

## Chapter 13

# SRO Notices and Disciplinary Proceedings

### 13.1.1 Notice of Commission Approval - Technical Amendments to CDS Rules - Procedure Maintenance Clarifications, Stylistic Amendments and Error Corrections

#### THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED

#### TECHNICAL AMENDMENTS TO CDS RULES PROCEDURE MAINTENANCE CLARIFICATIONS, STYLISTIC AMENDMENTS AND ERROR CORRECTIONS

#### NOTICE OF COMMISSION APPROVAL

##### A. Description of the Rule

The amendments proposed pursuant to this Notice concern miscellaneous procedure maintenance clarifications, stylistic amendments, and error corrections for CDS procedures.

The procedures marked for the proposed amendments may be accessed at the CDS website at <http://www.cds.ca/cdshome.nsf/Pages/-EN-Documentation?Open>.

Specifically, these amendments address the following:

##### Stylistic Amendments

1. Section 8.9.2 (Inquiring on family ACV and sector limits) of Participating in CDS Services (Release 2.4) has been revised for a stylistic change.
2. Section 10.4.1 (Temporary increases in excess of the company cap) of Participating in CDS Services (Release 2.4) has been revised for a stylistic change.
3. Section 13.1.4 (Making collateral contributions) of Participating in CDS Services (Release 2.4) has been revised for a stylistic change.
4. Section 14.3 (Active federated participant's collateral pool) of Participating in CDS Services (Release 2.4) has been revised to replace "Federated participant" with "Caisse Centrale Desjardins".

##### Clarification Amendments (including stylistic amendments)

5. In the preamble to Chapter 8 of the Trade and Settlement Procedures (Release 2.3), a stylistic change was made in addition to a clarification that

only trades reported from NSCC can settle by certificate-based settlement.

6. Section 4.4 (Modifying non-exchange trades) of the Trade and Settlement Procedures (Release 2.3) has been revised (row "Changing trade details" in the table has been updated for stylistic changes).

##### Clarification Amendments (including error correction)

7. Section 3.5 (Processing transactions to third parties) of the CDS/DTC Cross-Border Movement Service Participant Procedures (Release 3.1) has been amended to clarify that deliveries being made to central securities depository accounts are subject to the cutoff times. There has also been an error correction (DTCC changed to DTC in item 3).

##### Clarification Amendments

8. Section 3.6 (Processing transactions to fourth parties) has been added to the CDS/DTC Cross-Border Movement Service Participant Procedures (Release 3.1).
9. In the preamble to Chapter 3 of the Trade and Settlement Procedures (Release 2.3), clarification of the source for trades originating from the Canadian Trading and Quotation system has been made.
10. Section 8.5 (Haircuts) of Participating in CDS Services (Release 2.4) has been clarified to indicate the haircut rates apply to unrated public sector debt securities.
11. Section 8.7 (CDSX issuer ratings) has been added to Participating in CDS Services (Release 2.4).
12. The "Covering obligations" paragraph on page 135 of Participating in CDS Services (Release 2.4) has been clarified by a reference to obtaining additional information.
13. Section 12.8 (Processing Suspension) of Participating in CDS Services (Release 2.4) has been revised to indicate that not only defaulting participants can be suspended.
14. Section 13.1 (Acceptable Collateral) of Participating in CDS Services (Release 2.4) has been revised to include a reference to CDSX issuer ratings.

15. In the preamble to Chapter 14 of Participating in CDS Services (Release 2.4), a clarification edit has been made.
16. Section 14.2 (Settlement agents' collateral pool) of Participating in CDS Services (Release 2.4) has been revised to include a new identified settlement agent with ledger and CUID.
17. Section 14.4 (Receivers of credit collateral pools) of Participating in CDS Services (Release 2.4) has been revised to clarify membership in the collateral pools.
18. Section 15.6.2 (CNS and ACCESS collateral requirements) of Participating in CDS Services (Release 2.4) has been revised to include the deadline for submitting collateral to participant funds.
19. Section 16.1 (DetNet margin collateral) of Participating in CDS Services (Release 2.4) has been revised to clarify that if required collateral is not received by the deadline, the participant is suspended.
20. On page 201 of Participating in CDS Services (Release 2.4), a form number has been updated.
21. Section 6.7 (Managing short positions) of CDSX Procedures and User Guide (Release 2.3) has been revised to indicate that non-delivery of additional collateral by the deadline results in suspension.

Error Correction

22. In the preamble to Chapter 13 of Participating in CDS Services (Release 2.4), the reference to fining participants for not delivering collateral by the applicable deadline has been deleted.
23. In section 5.1 (Making additional contributions) of New York Link Participant Procedures (Release 21.1) the reference to fining participants for not delivering collateral by the applicable deadline has been deleted.

**B. Reasons for Technical Classification**

The amendments proposed pursuant to this Notice are considered technical amendments. These amendments concern matters of a technical nature in routine operating procedures and administrative practices relating to settlement services or are amendments pertaining to stylistic formatting.

**C. Effective Date of the Rule**

The effective date for these amendments is August 8, 2005.

**Questions**

Questions regarding this notice may be directed to:

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