

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 14	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2014 - * 02	Amendment No. (req. for Amendments *)
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Filing by The Depository Trust Company
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input checked="" type="checkbox"/> 19b-4(f)(4)	<input type="checkbox"/> 19b-4(f)(6)
			<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	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

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 *).

Proposed rule change to revise the DTC Settlement Service Guide to clarify the Largest Provisional Net Credit Procedures

Contact Information

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

First Name * John Last Name * Petrofsky
 Title * Director and Associate Counsel
 E-mail * jpetrofsky@dtcc.com
 Telephone * (813) 470-2115 Fax

Signature

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

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

(Title *)

Date 03/26/2014
 By Lois J. Radisch
 (Name *)

Managing Director & Deputy General Counsel

Persona Not Validated - 1358276726871,

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 *

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 *

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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

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

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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

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 Depository Trust Company (“DTC”) is filing the proposed rule change in order to clarify its existing Largest Provisional Net Credit (“LPNC”)¹ Procedures within DTC’s Settlement Service Guide (the “Service Guide”). The changes to the Service Guide are attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

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

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

1. Purpose

With regard to processing of Money Market Instruments (“MMI”), DTC employs the LPNC risk management control to mitigate the risks associated, on the same business day, with: (i) the insolvency of an MMI issuer or refusal to pay (“RTP”) on a MMI maturity obligation by the applicable MMI Issuing and Paying Agent, and (ii) a DTC Participant’s (“Participant”) failure to settle or DTC’s ceasing to act for the Participant. In this regard, on each processing day, DTC withholds intraday credit from each MMI Participant for the sum of the two largest aggregate net credits with respect to an issuer’s acronym for purposes of calculating the Participant’s net settlement balance and collateral monitor. This provides protection in the event that MMI transactions are reversed in DTC’s system in accordance with the DTC Rules & Procedures (“Rules”) as a result of an issuer failure or RTP.²

DTC most recently updated its Rules relating to LPNC in 2013.³

Pursuant to this rule filing, DTC proposes clarifications to the LPNC Procedures in the Service Guide, including: (i) providing an example illustrating the composition of the LPNC calculation; and (ii) making other technical changes relating to the description of the LPNC process and timeframes.

¹ DTC Rule 1 (Definitions), available at <http://www.dtcc.com/en/legal/rules-and-procedures.aspx>.

² Such reversals override DTC’s net debit cap and collateral monitor risk controls.

³ Securities Exchange Act Release No. 68983 (Feb. 25, 2013), 78 FR 13924 (Mar. 1, 2013) (SR-DTC-2012-10).

2. Statutory Basis

The proposed rule change clarifies the terms associated with processing of MMI transactions and associated risk controls. As a result, the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to DTC, and in particular, with Section 17A(b)(3)(F)⁴ of the Act. This section requires that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions and, in general, to protect investors and the public interest.

Implementation Timeframe

The proposed rule change is effective immediately.

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

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition. As stated above, the proposed change merely provides clarifications to the Service Guide and will not impact any Participant's access to, or use of, DTC services. In addition, the proposal does not impact the costs of Participants' use of DTC services.

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.

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) The proposed rule change is to take effect pursuant to paragraph A of Section 19(b)(3) of the Act⁵ and subparagraph (f)(4) of Securities Exchange Act Rule 19b-4.⁶

(b) The proposed rule change of DTC merely clarifies existing provisions of the Service Guide and as such (A) does not adversely affect the safeguarding of securities

⁴ 15 U.S.C. 78q-1(b)(3)(F).

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(4).

or funds in the custody or control of DTC or for which it is responsible and (B) does not significantly affect the respective rights or obligations or persons using the services of DTC.

(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. Exhibits

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

Exhibit 2 - n/a

Exhibit 3 - n/a

Exhibit 4 - n/a

Exhibit 5 – Textual Changes to the DTC Procedures.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_____]; File No. SR-DTC-2014-02

Self-Regulatory Organizations; The Depository Trust Company; Proposed Rule Change to amend the DTC Settlement Service Guide to clarify DTC's Largest Provisional Net Credit Procedures.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4² thereunder notice is hereby given that on [Date], The Depository Trust Company ("DTC") filed with the Securities Exchange Commission ("Commission") the proposed rule change as described in Item I, II and III below, which Items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments on the proposed change from interested persons.

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

As discussed below, the proposed rule change would clarify DTC's existing Largest Provisional Net Credit ("LPNC")³ Procedures within DTC's Settlement Service Guide (the "Service Guide").⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ DTC Rule 1 (Definitions), available at <http://www.dtcc.com/en/legal/rules-and-procedures.aspx>.

⁴ Available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Settlement.ashx>.

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

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

(A) Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

With regard to processing of Money Market Instruments (“MMI”), DTC employs the LPNC risk management control to mitigate the risks associated, on the same business day, with: (i) the insolvency of an MMI issuer or refusal to pay (“RTP”) on a MMI maturity obligation by the applicable MMI Issuing and Paying Agent, and (ii) a DTC Participant’s (“Participant”) failure to settle or DTC’s ceasing to act for the Participant. In this regard, on each processing day, DTC withholds intraday credit from each MMI Participant for the sum of the two largest aggregate net credits with respect to an issuer’s acronym for purposes of calculating the Participant’s net settlement balance and collateral monitor. This provides protection in the event that MMI transactions are reversed in DTC’s system in accordance with the DTC Rules & Procedures (“Rules”) as a result of an issuer failure or RTP.⁵

⁵ Such reversals override DTC’s net debit cap and collateral monitor risk controls.

DTC most recently updated its Rules relating to LPNC in 2013.⁶

Pursuant to this rule filing, DTC proposes clarifications to the LPNC Procedures in the Service Guide, including: (i) providing an example illustrating the composition of the LPNC calculation; and (ii) making other technical changes relating to the description of the LPNC process and timeframes.

2. Statutory Basis

The proposed rule change clarifies the terms associated with processing of MMI transactions and associated risk controls. As a result, the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to DTC, and in particular, with Section 17A(b)(3)(F)⁷ of the Act. This section requires that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions and, in general, to protect investors and the public interest.

Implementation Timeframe

The proposed rule change is effective immediately.

⁶ Securities Exchange Act Release No. 68983 (Feb. 25, 2013), 78 FR 13924 (Mar. 1, 2013) (SR-DTC-2012-10).

⁷ 15 U.S.C. 78q-1(b)(3)(F).

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition. As stated above, the proposed change merely provides clarifications to the Service Guide and will not impact any Participant's access to, or use of, DTC services. In addition, the proposal does not impact the costs of Participants' use of DTC services.

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

Written comments relating to the proposed rule change have not yet been solicited or received with respect to this filing.

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

The forgoing rule change has become effective pursuant to Section 19(b)(3)(A)⁸ of the Act and paragraph (f)(4)⁹ of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(4).

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or send an e-mail to rule-comments@sec.gov. Please include File Number SR-DTC-2014-02 on the subject line.
- Paper comments should be sent in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-DTC-2014-02. 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 and that are filed with the Commission, and all written communications relating to the proposed rule change and 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 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of The Depository Trust Company. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2014-02 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.

Elizabeth M. Murphy, Secretary

Bold, underlined text indicates additions.

~~Bold, strike-through~~ text indicates deletions.

Settlement Service Guide

Largest Provisional Net Credit Procedures

~~In addition to collateralization and net debit caps,~~ DTC established the largest provisional net credit (LPNC) **as defined in the DTC Rules as an additional risk management control to protect against the occurrence, on the same Business Day, of an issuer insolvency or Issuing and Paying Agent's Refusal to Pay and procedures to further ensure that both a money market instrument (MMI) issuer's default and a participant's a Participant's** failure to settle ~~do not expose DTC to loss and liquidity risks.~~

If, by 3:00 p.m. eastern time, ~~if~~ DTC learns that an MMI **Issuing and paying Paying** agent refuses to pay for the maturity presentments and or periodic interest and principal payments of an MMI issuer, or that an MMI issuer is insolvent, it ~~invokes~~ **initiates** the Issuer Failure process. This process reverses maturity presentments, valued issuances, and valued deliveries and pledges originating from new issuances of the ~~failed~~ **affected** issuer and periodic interest and principal payments **on MMI securities issued by that issuer and held in Participant Accounts at DTC.** These reversals are allowed to override ~~your~~ collateral **monitor** and net debit cap controls **so additional protection is required.** LPNC procedures **instead withhold credits due to valued deliveries or pledges of the MMI securities of the affected issuer so help ensure** that the reversed transactions do not cause ~~your~~ **the** net debit **balance of a Participant** to exceed ~~your~~ **its** net debit cap or **the collateral monitor control** ~~cause your net debit cap to become undercollateralized. See Money Market Instruments Issuer~~

~~Failure for more information.~~ DTC tracks ~~all your~~ MMI activity in each Participant's account intraday and, as MMI transactions (including but not limited to, P&I payments credited to the Account, and deliveries to and maturity presentments from the Account) satisfy positions and risk management controls (other than LPNC), the Settlement Account of the Participant reflects in real time the net debit balance or net credit balance for each Acronym, as defined in the DTC Rules. DTC continuously monitors the applicable MMI Acronyms in which ~~you~~ each Participant has ~~have~~ the two largest net credits to determine ~~your~~ the LPNC in accordance with the DTC Rules.

By way of example only, on a Business Day, prior to settlement, if an Account has an MMI maturity presentment for which a credit of \$50 million is due, but it is also purchasing an MMI issuance in the same Acronym for \$25 million, and both the maturity presentment and issuance deliveries have satisfied position controls, net debit cap and collateral monitor controls, the system will reflect, with respect to this Acronym, a net credit due to the Settlement Account of \$25 million. A similar calculation would be completed with respect to each Acronym for which a net credit to the Settlement Account is anticipated to determine the two largest pending net credits for any Acronym, the sum of which equals the LPNC at that time.

The amount of the LPNC will not be credited to the Settlement Account until after the time for reversals has passed, at which time the amount is credited to the Settlement Account, offsetting any net debit balance to reduce the settlement obligation, if any, of the Participant. (It may be that the credit of the amount of the LPNC to the Settlement Account of the Participant creates a net credit balance, so that the Participant has no settlement obligation and is due a net payment in settlement.)

LPNC will not apply to any MMI Acronym for which the value of issuances exceeds the value of maturity presentments ~~on for~~ that ~~day~~ Business Day, as further provided in Rule 9(C), Section 1 of the DTC Rules. ~~This credit is your LPNC (called "provisional" because of its reversible nature). DTC withholds your LPNC in order to provide you protection regardless of which MMI issuer fails. Your LPNC is not available to use as collateral, nor does it~~

~~provide any benefit for net debit cap controls because it is not allowed to offset subsequent debits against your account.~~

Note- LPNC procedures remain in effect only until the later of 3:05 p.m. eastern time or any time to which the period for MMI reversals may be extended by DTC in accordance with the Rules and Procedures (including this Settlement Service Guide), ~~after which collateralization and net debit cap controls are applied to net debits that you incur as a result of transactions that have actually completed.~~ To view ~~your~~ the LPNC for an Account, use the ~~PTS function RMC+~~ Settlement Web "Cash and Balances" navigation bar.