

13.3 Clearing Agencies

13.3.1 Notice of Effective Date – Technical Amendments to CDS Procedures for Housekeeping Changes – July 2013

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

HOUSEKEEPING CHANGES – July 2013

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

The following amendments are housekeeping changes made in the ordinary course of review of CDS's Participant Procedures, and are required for correction or stylistic enhancement.

The following changes are common to both the English and French language versions of the CDS manuals/forms:

DTC Direct Link Participant Procedures

- Section 4.1 – A correction to the daily collateral contribution section related to DTC Rule Filing SR-DTC-2013-01, effective June 21, 2013.

Depository and Paying Agent Procedures

- Overview – Removal of a defunct department name from the manual.
- Section 1.2.1 – A correction to the Event Codes and Event Names introduced with the Due Bills project in 2011

U.S. Deposit and Withdrawal Procedures

- Chapter 2, Requesting security withdrawals – A correction to the description of the Direct Registration Option field introduced in 2011.

New York Link Participant Procedures

- Section 7.2 – A correction to the daily collateral contribution section related to DTC Rule Filing SR-DTC-2013-01, effective June 21, 2013.

CDSX Procedures and User Guide

- Section 2.2 – A separation of the trade transaction type to illustrate accounts eligible for exchange and non-exchange trades.
- Chapter 2, Inquiring on funds account – A description added to identify what makes up an unused line of credit funds amount.

Pledge and Settlement Procedures

- Chapter 6, Capturing Collateral or Funds – A correction on how to capture a security collateral item.

CDS Reporting Procedures

- Chapter 11 – Descriptions added for the Unconfirmed Deposit Report-24 Hour(custodian) and Unconfirmed Withdrawal Report-24 Hour(custodian) reports, implemented as part of the creation of a 24 Hour service level to the TRAX service in 2012.
- Section 25.3 – A description added to the Deleted Transaction report section to include trades deleted by SOLA.

Participating in CDS Services

- Sections 3.9, 3.9.1 – A grammatical correction to the name of the TRAX transfer requests service.
- Section 10.1 – A clarification added to the description of pending transactions reconsidered for settlement.

- Chapter 11, CAPS – An updated version of the Company Cap Allocation Detail screen to show the correct spacing between fields.

Trade and Settlement Procedures

- Chapter 8, Settlement of Trades – Minor corrections to the priority list for trade settlements.

Network Services Offering Forms – CDSX846/847/848

- Minor corrections to the application forms for CDS network services.

Additional amendments have been included in the French language versions to reflect terminology or linguistic changes, some of which have been requested by the *Autorité des marchés financiers*.

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 July 25, 2013.

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, involving matters of routine operating procedures and administrative practices relating to the settlement services, to ensure consistency with a DTC rule, and to correct or enhance inaccurate referencing.

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*, and by the *Autorité des marchés financiers* pursuant to Section 169 of the Quebec *Securities Act*. The *Autorité des marchés financiers* has authorized CDS to carry on clearing activities in Québec pursuant to section 169 of the Quebec *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 *Autorité des marchés financiers*, the Bank of Canada, the British Columbia Securities Commission and the Ontario Securities Commission are collectively referred to as the "Recognizing Regulators".

CDS has determined that these amendments will become effective on September 16, 2013.

D. QUESTIONS

Questions regarding this notice may be directed to:

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