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U.S. SECURITIES AND EXCHANGE COMMISSION

Electronic Form 19b-4

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

File No.* SR - 2014 - * 06

Filing by The Depository Trust Company

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

Initial * ☑ Amendment * ☐ Withdrawal ☐

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

Pilot ☐

Extension of Time Period for Commission Action * ☐

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed rule change of DTC to lower the threshold value for which certain transactions would be subject to Receiver Authorized Delivery.

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.

Date 05/22/2014
By Lois J. Radisch
(Name *)

(Title *)
Managing Director and Deputy General Counsel

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

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U.S. SECURITIES AND EXCHANGE COMMISSION Page 1

Electronic Form 19b-4

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change.

(a) The proposed rule changes are annexed hereto as Exhibit 5 and consist of modifications to the Rules & Procedures ("Rules") of The Depository Trust Company ("DTC"), to lower limits against which valued Deliver Orders ("DOs") and Payment Orders ("POs") [1] would be required to be accepted for receipt (i.e., "matched" for settlement) via the Receiver Authorized Delivery ("RAD") functionality. [2]

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

The proposed rule change has been approved by the Businesses and Products Committee of the Board of Directors of DTC at a meeting duly called and held on February 12, 2013.

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

1. Proposal

By this rule filing, DTC seeks to modify the RAD functionality to reduce the intraday uncertainty that may arise from reclaim transactions linked to DOs and POs and any potential credit and liquidity risk from such reclaims, as more fully described below.

Currently, as set forth in the DTC Settlement Service Guide (the "Guide"), all valued DOs and POs in amounts above $7.5 million and $500,000, respectively, are subject to the RAD process, which allows a receiver of DOs and/or POs ("Receiver") to review and reject transactions that it does not recognize prior to DTC's processing of the transaction in accordance with the Rules. In contrast, lower valued DOs and POs do not require the Receiver's acceptance prior to processing; instead, if the Receiver does not recognize a DO or PO it has received, the DO or PO may be returned by the Receiver to the original deliverer of the DO or PO ("Deliverer") in a reclaim transaction. While both the reclaim and RAD functionalities allow a Receiver to exercise control over which transactions to accept, reclaims tend to create uncertainty because transactions may be

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1 A DO is a book-entry movement of a particular security between two DTC Participants. A PO is a method for settling funds related to transactions and payments not associated with a DO. For purposes of this proposed rule change the defined term "DOs" includes all valued DOs except for DOs of: (i) Money Market Instruments and (ii) Institutional Deliveries affirmed through Omego, both of which are not impacted by the proposed rule change.

2 Terms not otherwise defined herein have the meaning set forth in the Rules.

returned late in the day, when the Deliverer may have limited options to respond. Because such reclaims are permitted without regard to risk management controls, the Deliverer may then incur a greater settlement obligation, increasing credit and liquidity risk to the Deliverer and to DTC.[3]

Therefore, pre-settlement matching of transactions through RAD without the ability of the Receiver to reclaim those transactions is the preferred approach as this would eliminate the uncertainty and credit and liquidity implications associated with reclaims. In 2013, DTC took an initial step to address this uncertainty by lowering the RAD "threshold" over which transactions must be matched for DOs and POs from $15 million and $1 million, respectively, to the current limits mentioned above.[4] Under the proposed rule change, DTC would further change RAD to require Participants to match valued DOs and POs, prior to processing the associated deliveries. These matched transactions would be processed through DTC subject to risk management controls.

Likewise, under the proposed rule change, each return of a matched DO or PO attempted to be made by a Receiver to the Deliverer would no longer be processed as a reclaim, but rather would be treated as an original instruction that would be subject to risk management controls and matching via RAD.

Pursuant to the proposed rule change, DTC would revise the Guide to reflect that: (i) with respect to valued DOs, DTC would lower the above-described RAD threshold to $.01 via a three-stage reduction as set forth below, and (ii) with respect to POs, DTC would reduce the RAD threshold to zero immediately upon implementation of the proposed rule change.[5] In this regard, upon implementation of the rule change DTC would initially reduce the RAD threshold for DOs to $100,000. In the second increment

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3 DTC's risk management controls, including Collateral Monitor and Net Debit Cap (as defined in DTC Rule 1), are designed so that DTC can effect system-wide settlement notwithstanding the failure to settle of its largest Participant or affiliated family of Participants. Net Debit Cap limits the net debit balance a Participant can incur so that the unpaid settlement obligation of the Participant, if any, cannot exceed DTC liquidity resources. The Collateral Monitor tests that a Receiver has adequate collateral to secure the amount of its net debit balance so that DTC may borrow funds to cover that amount for system-wide settlement if the Participant defaults.

4 Securities Exchange Act Release No. 69985 (Jul. 12, 2013); 78 FR 42991 (Jul. 18, 2013) (SR-DTC-2013-04).

5 As noted in footnote 1 above, Institutional Deliveries affirmed through Omgeo are not impacted by the proposed rule change. Such Institutional Deliveries are subject to matching via RAD only if a Participant makes an election in this regard. When applied, the RAD threshold for these Institutional Deliveries is $15 million. DTC plans to lower the RAD limit for Institutional Transactions to $.01 as part of a future proposal.

the RAD threshold for valued DOs would be reduced to $20,000. In the third increment the RAD threshold for DOs would be reduced to $.01.

In addition, to further promote finality of settlement, the Guide would be revised to remove the provision that New Issues are exempt from RAD.

Also, the Guide would be updated to reflect that certain related functions would no longer be accessible through the Participant Terminal System (PTS). Any such functions would instead be accessible through a DTC web application known as "Settlement Web". Further, the Guide would be clarified via a technical change to specifically state that the RAD threshold for Institutional Transactions remains at $15 million, rather than at the $7.5 million amount currently in effect for non-institutional transactions. Finally, the Guide would be revised to remove a provision that overvalued deliveries are automatically routed to RAD as this section would become redundant upon implementation of the proposed rule change since all DOs would be subject to RAD.

The effective date of the proposed rule change, including the implementation dates of the incremental reductions described above would be announced via a DTC Important Notice.[6]

2. Statutory Basis

The proposed rule change would facilitate intra-day finalization of securities and payment deliveries in DTC's system by increasing the number of DOs and POs required to be approved by the Receiver via RAD prior to DTC processing, and removing the possibility that those matched deliveries could be returned to the Deliverer via a reclaim. As such, the proposed rule change is consistent with the provisions of Section 17A(b)(3)(F)[7] of the Securities and Exchange Act of 1934 (the "Act") which requires that the rules of the clearing agency be designed, *inter alia*, to promote the prompt and accurate clearance and settlement of securities transactions. In addition, the proposed

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6 For purposes of taking into account the incremental implementation of the proposed rule change as described above, beginning on an implementation date that shall be announced via DTC Important Notice (the "Initial Implementation Date") DTC would lower the RAD limit for non-institutional DOs to $100,000 and POs to zero. From a date that is approximately 2 weeks following the Initial Implementation Date and that shall be announced by Important Notice, until a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC would lower the RAD limit for non-institutional DOs to $20,000. From a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC would lower the RAD limit for non-institutional DOs to $.01.

7 15 U.S.C. 78q-1(b)(3)(F).

rule change is consistent with Rule 17Ad-22(d)(12) of the Act[8] which requires that a clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to ensure that final settlement occurs no later than the end of the settlement day and requires that intraday or real-time finality be provided where necessary to reduce risks.

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

All Participants would be subject to the proposed change, and therefore DTC does not believe that the proposed rule change would have any impact, or impose any burden, on competition.

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

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

6. Extension of Time Period for Commission Action.

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

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

(a) Not applicable.

(b) Not applicable.

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[8] 17 CFR 240.17Ad-22(d)(12).

(c) Not applicable.

(d) Not applicable.

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

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

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act.
Not applicable

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

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

(e) Not applicable.

11. Exhibits.

Exhibit 1 – Not applicable
Exhibit 1A – Notice of proposed rule change for publication in the Federal Register
Exhibit 2 – Not applicable
Exhibit 3 – Not applicable
Exhibit 4 – Not applicable
Exhibit 5– Text of proposed rule change

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_________]; File No. SR-DTC-2014-06

Self-Regulatory Organizations; The Depository Trust Company; Proposed Rule Change in connection with the modifications to Receiver Authorized Delivery and reclaim processing value limits by transaction

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4[2] 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

(a) The proposed rule change consists of changes to the DTC Settlement Service Guide (the "Guide")[3] to modify the Receiver Authorized Delivery ("RAD") functionality as more fully described below to reduce the intraday uncertainty that may arise from reclaim transactions linked to Deliver Orders ("DOs") and Payment Orders ("POs")[4] and any potential credit and liquidity risk from such reclaims.[5]

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

2 17 CFR 240.19b-4.

3 The Guide is available at http://www.dtcc.com/~/media/Files/Downloads/legal/service-guides/Settlement.ashx.

4 A DO is a book-entry movement of a particular security between two DTC Participants. A PO is a method for settling funds related to transactions and payments not associated

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

By this rule filing, DTC seeks to modify the RAD functionality to reduce the intraday uncertainty that may arise from reclaim transactions linked to DOs and POs and any potential credit and liquidity risk from such reclaims, as more fully described below.

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with a DO. For purposes of this proposed rule change the defined term "DOs" includes all valued DOs except for DOs of: (i) Money Market Instruments and (ii) Institutional Deliveries affirmed through Omego, both of which are not impacted by the proposed rule change.

[5] Terms not defined herein have the meaning set forth in DTC's Rules & Procedures (the "Rules").

Currently, as set forth in the DTC Settlement Service Guide (the "Guide"), all valued DOs and POs in amounts above $7.5 million and $500,000, respectively, are subject to the RAD process, which allows a receiver of DOs and/or POs ("Receiver") to review and reject transactions that it does not recognize prior to DTC's processing of the transactions in accordance with the Rules. In contrast, lower valued DOs and POs do not require the Receiver's acceptance prior to processing; instead, if the Receiver does not recognize a DO or PO it has received, the DO or PO may be returned by the Receiver to the original deliverer of the DO or PO ("Deliverer") in a reclaim transaction. While both the reclaim and RAD functionalities allow a Receiver to exercise control over which transactions to accept, reclaims tend to create uncertainty because transactions may be returned late in the day, when the Deliverer may have limited options to respond. Because such reclaims are permitted without regard to risk management controls, the Deliverer may then incur a greater settlement obligation, increasing credit and liquidity risk to the Deliverer and to DTC.[6]

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6 DTC's risk management controls, including Collateral Monitor and Net Debit Cap (as defined in DTC Rule 1), are designed so that DTC can effect system-wide settlement notwithstanding the failure to settle of its largest Participant or affiliated family of Participants. Net Debit Cap limits the net debit balance a Participant can incur so that the unpaid settlement obligation of the Participant, if any, cannot exceed DTC liquidity resources. The Collateral Monitor tests that a Receiver has adequate collateral to secure the amount of its net debit balance so that DTC may borrow funds to cover that amount for system-wide settlement if the Participant defaults.

Therefore, pre-settlement matching of transactions through RAD without the ability of the Receiver to reclaim those transactions is the preferred approach as this would eliminate the uncertainty and credit and liquidity implications associated with reclaims. In 2013, DTC took an initial step to address this uncertainty by lowering the RAD "threshold" over which transactions must be matched for DOs and POs from $15 million and $1 million, respectively, to the current limits mentioned above.[7] Under the proposed rule change, DTC would further change RAD to require Participants to match valued DOs and POs, prior to processing the associated deliveries. These matched transactions would be processed through DTC subject to risk management controls.

Likewise, under the proposed rule change, each return of a matched DO or PO attempted to be made by a Receiver to the Deliverer would no longer be processed as a reclaim, but rather would be treated as an original instruction that would be subject to risk management controls and matching via RAD.

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[7] Securities Exchange Act Release No. 69985 (Jul. 12, 2013); 78 FR 42991 (Jul. 18, 2013) (SR-DTC-2013-04).

Pursuant to the proposed rule change, DTC would revise the Guide to reflect that: (i) with respect to valued DOs, DTC would lower the above-described RAD threshold to \$.01 via a three-stage reduction as set forth below, and (ii) with respect to POs, DTC would reduce the RAD threshold to zero immediately upon implementation of the proposed rule change.[8] In this regard, upon implementation of the rule change DTC would initially reduce the RAD threshold for DOs to \$100,000. In the second increment the RAD threshold for valued DOs would be reduced to \$20,000. In the third increment the RAD threshold for DOs would be reduced to \$.01.

In addition, to further promote finality of settlement, the Guide would be revised to remove the provision that New Issues are exempt from RAD.

8 As noted in footnote 4 above, Institutional Deliveries affirmed through Omgeo are not impacted by the proposed rule change. Such Institutional Deliveries are subject to matching via RAD only if a Participant makes an election in this regard. When applied, the RAD threshold for these Institutional Deliveries is \$15 million. DTC plans to lower the RAD limit for Institutional Transactions to \$.01 as part of a future proposal.

Also, the Guide would be updated to reflect that certain related functions would no longer be accessible through the Participant Terminal System (PTS). Any such functions would instead be accessible through a DTC web application known as "Settlement Web". Further, the Guide would be clarified via a technical change to specifically state that the RAD threshold for Institutional Transactions remains at $15 million, rather than at the $7.5 million amount currently in effect for non-institutional transactions. Finally, the Guide would be revised to remove a provision that overvalued deliveries are automatically routed to RAD as this section would become redundant upon implementation of the proposed rule change since all DOs would be subject to RAD.

Implementation

The effective date of the proposed rule change, including the implementation dates of the incremental reductions described above would be announced via a DTC Important Notice.[9]

2. Statutory Basis

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[9] For purposes of taking into account the incremental implementation of the proposed rule change as described above, beginning on an implementation date that shall be announced via DTC Important Notice (the "Initial Implementation Date") DTC would lower the RAD limit for non-institutional DOs to $100,000 and POs to zero. From a date that is approximately 2 weeks following the Initial Implementation Date and that shall be announced by Important Notice, until a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC would lower the RAD limit for non-institutional DOs to $20,000. From a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC would lower the RAD limit for non-institutional DOs to $.01.

The proposed rule change would facilitate intra-day finalization of securities and payment deliveries in DTC's system by increasing the number of DOs and POs required to be approved by the Receiver via RAD prior to DTC processing, and removing the possibility that those matched deliveries could be returned to the Deliverer via a reclaim. As such, the proposed rule change is consistent with the provisions of Section 17A(b)(3)(F)[10] of the Securities and Exchange Act of 1934 (the "Act") which requires that the rules of the clearing agency be designed, *inter alia*, to promote the prompt and accurate clearance and settlement of securities transactions. In addition, the proposed rule change is consistent with Rule 17Ad-22(d)(12) of the Act[11] which requires that a clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to ensure that final settlement occurs no later than the end of the settlement day and requires that intraday or real-time finality be provided where necessary to reduce risks.

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

All Participants would be subject to the proposed change, and therefore DTC does not believe that the proposed rule change would have any impact, or impose any burden, on competition.

(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.

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

11 17 CFR 240.17Ad-22(d)(12).

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

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

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

IV. Solicitation of Comments

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

- Electronic comments 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-2014-06 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-2014-06. 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-2014-06 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

Exhibit 5

<u>Bold, underlined text</u> indicates additions to text.

~~**Bold, Strike-through text**~~ indicates deleted text.

The Depository Trust Company

Settlement Service Guide

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ID Net Service

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Reclaims

ID Net same-day reclaims are only applicable to deliveries from the ID Netting Subscriber Receive Account #919. These reclaims will be directed to the original clearing firm rather than the omnibus account #919.

DTC strongly recommends that ID Net reclaims of receives from the ID Netting Subscriber Receive Account #919 include the Relative Block Number (RBN) and Original Date. Reclaims processed without the RBN and Original Date will be treated as original transactions and will not be matched or linked.

Same-day matched reclaims (reclaims of receives processed that business day that are submitted to DTC using the RBN and the original date or are reclaimed via ART) will be processed against the ID Net Firm's account and will not go to the Receiver Authorized Delivery system for approval. Other than an insolvency situation, normal same-day matched reclaim rules will be applied against the controls of the ID Net Firm in the third-party field. As a result, the ID Net Firm must have sufficient collateral and debit cap if the reclaim is greater than ~~**$7.5 million**~~ **<u>$15 million</u>**. Therefore, a reclaim to account #919 could recycle for deliverer's collateral, receiver's collateral (the ID Net Firm in the third-party field), or receiver's debit cap (the ID Net Firm in the third-party field).

ID Net reclaims processed as next-day reclaims should be processed directly to the ID Net Firm's account and may go to RAD depending on the ID Net Firm's RAD limits (DTC will change the receiver number to the ID Net Firm in the third-party field for same-day matched reclaims and linked reclaims when the receiver is account #919).

Participants will be able to view reclaims of ID Net deliveries via a new SMART/Search report "IMS ID Net Reclaim Report".

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Payment Orders

About the Product

DTC's Payment Order service allows you to settle money payments for transactions that were processed separately.

How the Product Works

A participant wanting to collect money (the payee participant) from another participant (the payor participant) first contacts the payor participant to reach agreement on the amount payable. The payee participant then submits to DTC a premium payment order (PPO) or a securities payment order (SPO). The PPO is used to collect a net option contract premium for an opening writing or closing purchase transaction. The SPO is used to collect a mark-to-market payment based on the difference between the current and previous market value of an open securities contract. Either type of payment order authorizes DTC to credit the payee participant's settlement account with the specified amount and to debit the payor participant's settlement account for the same amount.

The following are typical situations in which you would use the Payment Order service.

- A bank's customer writes an opening call option. Through DTC the bank deposits underlying securities with the Options Clearing Corporation (OCC). The bank (the payee participant) submits to DTC a PPO crediting its settlement account for the amount of the net option contract premium and debiting the account of the broker (the payor participant) for the same amount.
- A bank's customer purchases a closing call option. OCC releases underlying securities previously deposited with it through DTC. The broker (the payee participant) submits to DTC a PPO crediting its settlement account for the amount of the net option premium and debiting the account of the bank (the payor participant) for the same amount.
- A participant delivers securities to another participant through DTC in a stock loan transaction. Thereafter, the market value of the securities increases significantly. The lender (the payee participant) submits an SPO to DTC crediting its settlement account for the amount of the difference between the original and new market values and debiting the account of the borrower (the payor participant) for the same amount.

Receiver Authorized Delivery for Payment Orders

All Payment Orders are subject to matching via RAD prior to delivery of the payment.

~~Unlike deliver orders (DOs), payment orders (POs) involve no securities, only money. Thus, when a PO is processed, the receiver of the PO incurs a settlement debit but does not receive any securities that could serve as collateral for the debit they incur. Similarly, if the PO is later reclaimed, the receiver of the reclaim incurs the debit without receiving offsetting securities collateral. Thus, there is more risk inherent in reclaims of POs than in reclaims of DOs; reclaims of POs would more likely cause participants' accounts to become undercollateralized, and create more risk during failure-to-settle situations, than would reclaims of DOs. Therefore, DTC applies the following Receiver Authorized Delivery (RAD) and reclaim procedures to Payment Orders:~~

- ~~The minimum bilateral RAD threshold for POs is $500,000; therefore, you can set a RAD limit against another participant for an amount equal to or greater than $500,000.~~

~~**Only matched reclaims of POs with a value less than $500,000 will be allowed to bypass Risk Management Controls; those with a settlement value equal to or greater than $500,000 will always be subject to collateralization and net debit cap controls and the receiver's RAD limits.**~~

~~Associated PTS Functions~~

~~**You can use the following PTS functions to carry out Payment Order activities.**~~

~~*Use*~~	~~*To*~~
~~**ART**~~	~~**View PO transactions.**~~
~~**POLI**~~	~~**Inquire about PO transactions.**~~
~~**POLU**~~	~~**View and reclaim PO transactions completed on the current or previous business day.**~~

Note- You can use FFSP to get a list of Settlement activity codes and their descriptions.

Receiver Authorized Delivery (RAD)

About the Product

RAD protects ~~**you**~~ **<u>Participants</u>** from the possibility that ~~**your**~~ reclaims will not complete as a result of DTC's Risk Management Controls. RAD allows ~~**you**~~ **<u>Participants</u>** to review and either approve or cancel incoming deliveries before they are processed so ~~**you**~~ **<u>Participants</u>** can avoid reclamations. **<u>All DOs and POs are subject to RAD controls</u>** ~~**DTC's RAD limits are set to $20,000 for all DOs**~~ except for ~~**those**~~ Omgeo TradeSuite (ID) deliveries **<u>where</u>** the Participant **<u>does not</u>** opt~~**s**~~ to have **<u>them</u>** routed to RAD via a RAD profile **<u>(</u>**as set forth below**<u>)</u>**.[1] The RAD limit for ID transactions for which the Participant opts to have routed to RAD is set to ~~**$15 million**~~ **<u>DTC's default limits</u>**. However, DTC same-day reclamations of ID deliveries with settlement values less than ~~**these limits**~~ **<u>$15 million</u>** will be processed regardless of DTC Risk Management Controls. Same-day reclamations above these limits will be processed subject to DTC's Risk Management Controls and the receiver's (that is, original deliverer's) RAD. Participants are allowed to create RAD limits below DTC's RAD limits, but should note that DTC will always process transactions against the higher value.

[1] **<u>This sentence reflects the RAD limit for non-institutional transactions upon full implementation of Rule Filing SR-DTC-2014-06. For purposes of taking into account the transactions described in this sentence, beginning on [IMPLEMENTATION DATE TO BE ANNOUNCED BY IMPORTANT NOTICE] (the "Initial Implementation Date") DTC will lower the RAD limit for non-institutional DOs to $100,000 and POs to zero. From a date that is approximately 2 weeks following the Initial Implementation Date and that shall be announced by Important Notice, until a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC will lower the RAD limit for non-institutional DOs to $20,000. From a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC will lower the RAD limit for non-institutional DOs to $.01, and this footnote will be deleted in its entirety.</u>**

You can set individual dollar limits (bilateral limits) against each contra-participant so that deliveries with a settlement value exceeding the specified limit are not processed until you have approved them. Although most transactions that are currently routed to RAD involve bilateral limits set by receivers on deliverers, DTC also routes several other types of transactions to RAD for the receiver's approval. See Transactions Automatically Routed to RAD below.

Money Market Instrument (MMI) delivery transactions will be subject to RAD regardless of the transaction value. DTC will allow you to set individual dollar limits (bilateral limits) as described above, but note that MMI transactions will not be subject to matched reclamation and therefore any reclaim will be treated as an original transaction and will be submitted to RAD for approval as well as be subject to DTC's normal risk management controls.

Eligible Transaction Types

You can route the following transaction types through RAD:

- DOs
- POs
- Valued pledges
- Valued releases.

The following transactions are always exempt from RAD processing:

- ~~**Syndicate deliveries (reason code 49)**~~
- Initial distribution deliveries (refer to the IPO Tracking System User's Guide for reason codes)
- Continuous Net Settlement (CNS) deliveries
- MMI maturity presentments
- Validated matched reclamations
- Matched transactions from a third party subject to the required participant agreement.

Transactions Automatically Routed to RAD

DTC automatically routes ~~**three**~~ **<u>the following</u>** transaction types to RAD.

~~Overvalued Deliveries~~

~~**DTC automatically routes substantially overvalued deliveries with a settlement value greater than $7.5 million to RAD. The following criteria are used to determine whether a transaction is substantially overvalued:**~~

1. ~~**The difference between the settlement value of the delivery and the market value of the securities being delivered.**~~
2. ~~**The percentage by which the settlement value exceeds the market value of the securities.**~~

~~**Identifying an overvalued delivery involves two steps:**~~

1. ~~**Subtract the gross settlement value of the DO from its gross market value and apply it to a table of ranges ($50,000-$150,000; more than$150,000-$250,000; more than$250,000-$500,000; more than$500,000).**~~
2. ~~**Apply a percentage for each range (50 percent, 25 percent, 10 percent and 3 percent, respectively) to determine whether a DO is overvalued.**~~

~~**For example, if a DO has a settlement value of$45 million and a market value of$43 million, the$2 million difference is applied to the more than$500,000 range. This range identifies an overvalued delivery when the difference ($2 million) is greater than 3 percent of the market value ($2 million/$43 million = 4.65 percent) of the shares delivered. This delivery is an overvalued delivery and subject to RAD.**~~

Free and Undervalued MMI Deliveries

DTC routes free (based upon a receiver's profile) and substantially undervalued MMI deliveries to RAD. MMI deliveries are substantially undervalued if the settlement value is less than 90 percent of market value of the underlying securities. You can elect to have free MMI Deliver Orders (DOs) automatically bypass RAD via a profile capability. This profile, which is updated by receiving Participants, provides the ability to create a profile in RAD on either a bilateral or global basis.

Warning! A receiver that authorizes a free MMI transaction is deemed to have made an agreement with the deliverer that it will make payment outside DTC in accordance with the deliverer's instruction in the free transaction. DTC does not enforce compliance with such agreements. Participants must enforce these agreements themselves.

Valued Transactions

DTC automatically routes valued transactions (except same-day matched reclaims) submitted to DTC late in the day, between 3:00 and 3:20 p.m. eastern time.

Transactions Optionally Routed to RAD

You can opt to have Omgeo TradeSuite (ID) deliveries routed to RAD via a RAD profile. If such option is elected, all RAD Rules will be applicable to ID deliveries **<u>except the applicable RAD limit shall be $15 million for ID reclaims</u>**. ~~**If no such option is elected, ID transactions will not be routed to RAD and will not be subject to matched reclaims.**~~

A receiving Participant can opt to have all new valued issuances (regular and indexed principal) go to RAD after 2:00 p.m. via a RAD profile.

Stock Loans

Participants may establish bilateral and global RAD profile limits specifically for their stock loan and stock loan return activity. Applicable stock lending transactions will be checked against the receiver's stock lending profile limits for passive approval or will otherwise await the receiver's active approval based on the parameters of the profile. Absent a Participant establishing a Stock Loan RAD limit profile, a Participant's transactions will be subject to the RAD functionality applicable to ordinary DOs, including the established DTC limits as well as Participant established bilateral and global limits.

Approving or Cancelling Deliveries

You can approve or cancel transactions received via DTC's Settlement Web interface or an automated RAD messaging process.

Turning RAD Limits On and Off

You can turn off RAD limits via DTC's Settlement Web and allow DTC to process all your incoming deliveries. You may want to turn off your RAD limits, for example, when you are unable to modify the bilateral limits of your contra-participants because of time constraints. Your bilateral RAD limits will not be in effect until you turn them back on via the Settlement Web.

Transactions that are automatically routed to RAD are not affected by your decision to turn off RAD processing; they always require your approval before processing.

~~New Issue Deliveries~~

~~To ensure that syndicate deliveries of a new issue are processed before customer deliveries (see Recycle Processing), deliveries of new issues are not subject to their receivers' RAD approval.~~

Pledgee Accounts

You can opt, via a RAD profile, to process your valued pledges, regardless of value, only after your RAD approval. This allows you to review and approve securities being pledged by another participant as collateral before your settlement account is debited (and the pledgor's account is credited) for the transaction.

If you do not use this option, your valued pledges are subject to normal RAD rules. This means that pledges with a settlement value less than your RAD limit for that participant are automatically processed to your account.

Free Transactions

Participants can force free receives (DOs) to their RAD if input after 5:00 p.m. eastern time. Forcing them will effectively block free receives from being booked into a participant's account between 5:00 p.m. and the free delivery cutoff of 6:15 p.m.

Unless designated otherwise by a profile, all MMI free receives are sent to RAD, at all times. Participants who elect to turn on RAD at 5:00 p.m. will have all their free receive activity routed to RAD for approval or cancellation. This will aid participants who choose not to monitor their account for free delivery activity after 5:00 p.m., and are not aware of these free receives until the next day. Participants can update their accounts to turn on RAD at 5:00 p.m. for all free receives via a profile in the Settlement Web.

Note- This process does not apply to same-day matched reclaims input after 5:00 p.m. eastern time.

Indexed Principal Transactions

You can view and act on MMI transactions in RAD for issues that contain an indexed principal feature. Deliver Order (DO) transactions are directed to RAD whenever:

- An issuing/paying agent (IPA) initiates a DO in an MMI program that allows for indexed principal as a possible feature of any issue under the program, or
- A dealer/sales agent initiates a turnaround DO in an MMI program that allows for indexed principal of any issue under the program, or
- A participant other than an IPA initiates a DO in an issue already designated as having an indexed principal feature.

Wind-Down Participant

DTC may, in its discretion, apply RAD to all DOs and POs initiated by a Wind-Down Participant, regardless of value. Receiving Participants may raise their RAD limits to manage such transactions **~~(but should bear in mind that matched reclaims will not be reinstated in lieu of RAD for any such increase)~~**.

~~Associated PTS Functions~~

~~The following PTS functions are used in association with RAD.~~

~~*Use this function*~~	~~*To*~~
~~**RADL**~~	~~**Set, delete or change dollar limits for incoming DOs, pledges, POs and night deliver orders (NDOs).**~~
~~**DOAP**~~	~~**Approve or cancel unapproved incoming DOs.**~~
~~**DOAR**~~	~~**View approved, unapproved or cancelled incoming DOs.**~~
~~**DOCD**~~	~~**Cancel previously entered and unapproved outgoing DOs.**~~
~~**DOAD**~~	~~**View approved, unapproved or cancelled outgoing DOs.**~~
~~**IRAD**~~	~~**Approve or cancel unapproved incoming MMIs with indexed principal.**~~
~~**NDOA**~~	~~**Approve or cancel unapproved incoming NDOs.**~~
~~**NDOR**~~	~~**View approved, unapproved or cancelled incoming NDOs.**~~
~~**NDOC**~~	~~**Cancel previously entered and unapproved outgoing NDOs.**~~
~~**NDOD**~~	~~**View approved, unapproved or cancelled outgoing NDOs.**~~
~~**DRAD**~~	~~**View the menu screen that provides options the equivalent of DOAP, DOAR, DOCD, DOAD, and IRAD.**~~
~~**NRAD**~~	~~**View the menu screen that provides options the equivalent of NDOA, NDOR, NDOC, and NDOM.**~~

RAD Contact Number

For more information on RAD, call DTC's Customer Support Center at (888) 382-2721.

Reclaims

About the Product

Reclaims return a deliver order (DO) ~~**or payment order (PO)**~~ to the original delivering party.

How the Product Works

To process a reclaim, you identify a DO ~~**or PO**~~ as a reclaim by using a specific reason code, which returns the securities ~~**(or PO)**~~ to the original delivering party. Use the PTS function DORI to view a list of reason codes.

You can submit reclaims in a freeform mode by entering a DO ~~**or PO**~~, or you can use DO and Activity Research Tool (ART) functionality to utilize DTC's automated reclaim facility. The DO function allows you to submit DO reclaims by simply entering the transaction number of the delivery being reclaimed. ART allows you to reclaim a transaction by marking the original transaction.

Note- You can find the transaction number (an eight-digit identification number assigned to every transaction received at DTC) using ART functionality. ART also allows you to select from a list of completed transactions the deliveries and payment orders you want to reclaim.

Matched Reclaims

DTC attempts to match all DO ~~and PO~~ reclaims, except:

1. Partial reclaims (a reclaim of only part of a delivery),
2. Reclaims submitted using the night DO process, and
3. Money Market Instruments (MMI) DOs.

DTC's system attempts to identify a corresponding original transaction for every reclaim presented for processing. If the system identifies a corresponding original transaction, it processes the reclaim as a match, but only if the following seven elements are present:

1. Receiver
2. Deliverer
3. CUSIP
4. Quantity
5. Dollar amount
6. Shares
7. Settlement date

Note- When inputting reclaims using Message Queuing (MQ) or Computer-to-Computer Facility (CCF), enter DTC's unique transaction number (for example, the Relative Batch Number (RBN)) to reclaim a specific receive if multiple receives have the aforementioned seven elements.

After receiving a reclaim for a DO ~~or a PO~~, DTC determines whether the reclaim's corresponding transaction completed on the current day. All reclaims with a corresponding original transaction that completed on the current business day are **processed** as matched reclaims.

~~***Note*- This includes POs processed as DOs with dummy CUSIP numbers.**~~

Processing Matched Reclaims

You cannot use DTC's automated reclamation facility to enter a reclaim reversal for any matched reclaim you receive. You must use a DO to reverse (re-reclaim) a matched reclaim.

No matched reclaim, regardless of value, is subject to Receiver Authorized Delivery (RAD) processing, which means that the receiver of a matched reclaim will not have the opportunity to review and approve the reclaim before it is processed. In addition, no matched reclaim **for affirmed institutional transactions** with a settlement value less than $~~7.5~~ **15** million ~~($500,000 for POs)~~ is subject to your collateral and net debit cap controls. DO reclaims **for affirmed institutional transactions** with a settlement value of ~~$7.5~~ **$15** million ~~($500,000 for POs)~~ or higher are subject to normal Risk Management Controls and the receiver's RAD.

OCC Market Loan Program

All reclaims to the OCC account will recycle until the OCC submits a redelivery back to the lender or until the reclaim drops at the recycle cutoff. If the OCC does not submit a delivery to the lender, then the borrower's reclaim to the OCC will drop at the recycle cutoff, i.e., the borrower will retain the securities and the debit for the stock loan delivery it received from the OCC.

Procedures for EuroCCP's US program

All reclaims to the EuroCCP account will recycle until the reclaim can settle without violating EuroCCP's risk management controls or until the reclaim drops at the recycle cutoff. If the reclaim drops at the recycle cutoff then the receiving Participant will retain the securities and the debit for the delivery it received from EuroCCP.

Processing Unmatched Reclaims

All unmatched reclaims are subject to normal RAD rules and to your collateral and Risk Management Controls. Risk Management Controls are used for all such reclaims, regardless of value. In addition, unmatched reclaims (including partial reclaims submitted in the day cycle) are subject to the processing cutoffs for day-cycle original deliveries.

~~***Note*** **Valued unmatched reclaims are accepted until 3:20 p.m. eastern time. However, those received after 3:00 p.m. automatically require RAD approval from the receiver.**~~

Reclaims Contact Number

For more information on Reclaims, call DTC's Customer Support Center at (888) 382-2721.

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Risk Management Controls

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Net Debit Caps

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Calculating Your Net Debit Cap

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Although most transactions are subject to Risk Management Controls, the following activities override collateralization and net debit cap controls:

- Validated (matched) DO reclaims with a settlement value less than ~~**$7.5**~~ **$15** million for institutional DOs.
- ~~**Validated payment order (PO) reclaims with a settlement value less than $7.5 million.**~~
- Mutual funds purchases through DTC's Fund/SERV system
- DTC-generated activity (such as monthly billing charges)
- ~~**ACATS charges from NSCC**~~
- Deposit or settlement adjustments
- Short position charges
- Principal and income charges
- Participants Fund charges.

To view your net debit cap and net settlement balance, use the PTS function RMCI.

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