

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Pledge and Settlement Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

PLEDGE AND SETTLEMENT PROCEDURES

NOTICE OF EFFECTIVE DATE

**A. DESCRIPTION OF THE RULE AMENDMENT**

*Background*

The proposed amendments to the CDS User Guide entitled *Pledge and Settlement Procedures* are housekeeping, grammatical, and typographical in nature and are proposed in the normal course of CDS's ongoing maintenance of its Participant Procedures.

In the course of the normal review of CDS's participant procedures, CDS became aware of an error relating to the number of collateral items and loan items that may be included in a new pledge. The current limit on such items is 300 collateral items and 300 loan items per new pledge. The current version of the Procedures refers, however, to a limit of 40 such items. These limits, as currently contained in the Procedures, are incorrect.

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**

Reference to the 40 item limits on collateral and loan items will be amended to reflect the correct limits of 300 items for collateral and loan items.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments; they are intended 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 **January 7<sup>th</sup>, 2008**.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

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