

Proposed MMI Maturity Payment Procedure

DTC is proposing to enhance its systems in order to provide IPAs the ability to monitor their credit exposure to MMI issuers. DTC's proposed IPA MP Pend Function will enable IPAs to review and manually release MPs in the ordinary course of business. IPAs will have the ability to set the pend request anytime prior to the MP sweep or at any point during the day for unknown rate maturities, based on acronym, product type, or the issuer MMI base CUSIP number. Each day, DTC will require the IPA to (1) release all items held in pend or (2) invoke its right to refuse to pay.⁶ If the IPA takes no action by 3 p.m. Eastern Time, the pending items will be released by DTC for normal processing.

All MP Pend requests will be time-stamped and will be immediately effective. Participants with MMI positions will be able to ascertain which MPs have been placed in pend status by the IPA.

Each time it uses the IPA MP Pend Function to create a pend request or make a change to its profile, the IPA will be required to represent and warrant that it has authority to submit the request appearing on the IPA's screen and that it will either release the items held in pend by 3 p.m. Eastern Time on the date of maturity or by such time communicate to DTC that it refuses to pay. Additionally, the IPA must acknowledge that it understands and agrees that all MPs will be released for normal processing if it does not communicate its intention to refuse to pay DTC by 3 p.m. Eastern Time. In extraordinary circumstances, DTC will maintain its ability to set the pend request based on an issuer acronym, product, program, base number, or globally for all IPAs or for individual IPAs. In all circumstances, the IPA will maintain its right to notify DTC of its refusal to pay.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁷ and the rules and regulations thereunder because the proposed change will reduce the amount of late day reversals associated with an IPA's refusal to pay notification at 3 p.m. thereby reducing the operational and financial risks associated with reversals of refusals to pay and promoting the

prompt and accurate settlement of securities transactions.

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

DTC does not believe that the proposed rule change will have any impact or impose any burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The proposal was developed in consultation with various industry organizations. Written comments relating to the proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period:

(i) As the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change or

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

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-DTC-2009-02 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-DTC-2009-02. 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 Web site (<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 inspection and copying in the Commission's Public Reference Section, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filings also will be available for inspection and copying at the principal office of DTC and on DTC's Web site at http://www.dtcc.com/downloads/legal/rule_filings/2009/dtc/2009-02.pdf. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2009-02 and should be submitted on or before March 12, 2009.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59386; File No. SR-DTC-2008-06]

Self-Regulatory Organizations; The Depository Trust Company; Order Approving Proposed Rule Change, As Amended, To Modify End of Day Settlement Procedures Relating to Settlement Acknowledgement Cut-Off Time Frames for Settling Banks

February 11, 2009.

I. Introduction

On June 19, 2008, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") and on August 7, 2008, amended proposed rule change SR-

⁶ The IPA MP Pend Function differs from the MPCs in this regard. Under the MPCs system, IPAs are not required to release items held in pend or invoke their right to refuse to pay each day since the MPs are rolled over into the next business day's processing queue.

⁷ 15 U.S.C. 78q-1.

⁸ 17 CFR 200.30-3(a)(12).

DTC–2008–06 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”).¹ Notice of the proposal was published in the **Federal Register** on August 18, 2008.² The Commission received no comment letters. For the reasons discussed below, the Commission is approving the proposed rule change as amended.

II. Description

DTC is modifying its end of day settlement procedures relating to settlement acknowledgement cut-off time frames for Settling Banks.³

DTC’s End-of-Day Settlement Processing controls and coordinates the settling of Participant accounts and Settling Bank accounts on DTC’s systems. Settlement occurs through the Fedwire system and is initiated when DTC posts final figures for Participants and Settling Banks. Although the actual settlement process begins with the posting of the final settlement figures at approximately 3:45 p.m. each day,⁴ DTC’s settlement system provides Participants and Settling Banks with online reports throughout the processing day. These reports reflect gross debits, gross credits, and the net debit or credit for each Participant and a net-net figure for each Settling Bank.

Settling Banks, which settle for themselves, may also settle for other Participants. Currently, the cut-off time for Settling Banks to acknowledge their net-net settlement balance or to refuse to settle for a specific Participant is the later of 4:30 p.m. or 30 minutes after final net-net settlement balances are first made available by DTC.⁵ Any Participant for which a Settling Bank has refused to settle must make arrangements for payment of any amount due DTC.

Once the Settling Bank acknowledgement process has been completed, DTC utilizes the Federal Reserve Bank of New York’s National Settlement Service (“NSS”) to effect end-of-day cash settlement.

DTC is proposing that the cut-off time for Settling Banks to acknowledge their settlement balance or refusal to settle for a Participant be the later of 4:15 p.m. or

30 minutes after DTC has posted final net-net settlement balances. DTC is proposing this change to enable DTC to be in a position to release the credit amount due Participants at an earlier time. Since DTC provides each Settling Bank with online reports throughout the processing day which reflect gross debits, gross credits, and the net debit or credit for each Participant and a net-net figure for the Settling Bank, DTC believes that this earlier cut-off time should not cause any undo burden. In the event that a Settling Bank is experiencing difficulty in identifying customer cash flows or has another extenuating circumstance and as a result needs more time to acknowledge settlement or refuses to settle, that Settling Bank would have to notify the Settlement department of its request for additional time prior to 4:15 p.m.

III. Discussion

Section 19(b) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.⁶ The Commission believes that DTC’s rule change is consistent with this Section because the rule change should facilitate the prompt and accurate clearance and settlement of securities by enabling DTC to send the NSS file to the Federal Reserve Bank of New York earlier in the day and thus complete settlement earlier.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.⁷

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR–DTC–2008–06) as amended be and hereby is approved.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–59387; File No. SR–DTC–2009–04]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change To Implement and Revise Fees Related to Non-Participant Services

February 11, 2009.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on January 16, 2009, 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 primarily by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

DTC is seeking to revise its fee schedule for Security Position Reports (“SPRs”).

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

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

An SPR is a report prepared by DTC showing for an issuer whose securities are eligible for DTC’s book entry

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 58343 (August 12, 2008), 73 FR 48259.

³ The term “Settling Bank” means a Participant which is a bank or trust company, subject to supervision or regulation pursuant to Federal or State banking laws, which is a party to an effective Settling Bank Agreement.

⁴ All times are Eastern Standard Time.

⁵ The end-of-day net-net figure is the net of all participants’ net balances after cross endorsement with the National Securities Clearing Corporation for which a Settling Bank settles, including its own accounts.

⁶ 15 U.S.C. 78q–1(b)(3)(F).

⁷ In approving the proposed rule change, as amended, the Commission considered the proposal’s impact on efficiency, competition, and capital formation.

⁸ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by DTC.