

13.1.2 CDS Rule Amendment Notice - Technical Amendments to CDS Procedures - New Exchange Procedures

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

NEW EXCHANGE PROCEDURES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

As a result of the creation of new trading platforms in the Canadian marketplace, CDS was asked by the members of the Equity Subcommittee of its Strategic Development Review Committee to make the necessary systems changes to allow CDS to process activity from these alternative trading platforms. In addition, CDS was asked to develop a solution which would minimize the impact to systems for the bring-on of future exchanges.

CDS has made the requested technical changes to its system to allow the processing of activity from new trading platforms. The proposed amendments are made in order to update existing procedures to address the bring-on of a new exchange.

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

<http://www.cds.ca/cdshome.nsf/Pages/-EN-Documentation?Open>

Description of Proposed Amendments

The proposed amendments to the CDS Trade and Settlement procedures document will add two source identifiers to the current list of five (5) source identifiers (DTCC, CDCC, TSE, CDNX, and CNQ):

- TCM for trades originating from the TriAct Canadian Marketplace
- PURE for trades originating from Pure Trading

The proposed amendments to the list of source identifiers will affect the following external reports inasmuch as the new source identifier may appear therein:

- Trade Reports: RMS 000073, 002194, and 001949
- Rejections Report: RMS 000200
- Corrections and adjustments report: RMS 000012
- Reconciliation reports: RMS 000379 and 001953

- Billing report: RMS 000027

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 relating to CDS' settlement services. The proposed amendments are necessary in order to accommodate connectivity and information flow between CDS and any new exchange with which it needs to be linked.

The proposed technical changes to CDS' system and the amendments to the explanatory procedures associated with these changes will not affect Participants' interaction with CDSX or on-line functionality; current exchange trade-related processes will continue, and Participants will continue to recognize trades based on the market identifier.

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 Recognition and Designation Order, as varied and restated on July 12, 2005, these amendments will be effective on August 14th, 2006.

D. QUESTIONS

Questions regarding this notice may be directed to:

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