

13.3.2 CDS – Notice of Effective Date – Technical Amendments to CDS Procedures – QST Rate Changes on CDS Forms

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

QST RATE CHANGES ON CDS FORMS

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

Pursuant to a tax coordination agreement between the governments of Canada and Quebec, changes to the Quebec Sales Tax (QST) system will take effect on January 1, 2013. As of January 1, 2013, the QST rate will be increased to 9.975%.¹

The following amendments are housekeeping changes made in the ordinary course of review of CDS's Participant Procedures, and are required to amend the QST rate on the following forms, effective January 1, 2013:

- CDSX166 form – Notice of Record & Meeting Dates
- CDSX796 form – Application for Participation Form, Appendix F (Calculation of Entrance Fees)

CDS procedure amendments are reviewed and approved by CDS's strategic development review committee (SDRC). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on December 21, 2012.

The proposed procedure amendments are available for review and download on the User Documentation page on the CDS website at www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed in this Notice are considered technical in nature, and are required to ensure consistency or compliance with an existing rule, securities legislation or other regulatory requirement, as described in Section 3 (a) (iii) of the Rule Protocols regarding review and approval of CDS Clearing and Depository Services Inc. Rules issued by the Ontario Securities Commission and by the *Autorité des marchés financiers*.

C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENTS

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Ontario *Securities Act* and by the British Columbia Securities Commission pursuant to Section 24(d) of the British Columbia *Securities Act*. The *Autorité des marchés financiers* has authorized CDS to carry on clearing activities in Québec pursuant to sections 169 and 170 of the Québec *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX[®], a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act*. The Ontario Securities Commission, the British Columbia Securities Commission, the *Autorité des marchés financiers* and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

CDS has determined that these amendments will become effective on January 1, 2013.

D. QUESTIONS

Questions regarding this notice may be directed to:

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¹ http://www.revenuquebec.ca/en/entreprise/taxes/tvq_tps/modifications-regime-tvq.aspx