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) *
✓ ☐ ☐ ☐ ☑ ☐

Rule

Pilot Extension of Time Period for Commission Action * Date Expires *
☐ ☐ 19b-4(f)(1) 19b-4(f)(4)
☐ ☐ 19b-4(f)(2) 19b-4(f)(5)
☐ ☐ 19b-4(f)(3) 19b-4(f)(6)

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

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

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

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 * John
Last Name * Peirofsky
Title * Assistant General Counsel
E-mail * jpeirofsky@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 01/31/2020
By Brandon Becker

Managing Director and Deputy General Counsel

(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 EFFS 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 citation, 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 citation, 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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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 Sent As Paper Document □

Exhibit 3 - Form, Report, or Questionnaire
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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 Sent As Paper Document □

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 Proposed Rule Change**

   (a) The proposed rule change of The Depository Trust Company (“DTC”) is attached hereto as Exhibit 5. The proposed rule change would amend DTC’s Procedures set forth in the Deposits Guide and the Custody Guide to provide for an update of DTC’s imaging function (“Imaging Function”) relating to Securities certificates deposited by Participants at DTC, through the Deposits service and Custody service, to transition the application used for Participant access to the Imaging Function from a non-web-based application, referred to as the Imaging Fax and E-mail System (“IFE”), available on DTC’s Participant Terminal System (“PTS”) and Participant Browser Service (“PBS”), to a web-based application accessible through PBS, to be named Image Viewer, as discussed below. The proposed rule change to use Image Viewer on PBS as a replacement of IFE would (i) facilitate the modernization of the method of making certificate images available to Participants and (ii) make ministerial and clarifying changes to the text of Procedures set forth in the Deposits Guide and Custody Guide, as discussed below. In addition, DTC would amend the Guide to the DTC Fee Schedule (“Fee Guide”) to conform the description of a fee relating to the Imaging Function to reflect the proposed changes to the Imaging Function, as described below.

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2 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, supra note 1. The Procedures include, but are not limited to, the Deposits Guide and the Custody Guide.

3 PTS is an interface accessible through a designated terminal that allows for Participant input and inquiry into DTC’s services. PBS is an interface that allows Participants to make input and inquiry using functionality compatible with internet browser technology.

4 DTC currently uses an application supported by a vendor for its imaging application. This application is reaching end-of-life because the vendor has notified DTC that it is terminating its support of the application, prompting DTC to replace it with a new application and providing an opportunity to modernize image viewing capabilities. Image Viewer, the application that DTC would implement for the imaging function pursuant to the proposed rule change, has been developed by DTC and would be supported by DTC.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Deputy General Counsel of DTC on January 31, 2020.

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

(a) Purpose

The proposed rule change would amend DTC’s existing Procedures set forth in the Deposits Guide and the Custody Guide to provide for an update of the Imaging Function, to transition the application used for Participant access to the Imaging Function from an application referred to as the IFE, available on PTS and PBS, to a web-based application accessible through PBS, to be named Image Viewer, as discussed below. The proposed rule change to use Image Viewer on PBS as a replacement of IFE would (i) facilitate the modernization of the method of making certificate images available to Participants and (ii) make ministerial and clarifying changes to text of Procedures set forth in the Deposits Guide and Custody Guide, as discussed below. In addition, DTC would amend the Fee Guide to conform the description of a fee relating to the Imaging Function to reflect the proposed changes to the Imaging Function, as described below.

Deposit of Security Certificates with DTC

DTC performs various services for Participants to promote the prompt and accurate clearance and settlement of Securities, including maintaining Accounts that list a Participant’s Securities holdings at DTC and allowing Participants to present Securities to be made eligible for DTC’s depository and book-entry services. If a Security is accepted by DTC as meeting DTC’s eligibility requirements for services and is Deposited with DTC for credit to the Securities Account of a Participant, it becomes an “Eligible Security.”6 Other issues of Securities may be added through corporate actions with respect to Eligible Securities, including events such as name changes, mergers and spinoffs. Prior to processing a corporate action, DTC reviews the subject Securities for continuing eligibility.7 Thereafter, Participants may Deposit shares of an Eligible Security into their respective DTC Accounts.8

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7 See Operational Arrangements, Section 1, supra note 6.

8 Rule 6, supra note 1.
Security certificates for Eligible Securities are eligible for Deposit at DTC when they are delivered to DTC in accordance with the Rules and Procedures and pursuant to Article 8 ("Article 8") of the New York Uniform Commercial Code ("NYUCC").9 Under Article 8, a registered owner may transfer a Securities certificate, and the Securities the certificate represents, to a "purchaser" (in this case, DTC) by means of indorsement and Delivery.10 DTC's Rules and Procedures require that the indorsement be made in favor of DTC's nominee, Cede & Co, which is the holder of record of Securities eligible for DTC's book-entry services.11 Having thereby "acquired" the indorsed Security certificate as the purchaser, DTC comes into possession of the rights that the registered owner of the Security would have.12 Ordinarily, under the DTC Rules and Procedures, the indorsed certificate is presented to the issuer or transfer agent for registration in the name of Cede & Co., so that, in addition to physical possession of the negotiable certificate, Cede & Co. is reflected as the registered holder on the books and records of the issuer maintained by its transfer agent.13

Separately, the Custody service enables Participants that hold (i) Securities that (A) are not presently eligible for book-entry services at DTC and/or (B) would otherwise be eligible for DTC book-entry services but are not registered in the name of DTC's nominee, Cede & Co., and/or (ii) certain assets that are not Securities ("Non-Security Assets"), to deposit those Securities and/or Non-Security Assets, as applicable, with DTC for safe-keeping, in accordance with requirements set forth in the Custody Guide.14 Certificates for Securities and Non-Security Assets deposited through the Custody service are maintained in DTC's secure vault in a Participant's name or a Participant's customer's name (i.e., they are not transferred into DTC's nominee name, Cede & Co.).15 In addition, once a Security is deposited into the Custody service, DTC may perform limited depository services relating to the Security including physical processing for the Security on a Participant's behalf, such as facilitating the transfer of Security Certificates, and providing services available through the Custody Reorganization Service.16

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9 NYUCC 8-101 – 8-602.
10 NYUCC 8-301, 8-304, 8-102 and Official Comment 11 thereto.
11 See Rule 6, supra note 1.
12 NYUCC 8-302.
14 See Custody Guide for the types of Securities and Non-Security Assets eligible for deposit to the Custody Service, supra note 1, at 5, 12.
15 See Custody Guide, supra note 1 at 4.
16 See Custody Guide, supra note 1, at 14-17 (providing Procedures for the Custody Reorganization Service). The limited depository services provided by DTC as described
**Imaging Function**

DTC scans certificates that are deposited through the Deposits service or the Custody service to create electronic images that are made available to a Participant via e-mail or facsimile per a request submitted by a Participant through IFE.\(^{17}\) In order to be able to store or forward images, a Participant must access IFE, where it can request that an image be faxed or emailed to up to six recipients. Once received, an image can be converted into a compatible format, such as .pdf, before it can be stored on the recipient’s own system or re-forwarded.

**Proposed Replacement of IFE with Image Viewer**

As mentioned above, IFE is reaching end-of-life because the vendor that supports it has notified DTC that it is terminating its support of the application, prompting DTC to replace it with a new application that would modernize image viewing capabilities. Image Viewer, the application that DTC would implement for the imaging function pursuant to the proposed rule change, has been developed by DTC and would be supported by DTC.

DTC believes that migrating the Imaging function from IFE, which is not web-based, to the web-based Image Viewer, would provide Participants with a method to obtain electronic images of their certificates that is more compatible with modern systems used by its Participants. Pursuant to the proposed rule change, Image Viewer would allow Participants to view, download and save images of certificates using the new web-based application Image Viewer. Through the new Image Viewer, images would be transmitted in a format that is readily accessible through most modern systems and which may be stored or viewed on the Participant’s own systems.

As indicated above, the Image Viewer would only be available via PBS. DTC does not believe this will materially impact Participants’ access to the service as all Participants that previously accessed IFE through PTS have connectivity to PBS.

DTC believes that the capability to distribute facsimile copies of images through IFE has become obsolete as Participants request that images be delivered via e-mail nearly all the time.\(^{18}\)

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\(^{17}\) See Deposits Guide, supra note 1 at 21; See Custody Guide supra note 1 at 4-5.

\(^{18}\) During the 12-month period ending November 2019, DTC received a total of approximately 29,000 IFE requests for images, with only 54 (less than .002 percent) of those requests using facsimile as the method of distribution. Although the option to choose facsimile distribution of an image by DTC would not be available upon implementation of the proposed rule change, every Participant has access to PBS and would be able to use Image Viewer upon implementation of the proposed change to retrieve an image. The image would be available to the Participant in a format that could be readily used by the Participant to re-transmit the image via facsimile if the Participant so chooses.
In this regard, pursuant to the proposed rule change, the option to choose facsimile distribution would be eliminated.

**Proposed Rule Change**

Pursuant to the proposed rule change DTC would make the following changes to the text of the Deposits Guide:

1. DTC would delete all references to IFE and its functionality, including related methods of distribution of images, throughout the Deposits Guide.

2. DTC would add a new section titled “Image Viewer” that describes the functionality for the application as described above, including that a Participant may view, download and save imaged copies of certificates via a web-based Image Viewer, which can be accessed from the following PBS functions:

   - Deposit Automation\(^{20}\) – for regular, bearer\(^{21}/\)nontransferable,\(^{22}\) and reorg deposits;\(^{23}\)
   - Branch Inquiry\(^{24}\) – for branch deposits;

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\(^{19}\) These functions are currently available and are listed in the Deposits Guide for use by Participants for retrieval of certificate images through IFE. Pursuant to the proposed rule change, these functions would instead be used to access Image Viewer functionality.

\(^{20}\) Deposit Automation is a PBS function that allows a Participant to prepare a deposit through the Deposit Automation System and generate a deposit ticket to be sent to DTC along with the physical Security certificates. See Deposits Guide, *supra* note 1 at 7 and 12.

\(^{21}\) “Bearer deposit” refers to the deposit of a bearer Security. A bearer Security is a Security that is not registered with the issuer in the name of the owner and that is negotiable without endorsement and transferred by delivery. See Deposits Guide, *supra* note 1 at 10.

\(^{22}\) Non-transferable Securities are Securities for which transfer services for a Security, typically through the registration of the Security on books maintained by a transfer agent, are not available. See Securities Exchange Act Release No. 86897 (September 6, 2019), 84 FR 48187 (September 12, 2019). See Deposits Guide, *supra* note 1 at 34-35 for Deposit Procedures relating to non-transferable Securities.

\(^{23}\) Reorg Deposits refers to the function that allows Participants to deposit an Eligible Security that is undergoing or has undergone a mandatory reorganization, as well as full calls and partial calls. See Deposits Guide, *supra* note 1 at 25.

\(^{24}\) “Branch inquiry” allows a Participant to view the status of a Branch Deposit. See Deposits Guide, *supra* note 1 at 12. A Branch Deposit refers to a deposit made through the Branch Deposit service where Participant’s branch office receives physical
• Restricted Deposit Service\textsuperscript{25} – for deposits of certificates bearing a restricted legend;
• Deposit Inquiry– for deposits still in transfer as of the close of business the previous business day;\textsuperscript{26} and
• Securities Transfer Legal Deposits – for legal deposits.\textsuperscript{27}

3. DTC would revise individual references to imaging functionality included in tables relating to PTS/PBS functions for the Branch Deposits service and RDS to reflect the change that the Imaging Function would be accessible via Image Viewer instead of IFE, as described herein.

Pursuant to the proposed rule change DTC would make the following changes to the text of the Custody Guide:

1. DTC would make the following changes to the Imaging section:
   a. Remove the two last paragraphs of the section that describe connectivity specifications necessary to obtain images (through IFE). These specifications would not apply to a Participant’s ability to access Image Viewer;
   b. Delete references to IFE and any IFE functionality;

\textsuperscript{25}See Deposits Guide, supra note 1 at 27-30. DTC’s Restricted Deposit Service (“RDS”) allows a Participant to deposit restricted securities into a Participant’s segregated account within DTC’s Custody Service until the applicable restriction has been lifted and the full or partial sale of the securities is complete. See Securities Exchange Act Release No. 34-41891 (September 20, 1999), 64 FR 52115 (September 27, 1999). Securities credited to this account will not be registered in the name of Cede & Co. and therefore will not be available for book-entry transfer. See id. In addition, RDS functionality allows the processing of a transfer of all or a portion of the securities once the restriction is lifted, and the registration of the unrestricted securities (or portion thereof) in the name of Cede & Co. See id.

\textsuperscript{26}The “Deposit Inquiry” function allows a Participant to receive a report that tracks the Participant’s deposit activity. See Deposits Guide, supra note 1 at 37.

\textsuperscript{27}A legal deposit consists of a Security registered in the name of the holder (i.e., not a bearer security) and the legal documentation required for the transfer registration of that Security into the name of DTC’s nominee, Cede & Co. See Deposits Guide, supra note 1 at 16.
c. Add a description that Participants using Image Viewer would have the ability to view, download and save and imaged copies of certificates via Image Viewer; and

d. Consolidate a sentence stating that each item is scanned front and back with another sentence that describes that each deposit ticket, certificate and legal document is scanned.

2. DTC would revise a reference to imaging functionality through IFE in the section titled “Restricted Deposit Service” to reflect that Participants would have the ability to view, download and save images of certificates via Image Viewer.

Pursuant to the proposed rule change, DTC would make the following change to the Fee Guide to conform text describing a related fee to the changes to the Imaging Function as described above:

<table>
<thead>
<tr>
<th>Fee Name</th>
<th>Amount($)</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission of image of deposit by fax or e-mail, first recipient</td>
<td>5.50</td>
<td>Per deposit-per request</td>
</tr>
<tr>
<td>Request to display/download an Image</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Implementation Timeframe

The proposed rule change would be implemented by February 28, 2020, on a date to be announced via a DTC Important Notice. DTC would include a legend on the cover page of the Deposits Guide and the Custody Guide stating (i) that proposed changes to the Procedures, as amended by proposed rule change would be available at dtcc.com/--/media/Downloads/legal/rule-filings/2020/DTC/SR-DTC-2020-003.pdf, (ii) that these changes became effective upon filing with the SEC but have not yet been implemented, (iii) the proposed changes will be implemented by February 28, 2020 on a date to be announced via a DTC Important Notice and (iv) upon implementation, this legend would automatically be removed from these Procedures.

(b) Statutory Basis

DTC believes that this proposal is consistent with the requirements of the Securities Exchange Act of 1934\(^\text{28}\) (the “Act”), as described below.

Section 17A(b)(3)(F) of the Act\(^\text{29}\) requires, inter alia, that the Rules be designed to assure the safeguarding of securities which are in the custody or control of DTC or for which it is responsible. As mentioned above, DTC scans certificates, that are deposited through the Deposits service or the Custody service and then held in DTC’s secure vault, to create images that are made available to a Participant in an electronic format. The proposed rule change would


migrate the distribution of images of certificates of Securities, to a more flexible application designed to use a web-based platform that would facilitate the accessibility of images to Participants by providing for enhanced compatibility with modern systems used by Participants to obtain the images. In this regard, the proposed rule change would allow DTC to continue to provide images of certificates in an electronic format that is readily accessible to Participants, without the need to remove a certificate from the vault to be able to make and provide a copy to the Participant. Therefore, DTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,\(^{30}\) because it is designed to assure the safeguarding of securities which are in the custody and control of DTC or for which it is responsible, by facilitating an accessible means for Participants to obtain copies of Securities certificates deposited by them without removal of the certificates from DTC's secure vault.

4. **Self-Regulatory Organization’s Statement on Burden on Competition**

DTC does not believe that the proposed rule change will have any impact on competition because neither the decommissioning of IFE nor the elimination of access to the Imaging Function through PTS would affect Participants' ability to access the Imaging Function, as Participants will be able direct their imaging requests through Image Viewer.

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

Written comments relating to this proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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

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 changes are to take effect immediately upon filing pursuant to Section 19(b)(3)(A) of the Act.\(^{31}\)

(b) The proposed rule change effects a change in an existing service of DTC that would not (i) adversely affect the safeguarding of securities in the custody or control of DTC or for which it is responsible, or (ii) significantly affect the respective rights or obligations of DTC or persons using this service,\(^{32}\) as it would facilitate the migration of the Imaging Function to a platform that would provide enhanced compatibility between the updated system and a Participant's own systems, including through the provision of a web-based system for the

\(^{30}\) Id.


distribution of images. To the extent that the proposed rule change would provide clarifying and technical updates, the proposed rule change would merely provide for more relevant Deposits and Custody Guides, without any significant impact on Participant rights and obligations.

(c) Not applicable.

(d) Not applicable.

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 Notices Filed Pursuant to Section 806(c) of the Payment, Clearing, and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Not applicable.

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

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_________; File No. SR-DTC-2020-003)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Transition the Application Used for Participant Access to the Imaging Function Relating to Deposited Certificates from a Non-Web-Based Application to a Web-Based Application

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")\(^1\) and Rule 19b-4 thereunder,\(^2\) notice is hereby given that on January 31, 2020, 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\(^3\) and Rule 19b-4(f)(4) thereunder.\(^4\) 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\(^5\) would amend DTC’s Procedures\(^6\) set forth in the Deposits Guide and the Custody Guide to provide for an update of DTC’s imaging function ("Imaging Function") relating to Securities certificates deposited by Participants at DTC, through the Deposits service and Custody service, to transition the application used for Participant access to the Imaging Function from a non-web-based application, referred to as the Imaging Fax and E-mail System ("IFE"), available on DTC’s Participant Terminal System ("PTS") and Participant Browser Service ("PBS"),\(^7\) to a web-based application accessible through PBS, to be named Image Viewer, as discussed below.\(^8\) The proposed rule change to use Image Viewer on PBS as a replacement of IFE would (i) facilitate the modernization of the method of making certificate images available to Participants and (ii) make ministerial and clarifying changes to the text of Procedures set forth in the Deposits Guide and Custody Guide, as discussed below. In addition, DTC would amend the Guide to the DTC Fee Schedule ("Fee Guide")\(^9\) to conform the description of a fee relating to the Imaging Function to reflect the proposed changes to the Imaging Function, 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

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comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. **Purpose**

The proposed rule change would amend DTC’s existing Procedures set forth in the Deposits Guide and the Custody Guide to provide for an update of the Imaging Function, to transition the application used for Participant access to the Imaging Function from an application referred to as the IFE, available on PTS and PBS, to a web-based


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, supra note 5. The Procedures include, but are not limited to, the Deposits Guide and the Custody Guide.

PTS is an interface accessible through a designated terminal that allows for Participant input and inquiry into DTC’s services. PBS is an interface that allows Participants to make input and inquiry using functionality compatible with internet browser technology.

DTC currently uses an application supported by a vendor for its imaging application. This application is reaching end-of-life because the vendor has notified DTC that it is terminating its support of the application, prompting DTC to replace it with a new application and providing an opportunity to modernize image viewing capabilities. Image Viewer, the application that DTC would implement for the imaging function pursuant to the proposed rule change, has been developed by DTC and would be supported by DTC.

application accessible through PBS, to be named Image Viewer, as discussed below. The proposed rule change to use Image Viewer on PBS as a replacement of IFE would (i) facilitate the modernization of the method of making certificate images available to Participants and (ii) make ministerial and clarifying changes to text of Procedures set forth in the Deposits Guide and Custody Guide, as discussed below. In addition, DTC would amend the Fee Guide to conform the description of a fee relating to the Imaging Function to reflect the proposed changes to the Imaging Function, as described below.

Deposit of Security Certificates with DTC

DTC performs various services for Participants to promote the prompt and accurate clearance and settlement of Securities, including maintaining Accounts that list a Participant’s Securities holdings at DTC and allowing Participants to present Securities to be made eligible for DTC’s depository and book-entry services. If a Security is accepted by DTC as meeting DTC’s eligibility requirements for services and is Deposited with DTC for credit to the Securities Account of a Participant, it becomes an “Eligible Security.” Other issues of Securities may be added through corporate actions with respect to Eligible Securities, including events such as name changes, mergers and spinoffs. Prior to processing a corporate action, DTC reviews the subject Securities for

\[\text{See Rule 5, supra note 5; DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) ("Operational Arrangements"), Section 1, available at http://www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf.}\]
continuing eligibility.  

Thereafter, Participants may Deposit shares of an Eligible Security into their respective DTC Accounts.  

Security certificates for Eligible Securities are eligible for Deposit at DTC when they are delivered to DTC in accordance with the Rules and Procedures and pursuant to Article 8 ("Article 8") of the New York Uniform Commercial Code ("NYUCC").

Under Article 8, a registered owner may transfer a Securities certificate, and the Securities the certificate represents, to a "purchaser" (in this case, DTC) by means of indorsement and Delivery. DTC's Rules and Procedures require that the indorsement be made in favor of DTC's nominee, Cede & Co, which is the holder of record of Securities eligible for DTC's book-entry services. Having thereby "acquired" the indorsed Security certificate as the purchaser, DTC comes into possession of the rights that the registered owner of the Security would have. Ordinarily, under the DTC Rules and Procedures, the indorsed certificate is presented to the issuer or transfer agent for registration in the name of Cede & Co., so that, in addition to physical possession of the negotiable certificate, Cede & Co. is reflected as the registered holder on the books and records of the issuer maintained by its transfer agent.

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11 See Operational Arrangements, Section I, supra note 10.

12 Rule 6, supra note 5.

13 NYUCC 8-101 – 8-602.

14 NYUCC 8-301, 8-304, 8-102 and Official Comment 11 thereto.

15 See Rule 6, supra note 5.

16 NYUCC 8-302.

Separately, the Custody service enables Participants that hold (i) Securities that (A) are not presently eligible for book-entry services at DTC and/or (B) would otherwise be eligible for DTC book-entry services but are not registered in the name of DTC’s nominee, Cede & Co., and/or (ii) certain assets that are not Securities ("Non-Security Assets"), to deposit those Securities and/or Non-Security Assets, as applicable, with DTC for safe-keeping, in accordance with requirements set forth in the Custody Guide.\(^{18}\) Certificates for Securities and Non-Security Assets deposited through the Custody service are maintained in DTC’s secure vault in a Participant’s name or a Participant’s customer’s name (i.e., they are not transferred into DTC’s nominee name, Cede & Co.).\(^{19}\) In addition, once a Security is deposited into the Custody service, DTC may perform limited depository services relating to the Security including physical processing for the Security on a Participant’s behalf, such as facilitating the transfer of Security Certificates, and providing services available through the Custody Reorganization Service.\(^{20}\)

**Imaging Function**

DTC scans certificates that are deposited through the Deposits service or the Custody service to create electronic images that are made available to a Participant via e-mail or facsimile per a request submitted by a Participant through IFE.\(^{21}\) In order to be

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\(^{18}\) See Custody Guide for the types of Securities and Non-Security Assets eligible for deposit to the Custody Service, supra note 5, at 5, 12.

\(^{19}\) See Custody Guide, supra note 5 at 4.

\(^{20}\) See Custody Guide, supra note 5, at 14-17 (providing Procedures for the Custody Reorganization Service). The limited depository services provided by DTC as described above relate only to securities processing functions and do not apply to Non-Security Assets.

\(^{21}\) See Deposits Guide, supra note 5 at 21; See Custody Guide supra note 5 at 4-5.
able to store or forward images, a Participant must access IFE, where it can request that
an image be faxed or emailed to up to six recipients. Once received, an image can be
converted into a compatible format, such as .pdf, before it can be stored on the recipient’s
own system or re-forwarded.

**Proposed Replacement of IFE with Image Viewer**

As mentioned above, IFE is reaching end-of-life because the vendor that supports
it has notified DTC that it is terminating its support of the application, prompting DTC to
replace it with a new application that would modernize image viewing capabilities.
Image Viewer, the application that DTC would implement for the imaging function
pursuant to the proposed rule change, has been developed by DTC and would be
supported by DTC.

DTC believes that migrating the Imaging function from IFE, which is not web-
based, to the web-based Image Viewer, would provide Participants with a method to
obtain electronic images of their certificates that is more compatible with modern systems
used by its Participants. Pursuant to the proposed rule change, Image Viewer would
allow Participants to view, download and save images of certificates using the new web-
based application Image Viewer. Through the new Image Viewer, images would be
transmitted in a format that is readily accessible through most modern systems and which
may be stored or viewed on the Participant’s own systems.

As indicated above, the Image Viewer would only be available via PBS. DTC
does not believe this will materially impact Participants’ access to the service as all
Participants that previously accessed IFE through PTS have connectivity to PBS.
DTC believes that the capability to distribute facsimile copies of images through IFE has become obsolete as Participants request that images be delivered via e-mail nearly all the time.\textsuperscript{22} In this regard, pursuant to the proposed rule change, the option to choose facsimile distribution would be eliminated.

**Proposed Rule Change**

Pursuant to the proposed rule change DTC would make the following changes to the text of the Deposits Guide:

1. DTC would delete all references to IFE and its functionality, including related methods of distribution of images, throughout the Deposits Guide.

2. DTC would add a new section titled “Image Viewer” that describes the functionality for the application as described above, including that a Participant may view, download and save imaged copies of certificates via a web-based Image Viewer, which can be accessed from the following PBS functions:\textsuperscript{23}

\textsuperscript{22} During the 12-month period ending November 2019, DTC received a total of approximately 29,000 IFE requests for images, with only 54 (less than .002 percent) of those requests using facsimile as the method of distribution. Although the option to choose facsimile distribution of an image by DTC would not be available upon implementation of the proposed rule change, every Participant has access to PBS and would be able to use Image Viewer upon implementation of the proposed change to retrieve an image. The image would be available to the Participant in a format that could be readily used by the Participant to re-transmit the image via facsimile if the Participant so chooses.

\textsuperscript{23} These functions are currently available and are listed in the Deposits Guide for use by Participants for retrieval of certificate images through IFE. Pursuant to the proposed rule change, these functions would instead be used to access Image Viewer functionality.
• Deposit Automation\(^{24}\) — for regular, bearer\(^{25}/\)nontransferable,\(^{26}\) and reorg deposits;\(^{27}\)
• Branch Inquiry\(^{28}\) — for branch deposits;
• Restricted Deposit Service\(^{29}\) — for deposits of certificates bearing a restricted legend;

\(^{24}\) Deposit Automation is a PBS function that allows a Participant to prepare a deposit through the Deposit Automation System and generate a deposit ticket to be sent to DTC along with the physical Security certificates. See Deposits Guide, supra note 5 at 7 and 12.

\(^{25}\) “Bearer deposit” refers to the deposit of a bearer Security. A bearer Security is a Security that is not registered with the issuer in the name of the owner and that is negotiable without endorsement and transferred by delivery. See Deposits Guide, supra note 5 at 10.

\(^{26}\) Non-transferable Securities are Securities for which transfer services for a Security, typically through the registration of the Security on books maintained by a transfer agent, are not available. See Securities Exchange Act Release No. 86897 (September 6, 2019), 84 FR 48187 (September 12, 2019). See Deposits Guide, supra note 5 at 34-35 for Deposit Procedures relating to non-transferable Securities.

\(^{27}\) Reorg Deposits refers to the function that allows Participants to deposit an Eligible Security that is undergoing or has undergone a mandatory reorganization, as well as full calls and partial calls. See Deposits Guide, supra note 5 at 25.

\(^{28}\) “Branch inquiry” allows a Participant to view the status of a Branch Deposit. See Deposits Guide, supra note 5 at 12. A Branch Deposit refers to a deposit made through the Branch Deposit service where Participant’s branch office receives physical certificates from their customers and enter details of the certificates into their internal system. See Deposits Guide, supra note 5 at 11. The branch office of the Participant then transmits the certificate details to its main office and ships the Securities to DTC. See id.

\(^{29}\) See Deposits Guide, supra note 5 at 27-30. DTC’s Restricted Deposit Service (“RDS”) allows a Participant to deposit restricted securities into a Participant’s segregated account within DTC’s Custody Service until the applicable restriction has been lifted and the full or partial sale of the securities is complete. See Securities Exchange Act Release No. 34-41891 (September 20, 1999), 64 FR 52115 (September 27, 1999). Securities credited to this account will not be registered in the name of Cede & Co. and therefore will not be available for book-
• Deposit Inquiry— for deposits still in transfer as of the close of business the previous business day; \(^{30}\) and

• Securities Transfer Legal Deposits – for legal deposits. \(^{31}\)

3. DTC would revise individual references to imaging functionality included in tables relating to PTS/PBS functions for the Branch Deposits service and RDS to reflect the change that the Imaging Function would be accessible via Image Viewer instead of IFE, as described herein.

Pursuant to the proposed rule change DTC would make the following changes to the text of the Custody Guide:

1. DTC would make the following changes to the Imaging section:
   a. Remove the two last paragraphs of the section that describe connectivity specifications necessary to obtain images (through IFE). These specifications would not apply to a Participant’s ability to access Image Viewer;
   b. Delete references to IFE and any IFE functionality;

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\(^{30}\) In addition, RDS functionality allows the processing of a transfer of all or a portion of the securities once the restriction is lifted, and the registration of the unrestricted securities (or portion thereof) in the name of Cede & Co. \(^{31}\)

The “Deposit Inquiry” function allows a Participant to receive a report that tracks the Participant’s deposit activity. \(^{30}\) See Deposits Guide, supra note 5 at 37.

\(^{31}\) A legal deposit consists of a Security registered in the name of the holder (i.e., not a bearer security) and the legal documentation required for the transfer registration of that Security into the name of DTC’s nominee, Cede & Co. \(^{31}\) See Deposits Guide, supra note 5 at 16.
c. Add a description that Participants using Image Viewer would have the ability to view, download and save and imaged copies of certificates via Image Viewer; and

d. Consolidate a sentence stating that each item is scanned front and back with another sentence that describes that each deposit ticket, certificate and legal document is scanned.

2. DTC would revise a reference to imaging functionality through IFE in the section titled “Restricted Deposit Service” to reflect that Participants would have the ability to view, download and save images of certificates via Image Viewer.

Pursuant to the proposed rule change, DTC would make the following change to the Fee Guide to conform text describing a related fee to the changes to the Imaging Function as described above:

<table>
<thead>
<tr>
<th>Fee Name</th>
<th>Amount ($)</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission of image of deposit by fax or e-mail, first recipient Request to display/download an Image</td>
<td>5.50</td>
<td>Per deposit request</td>
</tr>
</tbody>
</table>

Implementation Timeframe

The proposed rule change would be implemented by February 28, 2020, on a date to be announced via a DTC Important Notice. DTC would include a legend on the cover page of the Deposits Guide and the Custody Guide stating (i) that proposed changes to the Procedures, as amended by proposed rule change would be available at dtcc.com/~media/Files/Downloads/legal/rule-filings/2020/DTC/SR-DTC-2020-003.pdf, (ii) that these changes became effective upon filing with the SEC but have not yet been implemented, (iii) the proposed changes will be implemented by February 28, 2020 on a
date to be announced via a DTC Important Notice and (iv) upon implementation, this legend would automatically be removed from these Procedures.

2. Statutory Basis

DTC believes that this proposal is consistent with the requirements of the Act,\textsuperscript{32} as described below.

Section 17A(b)(3)(F) of the Act\textsuperscript{33} requires, inter alia, that the Rules be designed to assure the safeguarding of securities which are in the custody or control of DTC or for which it is responsible. As mentioned above, DTC scans certificates, that are deposited through the Deposits service or the Custody service and then held in DTC’s secure vault, to create images that are made available to a Participant in an electronic format. The proposed rule change would migrate the distribution of images of certificates of Securities, to a more flexible application designed to use a web-based platform that would facilitate the accessibility of images to Participants by providing for enhanced compatibility with modern systems used by Participants to obtain the images. In this regard, the proposed rule change would allow DTC to continue to provide images of certificates in an electronic format that is readily accessible to Participants, without the need to remove a certificate from the vault to be able to make and provide a copy to the Participant. Therefore, DTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,\textsuperscript{34} because it is designed to assure the safeguarding of securities which are in the custody and control of DTC or for which it is responsible, by


\textsuperscript{34} Id.
facilitating an accessible means for Participants to obtain copies of Securities certificates deposited by them without removal of the certificates from DTC’s secure vault.

(B) **Clearing Agency’s Statement on Burden on Competition**

DTC does not believe that the proposed rule change will have any impact on competition because neither the decommissioning of IFE nor the elimination of access to the Imaging Function through PTS would affect Participants’ ability to access the Imaging Function, as Participants will be able direct their imaging requests through Image Viewer.

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

Written comments relating to this proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act\(^{35}\) and paragraph (f) of Rule 19b-4 thereunder.\(^{36}\) At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.


IV. Solicitation of Comments

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

Electronic Comments:

- Use the Commission’s Internet comment form (http://www.sec.gov/rules/sro.shtml); or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-DTC-2020-003 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-2020-003. 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-2020-003 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. 37

Secretary

[Changes to these Procedures, as amended by File No. SR-DTC-2020-003, are available at dtcc.com/~/media/Files/Downloads/legal/rule-filings/2020/DTC/SR-DTC-2020-003.pdf. These changes became effective upon filing with the SEC but have not yet been implemented. The proposed changes will be implemented by February 28, 2020 on a date to be announced via a DTC Important Notice. Upon implementation, this legend will automatically be removed from these Procedures.]
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**SERVICE TOPICS**

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**Making a BDS Deposit**
Participant branch offices receive physical certificates from their customers and enter details of the certificates into their internal system. They then transmit the information to the main office and ship the securities to DTC.

When packages are received by DTC, their contents are sorted for non-branch securities and correspondence. Correspondence and items not related to BDS are picked up by representatives from the main office, if the office is located in the New York metropolitan area. The securities are then processed versus the expectancy file.

All securities received at DTC by 11:00 a.m. eastern time are fully examined for negotiability and transferability, imaged, and credited to the Participant's free account, if they are in good form, on the same day that they are received, enabling deliver orders to be filled if the position is necessary for this activity.

DTC applies the following to negotiable securities:

- Participant's medallion guaranty
- Power of attorney release
- Non-Inheritance Tax certification (PLA)
- Cede assignment

Custody items are processed and turned over to the Custody department (See Custody Service User Guide).

Participants can also view images of deposited certificates (Refer to imaging Image Viewer) and find out about the status of their deposits via the PTS function BDSI or PBS function Branch Inquiry.

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**Associated PTS/PBS Functions**

<table>
<thead>
<tr>
<th>Use This Function</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>ART / Activity Research Tool</td>
<td>Obtain detailed information on transactions processed by DTC and view historical information on transactions.</td>
</tr>
<tr>
<td>BDSI / Branch Deposit Inquiry</td>
<td>View information on deposits and obtain images of certificates, view, download and save images of certificates via the PBS function.</td>
</tr>
<tr>
<td>GWIZ / CUSIP Inquiry</td>
<td>Obtain security information.</td>
</tr>
<tr>
<td>SEEK</td>
<td>Obtain security information.</td>
</tr>
</tbody>
</table>

***
PREPARING CERTIFICATES FOR TRANSFER

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Imaging Fax and E-mail System

A participant may request that imaged copies of deposits be sent to up to six recipients via the Imaging Fax and E-mail System, which can be accessed from the following PBS functions:

- DAMP / Deposit Automation for regular, bearer/nontransferable, and reorg deposits
- BDSI / Branch Inquiry for branch deposits
- RDSP / Restricted Deposit Service—Participant for restricted deposits
- STDI / Deposit Inquiry for deposits still in transfer as of the close of business the previous business day
- STSL / Securities Transfer legal Deposits for legal deposits.

***
RESTRICTED DEPOSIT SERVICE

About the Product

Benefits of the Product
Using RDS offers Participants the following benefits:

- Outsourcing of labor-intensive handling, shipping, and follow-up associated with restricted transfer processing
- Contracted out-transfer cycle
- Early credit to the general free account of a Participant on sold shares through the FAST system
- Ability to outsource all processing of physical securities when used in conjunction with Regular Custody Services and the Branch Deposit Service
- A separate Seg account for deposits that initially fail DTC’s examination for negotiability and require additional documents, such as a stock power
- Ability to view comments about deposit and transfer status through the PTS/PBS function RDSP/Restricted Deposit Service.
- **Ability to view, download and save images of certificates via a web-based Image Viewer, which can be accessed through the Restricted Deposit Service function on PBS.** Ability to request that imaged copies of a deposit be sent to up to six recipients via the Imaging-Fax and E-mail System (IFES), which is accessed through RDSP on PTS and Restricted Deposit Service—Participant on PBS.
- Participants can also use the Drop Box imaging service and receive copies of all of their DTC deposits.

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Associated PTS / PBS Functions

The following PTS / PBS functions are used in association with the Restricted Deposit Service:

<table>
<thead>
<tr>
<th>Use This Function</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>ART / Activity Research Tool</td>
<td>View details of transactions processed by DTC and historical information on transactions.</td>
</tr>
<tr>
<td>BDSI / Branch Deposit Inquiry</td>
<td>View branch deposit information.</td>
</tr>
<tr>
<td>CUST / Custody Services</td>
<td>Process custody deposits, withdrawals, and transfers; inquire about positions; and request images for custody items; view, download and save images of certificates via the PBS function.</td>
</tr>
<tr>
<td>GWIZ / CUSIP Search</td>
<td>View information about a specific security.</td>
</tr>
<tr>
<td>RDSP / Restricted Deposit Service - Participant</td>
<td>Process and view information on restricted deposits and transfers.</td>
</tr>
<tr>
<td>SEEK</td>
<td>Obtain security information.</td>
</tr>
</tbody>
</table>
TRACKING DEPOSITS

***

Imaging Fax and E-mail System

Participants can request that imaged copies of their deposits be sent to up to six recipients via the Imaging Fax and E-mail System, which can be accessed from the following functions:

- DAMP / Deposit Automation for regular, bearer/nontransferable, and reorg deposits
- BDSI / Branch Deposit Inquiry for branch deposits
- RDSP / Restricted Deposit Service - Participant for restricted deposits
- STDI / Deposit Inquiry for deposits still in transfer as of the close of business the previous business day
- STSL / Securities Transfer Legal Deposits - for legal deposits.

Image Viewer

A participant may view, download and save images of certificates via a web-based Image Viewer, which can be accessed from the following PBS functions:

- Deposit Automation - for regular, bearer/nontransferable, and reorg deposits
- Branch Inquiry - for branch deposits
- Restricted Deposit Service - for deposits of certificates bearing a restricted legend
- Deposit Inquiry - for deposits still in transfer as of the close of business the previous business day
- Securities Transfer Legal Deposits - for legal deposits.
CUSTODY

SERVICE GUIDE

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[To be updated]

Imaging

The Custody imaging system was designed to allow a Participant to view and direct images of its inventory held at DTC.

- Each deposit ticket, certificate, and legal document is scanned front and back.
- Each item is scanned front and back.
- Images are organized by deposit in DTC's imaging system database.
• Ability to view, download and save images of certificates via a web-based Image Viewer, which can be accessed from the Custody Services function on PBS.
• A request for an image of a deposit through RTS/PBS will result in the display of all images associated with that particular deposit.
• The size and the position of an image can be manipulated adjusted.
• Ability to request that imaged copies of a deposit be sent to the depositing Participant via the Imaging-Fax and E-mail System (IFE), which can be accessed through CUST.
• A Participant can elect to receive images via Image DropBox solution, where all daily deposit images are pushed to the Participant’s designated server for retrieval.

When a Participant requests images through RTS/PBS, (IFE) the images are transmitted to an image window on the same workstation or on one nearby.

For delivery to the Participant LAN environment, DTCC currently supports TCP/IP connectivity. The workstations must be running Windows 2000 or Windows XP operating system, and have a standard connection to the DTCC mainframe environment (3270 emulator with access to Supersession for internal users, and RTS/PBS for external customers). The purpose of the 3270 emulator window is to initialize the image display window and to request specific images for viewing. The image display window is not a 3270 session, but rather IWPM (external customers), or Frigid (internal users) Participant program. This window lets Participants receive, rotate, zoom in and out of an image, and perform other useful image manipulation tasks.

In order to receive images of securities from DTCC, the Participant will need a TCP/IP connection to DTCC. If the Participant already has a Frame Relay connection to DTCC and wants to use the same one for imaging, DTCC will examine capacity and advise the Participant whether response time would significantly degrade. Refer to the Fees Guide for information on connection fees.

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RESTRICTED DEPOSIT SERVICE

About the Service
The Restricted Deposit Service (RDS) allows Participants to deposit and effect a transfer on certain restricted securities. The RDS unit handles the following types of items:

- Full sale
- Partial sale
- Gift
- Custody only
- Legend removal
- Breakdown

Attributes of the Service
Using RDS offers the Participant the following benefits:

- Outsourcing of labor-intensive handling, shipping, and follow-up associated with restricted transfer processing
- Early credit to the Participant’s general free account on sold shares through the FAST system
- A separate Seg account for deposits that initially fail DTC’s examination for negotiability and require additional documents, such as a stock power
- Ability to view comments about the Participant’s deposit and transfer status through the PTS/PBS function RDSP/Restricted Deposit Service
- Ability to request that imaged copies of a deposit via the Imaging-Fax and E-mail System (IFE), which can be accessed through RDSP. Ability to view, download and save images of certificates via a web-based Image Viewer, which can be accessed through the Restricted Deposit Service function on PBS.

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[Changes to this Fee Guide, as amended by File No. SR-DTC-2020-003, are available at dtcc.com/~media/Files/Downloads/legal/rule-filings/2020/DTC/SR-DTC-2020-003.pdf. These changes became effective upon filing with the SEC but have not yet been implemented. The proposed changes will be implemented by February 28, 2020 on a date to be announced via a DTC Important Notice. Upon implementation, this legend will automatically be removed from this Fee Guide.]

Guide to the DTC Fee Schedule
**Custody and Securities Processing**

**General Asset Services**

**Imaging**

<table>
<thead>
<tr>
<th>Fee Name</th>
<th>Amount($)</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission of image of deposit by fax or e-mail, first recipient</td>
<td>5.50</td>
<td>Per deposit-per request</td>
</tr>
<tr>
<td>Request to display/download an Image</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>