

13.3 Clearing Agencies

13.3.1 Notice of Commission Approval – CDS Clearing and Depository Services Inc. (CDS) – Material Amendments to CDS Rules – Electronic Payment of Entitlements

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AMENDMENTS TO CDS RULES

ELECTRONIC PAYMENT OF ENTITLEMENTS

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on October 4, 2011 amendments filed by CDS to its rules. The amendments permit CDS to establish certain limited exemptions to the requirement (scheduled to become effective on November 1, 2011) that all entitlements on eligible securities be paid by an acceptable electronic means.

The Commission's approval of the amendments is subject to the following term and condition, which will remain in effect until November 1, 2016 (or until such shorter time when CDS removes from its rules the limited duration exemptions):

That CDS report to OSC staff annually, commencing on November 1, 2012, on the total number and value of non-electronic entitlement payments received by CDS relative to the combined electronic and non-electronic entitlement payments received by CDS during the year and on any CDS and industry developments to encourage further electronic payment of entitlements.

A copy and description of the rule amendments were published for comment on May 20, 2011 at (2011) 34 OSCB 6064. No comments were received.