

**13.1.6 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Event Claims Procedures**

**CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS)**

**TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**EVENT CLAIMS PROCEDURES**

**NOTICE OF EFFECTIVE DATE**

**A. DESCRIPTION OF THE AMENDMENT**

*Background*

The Event Claims procedure enables CDS Participants to submit claims for events leading to financial loss directly to CDS. The program was initiated in 1997 by the CDS Board of Directors and has continued since that time. The submission of, response to, payment of, and appeal of decisions relating to event claims have heretofore been communicated to CDS Participants in the form of an annual bulletin sent to all Participants. In order to formalize this procedure, and to assure its transparency, the proposed amendments incorporate the steps required, and redress available, to Participants in the event a claim is made.

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

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

*Description of Proposed Amendments*

The proposed amendments to the CDS User Guide – *Participating in CDS Services* – consist of the addition of section 1.6 of the Introduction and include the following subsections:

- *Submitting Claims* – including instructions and applicable timelines for submission of claims.
- *Response to Claims* – including the process by which CDS will respond to a claim submission.
- *Payment of Claims* – including the claim limits and timeline for payment of a claim.
- *Appealing Claims* – including the process by which a decision in respect of a claim may be appealed and to whom.

Each of these subsections is substantially similar in content to the procedure as previously outlined in the annual bulletin cited above.

**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 February 5, 2007.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

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