by DTC. DTC provides centralized processing to facilitate this service, and, on each Business Day, communicates with Paying Agents regarding the P&I due that day, collects payments, and allocates entitlements to Participants.

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1 Available at http://www.dtcc.com/~/media/Files/Downloads/legal/service-guides/Distributions-Service-Guide-FINAL-January-2017.pdf.

2 Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of The Depository Trust Company, available at http://www.dtcc.com/~/media/Files/Downloads/legal/rules/dtc_rules.pdf; and in the Guide, supra note 1.

Occasionally, a Paying Agent may request a PPA at DTC due to an error on the part of the Paying Agent, trustee, issuer, or a change in the principle factor or rate. A PPA can result in debits ("Debit PPA") and/or credits to Settlement Accounts of the affected Participants.

When DTC receives a request for a PPA from a Paying Agent,[3] DTC processes the debit and/or credit adjustments for the misapplied principal or income to the Settlement Accounts of affected Participants. Accordingly, affected Participants will need to process adjustments to their customers' accounts for any misapplied principal or income and any associated interest. In addition, affected Participants may need to process adjustments against any customer that traded the security after the initial payment had occurred.

Debit PPAs carry particular risks. When DTC processes a Debit PPA, it will automatically debit the Settlement Accounts of the affected Participants, which in turn must seek to collect the funds from their customers, which in turn may need to recover from end investors. This recovery process gets more difficult as time passes and creates significant credit exposure, as customers and the end investors may no longer have the funds to debit, or may have closed or moved their accounts.

Historically, DTC accommodated Paying Agent adjustment requests by processing PPAs (whether a Debit PPA, a Credit PPA, or both) up to one year after the initial payment was made ("One Year Cutoff"). In 2012, the Securities and Exchange Commission ("Commission") approved a DTC rule filing that implemented a practice whereby DTC would not accept a request for a PPA from a Paying Agent beyond ninety calendar days after the initial payment date ("Ninety-Day Cutoff").[4] The purpose of shortening the timeframe was to mitigate the risks associated with PPAs, in particular Debit PPAs, by reducing the volume of PPAs and to allocate the accountability to the Paying Agents responsible for the PPAs.

Under the current practice, if a Paying Agent wants to effectuate a PPA beyond the Ninety-Day Cutoff, it cannot be processed through DTC. The Paying Agent must request from DTC an allocation register listing all affected Participants and positions. Using the allocation register, the Paying Agent must then attempt to contact each affected Participant to make direct adjustments and/or payment arrangements outside of DTC.

(ii) Proposal to Restore the One Year Cutoff for Credit PPAs

After the Ninety-Day Cutoff became effective on January 1, 2015, a post-payable adjustment task force ("Task Force"), formed by DTC and comprised of Paying Agents and representative members of the Association of Global Custodians ("AGC"), the American Bankers Association, and the Corporate Actions division of the Securities Industry and Financial Market Association ("SIFMA"), monitored the PPA landscape. From that review, the Task Force determined that all parties—Paying Agents, issuers, Participants, investors—would benefit

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3 A request for a Credit PPA will only be processed by DTC on receipt of associated funds.

4 Securities Exchange Act Release No. 67599 (August 6, 2012), 77 FR 47898 (August 10, 2012) (SR-DTC-2012-03). The implementation was staggered over the course of 2014. The Ninety-Day Cutoff was effective as of January 1, 2015.

from restoring the timeframe for the processing of Credit PPAs (but not Debit PPAs) from the Ninety-Day Cutoff back to the original One Year Cutoff. The restoration of the PPA timeframe back to a One Year Cutoff for Credit PPAs would allow Paying Agents more time to make correct allocations to Participants efficiently through DTC, rather than requiring the Paying Agent to make the adjustments bilaterally with each Participant, outside of DTC. This efficiency would allow Participants, their customers, and end investors to receive their funds more quickly.

DTC and the Task Force determined to preserve the Ninety-Day Cutoff for Debit PPAs.[5] As described above, Debit PPAs create significant credit risk exposure for Participants, customers, and investors as more time passes, because it becomes more difficult for Participants to recover debited funds from their customers that may no longer have an account, may not have available funds, or may no longer service the end investor. By retaining the Ninety-Day Cutoff for Debit PPAs, DTC would be (i) maintaining the appropriate allocation of risk among Participants, their clients, investors, issuers and Paying Agents, (ii) creating proactive incentives for Paying Agents and issuers to reduce the number of Debit PPAs, and (iii) promoting payment finality.

For the reasons set forth above, DTC proposes to restore the timeframe for the processing of Credit PPAs from the Ninety-Day Cutoff back to a One Year Cutoff.[6] In addition, DTC proposes to modify the language of the Guide to (i) reflect a One Year Cutoff for Credit PPAs and a Ninety-Day Cutoff for Debit PPAs, and (ii) remove outdated language about the date of effectiveness of the Ninety-Day Cutoff.

(iii) <u>Technical Changes to the Guide</u>

DTC is also proposing to modify language in the Guide to (i) remove the statement that PPA adjustments will appear on Participant Statements, as adjustments can only be viewed using CA Web, ISO 20022 messages and CCF Files, (ii) for consistency with the term “P&I”, add the word “principal” to the list of payments that may be subject to a PPA, and (iii) remove an incorrect reference to CMO/ABS securities.[7]

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5 Under the proposed rule change, if DTC receives a PPA that would result in both credits to and debits from affected Participant accounts after the Ninety-Day Cutoff but before the One Year Cutoff for Credit PPAs, DTC would only process the credits (assuming associated funds were also received), and the Paying Agent would have to collect the debits outside of DTC.

6 No other DTC practices with regard to PPAs would change, including without limitation, DTC’s practice of servicing all court-directed adjustments (with appropriate supporting documentation), regardless of age.

7 There can be a change in the principal factor or rate on any security, not just a CMO/ABS security.

Outreach

DTC discussed the Task Force's recommendation to restore the timeframe for the processing of Credit PPAs to a One Year Cutoff with the SIFMA Corporate Action Section and AGC, which have agreed with the recommendation.

Implementation Date

DTC will implement the proposed rule change upon approval of this filing by the Commission.

(b) Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Securities Exchange Act of 1934, as amended (the "Act").[8]

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, inter alia, to promote the prompt and accurate clearance and settlement of securities transactions.[9] By restoring the timeframe back to a One Year Cutoff for the processing of Credit PPAs through DTC, DTC is providing centralized processing for Credit PPAs for a longer period of time, whereas Paying Agents would otherwise have to process the Credit PPAs outside of DTC after ninety days. In addition, the proposed rule change would make technical changes to the Guide, as described above, which would help ensure that the procedures relating to PPAs are accurate and consistent. Therefore, DTC believes that the proposed rule change would facilitate a more efficient process for Paying Agents to allocate funds, and for Participants to receive funds owed to them, as well as allow Participants to have a clearer understanding of the related procedures, thereby removing impediments to and perfecting the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F), cited above.

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

DTC does not believe that the proposed rule change with respect to the Ninety-Day Cutoff for Credit PPAs would have any impact on competition because it would apply to all Paying Agents and would allow all Participants to receive their correct P&I credit allocations in a more efficient manner, and therefore would not disproportionately impact any Paying Agent or Participant.

DTC does not believe that the proposed rule change with respect to technical changes to the Guide would have any impact on competition because it would merely update the Guide to make changes for accuracy and consistency and therefore would not affect the rights and obligations of any Participant or other interested party.

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[8] 15 U.S.C. 78q-1(b)(3)(F).

[9] Id.

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 been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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) 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

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 – Proposed changes to the Guide.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[__________]; File No. SR-DTC-2017-023)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change to Restore the Timeframe for Processing Credit Post-Payable Adjustments

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) [1] and Rule 19b-4 thereunder,[2] notice is hereby given that on December __, 2017, 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. 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 by DTC would amend the Distributions Service Guide (“Guide”)[3] to (i) restore a practice of DTC relating to the timeframe for accepting a request from an issuer or its agent (“Paying Agent”) for a post-payable adjustment (“PPA”) of principal and income payments (“P&I”) that results in the allocation of

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Available at http://www.dtcc.com/~/media/Files/Downloads/legal/service-guides/Distributions-Service-Guide-FINAL-January-2017.pdf.

additional credits to Accounts of affected Participants ("Credit PPA"), and (ii) make technical changes to the Guide, as more fully described below.[4]

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.

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

1. Purpose

The proposed rule change by DTC would amend the Guide to (i) restore a practice of DTC relating to the timeframe for accepting a request from a Paying Agent for a Credit PPA, and (ii) make technical changes to the Guide, as more fully described below.

(i) Background

One of the core asset services provided by DTC is the daily collection and allocation of funds distributions on Securities held by DTC. Commonly referred to as P&I, these funds include dividend, interest, periodic principal, redemption, and maturity payments arising from the servicing of Securities held by DTC. DTC provides

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[4] Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of The Depository Trust Company, available at http://www.dtcc.com/~/media/Files/Downloads/legal/rules/dtc_rules.pdf; and in the Guide, supra note 3.

centralized processing to facilitate this service, and, on each Business Day, communicates with Paying Agents regarding the P&I due that day, collects payments, and allocates entitlements to Participants.

Occasionally, a Paying Agent may request a PPA at DTC due to an error on the part of the Paying Agent, trustee, issuer, or a change in the principle factor or rate. A PPA can result in debits ("Debit PPA") and/or credits to Settlement Accounts of the affected Participants.

When DTC receives a request for a PPA from a Paying Agent,[5] DTC processes the debit and/or credit adjustments for the misapplied principal or income to the Settlement Accounts of affected Participants. Accordingly, affected Participants will need to process adjustments to their customers' accounts for any misapplied principal or income and any associated interest. In addition, affected Participants may need to process adjustments against any customer that traded the security after the initial payment had occurred.

Debit PPAs carry particular risks. When DTC processes a Debit PPA, it will automatically debit the Settlement Accounts of the affected Participants, which in turn must seek to collect the funds from their customers, which in turn may need to recover from end investors. This recovery process gets more difficult as time passes and creates significant credit exposure, as customers and the end investors may no longer have the funds to debit, or may have closed or moved their accounts.

Historically, DTC accommodated Paying Agent adjustment requests by processing PPAs (whether a Debit PPA, a Credit PPA, or both) up to one year after the

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5 A request for a Credit PPA will only be processed by DTC on receipt of associated funds.

initial payment was made ("One Year Cutoff"). In 2012, the Commission approved a DTC rule filing that implemented a practice whereby DTC would not accept a request for a PPA from a Paying Agent beyond ninety calendar days after the initial payment date ("Ninety-Day Cutoff").[6] The purpose of shortening the timeframe was to mitigate the risks associated with PPAs, in particular Debit PPAs, by reducing the volume of PPAs and to allocate the accountability to the Paying Agents responsible for the PPAs.

Under the current practice, if a Paying Agent wants to effectuate a PPA beyond the Ninety-Day Cutoff, it cannot be processed through DTC. The Paying Agent must request from DTC an allocation register listing all affected Participants and positions. Using the allocation register, the Paying Agent must then attempt to contact each affected Participant to make direct adjustments and/or payment arrangements outside of DTC.

(ii) Proposal to Restore the One Year Cutoff for Credit PPAs

After the Ninety-Day Cutoff became effective on January 1, 2015, a post-payable adjustment task force ("Task Force"), formed by DTC and comprised of Paying Agents and representative members of the Association of Global Custodians ("AGC"), the American Bankers Association, and the Corporate Actions division of the Securities Industry and Financial Market Association ("SIFMA"), monitored the PPA landscape. From that review, the Task Force determined that all parties—Paying Agents, issuers, Participants, investors—would benefit from restoring the timeframe for the processing of Credit PPAs (but not Debit PPAs) from the Ninety-Day Cutoff back to the original One Year Cutoff. The restoration of the PPA timeframe back to a One Year Cutoff for Credit

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6 Securities Exchange Act Release No. 67599 (August 6, 2012), 77 FR 47898 (August 10, 2012) (SR-DTC-2012-03). The implementation was staggered over the course of 2014. The Ninety-Day Cutoff was effective as of January 1, 2015.

PPAs would allow Paying Agents more time to make correct allocations to Participants efficiently through DTC, rather than requiring the Paying Agent to make the adjustments bilaterally with each Participant, outside of DTC. This efficiency would allow Participants, their customers, and end investors to receive their funds more quickly.

DTC and the Task Force determined to preserve the Ninety-Day Cutoff for Debit PPAs.[7] As described above, Debit PPAs create significant credit risk exposure for Participants, customers, and investors as more time passes, because it becomes more difficult for Participants to recover debited funds from their customers that may no longer have an account, may not have available funds, or may no longer service the end investor. By retaining the Ninety-Day Cutoff for Debit PPAs, DTC would be (i) maintaining the appropriate allocation of risk among Participants, their clients, investors, issuers and Paying Agents, (ii) creating proactive incentives for Paying Agents and issuers to reduce the number of Debit PPAs, and (iii) promoting payment finality.

For the reasons set forth above, DTC proposes to restore the timeframe for the processing of Credit PPAs from the Ninety-Day Cutoff back to a One Year Cutoff.[8] In addition, DTC proposes to modify the language of the Guide to (i) reflect a One Year Cutoff for Credit PPAs and a Ninety-Day Cutoff for Debit PPAs, and (ii) remove outdated language about the date of effectiveness of the Ninety-Day Cutoff.

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7 Under the proposed rule change, if DTC receives a PPA that would result in both credits to and debits from affected Participant accounts after the Ninety-Day Cutoff but before the One Year Cutoff for Credit PPAs, DTC would only process the credits (assuming associated funds were also received), and the Paying Agent would have to collect the debits outside of DTC.

8 No other DTC practices with regard to PPAs would change, including without limitation, DTC's practice of servicing all court-directed adjustments (with appropriate supporting documentation), regardless of age.

(iii) Technical Changes to the Guide

DTC is also proposing to modify language in the Guide to (i) remove the statement that PPA adjustments will appear on Participant Statements, as adjustments can only be viewed using CA Web, ISO 20022 messages and CCF Files, (ii) for consistency with the term "P&I", add the word "principal" to the list of payments that may be subject to a PPA, and (iii) remove an incorrect reference to CMO/ABS securities.[9]

Outreach

DTC discussed the Task Force's recommendation to restore the timeframe for the processing of Credit PPAs to a One Year Cutoff with the SIFMA Corporate Action Section and AGC, which have agreed with the recommendation.

Implementation Date

DTC will implement the proposed rule change upon approval of this filing by the Commission.

2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.[10]

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, inter alia, to promote the prompt and accurate clearance and settlement of securities transactions.[11] By restoring the timeframe back to a One Year Cutoff for the processing of Credit PPAs through DTC, DTC is providing centralized processing for

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[9] There can be a change in the principal factor or rate on any security, not just a CMO/ABS security.

[10] 15 U.S.C. 78q-1(b)(3)(F).

[11] Id.

Credit PPAs for a longer period of time, whereas Paying Agents would otherwise have to process the Credit PPAs outside of DTC after ninety days. In addition, the proposed rule change would make technical changes to the Guide, as described above, which would help ensure that the procedures relating to PPAs are accurate and consistent. Therefore, DTC believes that the proposed rule change would facilitate a more efficient process for Paying Agents to allocate funds, and for Participants to receive funds owed to them, as well as allow Participants to have a clearer understanding of the related procedures, thereby removing impediments to and perfecting the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F), cited above.

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

DTC does not believe that the proposed rule change with respect to the Ninety-Day Cutoff for Credit PPAs would have any impact on competition because it would apply to all Paying Agents and would allow all Participants to receive their correct P&I credit allocations in a more efficient manner, and therefore would not disproportionately impact any Paying Agent or Participant.

DTC does not believe that the proposed rule change with respect to technical changes to the Guide would have any impact on competition because it would merely update the Guide to make changes for accuracy and consistency and therefore would not affect the rights and obligations of any Participant or other interested party.

(C) Clearing Agency'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 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 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate 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 or disapprove 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:

- 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-2017-023 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-2017-023. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The

Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's website (http://dtcc.com/legal/sec-rule-filings.aspx). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2017-023 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.[12]

Secretary

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

EXHIBIT 5

Bold, underlined text indicates additions.

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

The Depository Trust Company
Distributions Service Guide

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About Charge-Backs and Adjustments

DTC has a standing practice to only allocate monies upon receipt from the paying agent, trustee and/or issuer. On occasion, after crediting participants with a dividend**, principal,** or interest payment, DTC may have to create a post allocation rate change which may result in either additional credit or a debit to your account. Reasons to this include but are not limited to, an error on the part of DTC, the paying agent, trustee or issuer or a change in the principal factor or rate on a ~~**CMO/ABS**~~ security.

DTC accommodates paying agent requests to process these types of post-payable adjustments whe~~**re**~~n**: (i) for a credit adjustment, the request for the adjustment and the associated funds are received within one calendar year from the initial payment date, or (ii) for any other adjustments (including a debit-only or the debit portion of a debit-and-credit adjustment), the request for** the adjustment~~**s**~~ ~~**are**~~**is received** within ~~**120**~~**90** calendar days from the initial payment date. These adjustments ~~**will appear on your Participant Statement and**~~ can be viewed using CA Web, ISO 20022 messages and CCF file formats.

~~**Note: Effective January 1, 2015, DTC will no longer process post-payable adjustment requests beyond 90 calendar days after the initial payment date.**~~