

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="33"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2019"/> - * <input type="text" value="001"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by   
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input checked="" type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/> Section 806(e)(2) * <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

**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 * <input type="text" value="John"/>	Last Name * <input type="text" value="Petrofsky"/>
Title * <input type="text" value="Director and Assistant General Counsel"/>	
E-mail * <input type="text" value="jpetrofsky@dtcc.com"/>	
Telephone * <input type="text" value="(813) 470-2115"/>	Fax <input type="text"/>

**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.  

(Title \*)

Date         
By         
(Name \*)

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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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

**Exhibit 1 - Notice of Proposed Rule Change \***

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

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, 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**

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Exhibit Sent As Paper Document

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

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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

**Partial Amendment**

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

## 1. Text of the Proposed Rule Change

(a) The proposed rule change of The Depository Trust Company (“DTC”)<sup>1</sup> is annexed hereto as Exhibit 5 and consists of modifications to the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (“OA”)<sup>2</sup> in order to amend DTC’s Procedures<sup>3</sup> regarding (i) the available methods for a transfer agent<sup>4</sup> or trustee<sup>5</sup> to notify DTC of a change relating to ceasing to perform or assumption of transfer agent services on behalf of an Issuer of Securities (“Issuer”) or when the transfer agent or trustee is changing its name or address, (ii) the deadline by which a transfer agent must provide such a notice, (iii) the required timeframe for DTC to make such notices from transfer agents available to Participants, and (iv) other clarifying and technical changes, as described below.

(b) Not applicable.

(c) Not applicable.

## 2. Procedures of the Clearing Agency

The proposed rule change was approved by the Deputy General Counsel of DTC on June 13, 2019.

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<sup>1</sup> Capitalized terms not defined herein are defined in the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), available at [http://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc\\_rules.pdf](http://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc_rules.pdf).

<sup>2</sup> Available at <http://www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>.

<sup>3</sup> Pursuant to the Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to Rule 27, as amended from time to time. See Rule 1, Section 1, supra note 1.

<sup>4</sup> Transfer agents record changes of ownership, maintain the issuer’s security holder records, cancel and issue certificates, and distribute dividends. Because transfer agents stand between issuing companies and security holders, efficient transfer agent operations are critical to the successful completion of secondary trades. See <https://www.sec.gov/divisions/marketreg/mrtransfer.shtml>. (describing transfer agents and related information).

<sup>5</sup> A trustee is hired by an issuer of debt securities and is responsible for registration, transfer and payment of the securities.

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

#### (a) Purpose

The proposed rule change consists of modifications to the OA<sup>6</sup> in order to amend DTC's Procedures regarding (i) the available methods for a transfer agent or trustee to notify DTC of a change relating to ceasing to perform or assumption of transfer agent services on behalf of an Issuer or when the transfer agent or trustee is changing its name or address, (ii) the deadline by which a transfer agent must provide such a notice, (iii) the required timeframe for DTC to make such notices from transfer agents available to Participants, and (iv) other clarifying and technical changes, as described below.

#### Background

In 1995, the Securities and Exchange Commission ("Commission") approved a DTC rule filing ("1995 Rule Filing")<sup>7</sup> for DTC to be designated as the "appropriate qualified registered securities depository" to receive notices of transfer agent changes ("17Ad-16 Notice") pursuant to Rule 17Ad-16<sup>8</sup> ("Rule 17Ad-16") of the Securities Exchange Act of 1934, as amended ("Act").<sup>9</sup> Rule 17Ad-16 is designed to address transfer delays due to unannounced transfer agent changes, including the termination of the transfer agent services for a particular issue and the change of the name or address of a transfer agent.<sup>10</sup> Rule 17Ad-16 requires a registered transfer agent to send a 17Ad-16 Notice to the "appropriate qualified registered securities depository" (a) on or before the later of ten calendar days prior to the effective date of such termination or the day the transfer agent is notified of the effective date of such termination<sup>11</sup> and (b) on or before the later of

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<sup>6</sup> Supra note 2.

<sup>7</sup> See Securities Exchange Act Release No. 35378 (February 15, 1995), 60 FR 9875 (February 22, 1995) (File No. SR-DTC-95-02).

<sup>8</sup> 17 CFR 240.17Ad-16. Pursuant to Rule 17Ad-16, an "appropriate qualified registered securities depository" shall mean the qualified registered securities depository that the Commission so designates by order or, in the absence of such designation, the qualified registered securities depository that is the largest holder of record of all qualified registered securities depositories as of the most recent record date. 17 CFR 240.17Ad-16(f).

<sup>9</sup> 15 U.S.C. 78q-1.

<sup>10</sup> See Securities Exchange Act Release No. 35039 (December 1, 1994), 59 FR 63656 (December 8, 1994) (File No. S7-1-92).

<sup>11</sup> 17 CFR 240.17Ad-16(a).

ten calendar days prior to the effective date of a change in the transfer agent's name or address or when that transfer agent assumes transfer agent services on behalf of an issuer of securities.<sup>12</sup>

For purposes of submitting a 17Ad-16 Notice to DTC, the OA provides that a transfer agent should (i) use the template Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16 ("17Ad-16 Change Form") designated for this purpose that is made available by DTC on DTCC's website,<sup>13</sup> and (ii) send the completed form, signed by the transfer agent, in a portable document format to a designated e-mail address,<sup>14</sup> by the effective date of the change being reported on the form.<sup>15</sup>

The OA also provides that in the event of a change in trustee with respect to an issue of Securities, DTC requires that the new and prior trustee update the trustee information previously provided to DTC by the trustee for the issue using the 17Ad-16 Change Form and sending the form, signed by the trustee, in portable document format, to a designated e-mail address.<sup>16</sup>

Once received, DTC would make the form submitted by the transfer agent or trustee available to its Participants by posting it to DTC's Legal Notice System ("LENS").<sup>17</sup>

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<sup>12</sup> 17 CFR 240.17Ad-16(b).

<sup>13</sup> Available at <http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent>.

<sup>14</sup> The address designated for this purpose is TAServices@dtcc.com. See OA, supra note 2, at 17.

<sup>15</sup> OA, supra note 2, at 17.

<sup>16</sup> OA, supra note 2, at 18.

<sup>17</sup> LENS enables Participants to choose from a menu on a secure interface with DTC certain notices received by DTC which they order. The Commission issued an order approving LENS on June 12, 1991. See Securities Exchange Act Release No. 29291 (June 12, 1991), 56 FR 28190 (June 19, 1991) (File No. SR-DTC-91-08). LENS was originally accessible through the DTC Participant Terminal System ("PTS"). Id. DTC subsequently implemented a web-based LENS interface. See Securities Exchange Act Release No. 43964 (February 14, 2001), 66 FR 11190 (February 22, 2001) (SR-DTC-00-18). The LENS PTS function was retired effective August 27, 2010, and Participants may access LENS via the web-based functionality mentioned above. See Securities Exchange Act Release No. 62686 (August 10, 2010), 75 FR 50032 (August 16, 2010) (SR-DTC-2010-10).

Proposed Rule Change

Electronic Submission of 17Ad-16 Change Forms

Pursuant to the proposed rule change, to facilitate the reduction of costs and administrative burdens associated with the processing of transfer agent and trustee notices, DTC would modify the OA to allow transfer agents and trustees to provide the applicable notices electronically through a designated link on the DTCC website,<sup>18</sup> as described below. In this regard, the proposed method would allow for the submission of a notice that follows the template of the 17Ad-16 Change Form that is electronically signed<sup>19</sup> and submitted by the transfer agent or trustee, as applicable, using the designated link. The OA would still allow for submission of such notices via e-mail, as described above. However, DTC believes that also allowing for a wholly-electronic method for the completion, signing and submission of the 17Ad-16 Change Form would reduce costs and administrative burdens for transfer agents and trustees by eliminating the manual processing otherwise entailed with an e-mail submission.<sup>20</sup>

Notification Timeframe for Transfer Agents to Provide Notices

The OA currently states that a transfer agent should notify DTC of the transfer agent's termination of services for an Issuer by the effective date and does not provide a deadline for notifications to DTC of other events that are reportable by the transfer agent to DTC pursuant to Rule 17Ad-16. Pursuant to the proposed rule change, in order to harmonize the timeframe stated in the OA in this regard with the requirements of Rule 17Ad-16,<sup>21</sup> discussed above, DTC would amend the OA to require that a transfer agent must notify DTC when terminating or assuming transfer agent services on behalf of an Issuer, or when the transfer agent is changing its name or address, before the later of (a) 10 calendar days prior to the effective date or (b) in the case of a termination or assumption, the date the transfer agent is (1) notified of the effective date, or (2) becomes aware of, the termination or assumption date, as applicable.

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<sup>18</sup> Supra note 13.

<sup>19</sup> Pursuant to Rule 26, DTC may, at its option, in lieu of relying on an original signature, rely on a signature as if it were (and the signature shall be considered and have the same effect as) a valid and binding signature in the following circumstances: If such signature is transmitted, recorded or stored by an electronic, optical, or similar means (including but not limited to telecopy, imaging, xeroxing, electronic mail, electronic data interchange, telegram or telex). Rule 26, supra note 1.

<sup>20</sup> The manual processing that may be necessary for a transfer agent or trustee to make an e-mail submission of a notice, which would be eliminated by instead using the proposed electronic method to submit the form, includes the transfer agent or trustee printing, completing, manually signing the notice and converting it to the portable document format currently required by the OA.

<sup>21</sup> 17 CFR 240.17Ad-16(a).

DTC believes that the proposed amendment to the timeframes for transfer agents to provide 17Ad-16 Notices, as set forth above, would promote the prompt and accurate clearance and settlement of securities by facilitating DTC's ability to distribute to its Participants via LENS, a transfer agent's notification made by it pursuant to Rule 17Ad-16 prior to the effective date, to the extent the notice is timely provided by the transfer agent, thus reducing the potential for transfer delays due to unannounced transfer agent changes.

#### Posting 17Ad-16 Notices to LENS

The 1995 Rule Filing stated that DTC would make 17Ad-16 Notices available to Participants via LENS no later than the Business Day<sup>22</sup> following DTC's receipt of such notice from the transfer agent.<sup>23</sup> Rule 17Ad-16 states that a qualified registered securities depository that receives notice pursuant to the requirements noted above, "shall deliver a copy of such notices to its own participants within 24 hours."<sup>24</sup>

In order to provide enhanced transparency with regard to the timeframe for DTC to post notices consistent with 1995 Rule Filing, and reflecting the underlying requirement of Rule 17Ad-16 in this regard, DTC would add text to the OA to clarify that DTC would make each 17Ad-16 Notice available to Participants within 24 hours of DTC's receipt of a 17Ad-16 Notice from the transfer agent, not including weekends and holidays (i.e., non-Business Days). For example, if DTC receives a 17Ad-16 Notice through the designated e-mail or electronic methods described above at 6:00 p.m. Eastern Time ("ET") on a Monday (that is not a holiday), DTC would make the 17Ad-16 Notice available for viewing by Participants on LENS no later than 5:59 p.m. ET on Tuesday. For weekends, if DTC receives a notice at or after 6:00 p.m. ET on a Friday, DTC would make the 17Ad-16 Notice available for viewing by Participants on LENS no later than 5:59 p.m. ET on Monday.

#### Proposed Changes to the Text of the OA

Pursuant to the proposed rule change, DTC would amend Section II (B)(4) of the OA to (i) provide for the electronic submission of applicable notices/forms by transfer agents, as described above, (ii) amend the OA to require that a transfer agent must notify DTC when terminating or assuming transfer agent services on behalf of an Issuer, or when the transfer agent is changing its name or address, before the later of (a) 10 calendar days prior to the effective date or (b) the date the transfer agent is (1) notified of the effective date, or (2), in the case of a termination or assumption, becomes aware of, the termination or assumption date, as applicable, and (iii) add a new subsection (f) that would state that DTC would make each 17Ad-16 Notice available to Participants within 24 hours of DTC's receipt of a 17Ad-16 Notice from the transfer agent, not including weekends and holidays (i.e., non-Business Days), as described above. The text would also include an example illustrating the timeline pursuant to which the notices would be

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<sup>22</sup> Pursuant to Rule 1, the term Business Day means any day on which DTC is open for business. Rule 1, supra note 1.

<sup>23</sup> See supra note 7.

<sup>24</sup> 17 CFR 240.17Ad-16(d)(1).

made available on LENS that is consistent with the example provided under “Posting 17Ad-16 Notices to LENS” above.

The proposed rule change would also amend the text of Section II (B)(4) of the OA to (i) correct a typographical error where the Act is not referred to by its full name, (ii) allow transfer agents to submit the 17Ad-16 Change Form in Word format, (iii) update the information that should be included on transfer agent notices to include the agent name, address, contact name, contact phone, contact e-mail, and agent number, (iv) add a defined term for 17Ad-16 Notices, (v) note that notices sent to DTC, as described above, will be made available to Participants for viewing on LENS, (vi) modify text in two places that refer to the requirements of Rule 17Ad-16 to conform the OA text to the terminology in the rule regarding a transfer agent “ceasing to perform”<sup>25</sup> services on behalf of an issuer rather than referring to the transfer agent “terminating” such services as currently stated in the OA, (vii) conform the title of the 17Ad-16 Change Form as set forth in the OA to the title which appears on DTCC’s website which is “*Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16*” followed by “also known as 17Ad-16 Change Form” (viii) clarify the location and name of the link where a template of the 17Ad-16 Change Form is available,<sup>26</sup> and (ix) make technical and clarifying changes to the text for enhanced flow and readability.

The proposed rule change would amend Section II (B)(5) to (i) conform the title of the 17Ad-16 Change Form as set forth in the OA to the title which appears on DTCC’s website which is “*Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16*” followed by “also known as 17Ad-16 Change Form” (ii) clarify the location and name of the link where a template of the 17Ad-16 Change Form is available,<sup>27</sup> (iii) add a clarifying statement that DTC would make notices from trustees received pursuant to this section available for viewing by Participants on LENS, and (iv) make technical and clarifying changes to the text for enhanced flow and readability.

The proposed rule change would also add a note to the sections relating to posting of 17Ad-16 Notices and trustee notices (the new Section II (B)(4)(f) and Section II (B)(5), respectively) to state that (1) DTC does not screen the 17Ad-16 Notices for confidential information, and (2) it is the full and sole responsibility of the transfer agent or trustee, as applicable, submitting a 17Ad-16 Notice to ensure that the information contained in the 17Ad-16 Notice is correct and does not include any information that would otherwise be deemed as confidential or material non-public information.

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<sup>25</sup> 17 CFR 240.17Ad-16(a).

<sup>26</sup> The revised OA text would state that a template of the *Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16* can be obtained from DTCC’s website at: <http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent> and by clicking on the link titled “Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16.”

<sup>27</sup> Id.



The proposed rule change would revise text that indicates to the effect that a transfer agent or trustee, as applicable, “should” use or is required to use the template of the 17Ad-16 Change Form made available by DTC to notify DTC of a change relating to a transfer agent or trustee, as applicable, to instead state that the transfer agent or trustee, as applicable, “may” use the DTC template 17Ad-16 Change Form for this purpose. This change to the text reflects that Rule 17Ad-16 states the information that a transfer agent should include on a notice, but it does not mandate the use of a template of a qualified registered securities depository.<sup>28</sup>

In addition, DTC would make a technical change to Sections VI (E)(1)(a) and (b) to change the e-mail address for Issuers and agents to submit notices submitted to DTC in accordance with those sections from [lensnotices@dtcc.com](mailto:lensnotices@dtcc.com) to [LegalandTaxNotices@dtcc.com](mailto:LegalandTaxNotices@dtcc.com).<sup>29</sup>

#### Effective Date

The proposed rule change would become effective upon filing with the Commission.

#### (b) Statutory Basis

Section 17A(b)(3)(F)<sup>30</sup> 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. DTC believes that the proposed rule change is consistent with this provision of the Act because, by amending DTC’s Procedures regarding (i) the available methods for a transfer agent or trustee to notify DTC of a change relating to ceasing to perform or assumption of transfer agent services on behalf of an Issuer or when the transfer agent or trustee is changing its name or address, (ii) the deadline by which a transfer agent must provide such a notice, and (iii) the required timeframe for DTC to make such notices from transfer agents available to Participants, it would facilitate the prompt and accurate clearance and settlement of securities transactions by facilitating timely and efficient distribution of changes to information for transfer agents and trustees to DTC and Participants, as described above, and therefore promote the ability of DTC and Participants to interface with transfer agents and trustees with respect to functions performed by them, including the registration, transfer and payment of the securities.

DTC also believes that the proposed rule changes are consistent with Section 17A(b)(3)(F), cited above, because by making technical and clarifying changes to the text within the Procedures set forth in the OA regarding the (i) amendment to Section II (B) of the OA to (a) correct a typographical error where the Act is not referred to by its full name, (b) allow transfer

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<sup>28</sup> See 17 CFR 240.17Ad-16(a) and (b).

<sup>29</sup> These sections relate to the submission of consent notices and certain legal notices respectively. Consent notices are submitted by an issuer or agent via e-mail to provide notices of record dates for the purpose of facilitating the solicitation of consents from or voting by beneficial owners of Securities. See OA, *supra* note 2, at 52. The legal notices to be submitted to DTC via e-mail in accordance with Section VI (E)(1)(b) include notices to security holders of bankruptcies, litigation/class actions and defaults. *Id.*

<sup>30</sup> 15 U.S.C. 78q-1(b)(3)(F).

agents and trustees to submit the 17Ad-16 Change Form in Word format, (c) update information that should be included on transfer agent notices to include the agent name, address, contact name, contact phone, contact e-mail, and agent number, (d) add a defined term for 17Ad-16 Notices, (e) add a note that transfer agent notices and trustee notices provided by transfer agents and trustees, respectively, to DTC, as described above, are made available for viewing by Participants on LENS, and (f) add a note to the sections relating to responsibilities of transfer agents and trustees with respect to accuracy and confidentiality considerations relating to 17Ad-16 Notices and trustee notices (Sections II (B)(4)(f) and II (B)(5), respectively), as described above, and by (ii) providing a change in e-mail address for issuers and agents to submit notices submitted to DTC in accordance with Sections VI (E)(1)(a) and (b) of the OA, as described above, the proposed rule change would provide enhanced transparency for transfer agents, trustees and Issuers with respect to the Procedures relating to submission and processing of notices that may be submitted by them, as applicable, in accordance with the sections of the OA mentioned above. Therefore, by providing transfer agents, trustees and Issuers with enhanced transparency with regard to the Procedures relating to the submission and processing of notices, and therefore facilitating the prompt posting of notices and distribution of information on LENS to Participants related to Securities held by the Participants, and that may be the subject of transactions processed through the DTC system, DTC believes that the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions consistent with the Act.

Rule 17Ad-16(d)(1)<sup>31</sup> requires that, *inter alia*, the appropriate qualified registered securities depository that receives 17Ad-16 Notices shall deliver a copy of such notices to its own participants within 24 hours. Rule 17Ad-16(d)(2)<sup>32</sup> provides that a qualified registered securities depository may comply with its notice requirements under Rule 17Ad-16(d)(1)<sup>33</sup> by making available the notice of all material information from the notice within 24 hours in a manner set forth in the rules of the qualified registered securities depository. DTC believes that the proposed rule change is consistent with Rule 17Ad-16(d)(1) because it would amend the text of the OA, as described above, to provide that DTC would make 17Ad-16 Notices that it receives available to Participants via LENS within 24 hours of receipt, not including weekends and holidays (i.e., non-Business Days).<sup>34</sup> DTC believes the proposed rule change is consistent with Rule 17Ad-16(d)(2) because, as described above, the proposed rule change would add the text described in the sentence immediately above to the OA, which are Procedures filed as rules with the Commission.

#### **4. Clearing Agency's Statement on Burden on Competition**

DTC does not believe that the proposed rule change would have any impact, or impose any burden, on competition. The proposed rule change would, (i) with respect to the proposed rule changes to amend the OA regarding notification timeframes relating to transfer agent

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<sup>31</sup> 17 CFR 240.17Ad-16(d)(1).

<sup>32</sup> 17 CFR 240.17Ad-16(d)(2).

<sup>33</sup> 17 CFR 240.17Ad-16(d)(1).

<sup>34</sup> Supra note 22.

notifications to DTC and the distribution of those notifications by DTC to its Participants, merely align and clarify the text of the OA in accordance with the applicable requirements relating to such notifications set forth in Rule 17Ad-16 and the provisions of the 1995 Rule Filing as described above, and (ii) with respect to the addition of an electronic method for the submission of notices by transfer agents and trustees, merely allow for an additional means for such notices to be submitted and not impact the existing e-mail option, as described above. Therefore, the proposed rule change would not impact, or impose any burden on, competition.

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

DTC has not received or solicited any written comments relating to this proposal. DTC will notify the Commission of any written comments received by DTC.

**6. Extension of Time Period for Commission Action**

Not applicable.

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

(a) The proposed rule change is to take effect immediately upon filing pursuant to Section 19(b)(3)(A) of the Act.<sup>35</sup>

(b) In accordance with subparagraph (f)(4) of Rule 19b-4<sup>36</sup> under the Act, the proposed rule change effects a change in an existing DTC service that would not (i) adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which DTC is responsible or (ii) significantly affect any securities clearing operations of DTC or any rights or obligations of DTC with respect to securities clearing or users of DTC’s services, because it consists of proposed changes that would merely align and clarify the text of the OA in accordance with the applicable requirements relating to such notifications set forth in Rule 17Ad-16 and the provisions of the 1995 Rule Filing as described above, and (iii) with respect to the addition of an electronic method for the submission of notices by transfer agents and trustees, merely allow for an additional means for such notices to be submitted and not impact the existing e-mail option, as described above.

(c) Not applicable.

(d) Not applicable.

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<sup>35</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>36</sup> 17 CFR 240.19b-4(f)(4).

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

Not applicable.

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

**10. Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act of 2010**

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 OA.

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_\_]; File No. SR-DTC-2019-001)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Operational Arrangements Relating to Transfer Agent and Trustee Notices

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June \_\_, 2019, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(4) thereunder.<sup>4</sup> 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 of DTC<sup>5</sup> consists of modifications to the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4).

<sup>5</sup> Capitalized terms not defined herein are defined in the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), available at [http://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc\\_rules.pdf](http://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc_rules.pdf).

DTC Services) (“OA”)<sup>6</sup> in order to amend DTC’s Procedures<sup>7</sup> regarding (i) the available methods for a transfer agent<sup>8</sup> or trustee<sup>9</sup> to notify DTC of a change relating to ceasing to perform or assumption of transfer agent services on behalf of an Issuer of Securities (“Issuer”) or when the transfer agent or trustee is changing its name or address, (ii) the deadline by which a transfer agent must provide such a notice, (iii) the required timeframe for DTC to make such notices from transfer agents available to Participants, and (iv) other clarifying and technical changes, as described below.

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

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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<sup>6</sup> Available at <http://www.dtcc.com/~//media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>.

<sup>7</sup> Pursuant to the Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to Rule 27, as amended from time to time. See Rule 1, Section 1, supra note 5.

<sup>8</sup> Transfer agents record changes of ownership, maintain the issuer’s security holder records, cancel and issue certificates, and distribute dividends. Because transfer agents stand between issuing companies and security holders, efficient transfer agent operations are critical to the successful completion of secondary trades. See <https://www.sec.gov/divisions/marketreg/mrtransfer.shtml>. (describing transfer agents and related information).

<sup>9</sup> A trustee is hired by an issuer of debt securities and is responsible for registration, transfer and payment of the securities.

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

1. Purpose

The proposed rule change consists of modifications to the OA<sup>10</sup> in order to amend DTC's Procedures regarding (i) the available methods for a transfer agent or trustee to notify DTC of a change relating to ceasing to perform or assumption of transfer agent services on behalf of an Issuer or when the transfer agent or trustee is changing its name or address, (ii) the deadline by which a transfer agent must provide such a notice, (iii) the required timeframe for DTC to make such notices from transfer agents available to Participants, and (iv) other clarifying and technical changes, as described below.

Background

In 1995, the Securities and Exchange Commission ("Commission") approved a DTC rule filing ("1995 Rule Filing")<sup>11</sup> for DTC to be designated as the "appropriate qualified registered securities depository" to receive notices of transfer agent changes ("17Ad-16 Notice") pursuant to Rule 17Ad-16<sup>12</sup> ("Rule 17Ad-16") of the Securities Exchange Act of 1934, as amended ("Act").<sup>13</sup> Rule 17Ad-16 is designed to address transfer delays due to unannounced transfer agent changes, including the termination of the

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<sup>10</sup> Supra note 6.

<sup>11</sup> See Securities Exchange Act Release No. 35378 (February 15, 1995), 60 FR 9875 (February 22, 1995) (File No. SR-DTC-95-02).

<sup>12</sup> 17 CFR 240.17Ad-16. Pursuant to Rule 17Ad-16, an "appropriate qualified registered securities depository" shall mean the qualified registered securities depository that the Commission so designates by order or, in the absence of such designation, the qualified registered securities depository that is the largest holder of record of all qualified registered securities depositories as of the most recent record date. 17 CFR 240.17Ad-16(f).

<sup>13</sup> 15 U.S.C. 78q-1.

transfer agent services for a particular issue and the change of the name or address of a transfer agent.<sup>14</sup> Rule 17Ad-16 requires a registered transfer agent to send a 17Ad-16 Notice to the “appropriate qualified registered securities depository” (a) on or before the later of ten calendar days prior to the effective date of such termination or the day the transfer agent is notified of the effective date of such termination<sup>15</sup> and (b) on or before the later of ten calendar days prior to the effective date of a change in the transfer agent’s name or address or when that transfer agent assumes transfer agent services on behalf of an issuer of securities.<sup>16</sup>

For purposes of submitting a 17Ad-16 Notice to DTC, the OA provides that a transfer agent should (i) use the template Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16 (“17Ad-16 Change Form”) designated for this purpose that is made available by DTC on DTCC’s website,<sup>17</sup> and (ii) send the completed form, signed by the transfer agent, in a portable document format to a designated e-mail address,<sup>18</sup> by the effective date of the change being reported on the form.<sup>19</sup>

The OA also provides that in the event of a change in trustee with respect to an issue of Securities, DTC requires that the new and prior trustee update the trustee information

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<sup>14</sup> See Securities Exchange Act Release No. 35039 (December 1, 1994), 59 FR 63656 (December 8, 1994) (File No. S7-1-92).

<sup>15</sup> 17 CFR 240.17Ad-16(a).

<sup>16</sup> 17 CFR 240.17Ad-16(b).

<sup>17</sup> Available at <http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent>.

<sup>18</sup> The address designated for this purpose is TAServices@dtcc.com. See OA, *supra* note 6, at 17.

<sup>19</sup> OA, *supra* note 6, at 17.



previously provided to DTC by the trustee for the issue using the 17Ad-16 Change Form and sending the form, signed by the trustee, in portable document format, to a designated e-mail address.<sup>20</sup>

Once received, DTC would make the form submitted by the transfer agent or trustee available to its Participants by posting it to DTC's Legal Notice System ("LENS").<sup>21</sup>

### Proposed Rule Change

#### Electronic Submission of 17Ad-16 Change Forms

Pursuant to the proposed rule change, to facilitate the reduction of costs and administrative burdens associated with the processing of transfer agent and trustee notices, DTC would modify the OA to allow transfer agents and trustees to provide the applicable notices electronically through a designated link on the DTCC website,<sup>22</sup> as described below. In this regard, the proposed method would allow for the submission of a notice that follows the template of the 17Ad-16 Change Form that is electronically signed<sup>23</sup> and submitted by

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<sup>20</sup> OA, supra note 6, at 18.

<sup>21</sup> LENS enables Participants to choose from a menu on a secure interface with DTC certain notices received by DTC which they order. The Commission issued an order approving LENS on June 12, 1991. See Securities Exchange Act Release No. 29291 (June 12, 1991), 56 FR 28190 (June 19, 1991) (File No. SR-DTC-91-08). LENS was originally accessible through the DTC Participant Terminal System ("PTS"). Id. DTC subsequently implemented a web-based LENS interface. See Securities Exchange Act Release No. 43964 (February 14, 2001), 66 FR 11190 (February 22, 2001) (SR-DTC-00-18). The LENS PTS function was retired effective August 27, 2010, and Participants may access LENS via the web-based functionality mentioned above. See Securities Exchange Act Release No. 62686 (August 10, 2010), 75 FR 50032 (August 16, 2010) (SR-DTC-2010-10).

<sup>22</sup> Supra note 17.

<sup>23</sup> Pursuant to Rule 26, DTC may, at its option, in lieu of relying on an original signature, rely on a signature as if it were (and the signature shall be considered and have the same effect as) a valid and binding signature in the following

the transfer agent or trustee, as applicable, using the designated link. The OA would still allow for submission of such notices via e-mail, as described above. However, DTC believes that also allowing for a wholly-electronic method for the completion, signing and submission of the 17Ad-16 Change Form would reduce costs and administrative burdens for transfer agents and trustees by eliminating the manual processing otherwise entailed with an e-mail submission.<sup>24</sup>

#### Notification Timeframe for Transfer Agents to Provide Notices

The OA currently states that a transfer agent should notify DTC of the transfer agent's termination of services for an Issuer by the effective date and does not provide a deadline for notifications to DTC of other events that are reportable by the transfer agent to DTC pursuant to Rule 17Ad-16. Pursuant to the proposed rule change, in order to harmonize the timeframe stated in the OA in this regard with the requirements of Rule 17Ad-16,<sup>25</sup> discussed above, DTC would amend the OA to require that a transfer agent must notify DTC when terminating or assuming transfer agent services on behalf of an Issuer, or when the transfer agent is changing its name or address, before the later of (a) 10 calendar days prior to the effective date or (b) in the case of a termination or assumption,

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circumstances: If such signature is transmitted, recorded or stored by an electronic, optical, or similar means (including but not limited to telecopy, imaging, xeroxing, electronic mail, electronic data interchange, telegram or telex). Rule 26, supra note 5.

<sup>24</sup> The manual processing that may be necessary for a transfer agent or trustee to make an e-mail submission of a notice, which would be eliminated by instead using the proposed electronic method to submit the form, includes the transfer agent or trustee printing, completing, manually signing the notice and converting it to the portable document format currently required by the OA.

<sup>25</sup> 17 CFR 240.17Ad-16(a).

the date the transfer agent is (1) notified of the effective date, or (2) becomes aware of, the termination or assumption date, as applicable.

DTC believes that the proposed amendment to the timeframes for transfer agents to provide 17Ad-16 Notices, as set forth above, would promote the prompt and accurate clearance and settlement of securities by facilitating DTC's ability to distribute to its Participants via LENS, a transfer agent's notification made by it pursuant to Rule 17Ad-16 prior to the effective date, to the extent the notice is timely provided by the transfer agent, thus reducing the potential for transfer delays due to unannounced transfer agent changes.

#### Posting 17Ad-16 Notices to LENS

The 1995 Rule Filing stated that DTC would make 17Ad-16 Notices available to Participants via LENS no later than the Business Day<sup>26</sup> following DTC's receipt of such notice from the transfer agent.<sup>27</sup> Rule 17Ad-16 states that a qualified registered securities depository that receives notice pursuant to the requirements noted above, "shall deliver a copy of such notices to its own participants within 24 hours."<sup>28</sup>

In order to provide enhanced transparency with regard to the timeframe for DTC to post notices consistent with 1995 Rule Filing, and reflecting the underlying requirement of Rule 17Ad-16 in this regard, DTC would add text to the OA to clarify that DTC would make each 17Ad-16 Notice available to Participants within 24 hours of DTC's receipt of a 17Ad-16 Notice from the transfer agent, not including weekends and holidays (i.e., non-Business Days). For example, if DTC receives a 17Ad-16 Notice through the designated e-

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<sup>26</sup> Pursuant to Rule 1, the term Business Day means any day on which DTC is open for business. Rule 1, supra note 5.

<sup>27</sup> See supra note 11.

<sup>28</sup> 17 CFR 240.17Ad-16(d)(1).

mail or electronic methods described above at 6:00 p.m. Eastern Time (“ET”) on a Monday (that is not a holiday), DTC would make the 17Ad-16 Notice available for viewing by Participants on LENS no later than 5:59 p.m. ET on Tuesday. For weekends, if DTC receives a notice at or after 6:00 p.m. ET on a Friday, DTC would make the 17Ad-16 Notice available for viewing by Participants on LENS no later than 5:59 p.m. ET on Monday.

Proposed Changes to the Text of the OA

Pursuant to the proposed rule change, DTC would amend Section II (B)(4) of the OA to (i) provide for the electronic submission of applicable notices/forms by transfer agents, as described above, (ii) amend the OA to require that a transfer agent must notify DTC when terminating or assuming transfer agent services on behalf of an Issuer, or when the transfer agent is changing its name or address, before the later of (a) 10 calendar days prior to the effective date or (b) the date the transfer agent is (1) notified of the effective date, or (2), in the case of a termination or assumption, becomes aware of, the termination or assumption date, as applicable, and (iii) add a new subsection (f) that would state that DTC would make each 17Ad-16 Notice available to Participants within 24 hours of DTC’s receipt of a 17Ad-16 Notice from the transfer agent, not including weekends and holidays (i.e., non-Business Days), as described above. The text would also include an example illustrating the timeline pursuant to which the notices would be made available on LENS that is consistent with the example provided under “Posting 17Ad-16 Notices to LENS” above.

The proposed rule change would also amend the text of Section II (B)(4) of the OA to (i) correct a typographical error where the Act is not referred to by its full name, (ii) allow transfer agents to submit the 17Ad-16 Change Form in Word format, (iii) update the

information that should be included on transfer agent notices to include the agent name, address, contact name, contact phone, contact e-mail, and agent number, (iv) add a defined term for 17Ad-16 Notices, (v) note that notices sent to DTC, as described above, will be made available to Participants for viewing on LENS, (vi) modify text in two places that refer to the requirements of Rule 17Ad-16 to conform the OA text to the terminology in the rule regarding a transfer agent “ceasing to perform”<sup>29</sup> services on behalf of an issuer rather than referring to the transfer agent “terminating” such services as currently stated in the OA, (vii) conform the title of the 17Ad-16 Change Form as set forth in the OA to the title which appears on DTCC’s website which is “*Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16*” followed by “also known as 17Ad-16 Change Form” (viii) clarify the location and name of the link where a template of the 17Ad-16 Change Form is available,<sup>30</sup> and (ix) make technical and clarifying changes to the text for enhanced flow and readability.

The proposed rule change would amend Section II (B)(5) to (i) conform the title of the 17Ad-16 Change Form as set forth in the OA to the title which appears on DTCC’s website which is “*Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16*” followed by “also known as 17Ad-16 Change Form” (ii) clarify the location and name of the link where a template of the 17Ad-16 Change Form is available,<sup>31</sup> (iii) add a

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<sup>29</sup> 17 CFR 240.17Ad-16(a).

<sup>30</sup> The revised OA text would state that a template of the *Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16* can be obtained from DTCC’s website at: <http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent> and by clicking on the link titled “Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16.”

<sup>31</sup> Id.

clarifying statement that DTC would make notices from trustees received pursuant to this section available for viewing by Participants on LENS, and (iv) make technical and clarifying changes to the text for enhanced flow and readability.

The proposed rule change would also add a note to the sections relating to posting of 17Ad-16 Notices and trustee notices (the new Section II (B)(4)(f) and Section II (B)(5), respectively) to state that (1) DTC does not screen the 17Ad-16 Notices for confidential information, and (2) it is the full and sole responsibility of the transfer agent or trustee, as applicable, submitting a 17Ad-16 Notice to ensure that the information contained in the 17Ad-16 Notice is correct and does not include any information that would otherwise be deemed as confidential or material non-public information.

The proposed rule change would revise text that indicates to the effect that a transfer agent or trustee, as applicable, “should” use or is required to use the template of the 17Ad-16 Change Form made available by DTC to notify DTC of a change relating to a transfer agent or trustee, as applicable, to instead state that the transfer agent or trustee, as applicable, “may” use the DTC template 17Ad-16 Change Form for this purpose. This change to the text reflects that Rule 17Ad-16 states the information that a transfer agent should include on a notice, but it does not mandate the use of a template of a qualified registered securities depository.<sup>32</sup>

In addition, DTC would make a technical change to Sections VI (E)(1)(a) and (b) to change the e-mail address for Issuers and agents to submit notices submitted to DTC in

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<sup>32</sup> See 17 CFR 240.17Ad-16(a) and (b).

accordance with those sections from lensnotices@dtcc.com to  
LegalandTaxNotices@dtcc.com.<sup>33</sup>

Effective Date

The proposed rule change would become effective upon filing with the  
Commission.

2. Statutory Basis

Section 17A(b)(3)(F)<sup>34</sup> 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. DTC believes that the proposed rule change is consistent with this provision of the Act because, by amending DTC's Procedures regarding (i) the available methods for a transfer agent or trustee to notify DTC of a change relating to ceasing to perform or assumption of transfer agent services on behalf of an Issuer or when the transfer agent or trustee is changing its name or address, (ii) the deadline by which a transfer agent must provide such a notice, and (iii) the required timeframe for DTC to make such notices from transfer agents available to Participants, it would facilitate the prompt and accurate clearance and settlement of securities transactions by facilitating timely and efficient distribution of changes to information for transfer agents and trustees to DTC and Participants, as described above, and therefore promote the ability of DTC

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<sup>33</sup> These sections relate to the submission of consent notices and certain legal notices respectively. Consent notices are submitted by an issuer or agent via e-mail to provide notices of record dates for the purpose of facilitating the solicitation of consents from or voting by beneficial owners of Securities. See OA, supra note 6, at 52. The legal notices to be submitted to DTC via e-mail in accordance with Section VI (E)(1)(b) include notices to security holders of bankruptcies, litigation/class actions and defaults. Id.

<sup>34</sup> 15 U.S.C. 78q-1(b)(3)(F).

and Participants to interface with transfer agents and trustees with respect to functions performed by them, including the registration, transfer and payment of the securities.

DTC also believes that the proposed rule changes are consistent with Section 17A(b)(3)(F), cited above, because by making technical and clarifying changes to the text within the Procedures set forth in the OA regarding the (i) amendment to Section II (B) of the OA to (a) correct a typographical error where the Act is not referred to by its full name, (b) allow transfer agents and trustees to submit the 17Ad-16 Change Form in Word format, (c) update information that should be included on transfer agent notices to include the agent name, address, contact name, contact phone, contact e-mail, and agent number, (d) add a defined term for 17Ad-16 Notices, (e) add a note that transfer agent notices and trustee notices provided by transfer agents and trustees, respectively, to DTC, as described above, are made available for viewing by Participants on LENS, and (f) add a note to the sections relating to responsibilities of transfer agents and trustees with respect to accuracy and confidentiality considerations relating to 17Ad-16 Notices and trustee notices (Sections II (B)(4)(f) and II (B)(5), respectively), as described above, and by (ii) providing a change in e-mail address for issuers and agents to submit notices submitted to DTC in accordance with Sections VI (E)(1)(a) and (b) of the OA, as described above, the proposed rule change would provide enhanced transparency for transfer agents, trustees and Issuers with respect to the Procedures relating to submission and processing of notices that may be submitted by them, as applicable, in accordance with the sections of the OA mentioned above. Therefore, by providing transfer agents, trustees and Issuers with enhanced transparency with regard to the Procedures relating to the submission and processing of notices, and therefore facilitating the prompt posting of notices and



distribution of information on LENS to Participants related to Securities held by the Participants, and that may be the subject of transactions processed through the DTC system, DTC believes that the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions consistent with the Act.

Rule 17Ad-16(d)(1)<sup>35</sup> requires that, inter alia, the appropriate qualified registered securities depository that receives 17Ad-16 Notices shall deliver a copy of such notices to its own participants within 24 hours. Rule 17Ad-16(d)(2)<sup>36</sup> provides that a qualified registered securities depository may comply with its notice requirements under Rule 17Ad-16(d)(1)<sup>37</sup> by making available the notice of all material information from the notice within 24 hours in a manner set forth in the rules of the qualified registered securities depository. DTC believes that the proposed rule change is consistent with Rule 17Ad-16(d)(1) because it would amend the text of the OA, as described above, to provide that DTC would make 17Ad-16 Notices that it receives available to Participants via LENS within 24 hours of receipt, not including weekends and holidays (i.e., non-Business Days).<sup>38</sup> DTC believes the proposed rule change is consistent with Rule 17Ad-16(d)(2) because, as described above, the proposed rule change would add the text described in the sentence immediately above to the OA, which are Procedures filed as rules with the Commission.

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<sup>35</sup> 17 CFR 240.17Ad-16(d)(1).

<sup>36</sup> 17 CFR 240.17Ad-16(d)(2).

<sup>37</sup> 17 CFR 240.17Ad-16(d)(1).

<sup>38</sup> Supra note 26.

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

DTC does not believe that the proposed rule change would have any impact, or impose any burden, on competition. The proposed rule change would, (i) with respect to the proposed rule changes to amend the OA regarding notification timeframes relating to transfer agent notifications to DTC and the distribution of those notifications by DTC to its Participants, merely align and clarify the text of the OA in accordance with the applicable requirements relating to such notifications set forth in Rule 17Ad-16 and the provisions of the 1995 Rule Filing as described above, and (ii) with respect to the addition of an electronic method for the submission of notices by transfer agents and trustees, merely allow for an additional means for such notices to be submitted and not impact the existing e-mail option, as described above. Therefore, the proposed rule change would not impact, or impose any burden on, competition.

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

DTC has not received or solicited any written comments relating to this proposal. 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>39</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>40</sup> 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

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<sup>39</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>40</sup> 17 CFR 240.19b-4(f).

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](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2019-001 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-2019-001. 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-2019-001 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.<sup>41</sup>

Secretary

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<sup>41</sup> 17 CFR 200.30-3(a)(12).

**Bold and underlined** text indicates proposed additions.

**~~Bold and strikethrough~~** text indicates proposed deletions.

**The Depository Trust Company,**  
a subsidiary of The Depository Trust & Clearing Corporation

## **OPERATIONAL ARRANGEMENTS**

(Necessary for Securities to Become  
and Remain Eligible for DTC Services)

~~October~~ **June 2018 2019**

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## ***II. Requirements for DTC Servicing of Securities***

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### ***B. Transfer Requirements***

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#### **4. Transfer Agent Compliance**

##### **a. Authentication Date on Transfers**

Transfer agents must provide the authentication date on all returned credit certificates to DTC. The authentication date is the date the transfer is effected.

##### **b. Transfer Agents Required Notices**

In compliance with Rule 17Ad-16 of the Securities Exchange, ~~Act of 1934~~, all registered transfer agents are required to provide written notice ("**17Ad-16 Notice**") to DTC when ~~terminating ceasing to perform~~ or assuming transfer agent services on behalf of an Issuer or when ~~the transfer agent is~~ changing ~~their its~~ name or address. The transfer agent ~~should~~**must** notify DTC of ~~such termination ceasing to perform or assumption of transfer agent services, or when the transfer agent is changing its name or address, on or before~~ by the later of (i) 10 calendar days prior to the effective date or (ii) in the case of a termination or assumption, the date the transfer agent is (a) notified of the effective date, or (b) becomes aware of the termination or assumption date, as applicable.

Transfer agents ~~may should~~ use the ~~DTC Transfer Agency Change Form, (also known as Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16), (also known as 17Ad-16 Change Form), a template of~~ which can be obtained from DTCC's website at: <http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent> ~~and by clicking on the link titled "Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16"~~ for all change notifications required above. ~~The completed form shall be printed on the transfer agent's letterhead and executed by the transfer agent.~~ A ~~portable document format ("PDF")~~ copy of the ~~completed form notice~~ should be either (i) printed and signed by the transfer agent on its company letterhead and e-mailed in a Word document or portable document format ("PDF") to DTC's Transfer Agent Services area at TAServices@dtcc.com, or (ii) may be electronically signed and submitted using the link titled "Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16" available at: <http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent>.

### c. Termination of Transfer Agent Services

All notices of termination of transfer agent services shall include the following information:

- transfer agent's contact information (~~e.g., fullagent~~ name, address, **contact name, and telephonecontact phonenumber and contact e-mail**);
- Financial Industry Number Standard ("FINS") number of the transfer agent ceasing to perform the transfer agent services for the Issuer;
- **agent number**;
- The name of each Issue for which services of the ~~Ttransfer Agent~~ are terminated; and
- issue(s) for which the transfer agent will no longer be responsible and the CUSIP number(s) of all affected Securities.

If the contact information of the successor transfer agent is known, it must also be included in the notice. If no successor transfer agent is known at the time the notice is sent, the notice shall include the name and address of a contact person at the Issuer.

### d. Assumption of Transfer Agent Services

All notices relating to the assumption of transfer agent services on behalf of an Issuer of Securities shall include the following information:

- assuming transfer agent's contact information (~~e.g., fullagent~~ name, address, **contact name, and telephonecontact phonenumber and contact e-mail**);
- FINS number of the transfer agent assuming the transfer agent services for the Issuer;
- **agent number**;
- Issuer's name; and
- issue(s) for which the assuming transfer agent shall be responsible and the CUSIP number(s) of all affected Securities.

### e. Transfer Agent's Change of Name or Address

All notices relating to the change of name or address of a transfer agent shall include the following information:

- transfer agent's new contact information (~~e.g., fullagent~~ name, address, **contact name, and telephonecontact phonenumber and contact e-mail**);
- FINS number of the transfer agent; ~~and~~
- **agent number; and**
- location where security certificates shall be received for transfer and re-registration.

### f. Posting of Transfer Agent Notices to LENS

**A 17 Ad-16 Notice sent to DTC by a transfer agent in accordance with the provisions of this section will be made available to Participants for viewing on the DTC Legal Notice System ("LENS") within 24 hours of DTC's receipt of the 17Ad-16 Notice from the transfer agent, not including weekends and holidays (i.e., non-Business Days).<sup>1</sup>**

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<sup>1</sup> **For example, if DTC receives a notice a 17Ad-16 Notice through the designated e-mail or electronic methods described above at 6:00 p.m. Eastern Time ("ET") on a Monday (that is not a holiday), DTC would make the 17Ad-16 Notice available for viewing by Participants on LENS no later than 5:59**

**Important Note: DTC does not screen 17Ad-16 Notices for confidential information. It is the full and sole responsibility of the transfer agent submitting a 17Ad-16 Notice to ensure that the information contained in the 17Ad-16 Notice is correct and does not include any information that would otherwise be deemed as confidential or material non-public information.**

## **5. Trustee Required Notices**

In the event of a change in trustee with respect to an issue of Securities, DTC requires that the new and prior trustee update the trustee information provided to DTC, **and may using-use the DTC Transfer Agency Change Form, (also known as Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16), (also known as 17Ad-16 Change Form), a template of** which can be obtained from DTCC's website at <http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent> **and by clicking on the link titled "Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16."** DTC will make such notices received from trustees available for viewing by Participants on LENS.

**The completed form shall be printed on the trustee's letterhead and executed by the trustee. A PDF copy of the**The completed form should be **either (i) printed on trustee letterhead and signed by the trustee, and e-mailed to DTC's Transfer Agent Services area at TAServices@dtcc.com in a Word document or PDF, or (ii) electronically signed and submitted by the trustee using the link titled "Notice of Assumption or Termination of Transfer Agent Services Form 17Ad-16" available at http://dtcc.com/matching-settlement-and-asset-services/agent-services/dtc-eligible-agent.**

**Important Note: DTC does not screen trustee notices for confidential information. It is the full and sole responsibility of the trustee submitting a notice to ensure that the information contained the notice is correct and does not include any information that would otherwise be deemed as confidential or material non-public information.**

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## **VI. Reorganization Instructions/Notification Procedures**

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### **E. Proxy Related Procedures**

#### **1. Consents and Legal Notices**

##### **a. Consent Notices**

In order to facilitate the solicitation of consents from or voting by beneficial owners of Securities, the applicable Issuer or Agent shall establish a record date for such purposes (with no provisions for revocation of consents or votes by subsequent beneficial owners), and shall send notice of

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**p.m. ET on Tuesday. For weekends, if DTC receives a notice at or after 6:00 p.m. ET on a Friday, DTCC would make the 17Ad-16 Notice available for viewing by Participants on LENS no later than 5:59 p.m. ET on Monday.**



such record date to DTC's Reorganization Announcements Proxy Department no fewer than 15 calendar days prior to the expiration date of the applicable consent/voting period.

Consent notices are to be sent by e-mail to both consentannouncements@dtcc.com and ~~lensnotices@dtcc.com~~ LegalAndTaxNotices@dtcc.com.

Delivery of the notice to e-mail addresses other than the e-mail addresses set forth above does not constitute a valid notification.

In the event the Issuer is required by the security indenture (or other governing document) to make hardcopy notification to holders, consent notices may also be sent to the following address:

Reorganization Announcements Department  
Attn: Consent Notices  
The Depository Trust Company  
570 Washington Blvd., 4<sup>th</sup> Floor  
Jersey City, NJ 07310

*(Note: If hardcopy delivery is used it is to be in addition to emailing the consent notices to DTC as described above.)*

#### **b. Legal Notices**

All legal notices (including notices to security holders) of bankruptcies, litigation/class actions, and defaults shall be sent to DTC's Reorganization Announcements Department, by e-mail to both ~~lensnotices@dtcc.com~~ LegalAndTaxNotices@dtcc.com and mandatoryreorgannouncements@dtcc.com. In the event the sender is required by the security indenture (or other governing document) to make hardcopy notification to holders, notices may also be sent to the following address:

Reorganization Announcements Department  
The Depository Trust Company  
Attn: Mandatory Announcements-Legal Notice  
570 Washington Blvd., 4<sup>th</sup> Floor  
Jersey City, NJ 07310

The form of any notice shall prominently include:

- CUSIP number(s);
- complete legal name of Issuer and of any conduit borrower;
- record date, if any, for the notice; and
- title or reference line that provides a comprehensive summary of the subject of the notice.

Delivery of the notice to e-mail addresses other than the e-mail addresses set forth above and/or hardcopy notice to an address other than the address set forth above does not constitute a valid notification.

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