

## Chapter 13

# SRO Notices and Disciplinary Proceedings

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### 13.1.1 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Failure to Receive Participant Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

FAILURE TO RECEIVE PARTICIPANT PROCEDURES

NOTICE OF EFFECTIVE DATE

#### A. DESCRIPTION OF THE RULE AMENDMENT

##### *Description of Proposed Amendments*

On November 5, 2007, CDS implemented technical amendments to its Participant Procedures related to failures-to-receive. The proposed amendments to section 10.1.1 of CDS User Guide entitled *Trade and Settlement Procedures* are intended further to clarify the circumstances in which a fail-to-receive interest mark will be applied and assessed to a Participant. This interest mark calculation is based on information obtained from the final CNS settlement cycle of the business day.

Since no CNS settlement will be attempted *after* the final CNS cycle for that day, a delivery of securities after this final CNS cycle will not have any impact on CNS settlement for that day. Thus, a delivery of securities after the final CNS cycle will not invoke an interest mark. Clarification of this timeline was initiated by CDS personnel.

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

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

[en francais: <http://www.cds.ca/cdsclearinghome.nsf/Pages/-FR-Documentation?Open>]

#### B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments; they are amendments required to ensure consistency or compliance with an existing rule.

#### 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 OSC Recognition and Designation Order, as amended 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 **February 4<sup>th</sup>, 2008**.

#### D. QUESTIONS

Questions regarding this notice may be directed to:

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