

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Delivery Services Participant Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

DELIVERY SERVICES PARTICIPANT PROCEDURES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

On October 20th, 2006, CDS's regulators approved proposed amendments to the CDS Rules in respect of Delivery Services. Notice was given of CDS's intention to incorporate the Delivery Services into the CDS Participant Rules on July 12, 2006, and Requests for Comments were published by the Ontario Securities Commission and l'Autorité des marchés financiers (Québec), respectively, on July 21, 2006.

The proposed amendments to CDS Procedures are made in order to ensure consistency as between the CDS Participant Rules and CDS Participant Procedures. In addition, they are intended to codify and clarify CDS's responsibilities as well as those of the participants using the services.

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

<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-070209blacklined?Open>

Description of Proposed Amendments

The proposed amendments contained in the new guide, entitled CDS Delivery Services Participant Procedures, incorporate existing operational practices. The new guide contains a consolidation of the following information:

- A service description for each of the seven service options offered under the umbrella of CDS Delivery Services. These seven services have been offered to participants by CDS, and its predecessor, The Canadian Depository for Securities Limited, for over 20 years; the service descriptions have not, as yet, been incorporated into post-transition CDSX® procedures. The service options are as follows:
 - Same-city transfer envelope
 - Inter-city transfer envelope
 - Remote transfer service
 - Branch-to-branch
 - Settlement envelopes
 - Consolidated Courier
 - International deliveries
- A detailed description of each service offering, including the types of documents that the service is intended to deliver, the individual steps taken in the course of a delivery, instructions for the preparation of transfer envelopes, and pick-up and delivery times for each service.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are amendments required to ensure consistency 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 April 23, 2007.

D. QUESTIONS

Questions regarding this notice may be directed to:

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