



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information**

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**

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

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 Sent As Paper Document

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

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 Sent As Paper Document

**Exhibit 4 - Marked Copies**

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**

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**

  

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 Depository Trust Company (“DTC”) is filing this rule change in order to enhance its existing processing as it relates to end of day liquidity. As more fully described below, upon implementation of the new function, Participants will be able to set a profile in the Participant Browser System (“PBS”) in which they can request that excess funds be wired to their Settling Bank account at approximately 3:20 p.m. eastern time. The text of the changes to DTC’s Settlement Procedures is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) DTC’s Board of Directors has not taken, and is not required to take, action on the proposed rule change.

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

(a) Recently, DTC filed a rule change with the Securities and Exchange Commission (“SEC”) in order to extend its Settlement Progress Payment (“SPP”)<sup>1</sup> and Principal & Income (“P&I”)<sup>2</sup> withdrawal cutoff times from 3:00 p.m. eastern time to 3:20 p.m. eastern time.<sup>3</sup> This change was consistent with DTC’s objective to maximize the early return of available liquidity to Participants.

In an effort to further maximize the early return of available liquidity to Participants, DTC will implement a new optional profile (the “profile”) in PBS. By setting its profile in PBS appropriately, a Participant can set a standing instruction to have excess funds wired to their DTC Settling Bank<sup>4</sup> at approximately 3:20 p.m. eastern time after the Largest Provisional Net Credit<sup>5</sup> (“LPNC”) is released to Participants at 3:05 p.m.

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<sup>1</sup> A SPP is a payment sent intraday via Fedwire to DTC when a Participant has insufficient collateral or is at its net debit cap.

<sup>2</sup> P&I allocations are credited to Participant’s settlement account throughout each processing day as payments are received.

<sup>3</sup> For more information about this change, see DTC Rule filing 2009-18.

<sup>4</sup> A Settling Bank means a Participant which is a bank or trust company, subject to supervision or regulation pursuant to Federal or State banking laws, and a party to an effective Settling Bank Agreement.

<sup>5</sup> The LPNC discourages some Participants from requesting funds until later in the day when activity has stabilized. LPNC procedures provisionally withhold from Participants the benefit of the largest net settlement credit they would have received in any MMI program during most of the processing day. This net credit is the Participant’s LPNC (referred to as provisional because of its reversible nature). The LPNC is not made available to the Participant as collateral to support its net debit nor is it deemed a credit in the calculation of the Participant’s net debit. Because transactions in a failing MMI issue would be reversed only if DTC is informed of the default by 3:00 p.m., eastern time, LPNC procedures remain in effect only

eastern time. If a Participant chooses to use the profile, the Participant will be required to set the profile to either retain a minimum credit balance amount or be set to zero. A Participant will not be able to wire funds to their Settling Bank account if the funds movement will put the Participant into a debit balance. If a Participant has more than one SPP/P&I wire instruction on file with DTC, the Participant will be required to set its profile to indicate to which account the funds should be wired at its Settling Bank. The profile will provide Participants with another means to maximize the early return of available liquidity. In the event of a systemic, operational or other crisis or event, DTC will have the ability to freeze the profile.

DTC is also modifying its Procedures as they relate to the intraday return of SPPs and withdrawal of P&I allocations. Currently, Participants are able to withdraw the sum of all P&I payments allocated to their account, less any previous withdrawals, subject to DTC's Risk Management Controls. Participants are also able to request that DTC return all or a portion of an SPP submitted earlier in the day provided they have sufficient collateral<sup>6</sup> and net debit cap<sup>7</sup> to do so. In order to streamline the processing of securities transactions, DTC is modifying its Procedures so that a Participant may request the return of an SPP and withdraw a P&I allocation only if it will not put the Participant into a debit balance. DTC is also updating its P&I withdrawal process in order to make it more efficient. Withdrawals that are blocked as a result of insufficient collateral or net debit cap will no longer recycle until enough collateral or settlement credits are generated to satisfy the collateral or net debit cap deficiency. Instead a withdrawal request will complete when the Participant makes the request or it will drop and the Participant will be able to submit a new request.

Additionally, DTC is making technical updates to its Settlement Processing Schedule in order to properly reflect the input methods available to Participants.<sup>8</sup>

These changes will necessitate revisions to the existing DTC Settlement Guide, and those revisions are detailed in the attached Exhibit 5.

DTC will notify its Participants of the effective date of these changes via Important Notice.

(b) The proposed rule change is consistent with the requirements of the Securities and Exchange Act of 1934, as amended (the "Act"), and the rules and regulations

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until approximately 3:05 p.m., eastern time, at which time, assuming no issuer default, the credit becomes final (i.e., it is no longer "provisional") and is applied to calculate the Participant's collateral and net debit.

<sup>6</sup> The term "Collateral" of a Participant on any Business Day means the sum of (i) the Actual Participants Fund Deposit of the Participant, (ii) the Actual Preferred Stock Investment of a Participant, (iii) all Net Additions of the Participant and (iv) any SPPs wired by the Participant to the account of the Corporation at the Federal Reserve Bank of New York in the manner specified in DTC's Procedures.

<sup>7</sup> A net debit cap helps ensure that DTC can complete settlement, even if a Participant fails to settle.

<sup>8</sup> In 2008, DTCC completed a multi-year initiative to transition all Participant Terminal System ("PTS") functions to the Participant Browser System ("PBS"). Now, rather than toggle between the two tools, Participants can manage all their needs via the web-based PBS, which is more flexible than PTS, while offering greater functionality.

thereunder applicable to DTC. The proposed rule change will maximize the early return of available liquidity to Participants and will be implemented consistently with the safe guarding of securities and funds in DTC's custody or control or for which it is responsible because all of DTC's risk management controls will continue to be in effect.

4. 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.

5. 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 been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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 for Commission action.

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 pursuant to paragraph A of Section 19(b)(3).

(b) The proposed rule change effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible; and (ii) does not significantly affect the respective rights or obligations of DTC or persons using this service.

(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. Exhibits

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

Exhibit 2 - N/A

Exhibit 3 - N/A

Exhibit 4 - N/A

Exhibit 5 - Text of changes to the Settlement Service Guide.

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION**

(Release No. 34-\_\_\_\_\_ ; File No. SR-DTC-2010-07)

**SELF-REGULATORY ORGANIZATIONS**

Proposed Rule Change by The Depository Trust Company ("DTC") to enhance its existing processing relating to end of day liquidity.

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Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on \_\_\_\_\_, 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 DTC. 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 text of the proposed rule change is attached hereto as Exhibit 5.

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.

(i) Recently, DTC filed a rule change with the Securities and Exchange Commission ("SEC") in order to extend its Settlement Progress Payment ("SPP")<sup>1</sup> and Principal & Income ("P&I")<sup>2</sup> withdrawal cutoff times from 3:00 p.m. eastern time to 3:20

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<sup>1</sup> A SPP is a payment sent intraday via Fedwire to DTC when a Participant has insufficient collateral or is at its net debit cap.

<sup>2</sup> P&I allocations are credited to Participant's settlement account throughout each processing day as payments are received.

p.m. eastern time.<sup>3</sup> This change was consistent with DTC's objective to maximize the early return of available liquidity to Participants.

In an effort to further maximize the early return of available liquidity to Participants, DTC will implement a new optional profile (the "profile") in PBS. By setting its profile in PBS appropriately, a Participant can set a standing instruction to have excess funds wired to their DTC Settling Bank<sup>4</sup> at approximately 3:20 p.m. eastern time after the Largest Provisional Net Credit<sup>5</sup> ("LPNC") is released to Participants at 3:05 p.m. eastern time. If a Participant chooses to use the profile, the Participant will be required to set the profile to either retain a minimum credit balance amount or be set to zero. A Participant will not be able to wire funds to their Settling Bank account if the funds movement will put the Participant into a debit balance. If a Participant has more than one SPP/P&I wire instruction on file with DTC, the Participant will be required to set its profile to indicate to which account the funds should be wired at its Settling Bank. The profile will provide Participants with another means to maximize the early return of available liquidity. In the event of a systemic, operational or other crisis or event, DTC will have the ability to freeze the profile.

DTC is also modifying its Procedures as they relate to the intraday return of SPPs and withdrawal of P&I allocations. Currently, Participants are able to withdraw the sum of all P&I payments allocated to their account, less any previous withdrawals, subject to DTC's Risk Management Controls. Participants are also able to request that DTC return all or a portion of an SPP submitted earlier in the day provided they have sufficient collateral<sup>6</sup> and net debit cap<sup>7</sup> to do so. In order to streamline the processing of securities transactions, DTC is modifying its Procedures so that a Participant may request the return of an SPP and withdraw a P&I allocation only if it will not put the Participant into a debit balance. DTC is also updating its P&I withdrawal process in order to make it more efficient. Withdrawals that are blocked as a result of insufficient collateral or net debit cap will no longer recycle until enough collateral or settlement credits are generated to satisfy the collateral or net debit cap deficiency. Instead a withdrawal request will complete when the Participant makes the request or it will drop and the Participant will be able to submit a new request.

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<sup>3</sup> For more information about this change, see DTC Rule filing 2009-18.

<sup>4</sup> A Settling Bank means a Participant which is a bank or trust company, subject to supervision or regulation pursuant to Federal or State banking laws, and a party to an effective Settling Bank Agreement.

<sup>5</sup> The LPNC discourages some Participants from requesting funds until later in the day when activity has stabilized. LPNC procedures provisionally withhold from Participants the benefit of the largest net settlement credit they would have received in any MMI program during most of the processing day. This net credit is the Participant's LPNC (referred to as provisional because of its reversible nature). The LPNC is not made available to the Participant as collateral to support its net debit nor is it deemed a credit in the calculation of the Participant's net debit. Because transactions in a failing MMI issue would be reversed only if DTC is informed of the default by 3:00 p.m., eastern time, LPNC procedures remain in effect only until approximately 3:05 p.m., eastern time, at which time, assuming no issuer default, the credit becomes final (i.e., it is no longer "provisional") and is applied to calculate the Participant's collateral and net debit.

<sup>6</sup> The term "Collateral" of a Participant on any Business Day means the sum of (i) the Actual Participants Fund Deposit of the Participant, (ii) the Actual Preferred Stock Investment of a Participant, (iii) all Net Additions of the Participant and (iv) any SPPs wired by the Participant to the account of the Corporation at the Federal Reserve Bank of New York in the manner specified in DTC's Procedures.

<sup>7</sup> A net debit cap helps ensure that DTC can complete settlement, even if a Participant fails to settle.

Additionally, DTC is making technical updates to its Settlement Processing Schedule in order to properly reflect the input methods available to Participants.<sup>8</sup>

These changes will necessitate revisions to the existing DTC Settlement Guide, and those revisions are detailed in the attached Exhibit 5.

DTC will notify its Participants of the effective date of these changes via Important Notice.

(ii) The proposed rule change is consistent with the requirements of the Securities and Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder applicable to DTC. The proposed rule change will maximize the early return of available liquidity to Participants and will be implemented consistently with the safe guarding of securities and funds in DTC's custody or control or for which it is responsible because all of DTC's risk management controls will continue to be in effect.

**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.**

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 forgoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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**

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<sup>8</sup> In 2008, DTCC completed a multi-year initiative to transition all Participant Terminal System ("PTS") functions to the Participant Browser System ("PBS"). Now, rather than toggle between the two tools, Participants can manage all their needs via the web-based PBS, which is more flexible than PTS, while offering greater functionality.



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 may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or by sending an e-mail to [rule-comment@sec.gov](mailto:rule-comment@sec.gov). Please include File No. SR-DTC-2010-07 on the subject line.
- Paper comments should be sent in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington D.C. 20549-1090.

All submissions should refer to File Number SR-DTC-2010-07. 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 Room, 100 F Street, NE, Washington D.C. 20549-9303. Copies of such filing also will be available for inspection and copying at DTC's principal office and on DTC's Web site at [www.dtc.org](http://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 the file number above and should be submitted within \_\_\_\_\_ days after the date of publication.

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

Elizabeth M. Murphy  
Secretary

**Underlined, boldface Text** indicates additional language

~~**Struck through, boldface text**~~ indicates deleted language

### Settlement Service Guide

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#### *Settlement Processing Schedule*

The following table describes the DTC Settlement processing schedule. All times are eastern time. CCF = Computer-to-Computer Facility, **MQ = Message Queue** ~~**MDH = Mainframe Dual Host**~~, PTS = Participant Terminal System, **PBS = Participant Browser System**.

<b>Cutoff Time</b>	<b>Input Mode For These Systems</b>	<b>This Occurs</b>
1:15 p.m.	Not applicable	DTC's cutoff for syndicate closings.
1:30 p.m.	Not applicable	DTC releases all pending delivery account (PDA) positions and reverts to default recycle processing.
2:00 p.m.	PTS, <b>PBS</b>	DTC's cutoff for Government deposits and withdrawals.
2:55 p.m.	PTS , <b>PBS, MQ MDH *</b>	Cutoff for entering release requests designating position as eligible for CNS.
3:00 p.m.	PTS, <b>PBS</b>	Cutoff for: <ul style="list-style-type: none"> <li>An Issuer's Paying Agent notifying DTC of the default of an MMI issue that would require the reversal of</li> </ul>

Cutoff Time	Input Mode For These Systems	This Occurs
3:00 p.m.	PTS , <u>PBS, MQ MDH</u> CCF , CCF II	<ul style="list-style-type: none"> <li>• transactions in DTC's system.</li> <li>• Entering pledges to Federal Reserve banks.</li> <li>• Pledgors' requests for release of positions pledged to Federal Reserve banks.</li> <li>• Federal Reserve banks to input pledge release returns.</li> <li>• OCC members to authorize the release of positions pledged to OCC.</li> </ul> <p>Forced Receiver Authorized Delivery (RAD) period begins.</p> <p><i>Note</i>—You can continue to enter valued and free transactions. However, all valued transactions, except matched reclaims, are forced into RAD and require the receiving participant's approval.</p>
3:05 p.m.	Not applicable	<p>Largest Provisional Net Credit (LPNC) control ends. DTC begins using your actual collateral monitor and net settlement balances (instead of simulated collateral monitors and net settlement balances) in determining whether Risk Management Control recycles can complete.</p>
3:10 p.m.	PTS , <u>PBS, MQ MDH</u> *	<ul style="list-style-type: none"> <li>• Cutoff for pledgees to approve pledge release requests designating position as CNS-eligible.</li> <li>• Valued recycle cutoff. All valued and CNS transactions that cannot be completed because of insufficient position, collateral, or net debit cap are dropped from the system.</li> <li>• CNS input cutoff.</li> </ul> <p><i>Note</i>—All valued transactions input or approved by participants</p>



Cutoff Time	Input Mode For These Systems	This Occurs
3:45 p.m.	Not applicable	DTC calculates your DTC and NSCC cross-endorsement balances and applies them to your account.
3:45 p.m.	Not applicable	DTC finalizes settlement balances for you and your settling bank.
4:15 p.m.	PTS, <b><u>PBS</u></b>	<p>Cutoff for settling banks to acknowledge their net-net settlement balance, where applicable, or refuse to settle for a specific participant.</p> <p><i>Note</i>—If the 3:45 p.m. deadline for final figures is extended, banks have 30 minutes from that cutoff to either acknowledge or refuse to settle.</p>
5:00 p.m.	PTS , <b><u>PBS, MQ MBH</u></b> *	<p>Cutoff for:</p> <ul style="list-style-type: none"> <li>• Entering valued DOs and pledges to your settling bank</li> <li>• Settling banks to settle DTC payments for net-net debits</li> <li>• Settling banks to authorize valued DO and pledge transactions</li> <li>• MMI issuing agents to enter free original issuances (new CUSIP)</li> <li>• DTC to lift Risk Management Controls</li> <li>• Free non-MMI DOs input after 5:00 p.m. to RAD if that option is activated by the receiving participant.</li> </ul>
5:15 p.m.	Not applicable	DTC instructs the FED to credit payments to settling banks with net-net credit balances.

Cutoff Time	Input Mode For These Systems	This Occurs
6:15 p.m.	PTS , <u>PBS, MQ MDH</u> *	Cutoff for: <ul style="list-style-type: none"> <li>• Entering free additional MMI issuances (existing CUSIP) and free deliveries</li> <li>• Pledgors to enter free pledges and free release requests</li> <li>• MMI issuing and paying agents to withdraw MMI securities.</li> </ul>
6:30 p.m.	PTS , <u>PBS, MQ MDH</u>	Cutoff for: <ul style="list-style-type: none"> <li>• Approving or cancelling free MMI issuances through RAD</li> <li>• Inputting day and night position transfer instructions (MA-to-NA transfers)</li> <li>• Pledgees to enter free pledge release returns</li> <li>• Pledgees to approve free pledge release requests.</li> </ul>
6:30 p.m.	<u>MQMDH</u> , CCF , CCF II	Cutoff for the Authorized Exceptions (ANE) function.
6:35 p.m.	PTS, <u>PBS</u>	Recycle cutoff for all free transactions.
6:45 p.m.	PTS , <u>PBS, MQ MDH</u> *	Cutoff for inputting segregation and memo segregation instructions.
7:30 p.m.	PTS, <u>PBS</u>	Cutoff for ANE.
8:00 p.m.	PTS , <u>PBS, MQ MDH</u> CCF , CCF II	NDO cutoff.



~~satisfy the collateral or net debit cap deficiency, or until the end of the recycle period, when transactions that have not successfully completed are dropped from the system. You can view recycling P&I withdrawals via the PEND function.~~ Dropped items are recorded on your Drop report.

P&I Withdrawals that have successfully completed are reflected on your settlement statements as "funds transfer debit transactions" (Activity Code 95-3). DTC will provide you with a recap of your funds transfer activity.

**The Settlement Progress Payment (SPP)/ Principal & Interest (P&I) Push Profile:**

**In order to simplify the SPP/P&I withdrawal process and to allow participants to maximize the return of available liquidity, DTC offers the SPP/P&I "Push Profile" which allows participants to establish a standing withdrawal request. Rather than requiring participants to manually request the return of their SPP/P&I credits, DTC will "push" available SPP/P&I credits to Participants that have established an SPP/P&I profile via PBS only (participants will need the eligibility bit IMSP to update the profile via the SPP/P&I Withdrawal Profile Update screen in the settlement statement section of PBS. The push of funds will occur after the valued recycle cutoff and the funds will be sent to the Participant's Settling Bank for the account specified in the SPP/P&I Push Profile.**

**Participants will be able to set a minimum balance that they want remaining in their account based upon their settlement balance at the time of the "push".**

**Associated PTS Functions**

The following PTS functions are used in association with P&I Withdrawals.

<i>Use this function</i>	<i>TO</i>
PEND	View information about recycling P&I withdrawal requests.
ART	View withdrawal requests.

**P&I Withdrawals Contact Number**

For more information about P&I Withdrawals, call DTC's Customer Support Center at (888) 382-2721.

P&I withdrawals are subject to Risk Management Controls **and will not be permitted if your account will be put into a debit balance.** Dropped items are recorded on your Drop report.

P&I Withdrawals that have successfully completed are reflected on your settlement statements as "funds transfer debit transactions" (Activity Code 95-3). DTC will provide you with a recap of your funds transfer activity.



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## Returning an SPP

Using the PBS option SPP Returns/P&I Withdrawal Request option, you can request that DTC return all or a portion of an SPP you submitted earlier in the day **down to a zero balance**. You can request that these payments be wired to your DTC Settlement Bank intraday, before the settlement period. Contact your Relationship Manager to obtain access to this update capability. DTC must receive your request no later than 3:20 ~~00~~ p.m. eastern time. When DTC receives your reversal request, it:

- Debits the amount from your settlement account providing you have sufficient collateral and debit cap
- Returns the funds via Fedwire to your Settling Bank as indicated on your standing wire instructions with DTC.

*Note- DTC will not return the funds if doing so would **give you a negative collateral monitor or cause your settlement net debit to exceed your net debit cap. put your account into a debit balance.***

## Wire Instructions

Before using the SPP Return function, you must activate your account for this option and supply DTC with specific wire instructions for your DTC Settling Bank as outlined in Important Notice # 4582-09. This information will be stored in DTC's wire instruction database and may be accessed when you submit SPP returns or P&I withdrawal requests. Each instruction must include:

- Your participant number
- The American Banking Association (ABA) routing number of the receiving bank which must be your Settling Bank
- Your Settling Bank's Telegraphic ID
- Your account number at the receiving bank.
- Beneficiary Name
- Beneficiary Account Number
- Beneficiary Address including the Street, City, State, Zip and Country

*Note- You can add information to the wire instructions, such as a department name, if desired.*

DTC will maintain up to five wire instruction formats in its wire instructions database. Complete the Wire Instructions form for Settlement Progress Payment Returns and Principal and Income (P&I) Payment Withdrawals attached to Important Notice # 4582-09 and send it to:

DTCC's Membership Onboarding/Account Administration group at least two weeks prior to the desired effective date. The executed form(s) should be sent via e-mail (PDF) to DTCAA@dtcc.com (preferred). Alternatively, a fax can be sent to 212-855-4933 (ATTN: Mary Peake, Account Administration).

**Warning!** Use stringent security controls, including periodic reviews of individuals authorized to supply DTC with wire instruction formats for SPP return instructions. DTC strongly recommends that you distribute these responsibilities among your authorized personnel.

## Associated PTS Functions

~~You can use the following PTS functions to carry out Recycle Processing activities.~~

<b>Use this function</b>	<b>To</b>
<b>PEND</b>	<b>View recycling transactions by category (for example, insufficient position debit cap, collateral).</b>
<b>ART</b>	<b>View a transaction and its status (for example, made, pend).</b>
<b>RMCI</b>	<b>View Risk Management Controls and a pending transaction summary.</b>
<b>DO</b>	<b>Prevent pend or identify that this is a pending transfer account.</b>
<b>POSM</b>	<b>Display the various position buckets you have.</b>

### **Recycle Processing Contact Number**

**For more information about Recycle Processing, call DTC's Customer Support Center at (888) 382-2721.**

### **The Settlement Progress Payment (SPP)/ Principal & Interest (P&I) Push Profile:**

**In order to simplify the SPP/P&I withdrawal process and to allow participants to maximize the return of available liquidity, DTC offers the SPP/P&I "Push Profile" which allows participants to establish a standing withdrawal request. Rather than requiring participants to manually request the return of their SPP/P&I credits, DTC will "push" available SPP/P&I credits to Participants that have established an SPP/P&I profile via PBS only (participants will need the eligibility bit IMSP to update the profile via the SPP/P&I Withdrawal Profile Update screen in the settlement statement section of PBS. The push of funds will occur after the valued recycle cutoff and the funds will be sent to the Participant's Settling Bank for the account specified in the SPP/P&I Push Profile.**

**Participants will be able to set a minimum balance they want remaining in their account based upon their settlement balance at the time of the "push".**

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### **Settlement Processing Schedule**

The following table describes the DTC Settlement processing schedule. All times are eastern time. CCF = Computer-to-Computer Facility, **MQ = Message Queue** **MDH = Mainframe Dual Host**, PTS = Participant Terminal System, **PBS = Participant Browser System**.

<b>Cutoff Time</b>	<b>Input Mode For These Systems</b>	<b>This Occurs</b>
1:15 p.m.	Not applicable	DTC's cutoff for syndicate closings.
1:30 p.m.	Not applicable	DTC releases all pending delivery account (PDA) positions and reverts to default recycle processing.
2:00 p.m.	<b>PTS, <u>PBS</u></b>	DTC's cutoff for Government deposits and withdrawals.
2:55 p.m.	<b>PTS, <u>PBS</u>, <u>MQ MDH</u> *</b>	Cutoff for entering release requests designating position as eligible for CNS.
3:00 p.m.	<b>PTS, <u>PBS</u></b>	<p>Cutoff for:</p> <ul style="list-style-type: none"> <li>• Entering intraday principal and income withdrawal requests.</li> <li>• An Issuer's Paying Agent notifying DTC of the default of an MMI issue that would require the reversal of transactions in DTC's system.</li> <li>• Requesting the return of SPPs.</li> <li>• Entering pledges to Federal Reserve banks.</li> <li>• Pledgors' requests for release of positions pledged to Federal Reserve banks.</li> <li>• Federal Reserve banks to input pledge release returns.</li> <li>• OCC members to authorize the release of positions pledged to OCC.</li> </ul>
3:00 p.m.	<b>PTS, <u>PBS</u>, <u>MQ MDH</u></b>  CCF, CCF II	<p>Forced Receiver Authorized Delivery (RAD) period begins.</p> <p><i>Note-</i> You can continue to enter valued and free transactions. However, all valued transactions, except matched reclaims, are forced into RAD and require the receiving participant's approval.</p>
3:05 p.m.	Not applicable	Largest Provisional Net Credit (LPNC) control ends. DTC begins using your actual collateral monitor and net settlement balances (instead of simulated collateral monitors and net settlement balances) in determining whether Risk Management Control recycles can complete.
3:10 p.m.	<b>PTS, <u>PBS</u>, <u>MQ MDH</u> *</b>	<ul style="list-style-type: none"> <li>• Cutoff for pledgees to approve pledge release requests designating position as CNS-eligible.</li> <li>• Valued recycle cutoff. All valued and CNS transactions that cannot be completed because of insufficient position, collateral, or net debit cap are dropped from the system.</li> <li>• CNS input cutoff.</li> </ul> <p><i>Note-</i> All valued transactions input or approved by participants after this time will not recycle; they will either complete or drop.</p>
3:20 p.m.	<b><u>PTS-PBS</u></b>	<ul style="list-style-type: none"> <li>• Entering intraday principal and income withdrawal requests</li> </ul>

<b>Cutoff Time</b>	<b>Input Mode For These Systems</b>	<b>This Occurs</b>
		<ul style="list-style-type: none"> <li>Requesting the return of SPPs.</li> </ul>
3:20 p.m.	PTS, <b>PBS</b> , <b>MO, MDH</b> *	<p>Forced RAD Delivery Period ends. Cutoff for entering:</p> <ul style="list-style-type: none"> <li>Valued original DOs including unmatched reclaims</li> <li>Original POs</li> <li>Valued pledges</li> <li>Valued pledge release requests</li> <li>Valued MMI issuances.</li> </ul> <p><i>Note-</i> If you have made prior arrangements with DTC and your settling bank, you can continue to submit valued transactions to your settling bank.</p>
3:30 p.m.	PTS, <b>PBS</b> , <b>MO, MDH</b>	<p>Cutoff for:</p> <ul style="list-style-type: none"> <li>Inputting valued matched reclaims</li> <li>Pledges to approve valued pledge release requests and enter valued release returns</li> <li>RAD approval or cancellation for valued transactions.</li> </ul>
3:45 p.m.	Not applicable	<ul style="list-style-type: none"> <li>DTC finalizes your DTC and NSCC cross-endorsement balances and applies them to your account.</li> <li>DTC finalizes settlement balances for you and your settling bank.</li> </ul>
4:15 p.m.	<b>PTS, PBS</b>	<p>Cutoff for settling banks to acknowledge their net-net settlement balance or refuse to settle for a specific participant.</p> <p><i>Note-</i> If the 3:45 p.m. deadline for final figures is extended, banks have 30 minutes from that cutoff to either acknowledge or refuse to settle.</p>
5:00 p.m.	PTS, <b>PBS</b> , <b>MO, MDH</b> *	<p>Cutoff for:</p> <ul style="list-style-type: none"> <li>Entering valued DOs and pledges to your settling bank</li> <li>For DTC to secure payments from Settling banks for net-net debits</li> <li>Settling banks to authorize valued DO and pledge transactions</li> <li>MMI issuing agents to enter free original issuances (new CUSIP)</li> <li>DTC to lift Risk Management Controls</li> <li>Free non-MMI DOs input after 5:00 p.m. to RAD if that option is activated by the receiving</li> </ul>

<b>Cutoff Time</b>	<b>Input Mode For These Systems</b>	<b>This Occurs</b>
		participant.
5:15 p.m.	Not applicable	DTC gives instructions to the Fed to credit payments to settling banks with net-net credit balances.
6:15 p.m.	PTS, <b>PBS</b> , <b>MO MDH</b> *	Cutoff for: <ul style="list-style-type: none"> <li>• Entering free additional MMI issuances (existing CUSIP) and free deliveries</li> <li>• Pledgors to enter free pledges and free release requests</li> <li>• MMI issuing and paying agents to withdraw MMI securities.</li> </ul>
6:30 p.m.	PTS, <b>PBS</b> , <b>MO MDH</b>	Cutoff for: <ul style="list-style-type: none"> <li>• Approving or cancelling free MMI issuances through RAD</li> <li>• Inputting day and night position transfer instructions (MA-to-NA transfers)</li> <li>• Pledgees to enter free pledge release returns</li> <li>• Pledgees to approve free pledge release requests.</li> </ul>
6:30 p.m.	<b>MDH-MO</b> , CCF, CCF II	Cutoff for the Authorized Exceptions (ANE) function.
6:35 p.m.	PTS, <b>PBS</b>	Recycle cutoff for all free transactions.
6:45 p.m.	PTS, <b>PBS</b> , <b>MO MDH</b> *	Cutoff for inputting segregation and memo segregation instructions.
7:30 p.m.	PTS, <b>PBS</b>	Cutoff for ANE.
8:00 p.m.	PTS, <b>PBS</b> , <b>MO MDH</b>  CCF, CCF II	NDO cutoff.

\* For these processes, CCF and CCF II cutoff times are 15 minutes earlier than **MO, PBS MDH** and PTS.