

**13.1.5 Technical Amendments to CDS Procedures – New Account Number at Harris National Association – Participating in CDS Services, Chapter 15 Collateral Administration, Section 15.1.2 Delivering U.S. Dollar Cash as Collateral – Notice of Effective Date**

**CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)**

**TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**NEW ACCOUNT NUMBER AT HARRIS NATIONAL ASSOCIATION**

**PARTICIPATING IN CDS SERVICES, CHAPTER 15 COLLATERAL ADMINISTRATION,  
SECTION 15.1.2 DELIVERING U.S. DOLLAR CASH AS COLLATERAL**

**NOTICE OF EFFECTIVE DATE**

**A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENT**

Material amendments to CDS procedures for the for DTC Direct Link and New York Link services were proposed by CDS and published for comment on August 14, 2009. Subsequent to the publication of these amendments, additional changes were identified by CDS and additional material amendments to the CDS procedures were published on September 18, 2009 for comments.

Since the publication of the additional material amendments to the CDS procedures on September 18, 2009, further amendments to the CDS Participant Procedures have been identified.

The reasons for and a description of these amendments are described below.

*Background*

Beginning on November 2, 2009, all of the USD collateral provided by participants for the NSCC participant fund for New York Link must be sent to NSCC by CDS, via wire transfer, by 12:00 p.m. each business day.

Currently, the CDS external procedures specify that participants are to deliver their USD collateral to an account at Harris Trust and Savings Bank (i.e. 203-213-4) that is used for the New York Link and the USD receivers of credit pool.

As of November 2, 2009, CDS operations must monitor and reconcile the USD flowing through this account and ensure that only USD related to participants' cash collateral requirements for the NSCC participant fund for New York Link is forwarded to NSCC by their deadline.

In order to simplify, expedite and reduce the likelihood of errors relative to the operational processes involved with the reconciliation and forwarding of the USD collateral for the NSCC participant fund, a separate account (i.e. 203-212-6) at Harris National Association is to be used by NYL participants when sending USD to fulfill their cash collateral requirements.

This account at Harris National Association is already opened and will be utilized by CDS only for the USD collateral requirements of the NSCC participant fund for New York Link.

*Description of Proposed Amendments*

The following amendments are proposed to CDS's external procedures:

- Participating in CDS Services, Chapter 15 Collateral Administration, Section 15.1.2 Delivering U.S. dollar cash as collateral:
  - Modify the existing text and Fedwire payment table so that it relates specifically to the USD receivers of credit pool
  - Add text and a Fedwire payment table specifically for the NSCC participant fund for New York Link
  - Update Harris Trust and Savings Bank to Harris National Association

The CDS Procedures marked for the amendments may be accessed at the CDS website at:

<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open>.

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.

The preceding proposed amendments to the CDS Participant Procedures have been approved by senior CDS management and are expected to be reviewed and approved by the SDRC on October 29, 2009.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they pertain to matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

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

Material amendments to CDS Procedures related to the DTC Direct Link and New York Link Services were published on August 14, 2009 and September 18, 2009 for thirty calendar day comment periods.

These additional technical amendments will be considered approved upon approval of the material amendments to the CDS Procedures.

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 Dépôt 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 a date subsequently determined by CDS, and as stipulated in the related CDS Bulletin.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

Robert Argue  
Senior Product Manager – CDS Product Development  
CDS Clearing and Depository Services Inc.  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Telephone: (416) 365-3887  
Fax: (416) 365-0842  
Email: rargue@cds.ca