

**13.3.2 Notice of Effective Date – Technical Amendments to CDS Procedures – Alert For Late or Non-Receipt of New York Link Collateral Requirement File**

**NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**ALERT FOR LATE OR NON-RECEIPT OF  
NEW YORK LINK COLLATERAL REQUIREMENT FILE**

**A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS**

The proposed procedure amendments are available for review and download on the User Documentation Revisions page on the CDS website at <http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open>.

**Background**

In May 2010, CDS implemented an Electronic Alert Service (EAS) email and web alert that allows subscribing participants to receive a notification advising them of their New York Link collateral requirements once the NSCC collateral file has been received and processed at approximately 5:30 a.m. EST (2010 April 30 – Proposed Technical Amendments to CDS Procedures – New York Link Collateral Requirement Alert). This alert allows participants quick access to collateral requirement information in order to address a short collateral position without being on site at their office locations, and assists in avoiding penalties that are applied to the late payment of collateral.

When the NSCC file is not received by the required processing time, CDS's Collateral Management, Risk, and Customer Service areas are notified. Customer Service sends out a CDSX broadcast message at approximately 8:30 a.m. EST, advising New York Link participants that the collateral reports produced during the morning processes reflect the previous day's NSCC Participant Fund collateral requirements, and that a further broadcast message will be sent once the current day's collateral requirements are available in the reports.

Currently participants subscribed to the EAS alert are unaware that there has been a delay in receipt of the NSCC file until they receive the broadcast message. As a result, they are unsure if the delay in receiving the collateral requirements is due to a problem with either their email service or the CDS EAS alert, or is because of the late receipt of the file from NSCC.

CDS will now implement an additional EAS email and web alert advising subscribers that the collateral requirements are not yet available if the NSCC file is not received by CDS's processing cut off time. Participants will have one of the following alerts at approximately 5:30 a.m. EST:

- Existing EAS alert advising of their collateral requirements (file was received by 5:30 a.m.)
- New EAS alert advising their collateral requirements are not yet available (file was not received by 5:30 a.m.).

**Description of the proposed amendments**

The proposed amendment includes:

- A minor clarification in the description of the "NSCC Participant Fund for New York Link collateral requirement" alert, in the *Participating in CDS Services* manual, Chapter 3, Web Services.

CDS procedure amendments are reviewed and approved by CDS's strategic development review committee (SDRC). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on December 30, 2011.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they are consequential amendments intended to implement a material rule that has been published for comment pursuant to this protocol which only contain material aspects already contained in the material rule or disclosed in the notice accompanying the material rule.

**C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENTS**

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépot et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that the proposed amendments will become effective on February 6, 2012.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

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