

13.1.8 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Automated Pledge Claims Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

AUTOMATED PLEDGE CLAIMS PROCEDURES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

On May 7, 2007, CDS implemented technical amendments to the Automated Pledge Claims Procedures. Due to an inadvertent omission, however, two items were not listed in the section entitled Exception Scenarios. The proposed amendments include these two items in order to ensure consistency with the process which the CDS Procedures describe.

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

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

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

Description of Proposed Amendments

In the *CDSX Procedures and User Guide*, two clarifications were added:

- Security loan items for certain mandatory events are not processed automatically and are the responsibility of the Participant. (This does not change the *status quo* in respect of processing these claims)
- The treatment of deleted unsettled claims transactions is clarified; the clarification states that a deleted claim appears on the Deleted Transaction report and that the Participant must follow up with the counterparty directly. (This does not change the *status quo* in respect of processing these claims)

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments; they are required to ensure consistency or compliance with an existing rule (3(a)(iii)).

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 13, 2007**.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West,
Toronto, Ontario, M5H 2C9

Telephone: 416-365-3768; Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Managing Director, Legal