

Required fields are shown with yellow backgrounds and asterisks.

Filing by The Depository Trust Company  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

Amend the Distributions Guide to Accommodate Participants' Tax Reporting and Withholding Obligations

**Contact Information**

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

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

**Signature**

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

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

(Title \*)

Date 06/01/2021      Managing Director and Deputy General Counsel  
 By Brandon Becker      bbecker@dtcc.com  
 (Name \*)

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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

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

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

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

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

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

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

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

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

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

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Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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

**Partial Amendment**

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

## 1. Text of the Proposed Rule Change

(a) The proposed rule change of The Depository Trust Company (“DTC”) is annexed hereto as Exhibit 5.<sup>1</sup> The proposed rule change would amend the Procedures<sup>2</sup> set forth in the Distributions Guide to accommodate Participants’ tax reporting and withholding obligations under Section 1.1446(f)-4 (“IRS Regulation”)<sup>3</sup> of the final regulations of the Internal Revenue Service (“IRS”), by setting forth DTC’s proposed Procedure relating to distribution of certain Participant tax forms and related information to DTC’s Participants, in accordance with the IRS Regulation, as discussed below.

(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 June 1, 2021, pursuant to delegated authority from the Board of Directors.

## 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 the Procedures set forth in the Distributions Guide to accommodate Participants’ tax reporting and withholding obligations under the IRS Regulation. In this regard, the proposed rule change would set forth DTC’s Procedure relating to distribution of certain Participant tax forms and related information to DTC’s Participants, in accordance with the IRS Regulation, as discussed below.

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<sup>1</sup> Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of The Depository Trust Company (the “DTC Rules”), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>, and the DTC Corporate Actions Distributions Service Guide (“Distributions Guide”), available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Service%20Guide%20Distributions.pdf>.

<sup>2</sup> Pursuant to the Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to Rule 27, as amended from time to time. See Rule 1, Section 1, supra note 1. DTC’s Procedures are filed with the Securities and Exchange Commission (“Commission”). They are binding on DTC and each Participant in the same manner as they are bound by the Rules. See Rule 27, supra note 1.

<sup>3</sup> See 26 CFR § 1.1446(f)-4, available at [https://www.law.cornell.edu/cfr/text/26/1.1446\(f\)-4](https://www.law.cornell.edu/cfr/text/26/1.1446(f)-4).

### Distributions Service

The Distributions Service includes the announcement, collection, allocation and reporting by DTC, on behalf of its Participants, of dividend, interest and principal payments for Eligible Securities held by Participants at DTC. This centralized processing provides efficiency for Participants for their receipt of (i) payment information and (ii) payments on distributions covered by Announcements (“Distribution Event”),<sup>4</sup> from multiple issuers and agents.<sup>5</sup>

Also as part of the Distributions Service, DTC also provides tax services (“Tax Services”) to facilitate Participant compliance with tax obligations, including international tax regulations, tax treaty provisions and withholding tax reporting requirements, including Tax Event Announcements, U.S. Tax Withholding, Tax Relief and Tax Info Services relating to distributions processed by DTC.<sup>6</sup> Procedures relating to Tax Services are set forth in the Distributions Guide.<sup>7</sup>

### Tax Forms

In connection with its use of the DTC’s services, each Participant must submit to DTC the applicable IRS tax form (“Tax Form”).<sup>8</sup> The information in these forms, which includes the Participant’s name, federal tax identification number and certain certifications by the Participant facilitates DTC’s ability to provide Tax Services related to tax reporting and withholding by facilitating DTC’s ability to determine the status of each Participant (“Tax Status”) with respect to the type of reporting, and any rate of withholding, that may be required under federal tax regulations with respect to distributions.

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<sup>4</sup> Distribution Events covered by Announcements include cash dividends, interest, principal, capital gains, sale of rights on American depositary receipts, return of capital, dividend with option, stock splits, stock dividends, automatic dividend reinvestments, spinoffs, rights distributions, pay in kind, and liquidation. See Distributions Guide, supra note 1 at 12.

<sup>5</sup> See Distributions Guide, supra note 1 at 9.

<sup>6</sup> See DTC Disclosure Framework for Covered Clearing Agencies and Financial Market Infrastructures, available at [https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/DTC\\_Disclosure\\_Framework.pdf](https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/DTC_Disclosure_Framework.pdf) at 9.

<sup>7</sup> See Distributions Guide, supra note 1.

<sup>8</sup> See Distributions Guide, supra note 1 at 25.

In this regard, Participants that are U.S. persons provide DTC with a valid IRS Form W-9 (“Form W-9”).<sup>9</sup> Each non-U.S. Participant submits a valid IRS Form W-8,<sup>10</sup> as applicable (“Form W-8”).<sup>11</sup> The form must be (1) valid for the type of entity; (2) filled out completely; and (3) signed by an authorized signatory of the entity.<sup>12</sup> U.S. branches of foreign banks must also submit the appropriate W-8 Form.<sup>13</sup>

### IRS Regulation

The IRS Regulation sets forth requirements relating to tax withholding and information reporting obligations on Participants with respect to the transfer of a publicly traded partnership interests.<sup>14</sup> In addition, Section 1.1446(f)-4(a)(5)<sup>15</sup> of the IRS Regulation provides that, when such withholding requirement is applicable, the U.S. clearing organization (e.g., DTC) may act as an agent for the selling Participant for purposes of furnishing the selling Participant’s Tax Form to the buying Participant, provided the clearing organization notifies the selling Participant and such Participant has the ability to opt-out. DTC understands that Section 1.1446(f)-4(a)(5)<sup>16</sup> of the IRS Regulation is intended to address concerns about the difficulty of Participants obtaining documentation to determine whether tax withholding or reporting applies on certain transaction to other Participants processed through DTC’s systems. In this regard, the IRS has issued guidance on use of the Tax Forms for determining a payee’s tax status such that a payor would be able to properly report of affected payments and apply the correct withholding rate.<sup>17</sup> In accordance with the IRS Regulation, DTC proposes to implement a method to share Tax Forms and related information among Participants.

### Proposal

Pursuant to the proposed rule change, DTC would make each Participant’s Tax Forms available to all Participants in accordance with the IRS Regulation. DTC would make the Tax Forms available for download by Participant on the DTC system to facilitate tax withholding and

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<sup>9</sup> See IRS Form W-9, available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.

<sup>10</sup> See IRS. “About Instructions for the Requester of Forms W-8 BEN, W-8 BEN-E, W-8 ECI, W-8 EXP, and W-8 IMY”, available at <https://www.irs.gov/forms-pubs/about-form-w-8>.

<sup>11</sup> See Distributions Guide, supra note 1 at 25.

<sup>12</sup> Id.

<sup>13</sup> Id.

<sup>14</sup> See 26 CFR § 1.1446(f)-4, supra note 3.

<sup>15</sup> Id.

<sup>16</sup> Id.

<sup>17</sup> See IRS 2021 Publication 515, available at <https://www.irs.gov/pub/irs-pdf/p515.pdf> at 46-47.

reporting obligations related to dispositions of partnership interests. Also, in accordance with the IRS Regulation, Participants would be able to opt-out of having their Tax Form(s) made available for other Participants to download, as described below.

In this regard, beginning on or about August 31, 2021, Participants' Tax Forms would be made available for download in DTC's Corporate Actions Web browser ("CA Web"). Tax Forms would be available through the "Instructions" tab on CA Web, under "TaxInfo, Country of Investment: United States." To find, view, and download another Participants' tax form, a Participant would access CA Web as described above, and scroll to the relevant Participant Tax Form to download.

As an interim step, to facilitate Participants' ability to develop their internal procedures and processes to comply with their tax reporting and withholding requirements under the IRS Regulation, beginning on June 15, 2021, DTC would make available on CA Web tax status information ("Tax Status Information"). The Tax Status Information for each Participant would indicate (i) the type of Tax Form provided by the Participant to DTC (i.e., either Form W-9 or the type of Form W-8 provided (e.g., Form W-8 IMY, W-8BEN-E or W-8ECI)), and (ii) for Participants that provided Form W-8 IMY, whether the Participant indicated on the Form W-8 IMY that it is (a) Qualified Intermediary, (b) non-Qualified Intermediary, (c) U.S. Branch – Treated as a U.S. Person or (d) U.S. Branch – not-treated as a U.S. Person.

The Tax Status Information would be made available in the same location on CA Web as the Tax Forms would be located, as described above.

Pursuant to the proposed rule change, Participants would be able to elect to opt-out of having their Tax Forms and Tax Status Information posted to CA Web for other Participants to download. Participants would use an opt-out form ("Opt-Out Form") and submit their elections ("Opt-Out Election") to opt-out electronically to DTCC's Account Administration department using a mechanism provided at a link to be set forth in the Distributions Guide. Each Opt-Out Election would remain in place indefinitely until DTC is in receipt of a duly authorized written notice from the Participant rescinding this Opt-Out Election.

#### Text of Proposed Rule Change

In this regard, DTC would add the following text to the Distributions Guide in the "Other Services" section, just after the subsection titled "Undistributed Long-Term Capital Gains" and before the subsection titled "Claims".

#### "Tax Form Repository

Beginning on June 15, 2021, to facilitate Participants' ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in furtherance of DTC's role as a "clearing organization" in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax status information ("Tax Status Information") from the Tax Forms of Participants shall be made available to Participants in the "Instructions" tab of CA Web, within "TaxInfo, Country of Investment: United States." Tax Status Information will no longer be

available once Tax Forms become available for download from CA Web, as described below.

Beginning on or about August 31, 2021, to facilitate Participants' ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax forms (i.e., IRS Forms W-9 and W-8) ("Tax Forms") shall be available for Participants to view and download. Tax Forms shall be available in the "Instructions" tab of CA Web, within "TaxInfo, Country of Investment: United States.

### Opt-Out

Effective immediately, a Participant may submit an election ("Opt-Out Election") to DTC to opt-out of having its Tax Form and Tax Status Information posted to CA Web, by electronically submitting a form ("Opt-Out Form") made available by DTC for this purpose. The Opt-out Form, as well as the mechanism for completing, electronically signing and submitting the form, is available at <https://na2.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=854f0396-16aa-4fbb-bf67-c694274c04cf&env=na2&acct=642629e5-740a-442a-b744-d7655d9a1f21&v=2>." Any Opt-Out Election will only be considered valid if it is (i) fully completed and electronically signed by an authorized signer of the Participant using the Opt-Out Form and (ii) submitted through the mechanism made available through this link. An Opt-Out Election will become effective as of a date designated by the Participant on the Opt-Out Form. For this purpose, a Participant may designate its account activation date (for new Participants of DTC), or a future date, for its Opt-Out Election to become effective. Each Opt-Out Election will remain in place indefinitely until DTC is in receipt of a duly authorized written notice from the Participant rescinding this Opt-Out Election.

Please contact your Relationship Manager with any questions regarding Opt-Out Elections."

### Effective Date

The proposed rule change would be effective upon filing with the Commission. The proposed rule change would not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

(b) Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934 (“Act”), and the rules and regulations thereunder applicable to DTC, in particular Section 17A(b)(3)(F)<sup>18</sup> of the Act.

Section 17A(b)(3)(F) of the Act<sup>19</sup> requires, inter alia, that the rules of the clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. As described above, the proposed rule change would amend the Distributions Guide, as described above, to accommodate Participants’ tax reporting and withholding obligations relating to transactions subject to the IRS Regulation. Specifically, DTC understands, when a non-U.S. Participant Delivers a Security (acting on behalf of a seller) representing a publicly traded partnership interest to another Participant (acting on behalf of a buyer), the Participant acting on behalf of the buyer may be required to withhold tax and/or perform reporting to the IRS relating the proceeds realized by a selling non-U.S. Participant.<sup>20</sup> DTC believes that the sharing of Participant Tax Forms and Tax Status Information would accommodate compliance by Participants with the IRS Regulation for such transactions for such transfers between them because the Tax Form and Tax Status Information contain information that would facilitate Participants’ ability to determine if they have an obligation for tax withholding and reporting under the IRS Regulation.<sup>21</sup> Therefore, because the proposed rule change would accommodate the exchange of Tax Forms and Tax Status Information between Participants, and this would facilitate compliance with certain tax requirements for certain activity they transact among themselves, as described above, DTC believes that the proposed rule change would foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F) of the Act, cited above.

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

DTC believes that the proposed rule change, as described above, could impose a burden on competition, because by requiring Participants to opt-out if they do not wish to have their Tax Status Information and Tax Status Forms shared with other Participants, a Participant would affirmatively need to submit an Opt-Out Form, which is an action that they do not need to perform today.

To the extent the proposed rule change may impose a burden on competition, DTC believes it would be necessary and appropriate in furtherance of the purposes of the Act,<sup>22</sup>

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<sup>18</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>19</sup> Id.

<sup>20</sup> See supra note 3.

<sup>21</sup> Id.

<sup>22</sup> 15 U.S.C. 78q-1(b)(3)(I).



because the proposed rule change would (i) accommodate Participants' tax reporting and withholding obligations under the IRS Regulation (ii) and facilitate Participants' ability to comply with applicable DTC Rules.<sup>23</sup> In this regard, the proposed rule change would set forth DTC's Procedure relating to the distribution of certain Participant tax forms and related information to DTC's Participants, in accordance with the IRS Regulation, and DTC is not aware of an alternative method available to Participants to share Tax Forms and Tax Status Information among each other in a centralized facility as contemplated by the IRS Regulation.

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

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

During outreach on the proposal by DTC to Participants, Participants have indicated to DTC that receiving Tax Forms and Tax Status Information through DTC would facilitate their ability to comply with their tax withholding obligations. DTC is not aware of any Participants indicating that they would prefer that these forms and information not be shared among Participants.

**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 19(b)(7)(D)**

(a) The proposed rule change is to take effect immediately upon filing pursuant to Section 19(b)(3)(A) of the Act.<sup>24</sup>

(b) The proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.<sup>25</sup>

The proposed rule change would not significantly affect the protection of investors or the public interest because the Tax Status Information and Tax Forms are information of Participants

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<sup>23</sup> Pursuant to Rule 2, Section 8, in connection with their use of the Corporation's services, Participants must comply with all applicable laws, including but not limited, to all applicable laws relating to taxation. See Rule 2, supra note 1.

<sup>24</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>25</sup> 17 CFR 240.19b-4(f)(6).

and not those of investors or the general public. The proposed rule change would not impose a significant burden on competition because these changes would merely provide for the sharing of Tax Forms and related information as contemplated by the IRS Regulation.

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.<sup>26</sup>

DTC requests that the Commission waive the 30-day operative delay under Rule 19b-4(f)(6)(iii)<sup>27</sup> so that the proposed rule change may become effective and operative effective on June 15, 2021. The proposal is intended to amend the Distributions Guide to allow DTC to provide tax information and facilitate Participants compliance with tax reporting and withholding obligations relating to the disposition of partnership interests, in accordance with the IRS Regulation. Implementation of the proposed rule change within a shorter timeframe would facilitate Participants' ability to make necessary adjustments to their internal processes and systems to timely comply with the IRS Regulation, and therefore facilitate their ability to comply with applicable U.S. tax reporting and withholding requirements on behalf of themselves and their customers that invest in partnership interests. Accordingly, DTC believes that the prompt implementation of these changes would be consistent with the public interest and the protection of investors.

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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule should be approved or disapproved.

DTC has given the Commission written notice of their intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.<sup>28</sup>

(c) Not applicable.

(d) Not applicable.

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<sup>26</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>27</sup> Id.

<sup>28</sup> 17 CFR 240.19b-4(f)(6).

**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.

**11. Exhibits**

Exhibit 1 – Not applicable.

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

Exhibit 2 – Opt-Out Form.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Proposed changes to the Distributions Guide.

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_\_]; File No. SR-DTC-2021-008)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company ; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Distributions Guide to Accommodate Participants' Tax Reporting and Withholding Obligations

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June \_\_, 2021, 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)(6) 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)(6).

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

The proposed rule change of DTC is annexed hereto as Exhibit 5.<sup>5</sup> The proposed rule change would amend the Procedures<sup>6</sup> set forth in the Distributions Guide to accommodate Participants' tax reporting and withholding obligations under Section 1.1446(f)-4 ("IRS Regulation")<sup>7</sup> of the final regulations of the Internal Revenue Service ("IRS"), by setting forth DTC's proposed Procedure relating to distribution of certain Participant tax forms and related information to DTC's Participants, in accordance with the IRS Regulation, 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

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<sup>5</sup> Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of The Depository Trust Company (the "DTC Rules"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>, and the DTC Corporate Actions Distributions Service Guide ("Distributions Guide"), available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Service%20Guide%20Distributions.pdf>.

<sup>6</sup> Pursuant to the Rules, the term "Procedures" means the Procedures, service guides, and regulations of DTC adopted pursuant to Rule 27, as amended from time to time. See Rule 1, Section 1, supra note 5. DTC's Procedures are filed with the Commission. They are binding on DTC and each Participant in the same manner as they are bound by the Rules. See Rule 27, supra note 5.

<sup>7</sup> See 26 CFR § 1.1446(f)-4, available at [https://www.law.cornell.edu/cfr/text/26/1.1446\(f\)-4](https://www.law.cornell.edu/cfr/text/26/1.1446(f)-4).

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 the Procedures set forth in the Distributions Guide to accommodate Participants' tax reporting and withholding obligations under the IRS Regulation. In this regard, the proposed rule change would set forth DTC's Procedure relating to distribution of certain Participant tax forms and related information to DTC's Participants, in accordance with the IRS Regulation, as discussed below.

(a) Distributions Service

The Distributions Service includes the announcement, collection, allocation and reporting by DTC, on behalf of its Participants, of dividend, interest and principal payments for Eligible Securities held by Participants at DTC. This centralized processing provides efficiency for Participants for their receipt of (i) payment information and (ii) payments on distributions covered by Announcements ("Distribution Event"),<sup>8</sup> from multiple issuers and agents.<sup>9</sup>

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<sup>8</sup> Distribution Events covered by Announcements include cash dividends, interest, principal, capital gains, sale of rights on American depositary receipts, return of capital, dividend with option, stock splits, stock dividends, automatic dividend reinvestments, spinoffs, rights distributions, pay in kind, and liquidation. See Distributions Guide, supra note 5 at 12.

<sup>9</sup> See Distributions Guide, supra note 5 at 9.

Also as part of the Distributions Service, DTC also provides tax services (“Tax Services”) to facilitate Participant compliance with tax obligations, including international tax regulations, tax treaty provisions and withholding tax reporting requirements, including Tax Event Announcements, U.S. Tax Withholding, Tax Relief and Tax Info Services relating to distributions processed by DTC.<sup>10</sup> Procedures relating to Tax Services are set forth in the Distributions Guide.<sup>11</sup>

### Tax Forms

In connection with its use of the DTC’s services, each Participant must submit to DTC the applicable IRS tax form (“Tax Form”).<sup>12</sup> The information in these forms, which includes the Participant’s name, federal tax identification number and certain certifications by the Participant facilitates DTC’s ability to provide Tax Services related to tax reporting and withholding by facilitating DTC’s ability to determine the status of each Participant (“Tax Status”) with respect to the type of reporting, and any rate of withholding, that may be required under federal tax regulations with respect to distributions.

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<sup>10</sup> See DTC Disclosure Framework for Covered Clearing Agencies and Financial Market Infrastructures, available at [https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/DTC\\_Disclosure\\_Framework.pdf](https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/DTC_Disclosure_Framework.pdf) at 9.

<sup>11</sup> See Distributions Guide, supra note 5.

<sup>12</sup> See Distributions Guide, supra note 5 at 25.

In this regard, Participants that are U.S. persons provide DTC with a valid IRS Form W-9 (“Form W-9”).<sup>13</sup> Each non-U.S. Participant submits a valid IRS Form W-8,<sup>14</sup> as applicable (“Form W-8”).<sup>15</sup> The form must be (1) valid for the type of entity; (2) filled out completely; and (3) signed by an authorized signatory of the entity.<sup>16</sup> U.S. branches of foreign banks must also submit the appropriate W-8 Form.<sup>17</sup>

### IRS Regulation

The IRS Regulation sets forth requirements relating to tax withholding and information reporting obligations on Participants with respect to the transfer of a publicly traded partnership interests.<sup>18</sup> In addition, Section 1.1446(f)-4(a)(5)<sup>19</sup> of the IRS Regulation provides that, when such withholding requirement is applicable, the U.S. clearing organization (e.g., DTC) may act as an agent for the selling Participant for purposes of furnishing the selling Participant’s Tax Form to the buying Participant, provided the clearing organization notifies the selling Participant and such Participant has the ability to opt-out. DTC understands that Section 1.1446(f)-4(a)(5)<sup>20</sup> of the IRS

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<sup>13</sup> See IRS Form W-9, available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.

<sup>14</sup> See IRS. “About Instructions for the Requester of Forms W-8 BEN, W-8 BEN-E, W-8 ECI, W-8 EXP, and W-8 IMY”, available at <https://www.irs.gov/forms-pubs/about-form-w-8>.

<sup>15</sup> See Distributions Guide, supra note 5 at 25.

<sup>16</sup> Id.

<sup>17</sup> Id.

<sup>18</sup> See 26 CFR § 1.1446(f)-4, supra note 7.

<sup>19</sup> Id.

<sup>20</sup> Id.



Regulation is intended to address concerns about the difficulty of Participants obtaining documentation to determine whether tax withholding or reporting applies on certain transaction to other Participants processed through DTC's systems. In this regard, the IRS has issued guidance on use of the Tax Forms for determining a payee's tax status such that a payor would be able to properly report of affected payments and apply the correct withholding rate.<sup>21</sup> In accordance with the IRS Regulation, DTC proposes to implement a method to share Tax Forms and related information among Participants.

#### Proposal

Pursuant to the proposed rule change, DTC would make each Participant's Tax Forms available to all Participants in accordance with the IRS Regulation. DTC would make the Tax Forms available for download by Participant on the DTC system to facilitate tax withholding and reporting obligations related to dispositions of partnership interests. Also, in accordance with the IRS Regulation, Participants would be able to opt-out of having their Tax Form(s) made available for other Participants to download, as described below.

In this regard, beginning on or about August 31, 2021, Participants' Tax Forms would be made available for download in DTC's Corporate Actions Web browser ("CA Web"). Tax Forms would be available through the "Instructions" tab on CA Web, under "TaxInfo, Country of Investment: United States." To find, view, and download another Participants' tax form, a Participant would access CA Web as described above, and scroll to the relevant Participant Tax Form to download.

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<sup>21</sup> See IRS 2021 Publication 515, available at <https://www.irs.gov/pub/irs-pdf/p515.pdf> at 46-47.

As an interim step, to facilitate Participants' ability to develop their internal procedures and processes to comply with their tax reporting and withholding requirements under the IRS Regulation, beginning on June 15, 2021, DTC would make available on CA Web tax status information ("Tax Status Information"). The Tax Status Information for each Participant would indicate (i) the type of Tax Form provided by the Participant to DTC (i.e., either Form W-9 or the type of Form W-8 provided (e.g., Form W-8 IMY, W-8BEN-E or W-8ECI)), and (ii) for Participants that provided Form W-8 IMY, whether the Participant indicated on the Form W-8 IMY that it is (a) Qualified Intermediary, (b) non-Qualified Intermediary, (c) U.S. Branch – Treated as a U.S. Person or (d) U.S. Branch – not-treated as a U.S. Person.

The Tax Status Information would be made available in the same location on CA Web as the Tax Forms would be located, as described above.

Pursuant to the proposed rule change, Participants would be able to elect to opt-out of having their Tax Forms and Tax Status Information posted to CA Web for other Participants to download. Participants would use an opt-out form ("Opt-Out Form") and submit their elections ("Opt-Out Election") to opt-out electronically to DTCC's Account Administration department using a mechanism provided at a link to be set forth in the Distributions Guide. Each Opt-Out Election would remain in place indefinitely until DTC is in receipt of a duly authorized written notice from the Participant rescinding this Opt-Out Election.

Text of Proposed Rule Change

In this regard, DTC would add the following text to the Distributions Guide in the “Other Services” section, just after the subsection titled “Undistributed Long-Term Capital Gains” and before the subsection titled “Claims”.

“Tax Form Repository

Beginning on June 15, 2021, to facilitate Participants’ ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in furtherance of DTC’s role as a “clearing organization” in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax status information (“Tax Status Information”) from the Tax Forms of Participants shall be made available to Participants in the “Instructions” tab of CA Web, within “TaxInfo, Country of Investment: United States.” Tax Status Information will no longer be available once Tax Forms become available for download from CA Web, as described below.

Beginning on or about August 31, 2021, to facilitate Participants’ ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax forms (i.e., IRS Forms W-9 and W-8) (“Tax Forms”) shall be available for Participants to view and download. Tax Forms shall be available in the “Instructions” tab of CA Web, within “TaxInfo, Country of Investment: United States.

## Opt-Out

Effective immediately, a Participant may submit an election (“Opt-Out Election”) to DTC to opt-out of having its Tax Form and Tax Status Information posted to CA Web, by electronically submitting a form (“Opt-Out Form”) made available by DTC for this purpose. The Opt-out Form, as well as the mechanism for completing, electronically signing and submitting the form, is available at <https://na2.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=854f0396-16aa-4fbb-bf67-c694274c04cf&env=na2&acct=642629e5-740a-442a-b744-d7655d9a1f21&v=2>.” Any Opt-Out Election will only be considered valid if it is (i) fully completed and electronically signed by an authorized signer of the Participant using the Opt-Out Form and (ii) submitted through the mechanism made available through this link. An Opt-Out Election will become effective as of a date designated by the Participant on the Opt-Out Form. For this purpose, a Participant may designate its account activation date (for new Participants of DTC), or a future date, for its Opt-Out Election to become effective. Each Opt-Out Election will remain in place indefinitely until DTC is in receipt of a duly authorized written notice from the Participant rescinding this Opt-Out Election.

Please contact your Relationship Manager with any questions regarding Opt-Out Elections.”

Effective Date

The proposed rule change would be effective upon filing with the Commission. The proposed rule change would not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to DTC, in particular Section 17A(b)(3)(F)<sup>22</sup> of the Act.

Section 17A(b)(3)(F) of the Act<sup>23</sup> requires, inter alia, that the rules of the clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. As described above, the proposed rule change would amend the Distributions Guide, as described above, to accommodate Participants' tax reporting and withholding obligations relating to transactions subject to the IRS Regulation. Specifically, DTC understands, when a non-U.S. Participant Delivers a Security (acting on behalf of a seller) representing a publicly traded partnership interest to another Participant (acting on behalf of a buyer), the Participant acting on behalf of the buyer may be required to withhold tax and/or perform reporting to the IRS relating the proceeds realized by a selling non-U.S. Participant.<sup>24</sup> DTC believes that the sharing of Participant Tax Forms and Tax Status Information would

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<sup>22</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>23</sup> Id.

<sup>24</sup> See supra note 7.

accommodate compliance by Participants with the IRS Regulation for such transactions for such transfers between them because the Tax Form and Tax Status Information contain information that would facilitate Participants' ability to determine if they have an obligation for tax withholding and reporting under the IRS Regulation.<sup>25</sup> Therefore, because the proposed rule change would accommodate the exchange of Tax Forms and Tax Status Information between Participants, and this would facilitate compliance with certain tax requirements for certain activity they transact among themselves, as described above, DTC believes that the proposed rule change would foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F) of the Act, cited above.

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

DTC believes that the proposed rule change, as described above, could impose a burden on competition, because by requiring Participants to opt-out if they do not wish to have their Tax Status Information and Tax Status Forms shared with other Participants, a Participant would affirmatively need to submit an Opt-Out Form, which is an action that they do not need to perform today.

To the extent the proposed rule change may impose a burden on competition, DTC believes it would be necessary and appropriate in furtherance of the purposes of the Act,<sup>26</sup> because the proposed rule change would (i) accommodate Participants' tax reporting and withholding obligations under the IRS Regulation (ii) and facilitate

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<sup>25</sup> Id.

<sup>26</sup> 15 U.S.C. 78q-1(b)(3)(I).

Participants' ability to comply with applicable DTC Rules.<sup>27</sup> In this regard, the proposed rule change would set forth DTC's Procedure relating to the distribution of certain Participant tax forms and related information to DTC's Participants, in accordance with the IRS Regulation, and DTC is not aware of an alternative method available to Participants to share Tax Forms and Tax Status Information among each other in a centralized facility as contemplated by the IRS Regulation.

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

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

During outreach on the proposal by DTC to Participants, Participants have indicated to DTC that receiving Tax Forms and Tax Status Information through DTC would facilitate their ability to comply with their tax withholding obligations. DTC is not aware of any Participants indicating that they would prefer that these forms and information not be shared among Participants.

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<sup>27</sup> Pursuant to Rule 2, Section 8, in connection with their use of the Corporation's services, Participants must comply with all applicable laws, including but not limited, to all applicable laws relating to taxation. See Rule 2, supra note 5.

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>28</sup> of the Act and paragraph (f)<sup>29</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:

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-2021-008 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

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<sup>28</sup> 15 U.S.C 78s(b)(3)(A).

<sup>29</sup> 17 CFR 240.19b-4(f).



All submissions should refer to File Number SR-DTC-2021-008. 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-2021-008 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>30</sup>

Secretary

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<sup>30</sup> 17 CFR 200.30-3(a)(12).



**Main Account Number:** \_\_\_\_\_  
*(the above is solely used for additional identification of requesting party)*

The undersigned understands that pursuant to IRS Regulation §1.1446(f)-4(a)(5), DTC makes Participants' IRS tax forms (W8s and W9s), which it obtains from Participants themselves through normal course of business, systemically available to all DTC Participants. This helps DTC Participants facilitate tax withholding and reporting obligations related to dispositions of partnership interests.

As a DTC Participant the undersigned has the right to opt-out and hereby exercises that right to opt-out of having their tax form(s) made available to other Participants.

This election shall be effective with the opening of business as stated below.

**Effective date:**

- Upon Account Activation
- Future Date \_\_\_\_\_

The undersigned understands that this election will remain in place indefinitely until DTC is in receipt of a properly authorized written notice rescinding this election.

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**SIGNED ON BEHALF OF:**

Full Legal Name (e.g., Firm Name, Member Name, Legal Entity, Organization):

By: \_\_\_\_\_ (Authorized Signer) \_\_\_\_\_ (Title)

\_\_\_\_\_ (Printed Name) \_\_\_\_\_ (Email)

\_\_\_\_\_ (Date)

**Bold, underlined** text indicates additions to text

## Distributions Service Guide

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### Other Services

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### Undistributed Long-Term Capital Gains

Under the Internal Revenue Service (IRS) regulations, total undistributed long-term capital gains from regulated investment companies (RICs) or real estate investment trusts (REITs) are required to DTCC Public (White) Other Services: Claims Distributions Service Guide 47 be reported on IRS Form 2439, "Notice to Shareholder of Undistributed Long-Term Capital Gains" for each IRS Form 2439 that DTC receives from a RIC or REIT.

DTC prepares an IRS Form 2439 with a copy filed with the IRS and copies provided to its participants.

### **Tax Form Repository**

**Beginning on June 15, 2021, to facilitate Participants' ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in furtherance of DTC's role as a "clearing organization" in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax status information ("Tax Status Information") from the Tax Forms of Participants shall be made available to Participants in the "Instructions" tab of CA Web, within "TaxInfo, Country of Investment: United States". Tax Status Information will no longer be available once Tax Forms become available for download from CA Web, as described below.**

**Beginning on or about August 31, 2021, to facilitate Participants' ability to comply with tax withholding and reporting regulations relating to the disposition of partnership interests, and in accordance with Section 1.1446(f)-4(a)(5) of the final regulations of the Internal Revenue Service, Participant tax forms (i.e. IRS Forms W-9 and W-8) ("Tax Forms") shall be available for Participants to view and download. Tax Forms shall be available in the "Instructions" tab of CA Web, within "TaxInfo, Country of Investment: United States."**

## **Opt-Out**

**Effective immediately, a Participant may submit an election (“Opt-Out Election”) to DTC to opt-out of having its Tax Form and Tax Status Information posted to CA Web, by electronically submitting a form (“Opt-Out Form”) made available by DTC for this purpose. The Opt-out Form, as well as the mechanism for completing, electronically signing and submitting the form, is available at**

**<https://na2.docuSign.net/Member/PowerFormSigning.aspx?PowerFormId=854f0396-16aa-4fbb-bf67-c694274c04cf&env=na2&acct=642629e5-740a-442a-b744-d7655d9a1f21&v=2>**

**Any Opt-Out Election will only be considered valid if it is (i) fully completed and electronically signed by an authorized signer of the Participant using the Opt-Out Form and (ii) submitted through the mechanism made available through this link. An Opt-Out Election will become effective as of a date designated by the Participant on the Opt-Out Form. For this purpose, a Participant may designate its account activation date (for new Participants of DTC), or a future date, for its Opt-Out Election to become effective. Each Opt-Out Election will remain in place indefinitely until DTC is in receipt of a duly authorized written notice from the Participant rescinding this Opt-Out Election.**

**Please contact your Relationship Manager with any questions regarding Opt-Out Elections.**

Claims

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