

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2020 - * 020 Amendment No. (req. for Amendments *)
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Filing by The Depository Trust Company  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

**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 * W. Carson	Last Name * McLean
Title * Executive Director and Associate General Counsel	
E-mail * wcmclean@dtcc.com	
Telephone * (202) 383-2661	Fax <input type="text"/>

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,  
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.  
(Title \*)  
Date 12/18/2020  
By Brandon Becker  
(Name \*)  
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.

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**

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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**

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 text of the proposed changes to the rules of The Depository Trust Company (“DTC”) is annexed hereto as Exhibit 5.<sup>1</sup>

(b) Not applicable.

(c) Not applicable.

## 2. Procedures of the Clearing Agency

The proposed rule change was approved by the Business, Technology & Operations Committee of DTC’s Board of Directors on December 15, 2020.

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

### (a) Purpose

The purpose of the proposed rule change is to amend the Guide to the DTC Fee Schedule (“Fee Guide”)<sup>2</sup> to add a fee for the new ClaimConnect<sup>TM</sup> service at DTC.<sup>3</sup>

ClaimConnect, an optional DTC service, enables Participants to bilaterally match and settle cash claim transactions at DTC.<sup>4</sup> More specifically, ClaimConnect is a validation and matching engine that continually monitors claims throughout their lifecycle in order to settle and close claims through DTC’s settlement process. Claims can be matched manually (i.e., Affirmed) by ClaimConnect users or automatically (i.e., Auto-matched) by the ClaimConnect service when

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

<sup>2</sup> Available at <http://www.dtcc.com/~media/Files/Downloads/legal/fee-guides/dtcfeeguide.pdf>.

<sup>3</sup> See Securities Exchange Act Release No. 90481 (November 23, 2020), 85 FR 76640 (November 30, 2020) (SR-DTC-2020-012) (“Approval Order”).

<sup>4</sup> With respect to ClaimConnect, a cash claim or cash claim transaction is a cash entitlement (i.e., a request for cash) from one Participant to another Participant. Typically, cash claims arise as a result of trading exceptions from a Corporate Action event, where a cash entitlement needs to be delivered from one holder to another. Trading exceptions include, but are not limited to, trades outside of the market’s agreed upon settlement cycle, lack of due bill fail tracking, stock loan or repo transaction discrepancy, or tax treaty differences.

it matches two like claims based on the alignment of certain data elements. Once matched, claims are settled through systematic Securities Payment Orders (“SPOs”) generated and submitted by ClaimConnect at set times intraday on a settlement date.<sup>5</sup>

With this proposed rule change, DTC is establishing a ClaimConnect matching fee of a \$1.75 per side, per-matched claim, whether or not the claim is Affirmed or Auto-matched. In other words, both parties to a matched claim will be charged \$1.75, such that DTC would collect \$3.50 for each matched claim.<sup>6</sup> No charge will be assessed for claims that do not match (e.g., Uncompared, DK-uncompared, or Canceled claims).<sup>7</sup>

This per-side matching fee for claims processing will be new for Participants that use Asset Services products. In choosing this fee and fee structure, DTC considered various factors. First, DTC followed its pricing policy of setting fees at cost plus a low-margin markup. The “low-margin markup” is applied to recover development costs and operating expenses, and to accumulate capital sufficient to meet regulatory and economic requirements. In consideration of that policy, the aggregate amount of \$3.50 per-matched claim will help facilitate a four-year return on investment for DTC’s creation of ClaimConnect and help cover continued operating expenses for the service. Second, the per-side structure was chosen to allocate the cost evenly between a claim’s two counterparties. Third, in order to align charges for the ClaimConnect service with Participants’ actual usage of the service, the fee was structured as a per-usage fee (i.e., per-matched claim) instead of a flat monthly or annual fixed-rate fee. Fourth, in setting the fee, DTC was mindful that, although there are no competing services, Participants could choose not to use ClaimConnect and continue to settle claims as they did prior to ClaimConnect (e.g., using internal/proprietary systems, third-party software, or some combination thereof). Fifth, DTC evaluated its existing Stock, Loan, Repo & Fail Adjustments fee that DTC charges Participants for such entitlement/allocation adjustment activity (“Adjustment Service Fee”), similar to a cash claim.<sup>8</sup> There, DTC charges a \$1.50 per adjustment, not per side. In other words, whichever party submits an adjustment is charged \$1.50. However, because there is no validation and matching process for adjustments, unlike with ClaimConnect claims, counterparties often need to submit multiple adjustments between each other before reaching final agreement; thus, the total adjustment cost routinely exceeds \$3.50.

#### *Changes to the Fee Guide*

To effectuate the ClaimConnect fee, the Corporate Action subsection of the Custody and Securities Processing section of the Fee Guide will be updated to include a ClaimConnect Matching Fee of \$1.75, per each claim side after matching.

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<sup>5</sup> See ClaimConnect Service Guide, supra note 1.

<sup>6</sup> Separate from ClaimConnect, an existing SPO fee of \$.10 per side, per SPO will continue to be charged. Fee ID 186, Fee Guide, supra note 2.

<sup>7</sup> See ClaimConnect Service Guide, supra note 1, regarding claim states.

<sup>8</sup> Fee ID 709, Fee Guide, supra note 2.

### *Implementation Timeframe*

The ClaimConnect fee will be added to the 2021 Fee Guide and charged beginning January 1, 2021.

#### (b) Statutory Basis

Section 17A(b)(3)(D) of the Securities Exchange Act of 1934 (“Act”) requires that DTC’s Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants.<sup>9</sup> DTC believes that the ClaimConnect fee is consistent with this provision of the Act.

As described above, the ClaimConnect service is an optional service that was developed based on discussions with Participants to enable them to bilaterally match and settle cash claim transactions at DTC.<sup>10</sup> Pursuant to this proposed rule change, DTC is establishing an aggregate fee of \$3.50 per-matched claim. DTC believes the fee is equitably allocated because, as described above, the fee will be divided evenly between the two counterparties to a claim, such that each side of the claim will be charge \$1.75 per-matched claim, which reflects the counterparties’ shared usage of the service in settling a claim.

DTC believes the fee is reasonable because, as described above, (i) it is consistent with DTC’s cost plus low-margin markup pricing policy; (ii) it is expected to produce a four-year return on DTC’s investment in developing ClaimConnect, compared to a higher fee that would produce a quicker return, while helping cover continued operating expenses for the service; (iii) it is structured so that both parties to a claim pay the same amount; (iv) it is structured to align charges for the service with actual usage of the service; and (v) it was set in consideration of a similar, existing fee (i.e., the Adjustment Service Fee) but knowing that parties to a claim will not need to submit additional claims and pay additional ClaimConnect fees to reach agreement on a claim, given the service’s validation and matching process.

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

DTC does not believe that the ClaimConnect fee will have any impact on competition.

As described above, DTC believes that the proposed fee is equitable, reasonable, and on par with fees for other DTC services (e.g., the Adjustment Service Fee) already used by Participants. As such, there is no expectation that this particular fee would cause any competitive advantages or disadvantages among Participants. Moreover, although there is no service in direct competition with ClaimConnect, Participants are able to settle their cash claims without using ClaimConnect, as they did prior to DTC establishing the service. As such, it will be up to Participants to decide whether settling claims via the ClaimConnect service is worth the cost. If a Participant concludes that the manner in which it was settling claims prior to ClaimConnect (e.g., using internal/proprietary systems, a third-party software, or some combination thereof) is

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<sup>9</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>10</sup> See Approval Order, *supra* note 3.

preferable (whether due to cost, functionality, or some other factor), then the Participant can simply choose not to use ClaimConnect and continue to settle claims away from DTC. Given this optionality, DTC believes that the proposed fee should not place any Participants at a relative disadvantage compared to other Participants.

**5. 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.

**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) or Section 19(b)(7)(D)**

(a) The proposed rule change is to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3) of the Act.<sup>11</sup>

(b) The proposed rule changes establish or change a due, fee, or other charge.<sup>12</sup>

(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(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

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<sup>11</sup> 15 U.S.C 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

**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 – Confidential Supporting Information. **Omitted and filed separately with the Commission. Confidential treatment of this Exhibit 3 is being requested pursuant to 17 CFR 240.24b-2.**

Exhibit 4 – Not applicable

Exhibit 5 – Proposed changes to the Fee Guide.

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_\_]; File No. SR-DTC-2020-020)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Add a Fee for the New ClaimConnect™ Service

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December \_\_, 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<sup>3</sup> and Rule 19b-4(f)(2) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

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

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

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



I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change<sup>5</sup> consists of amendments to the Guide to the DTC Fee Schedule ("Fee Guide")<sup>6</sup> to add a fee for the new ClaimConnect service at DTC,<sup>7</sup> as described in greater detail below.

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

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

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

1. Purpose

The purpose of the proposed rule change is to amend the Fee Guide to add a fee for the new ClaimConnect service at DTC.

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

<sup>6</sup> Available at <http://www.dtcc.com/~media/Files/Downloads/legal/fee-guides/dtcfeguide.pdf>.

<sup>7</sup> See Securities Exchange Act Release No. 90481 (November 23, 2020), 85 FR 76640 (November 30, 2020) (SR-DTC-2020-012) ("Approval Order").

ClaimConnect, an optional DTC service, enables Participants to bilaterally match and settle cash claim transactions at DTC.<sup>8</sup> More specifically, ClaimConnect is a validation and matching engine that continually monitors claims throughout their lifecycle in order to settle and close claims through DTC's settlement process. Claims can be matched manually (i.e., Affirmed) by ClaimConnect users or automatically (i.e., Auto-matched) by the ClaimConnect service when it matches two like claims based on the alignment of certain data elements. Once matched, claims are settled through systematic Securities Payment Orders ("SPOs") generated and submitted by ClaimConnect at set times intraday on a settlement date.<sup>9</sup>

With this proposed rule change, DTC is establishing a ClaimConnect matching fee of a \$1.75 per side, per-matched claim, whether or not the claim is Affirmed or Auto-matched. In other words, both parties to a matched claim will be charged \$1.75, such that DTC would collect \$3.50 for each matched claim.<sup>10</sup> No charge will be assessed for claims that do not match (e.g., Uncompared, DK-uncompared, or Canceled claims).<sup>11</sup>

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<sup>8</sup> With respect to ClaimConnect, a cash claim or cash claim transaction is a cash entitlement (i.e., a request for cash) from one Participant to another Participant. Typically, cash claims arise as a result of trading exceptions from a Corporate Action event, where a cash entitlement needs to be delivered from one holder to another. Trading exceptions include, but are not limited to, trades outside of the market's agreed upon settlement cycle, lack of due bill fail tracking, stock loan or repo transaction discrepancy, or tax treaty differences.

<sup>9</sup> See ClaimConnect Service Guide, supra note 5.

<sup>10</sup> Separate from ClaimConnect, an existing SPO fee of \$.10 per side, per SPO will continue to be charged. Fee ID 186, Fee Guide, supra note 6.

<sup>11</sup> See ClaimConnect Service Guide, supra note 5, regarding claim states.

This per-side matching fee for claims processing will be new for Participants that use Asset Services products. In choosing this fee and fee structure, DTC considered various factors. First, DTC followed its pricing policy of setting fees at cost plus a low-margin markup. The “low-margin markup” is applied to recover development costs and operating expenses, and to accumulate capital sufficient to meet regulatory and economic requirements. In consideration of that policy, the aggregate amount of \$3.50 per-matched claim will help facilitate a four-year return on investment for DTC’s creation of ClaimConnect and help cover continued operating expenses for the service. Second, the per-side structure was chosen to allocate the cost evenly between a claim’s two counterparties. Third, in order to align charges for the ClaimConnect service with Participants’ actual usage of the service, the fee was structured as a per-usage fee (i.e., per-matched claim) instead of a flat monthly or annual fixed-rate fee. Fourth, in setting the fee, DTC was mindful that, although there are no competing services, Participants could choose not to use ClaimConnect and continue to settle claims as they did prior to ClaimConnect (e.g., using internal/proprietary systems, third-party software, or some combination thereof). Fifth, DTC evaluated its existing Stock, Loan, Repo & Fail Adjustments fee that DTC charges Participants for such entitlement/allocation adjustment activity (“Adjustment Service Fee”), similar to a cash claim.<sup>12</sup> There, DTC charges a \$1.50 per adjustment, not per side. In other words, whichever party submits an adjustment is charged \$1.50. However, because there is no validation and matching process for adjustments, unlike with ClaimConnect claims, counterparties often need to

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<sup>12</sup> Fee ID 709, Fee Guide, supra note 6.

submit multiple adjustments between each other before reaching final agreement; thus, the total adjustment cost routinely exceeds \$3.50.

*Changes to the Fee Guide*

To effectuate the ClaimConnect fee, the Corporate Action subsection of the Custody and Securities Processing section of the Fee Guide will be updated to include a ClaimConnect Matching Fee of \$1.75, per each claim side after matching.

*Implementation Timeframe*

The ClaimConnect fee will be added to the 2021 Fee Guide and charged beginning January 1, 2021.

2. Statutory Basis

Section 17A(b)(3)(D) of the Act requires that DTC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants.<sup>13</sup> DTC believes that the ClaimConnect fee is consistent with this provision of the Act.

As described above, the ClaimConnect service is an optional service that was developed based on discussions with Participants to enable them to bilaterally match and settle cash claim transactions at DTC.<sup>14</sup> Pursuant to this proposed rule change, DTC is establishing an aggregate fee of \$3.50 per-matched claim. DTC believes the fee is equitably allocated because, as described above, the fee will be divided evenly between the two counterparties to a claim, such that each side of the claim will be charge \$1.75 per-matched claim, which reflects the counterparties' shared usage of the service in settling a claim.

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<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>14</sup> See Approval Order, supra note 7.

DTC believes the fee is reasonable because, as described above, (i) it is consistent with DTC's cost plus low-margin markup pricing policy; (ii) it is expected to produce a four-year return on DTC's investment in developing ClaimConnect, compared to a higher fee that would produce a quicker return, while helping cover continued operating expenses for the service; (iii) it is structured so that both parties to a claim pay the same amount; (iv) it is structured to align charges for the service with actual usage of the service; and (v) it was set in consideration of a similar, existing fee (i.e., the Adjustment Service Fee) but knowing that parties to a claim will not need to submit additional claims and pay additional ClaimConnect fees to reach agreement on a claim, given the service's validation and matching process.

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

DTC does not believe that the ClaimConnect fee will have any impact on competition.

As described above, DTC believes that the proposed fee is equitable, reasonable, and on par with fees for other DTC services (e.g., the Adjustment Service Fee) already used by Participants. As such, there is no expectation that this particular fee would cause any competitive advantages or disadvantages among Participants. Moreover, although there is no service in direct competition with ClaimConnect, Participants are able to settle their cash claims without using ClaimConnect, as they did prior to DTC establishing the service. As such, it will be up to Participants to decide whether settling claims via the ClaimConnect service is worth the cost. If a Participant concludes that the manner in which it was settling claims prior to ClaimConnect (e.g., using internal/proprietary systems, a third-party software, or some combination thereof) is preferable (whether due

to cost, functionality, or some other factor), then the Participant can simply choose not to use ClaimConnect and continue to settle claims away from DTC. Given this optionality, DTC believes that the proposed fee should not place any Participants at a relative disadvantage compared to other Participants.

(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)<sup>15</sup> of the Act and paragraph (f)<sup>16</sup> of Rule 19b-4 thereunder. 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:

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

<sup>16</sup> 17 CFR 240.19b-4(f).

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2020-020 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-2020-020. 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-2020-020 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

Secretary

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



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**PAGE REDACTED IN ITS ENTIRETY**

**Bold, underlined text** indicates proposed added language.

## **Guide to the DTC Fee Schedule**

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### **Custody and Securities Processing**

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Corporate Actions

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FEE NAME	AMOUNT (\$)	CONDITIONS
<b><u>ClaimConnect™ Matching Fee</u></b>	<b><u>1.75</u></b>	<b><u>Per claim side, after match</u></b>

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