

13.1.4 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Regulation SHO Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

REGULATION SHO PROCEDURES

NOTICE OF EFFECTIVE DATE

**A. DESCRIPTION OF THE RULE AMENDMENT**

*Background*

On September 28<sup>th</sup>, 2007, CDS's Regulators published a Notice of Effective Date in respect of amendments to CDS Participant Procedures relating to Regulation SHO (U.S. Securities and Exchange Commission). Regulation SHO was amended by the S.E.C. on June 13<sup>th</sup>, 2007, and the amendments came into force on October 15<sup>th</sup>, 2007.

The proposed amendments are made to ensure that CDS and its Participants will be in compliance with the aforementioned SEC amendments.

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>]

*Description of Proposed Amendments*

The proposed amendments to the CDS User Guide entitled *New York Link Participant Procedures* are as follows:

1. In order to assure that CDS and its Participants are in compliance with Regulation SHO, participants are asked to contact CDS Customer Service in respect of Rule 144 securities by the **twelfth (12<sup>th</sup>)** consecutive business day, not the thirteenth (13<sup>th</sup>) day, as is currently indicated.
2. The section dealing with the required documentation has been amended to correct a typographical error and clarify that, where an affidavit is required, participants must submit such an affidavit for each affected security.

**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, securities legislation or other regulatory requirement.

**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 **January 7, 2008**.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

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