

**13.3.2 CDS – Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Issue and Entitlement Procedures – Other Securities**

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

**MATERIAL AMENDMENTS TO CDS PROCEDURES**

**ISSUE AND ENTITLEMENT PROCEDURES – OTHER SECURITIES**

**NOTICE OF COMMISSION APPROVAL**

In accordance with the Rule Protocol between the Ontario Securities Commission (“Commission”) and CDS, the Commission approved on August 31, 2010 amendments filed by CDS to its procedures relating to Issue and Entitlement Procedures – Other Securities.

The amendments were effective as of August 31, 2010.

**Summary of Material Rule**

A copy and description of the amendments were published for comment on May 21, 2010 at (2010) 33 OSCB 4733.

The procedures support the roles that a participant could take on to enable it to issue and hold securities and avoid the payment of new fees that CDS is implementing to encourage dematerialization. The CDS rules already permit this activity, so the procedures were amended to support the entire process.

**Summary of Public Comments**

No comments received

**Revisions to the Material Rule**

In consultation with its regulators, CDS decided to make a non-significant revision to the proposed amendments published on May 21, 2010 for clarity purposes. The revision provides that in addition to the federal *Depository Bills and Notes Act* and the Ontario *Securities Transfer Act, 2006*, competent legislation validating clearing agency transactions in securities also includes the Quebec statute *an Act respecting the transfer of securities and the establishment of security entitlements*.

The rule amendments that were approved by the Commission are provided in Appendix B (the non-significant revision has been marked to indicate the changes from the previously published version).

**Appendix B**

**Rule Amendment**

Access the proposed marked-up amendments to the CDS Procedures on the User documentation revisions web page (<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open>) and to the CDS Forms (if applicable) on Forms online (Click View by Form Category and in the Select a Form Category list, click External review) on the CDS Services web page ([www.cdsservices.ca](http://www.cdsservices.ca)).