

**13.1.3 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures – Participant Claims – Appeal Limit Change**

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

**TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**PARTICIPANT CLAIMS – APPEAL LIMIT CHANGE**

**NOTICE OF EFFECTIVE DATE**

**A. DESCRIPTION OF THE AMENDMENTS**

*Background*

Currently, appeals of participant claims for \$10,000 or less are presented for adjudication to the Audit/Risk Committee of the Board of Directors of The Canadian Depository for Securities Limited (the "Board"), while appeals of participant claims exceeding \$10,000 are presented to the Board itself.

At the request of the Audit/Risk Committee of the Board, and in an attempt to make the appeal process more efficient, it is proposed that the monetary threshold discussed above be changed from \$10,000 to \$50,000. Because of workload and scheduling issues, the Audit/Risk Committee of the Board is of the opinion that it would be more appropriate for the Board to review claims exceeding \$50,000.

Pursuant to the unanimous shareholder agreement between The Canadian Depository for Securities Limited ("CDS Ltd.") and CDS, effective as of November 1, 2006 whereby CDS Ltd., which acts under the supervision of its Board, assumes all rights, powers, and duties of the CDS Board of Directors, the function of the CDS Audit/Risk Committee of the Board of Directors is performed by the Audit/Risk Committee of the Board.

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

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

*Description of Proposed Amendments*

The following procedure will be impacted by this initiative:

- Participating in CDS Services, Chapter 1 Introduction to CDS, Section 1.6

**B. REASONS FOR TECHNICAL CLASSIFICATION**

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

**C. EFFECTIVE DATE OF THE RULE**

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 1 November, 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 1 November, 2006, CDS has determined that these amendments will be effective on July 28, 2008.

These amendments were reviewed and approved by the CDS Strategic Development Review Committee ("SDRC") on June 26, 2008.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

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