



May 5, 2025

Via e-mail to: PRA-Mailbox@sec.gov

Mr. Austin Gerig
Director, Chief Data Officer
Securities and Exchange Commission
100 F St. NE
Washington, DC 20549

RE: COMMENT REQUEST – SEC RULE 17Ad-16 (the “Rule”) – (FR Doc. 2025-03434)

Mr. Gerig:

UMB Bank, N.A. (“UMB”) appreciates the opportunity to provide comments responsive to the referenced request. UMB was established in 1913 and today provides a full range of banking services with locations in 13 states and assets of \$50 billion. UMB has provided corporate trust and securities transfer agent services for more than 80 years.

UMB supports the American Bankers Association’s letter of May 5, 2025 (the “ABA Letter”). No change to the language in the Rule is necessary. The original purpose of the Rule was to address the problem of unannounced transfer agent changes that adversely affect the prompt transfer of securities certificates. As originally interpreted by the SEC’s examiners, the Rule applied only to situations where the transfer agent changes after the initial issuance of a security. UMB believes that the Rule, as initially interpreted, accomplished not only its stated purpose, but also facilitated the orderly transition of duties between the retiring and succeeding transfer agents. However, the additional notices being provided to DTC for new security issues are unnecessary, redundant, and wasteful. UMB requests that the SEC issue guidance to its examination staff to the effect that 1) the Rule only requires notice to DTC when a post-issuance change of transfer agents occurs; and 2) such notices are required only for securities which are eligible for DTC’s depository services.

The SEC’s change to the interpretation of the Rule was first communicated to UMB as part of the SEC’s regular examinations in about 2006. After the SEC communicated its revised interpretation of the Rule, UMB has worked consistently to comply with the revised interpretation, even though it disagreed with the examiners’ position. Included in these efforts have been ongoing investments in improvements to UMB’s existing technology platforms and the addition of new modules to further automate compliance. In some instances, DTC has also changed its platforms and interfaces involving the Rule, prompting UMB, its vendors, and other transfer agents to further adapt their own platforms and procedures to DTC’s changes.

Additionally, UMB has implemented audit and monitoring programs to test continuous compliance with the Rule. This additional oversight and testing take approximately 180 hours per year to complete. UMB's front line corporate trust officers are involved in the gathering of notice information and ensuring that the notice is promptly and correctly transmitted electronically to DTC within the deadlines specified in the Rule. In many instances, this effort must be repeated if the CUSIP numbers and/or effective date of the transfer agent appointment changes. In all situations, this time and attention would be better utilized on other risk functions.

Based on 2024 volumes approximately 5% of the notices provided to DTC pursuant to the Rule were related to UMB's succession as transfer agent on an existing issue of securities. The remaining percentage of the notices provided relate to initial issuances of new securities. UMB agrees with the ABA Letter and believes that these additional notices are unnecessary and are not providing any relevant information that isn't already known by DTC and other market participants.

Most typically, during the time leading up to a new securities issue, UMB is working with underwriters, placement agents and DTC to confirm the key security details. Underwriters must provide transfer agent information as a part of DTC's securities eligibility requirements.¹ Transfer agents are required to respond to DTC's requests to confirm security details. On the date of issuance, the transfer agent again confirms key security information with DTC, including par amounts, interest rates and CUSIP numbers. All of this occurs as a part of the ordinary closing process, using either DTC's FRAC² or DWAC³ applications. In each stage of the issuance process, DTC knows the identity of the transfer agent in sufficient time to facilitate the ordinary issuance of new securities. Thus, the additional notices being provided to DTC pursuant to the Rule are unnecessary, redundant, and wasteful of both transfer agent and DTC's resources.

In conclusion, we appreciate the SEC's review of the Rule and consideration of these comments. We encourage SEC to issue guidance to its examiners as described above and in the ABA Letter.

Sincerely,



Douglas Hare
Senior Vice President
Corporate Trust Senior Regional Manager

¹ See The Depository Trust Company Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) at <https://www.dtcc.com/~media/files/downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>

² Fast Reject and Confirmation

³ Deposit/Withdrawal at Custodian