



What is the Direct Registration System?

The Direct Registration System (DRS) provides for electronic direct registration of eligible securities in an investor's name on the books for the transfer agent or issuer, and allows shares to be transferred between a transfer agent and broker electronically. Instructions to transfer shares are sent via the DRS Profile system, which provides an indemnification against false instructions. Shares are transferred electronically through DRS/Profile.

Who can use the service?

Issuers, transfer agents and DTC participants can use the service. Issuers and transfer agents are issued limited participant account numbers to use DRS. All DRS users are required to either participate in DTC's Surety program or provide proof of similar coverage from an approved surety provider to provide indemnification against false instructions.

What are the benefits of DRS?

- Accurate, quick and cost-efficient transfers between issuers or their transfer agents and broker/dealers
- Secure electronic transfer is fully indemnified for safety
- Reduces the risk associated with physical securities processing of paper, including turnaround delays, mail losses and risks associated with stolen, forged or counterfeit securities
- Supports the industry's move to a dematerialized security environment and shortened settlement timeframes

How does the service work?

Through the DRS Profile system, an investor requests securities to be transferred to or from a broker/dealer and transfer agent. The request to transfer the securities is entered via the Participant Terminal System (PTS) or via the depository's Computer to Computer Facility (CCF). The proprietary information submitted includes the customer's account number, account registration, share quantity, tax ID number, etc. A valid surety number must be submitted with the instructions from the initiating organization.

The receiving institution validates the information and responds with a deliver order through DRS that directs DTC to make the appropriate updates to the investor's securities holdings.