

13.1.5 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Deliverer Buy-in Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

DELIVERER BUY-IN PROCEDURES

NOTICE OF EFFECTIVE DATE

**A. DESCRIPTION OF THE RULE AMENDMENT**

*Background*

The proposed amendments to CDS Trade and Settlement Procedures are made in order to clarify the satisfaction of maximum liability by the actual settlement of a failed-to-deliver position. The proposed amendments add a reminder to Participants that they are not relieved of their buy-in liability through the settling of trades in the normal course during the buy-in period.

The proposed amendments do not alter the status quo with respect to buy-ins or the process by which a Deliverer of a buy-in can inquire as to their liabilities, request an extension, or produce a maximum execute liability report.

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

In English: <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*

The proposed amendments to the CDS User Guide entitled *Trade and Settlement Procedures* clarify a pre-existing note respecting Participants buy-in liability and the Participant's satisfaction of their maximum liability. The proposed amendments clarify that settling of trades in the normal course does not relieve a Participant of its buy-in liability.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

**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 **May 7, 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](mailto:attention@cds.ca)

JAMIE ANDERSON  
Managing Director, Legal