

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to CDS Application for Participation

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

CDS APPLICATION FOR PARTICIPATION

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

In December 2006, CDS submitted a Notice of Material Amendments to CDS Rules relating to the introduction of the CREST Link Service (now known as the Euroclear UK Direct Service). The proposed Material Amendments introduced Rule 14, giving CDS Participants the option to participate directly in CREST, operated by Euroclear UK & Ireland Limited. CDS Participants subscribing to the Service, as Sponsored Members, will be given direct access to the settlement of securities through CREST®.

The new service gives direct control to the CDS Participant's Canadian office, without the delay and cost of using an agent. Instructions are inputted directly by the Canadian participant, and the participant can use CREST throughout its operating hours, without having to allow time to transmit instructions to its agent, who must then re-input the data into CREST.

The proposed amendments to the CDS *Application for Participation* provide CDS Participants with the option to subscribe to the service.

The Procedures marked for the amendments may be accessed at the CDS website in the Forms Catalogue.

Description of Proposed Amendments

The CDS *Application for Participation* has been amended as follows:

- The participants have been given the option to subscribe to the Euroclear UK Direct service. A check-box intended for this purpose has been added.
- As a consequence of the recent reduction in the Federal Goods & Services Tax (GST), the Application for Participant has been amended to reflect the new 6 percent rate.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments; they are consequential and intended to implement a material rule that has been published for comment pursuant to Regulatory Protocol. The proposed amendments contain only material aspects already contained in the material rule and disclosed in the notice accompanying that 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 **August 27th, 2007**.

D. QUESTIONS

Questions regarding this notice may be directed to:

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