

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 2022 - * 005 Amendment No. (req. for Amendments *)	
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"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input checked="" 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 type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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"/>		
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Eliminate Certain Fees Charged to Applicants</div>					
<b>Contact Information</b> 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 * [REDACTED] Last Name * [REDACTED] Title * [REDACTED] E-mail * RuleFilingAdmin@dtcc.com Telephone * [REDACTED] Fax [REDACTED]					
<b>Signature</b> Pursuant to the requirements of the Securities Exchange of 1934, The Depository Trust Company has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized. Date 05/24/2022 (Title *) By [REDACTED] [REDACTED] (Name *) NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed. Date: 2022.05.24 10:54:34 -04'00'					

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549			
For complete Form 19b-4 instructions please refer to the EDFS website.			
<div>Form 19b-4 Information *</div> <div><div>AddRemoveView</div><div>Narrative - Membership Application Pr</div></div>			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.
<div>Exhibit 1 - Notice of Proposed Rule Change *</div> <div><div>AddRemoveView</div><div>Exh 1A - Membership Application Pro</div></div>			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)
<div>Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *</div> <div><div>AddRemoveView</div></div>			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)
<div>Exhibit 2- Notices, Written Comments, Transcripts, Other Communications</div> <div><div>AddRemoveView</div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div>Exhibit 3 - Form, Report, or Questionnaire</div> <div><div>AddRemoveView</div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div>Exhibit 4 - Marked Copies</div> <div><div>AddRemoveView</div></div>			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.
<div>Exhibit 5 - Proposed Rule Text</div> <div><div>AddRemoveView</div><div>Exh 5 - Membership Application Proce</div></div>			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
<div>Partial Amendment</div> <div><div>AddRemoveView</div></div>			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”)<sup>1</sup> is annexed hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

## **2. Procedures of the Clearing Agency**

The proposed rule change was approved by the Deputy General Counsel of DTC pursuant to delegated authority by the DTC Board of Directors (“Board”), on May 24, 2022.

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

### **(a) Purpose**

The proposed rule change consists of modifications to the (i) DTC Fee Guide (“Fee Guide”)<sup>2</sup> and (ii) Policy Statement on the Admission of Participants and Pledgees (“Policy Statement”),<sup>3</sup> to eliminate certain fees charged to legal entities that formally make an application (“Application”) to DTC to become either a Participant<sup>4</sup> (each, a “Participant Applicant”) or a Pledgee<sup>5</sup> (each, a “Pledgee Applicant”) of DTC (Participant Applicants and Pledgee Applicants, referred to collectively as “Applicants”).

More specifically, the Fee Guide will be amended to remove a charge to (A) each Participant Applicant of \$5,000 in connection with its Application to become a Participant<sup>6</sup> (“Participant Application Fee”), and (B) each Pledgee Applicant of \$2,500 in connection with its Application to become a Pledgee<sup>7</sup> (“Pledgee Application Fee”) (Participant Application Fee and Pledgee Application Fee, collectively referred to as “Application Fees”). The Policy Statement

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

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

<sup>3</sup> See Policy Statement, supra note 1.

<sup>4</sup> See Rule 2, Section 1, supra note 1.

<sup>5</sup> See Rule 2, Section 3, supra note 1.

<sup>6</sup> See Fee Guide, supra note 2, at 16.

<sup>7</sup> Id.

will be amended to remove text relating to the Application Fees. These proposed changes are described in greater detail below.

### Background

DTC may approve an Applicant that is eligible for admission as a Participant or Pledgee<sup>8</sup> only upon a determination by DTC that the Applicant meets reasonable standards of financial condition, operational capability and character at the time of its Application and on an ongoing basis thereafter.<sup>9</sup> To facilitate DTC's review of an Application so that DTC may determine whether the Applicant satisfies these standards, the Applicant must satisfy DTC's Application requirements in form and substance satisfactory to DTC, including, but not limited to, required documentation ("Required Documentation"), in accordance with the Rules.<sup>10</sup>

DTC charges each Applicant the applicable Application Fee as established by the Fee Guide.<sup>11</sup> The Application Fees were implemented to help offset expenses associated with the review of Applications.<sup>12</sup> Payment of the full amount of the Application Fee is due as of the date DTC provides the Applicant with access to DTC's online Application portal ("Portal")<sup>13</sup> and related payment instructions.<sup>14</sup> An Application Fee is non-refundable<sup>15</sup> regardless of the outcome of the respective Application (i.e., approval, disapproval or expiration).

DTC's clearing agency affiliates, National Securities Clearing Corporation ("NSCC") and Fixed Income Clearing Corporation ("FICC"), follow similar membership application processes and require similar documentation from their respective applicants as described above for DTC. However, despite following similar membership application processes, DTC charges Application Fees, while NSCC and FICC do not. DTC believes harmonizing its practice with its

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<sup>8</sup> See Rule 3 (setting forth qualifications for eligibility for Participants) and Section 3 of Rule 2 (setting forth Persons/entity types that may become Pledgees), supra note 1.

<sup>9</sup> See Rule 2, supra note 1.

<sup>10</sup> See Rule 2 and the Policy Statement (setting forth Required Documentation and other requirements that an Applicant must satisfy prior to DTC's approval of the Applicant's Application), supra note 1.

<sup>11</sup> See Fee Guide, supra note 2, at 16.

<sup>12</sup> See Securities Exchange Act Release No. 83544 (June 28, 2018), 83 FR 31223 (July 3, 2018) (SR-DTC-2018-002).

<sup>13</sup> The Portal is a closed website that allows Applicants to retrieve the Application forms and templates for the Required Documentation, and to submit their completed Application materials, including Required Documentation, to DTC.

<sup>14</sup> See Fee Guide, supra note 2, at 16.

<sup>15</sup> See Policy Statement, supra note 1.

affiliates' practices would reduce inconsistency between the respective application processes and provide enhanced consistency relating to requirements for applicants, in particular where an entity applies to become a Participant of DTC and a member of NSCC and/or FICC.

Additionally, DTC believes that the Application Fees are not necessary because the amount collected from them is immaterial.<sup>16</sup> Therefore, the elimination of the Application Fees will not have a material effect on DTC's overall recovery of costs and expenses associated with the application process, but it will help reduce costs for Applicants.

#### Proposed Rule Change

To effectuate this proposed rule change, DTC will discontinue charging Application Fees and remove the Application Fees from the Fee Guide. Further, DTC will delete a reference to Application Fees and the following paragraph from the beginning of Section 3 of the Policy Statement:

All applicants to become Participants or Pledgees must pay a non-refundable application fee as specified in the Procedures for each application made by the applicant to DTC to become a Participant or Pledgee.

#### (b) Statutory Basis

Section 17A(b)(3)(D) of the Securities Exchange Act of 1934 ("Act")<sup>17</sup> requires that the Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. DTC believes the proposed elimination of the fees is consistent with this requirement. As stated above, the amount of revenue collected on an annual basis by DTC through Application Fees is not material to its recovery of costs and expenses associated with the application process or to DTC's annual revenue and expenses.<sup>18</sup> Instead of charging the Application Fees to offset the costs to review Applications, DTC believes it would be more appropriate to absorb the costs as an operating expense through DTC's internal budget process.<sup>19</sup> This approach also would be more consistent with that of its affiliates NSCC and FICC, which

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<sup>16</sup> In 2020, six Participant Applications were opened, with a total amount \$30,000 in Application Fees billed. In 2021, eight Participant Applications were opened with a total amount of \$40,000 in Application Fees billed.

<sup>17</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>18</sup> See DTC Financial Statements as of and for the Years Ended December 31, 2021 and 2020, and Report of Independent Registered Accounting Firm, available at <https://www.dtcc.com/-/media/Files/Downloads/legal/financials/2021/DTC-Annual-Financial-Statements-2021-and-2020.pdf>, at 3 (providing DTC's statement of income, which includes revenue and expenses for 2021 and 2020).

<sup>19</sup> See DTC Disclosure Framework, 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 123 (providing a description of DTC's formal budgeting process).

follow similar membership application review processes but do not charge membership application fees, as noted above.

For these reasons, DTC believes that the proposed rule change is consistent with Section 17A(b)(3)(D) because it will help provide for the equitable allocation of reasonable fees among its participants.<sup>20</sup>

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

DTC believes that the proposed rule change could impact competition by promoting it. That is, by eliminating the Applications Fees, Applicants could redirect those financial resources to other purposes that could benefit their competitive position.

#### **5. Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they would be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Securities and Exchange Commission ("Commission") does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at <https://www.sec.gov/regulatory-actions/how-to-submit-comments>. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at [tradingandmarkets@sec.gov](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

DTC reserves the right to not respond to any comments received.

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

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act<sup>21</sup> for Commission action.

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<sup>20</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>21</sup> 15 U.S.C. 78s(b)(2).

**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 Section 19(b)(3)(A) of the Act.<sup>22</sup>

(b) The proposed rule change would not (i) adversely affect the safeguarding of securities or funds in the custody or control of DTC or (ii) significantly affect the rights or obligations of users of DTC's services<sup>23</sup> because it would eliminate Application Fees that are not needed and such elimination would establish greater consistency with similar processes followed by DTC's affiliates, NSCC and FICC.

(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>22</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>23</sup> 17 CFR 240.19b-4(f)(4).

**11. Exhibits**

Exhibit 1 – Not applicable.

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

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Proposed changes to the Fee Guide.

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_]; File No. SR-DTC-2022-005)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Eliminate Certain Fees Charged to Applicants

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 May \_\_, 2022, 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)(4) 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)(4).

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

The proposed rule change<sup>5</sup> consists of modifications to the (i) DTC Fee Guide ("Fee Guide")<sup>6</sup> and (ii) Policy Statement on the Admission of Participants and Pledges ("Policy Statement"),<sup>7</sup> to eliminate certain fees charged to legal entities that formally make an application ("Application") to DTC to become either a Participant<sup>8</sup> (each, a "Participant Applicant") or a Pledge<sup>9</sup> (each, a "Pledge Applicant") of DTC (Participant Applicants and Pledge Applicants, referred to collectively as "Applicants").

More specifically, the Fee Guide will be amended to remove a charge to (A) each Participant Applicant of \$5,000 in connection with its Application to become a Participant<sup>10</sup> ("Participant Application Fee"), and (B) each Pledge Applicant of \$2,500 in connection with its Application to become a Pledge<sup>11</sup> ("Pledge Application Fee") (Participant Application Fee and Pledge Application Fee, collectively referred to as "Application Fees"). The Policy Statement will be amended to remove text relating to the Application Fees. These proposed changes are described in greater detail below.

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

<sup>6</sup> Available at <http://www.dtcc.com/~media/Files/Downloads/legal/fee-guides/dtcfeeguide.pdf?la=en>.

<sup>7</sup> See Policy Statement, supra note 5.

<sup>8</sup> See Rule 2, Section 1, supra note 5.

<sup>9</sup> See Rule 2, Section 3, supra note 5.

<sup>10</sup> See Fee Guide, supra note 6, at 16.

<sup>11</sup> Id.

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 proposed rule change consists of modifications to the Fee Guide and Policy Statement to eliminate certain fees charged to Applicants. More specifically, the Fee Guide will be amended to remove the Application Fees. The Policy Statement will be amended to remove text relating to the Application Fees. These proposed changes are described in greater detail below.

Background

DTC may approve an Applicant that is eligible for admission as a Participant or Pledgee<sup>12</sup> only upon a determination by DTC that the Applicant meets reasonable standards of financial condition, operational capability and character at the time of its Application and on an ongoing basis thereafter.<sup>13</sup> To facilitate DTC's review of an

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<sup>12</sup> See Rule 3 (setting forth qualifications for eligibility for Participants) and Section 3 of Rule 2 (setting forth Persons/entity types that may become Pledgees), supra note 5.

<sup>13</sup> See Rule 2, supra note 5.

Application so that DTC may determine whether the Applicant satisfies these standards, the Applicant must satisfy DTC's Application requirements in form and substance satisfactory to DTC, including, but not limited to, required documentation ("Required Documentation"), in accordance with the Rules.<sup>14</sup>

DTC charges each Applicant the applicable Application Fee as established by the Fee Guide.<sup>15</sup> The Application Fees were implemented to help offset expenses associated with the review of Applications.<sup>16</sup> Payment of the full amount of the Application Fee is due as of the date DTC provides the Applicant with access to DTC's online Application portal ("Portal")<sup>17</sup> and related payment instructions.<sup>18</sup> An Application Fee is non-refundable<sup>19</sup> regardless of the outcome of the respective Application (i.e., approval, disapproval or expiration).

DTC's clearing agency affiliates, National Securities Clearing Corporation ("NSCC") and Fixed Income Clearing Corporation ("FICC"), follow similar membership application processes and require similar documentation from their respective applicants

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<sup>14</sup> See Rule 2 and the Policy Statement, supra note 5 (setting forth Required Documentation and other requirements that an Applicant must satisfy prior to DTC's approval of the Applicant's Application).

<sup>15</sup> See Fee Guide, supra note 6, at 16.

<sup>16</sup> See Securities Exchange Act Release No. 83544 (June 28, 2018), 83 FR 31223 (July 3, 2018) (SR-DTC-2018-002).

<sup>17</sup> The Portal is a closed website that allows Applicants to retrieve the Application forms and templates for the Required Documentation, and to submit their completed Application materials, including Required Documentation, to DTC.

<sup>18</sup> See Fee Guide, supra note 6, at 16.

<sup>19</sup> See Policy Statement, supra note 5.

as described above for DTC. However, despite following similar membership application processes, DTC charges Application Fees, while NSCC and FICC do not. DTC believes harmonizing its practice with its affiliates' practices would reduce inconsistency between the respective application processes and provide enhanced consistency relating to requirements for applicants, in particular where an entity applies to become a Participant of DTC and a member of NSCC and/or FICC.

Additionally, DTC believes that the Application Fees are not necessary because the amount collected from them is immaterial.<sup>20</sup> Therefore, the elimination of the Application Fees will not have a material effect on DTC's overall recovery of costs and expenses associated with the application process, but it will help reduce costs for Applicants.

#### Proposed Rule Change

To effectuate this proposed rule change, DTC will discontinue charging Application Fees and remove the Application Fees from the Fee Guide. Further, DTC will delete a reference to Application Fees and the following paragraph from the beginning of Section 3 of the Policy Statement:

All applicants to become Participants or Pledgees must pay a non-refundable application fee as specified in the Procedures for each application made by the applicant to DTC to become a Participant or Pledgee.

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<sup>20</sup> In 2020, six Participant Applications were opened, with a total amount \$30,000 in Application Fees billed. In 2021, eight Participant Applications were opened with a total amount of \$40,000 in Application Fees billed.

## 2. Statutory Basis

Section 17A(b)(3)(D) of the Act<sup>21</sup> requires that the Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. DTC believes the proposed elimination of the fees is consistent with this requirement. As stated above, the amount of revenue collected on an annual basis by DTC through Application Fees is not material to its recovery of costs and expenses associated with the application process or to DTC's annual revenue and expenses.<sup>22</sup> Instead of charging the Application Fees to offset the costs to review Applications, DTC believes it would be more appropriate to absorb the costs as an operating expense through DTC's internal budget process.<sup>23</sup> This approach also would be more consistent with that of its affiliates NSCC and FICC, which follow similar membership application review processes but do not charge membership application fees, as noted above.

For these reasons, DTC believes that the proposed rule change is consistent with Section 17A(b)(3)(D) because it will help provide for the equitable allocation of reasonable fees among its participants.<sup>24</sup>

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<sup>21</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>22</sup> See DTC Financial Statements as of and for the Years Ended December 31, 2021 and 2020, and Report of Independent Registered Accounting Firm, available at <https://www.dtcc.com/-/media/Files/Downloads/legal/financials/2021/DTC-Annual-Financial-Statements-2021-and-2020.pdf>, at 3 (providing DTC's statement of income, which includes revenue and expenses for 2021 and 2020).

<sup>23</sup> See DTC Disclosure Framework, 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 123 (providing a description of DTC's formal budgeting process).

<sup>24</sup> 15 U.S.C. 78q-1(b)(3)(D).

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

DTC believes that the proposed rule change could impact competition by promoting it. That is, by eliminating the Applications Fees, Applicants could redirect those financial resources to other purposes that could benefit their competitive position.

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

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they would be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at <https://www.sec.gov/regulatory-actions/how-to-submit-comments>. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at [tradingandmarkets@sec.gov](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

DTC reserves the right not to respond to any comments received.

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>25</sup> of the Act and paragraph (f)<sup>26</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-2022-005 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>25</sup> 15 U.S.C. 78s(b)(3)(A).

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

All submissions should refer to File Number SR-DTC-2022-005. 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-2022-005 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>27</sup>

Secretary

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<sup>27</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

**~~Strikethrough~~** text indicates proposed deletions.

RULES, BY-LAWS AND ORGANIZATION CERTIFICATE  
OF  
THE DEPOSITORY TRUST COMPANY

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**POLICY STATEMENTS  
ON THE  
ADMISSION OF PARTICIPANTS AND PLEDGEES**

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*Section 3. Policy Statement on ~~Application Fees and~~ Time Limit for Submission of Complete Applications and Required Documentation by Applicants.*

**~~All applicants to become Participants or Pledgees must pay a non-refundable application fee as specified in the Procedures for each application made by the applicant to DTC to become a Participant or Pledgee.~~**

If an applicant to become a Participant or Pledgee does not complete and submit to DTC its application and all required documentation as required by DTC, in accordance with the Rules, within six months of DTC granting the applicant access to the application, then the applicant's application, and any required documentation submitted to DTC by the applicant, shall be null and void and the application shall be terminated by DTC. Any subsequent application to become a Participant or Pledgee by the applicant shall be treated by DTC as a new application.

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## DTC Fee Schedule

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## Membership and Pledgee Application Fees

Fee Name	Amount (\$)	Conditions
General		
<b>Participant Application Fee</b>	<b>\$5,000</b>	<b>Per application to become a Participant, submitted on or after July 2, 2018. The fee is non-refundable regardless of the outcome of the application process (i.e., approval, disapproval or expiration). Full payment is due as of the date DTC has provided the applicant with (i) access to DTC's online application portal and (ii) payment instructions.</b>
<b>Pledgee Application Fee</b>	<b>\$2,500</b>	<b>Per application to become a Pledgee, submitted on or after July 2, 2018. The fee is non-refundable regardless of the outcome of the application process (i.e., approval, disapproval or expiration). Full payment is due as of the date DTC has provided the applicant with (i) access to DTC's online application portal and (ii) payment instructions.</b>

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