SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66413; File No. SR-DTC-2012-01)

February 16, 2012

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Automate the "Full Call" Notification Process Relating to Money Market Instruments and Reduce the Time Frame within Which Notices Are Required to be Submitted

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4[2] thereunder notice is hereby given that on February 8, 2012, 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. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A)[3] of the Act and Rule 19b-4(f)(4)[4] thereunder so that the proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change would automate the "full call" notification process relating to Money Market Instruments ("MMIs") and would reduce the time frame within which such notices are required to be submitted to DTC.[5]

---

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b-4(f)(4).

[5] DTC is also making an unrelated change to its settlement processing schedule for The Options Clearing Corporation ("OCC") services in response to a request from OCC.

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 such statements.

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

1. DTC requires that an issuer or its agent notify DTC in a timely manner in the event of a full or partial redemption of outstanding debt securities. Currently, DTC requires that an MMI Issuing / Paying Agent ("IPA") send DTC full call information by e-mail to DTC's redemption processing area no later than the close of business on the business day before or if possible two business days before the Publication Date, which except as otherwise noted in DTC's Operational Arrangements ("OA"), is no fewer than 30 calendar days or more than 60 calendar days prior to the Redemption Date.

In April 2011, members of the Securities Industry and Financial Markets Association Money Market Committee ("SIFMA MMI Committee") sent a written request to DTC regarding the "full call" notification process for MMIs. [6] The SIFMA MMI Committee requested that DTC reevaluate its procedures regarding notification time frames for processing certain transactions in MMIs ("Request").[7] The financial services industry, and the money market sector in particular,

[6] The SIFMA MMI Committee includes MMI dealers and IPAs.

[7] DTC, in consultation with the industry, agreed that these process changes for MMIs would only apply to full calls. A partial call undergoes a different process using a "lottery" mechanism that requires more time for the holders to elect their option and for operational processing. Given the additional time constraints, it was agreed that DTC would shorten the window only for full calls.

is responding to various significant regulatory changes including, the Basel III capital directives ("Basel III"). In particular, the industry is concerned that the anticipated implementation of a Liquidity Coverage Ratio under Basel III will have significant consequences on the cost of short-term funds for major international banks and that the commercial paper market will need to adapt to these changes. DTC was advised that the ability to issue callable commercial paper with very short notice periods would be beneficial to banks in managing the new Liquidity Coverage Ratio. The industry has indicated that affected banks may shift a significant percentage of commercial paper issuances into a callable format over time.

DTC has reviewed its current processes and has determined that it is feasible to automate its processes as they relate to the SIFMA MMI Request. In so doing, DTC would reduce operational risk in the processing of MMI full call notices and at the same time would support the Request. In order to facilitate this automation, DTC will create a function that will provide IPAs with the ability and option to input MMI full call information directly into DTC's systems through an input screen in the Settlement Web or through an automated message format. The announcement information will be available through the existing Reorg Inquiry for Participants ("RIPS") function on DTC's Participant Terminal System ("PTS") and as an intraday file to which Participants will be able to subscribe. The information will also be included in end of day redemption output files. As a result of this automation, DTC will be able to reduce the notification time frame on full call MMIs so that effective April 26, 2012, DTC will modify the timing of a full call announcement so that IPAs have the option to send notification to DTC up until noon on the day before the maturity date for those IPAs that use the full call automation input mechanism.

Additionally, at the request of the Options Clearing Corporation ("OCC"), DTC is making unrelated updates to its Settlement Service Guide in order to make changes to certain OCC cutoff times. These two cutoffs were originally established to allow OCC as Pledgee (as defined in the DTC rules and procedures) sufficient time to receive and input Participant release requests to the OCC internal system and then to create and send approved releases back to DTC. When first introduced, this was a manual process. In 1997, DTC extended the cutoffs to the current times to reflect automation in OCC's process.[8] OCC has now requested that DTC extend the cutoffs further in order to allow Participants additional time to process their release requests since the current process is no longer manual and is instead a "real-time" messaging between DTC and OCC. Effective upon the date of this filing, DTC will extend the OCC cutoffs described above to 6:15 pm.

2. The proposed rule change is consistent with the requirements of the Act, the rules and regulations thereunder, and the CPSS/IOSCO Recommendations for Securities Settlement Systems applicable to DTC. The proposed rule changes modify existing DTC services in order to make the redemption announcement process, as it relates to MMIs, and the processing of pledge releases through the OCC, more efficient. As such, these are changes to existing services, which will not adversely affect the safeguarding of securities and funds in DTC's control or custody and which will not significantly affect the rights or obligations of the clearing agency or persons using the service.

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.

[8] See DTC Important Notice B#2287 dated December 2, 1997 in which DTC made changes to OCC's cutoffs.

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

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

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

The foregoing rule change was filed pursuant to Section 19(b)(3)(A) of the Act and paragraph (f)(4) of Rule 19b-4 and therefore, became effective on filing. At any time within sixty days of the filing of such rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission’s Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-DTC-2012-01 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-2012-01. 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 such filing also will be available for inspection and copying at DTC's principal office and on DTC's website at www.dtc.org. 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-2012-01 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.[9]

Kevin M. O'Neill
Deputy Secretary

[9] 17 CFR 200.30-3(a)(12).