

1.1.3 Notice of Commission Approval - Application to Vary the Recognition and Designation of The Canadian Depository for Securities Limited

APPLICATION TO VARY THE RECOGNITION AND DESIGNATION OF THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED

NOTICE OF APPROVAL

On July 12, 2005, the Commission issued an order (the "Recognition Order") pursuant to subsection 21.2(1) and section 144 of the *Securities Act* (Ontario) (the "Act") varying and restating the current recognition and designation order of The Canadian Depository for Securities Limited ("CDS") as a clearing agency.

The Recognition Order has three components:

1. **Recognition and Designation Order with Terms and Conditions** – The Commission issued an order varying the current recognition and designation order with an attached Schedule "A" containing terms and conditions based on recognition criteria for clearing agencies.
2. **Rule Protocol Regarding the Review and Approval of CDS Rules by the OSC** – The protocol sets out the procedures for the submission of a rule by CDS and the review and approval of the rule by the Commission. The protocol is attached as Appendix "A" to the terms and conditions of the Recognition Order.
3. **Reporting Obligations** – Attached as Appendix "B" to the terms and conditions of the Recognition Order are reporting obligations in addition to the reporting obligations set out in the terms and conditions of the Recognition Order.

A copy of the Recognition Order is published in Chapter 2 of this bulletin.

The Commission published the CDS application for variation on April 8, 2005 at (2005) 28 OSCB 3481. Three commenters responded to the request for comments. CDS' summary of comments and responses is published in Chapter 13 of this bulletin.