

**\*\*\*\*REVISED\*\*\*\*NOTICE OF EFFECTIVE DATE –  
TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**HOUSEKEEPING CHANGES – November 2017**

**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.

**ENGLISH**

Please note that the English version includes technical amendments that do not appear in the French version and that are meant to ensure consistency between both versions, coherence of the text or its linguistic quality.

**CDS Delivery Services**

- Chapter 1, Delivery Services, Section 1.2 Courier used for delivery services- Delete "This is filed in the participant's lock box the next business day" to eliminate reference to discontinued lock box.
- Chapter 8, International Deliveries, Section 8.1 New York Link settlements- Delete paragraph: "A daily courier receipt is sent from CDS listing a summary of the envelopes received and their declared value, and is filed in the participant's lock box during the next business day" to eliminate reference to discontinued lock box.

**CDS Reporting Procedures**

- Chapter 1 Introduction, Section 1.2 List of Reports - Remove CNS Consolidated Trade Summary report entry to reflect discontinuation of the report.
- Chapter 1 Introduction, Section 1.2 List of Reports - Remove Supplemental Consolidated Trade Summary report (Cycles 1 and 2) entry to reflect discontinuation of the report.
- Chapter 10, Continuous Net Settlement, Section 10.5 CNS Mark Difference Details- Remove "and again after the CNS/BNS process" to reflect revised schedule.
- Chapter 10, Continuous Net Settlement, Section 10.9 Outstanding CNS Position Update report- Remove "and again after the CNS/BNS process" to reflect revised schedule.
- Chapter 10, Continuous Net Settlement, Section 10.10 Value-dated CNS Position Update- Remove "and again after the CNS/BNS process" to reflect revised schedule.
- Chapter 13, Entitlement Reports, Section 13.33 Unconfirmed Withdrawal of Tender Report - Depository Agent – Remove section to eliminate reference to discontinued report.
- Chapter 13, Entitlement Reports, Section 13.34 Unconfirmed Withdrawal of Tender Report – Participant – Remove section to eliminate reference to discontinued report.
- Chapter 16 International Reports - Remove CNS Consolidated Trade Summary report – Remove entry to eliminate reference to discontinued report.
- Chapter 16 International Reports - Remove Supplemental Consolidated Trade Summary report (Cycles 1 and 2) - Remove entry to eliminate reference to discontinued report.
- Chapter 16 International Reports, Section 16.6 CNS Consolidated Trade Summary report – Remove section to eliminate reference to discontinued report.
- Chapter 16 International Reports, 16.29 Supplemental Consolidated Trade Summary report (Cycles 1 and 2) - Remove section to eliminate reference to discontinued report.

**CDSX Procedures and User Guide**

- Chapter 1, Introduction, Section 1.12 Additional Services - Remove JASDEC Link Service entry to eliminate reference to terminated participant (effective date September 30, 2017).
- Chapter 3, Issue Activities Section 3.6.5 Viewing eligibility and restriction information - Remove JSS-JASDEC Link Service entry to eliminate reference to terminated participant (effective date September 30, 2017).
- Chapter 4, Book-entry strips and packages - Remove Depositing physical strips bullet to reflect changes to physical strip products.

### **CDSX Procedures and User Guide (continued)**

- Chapter 4, Book-entry strips and packages, Section 4.4.2 Stripping CDSX-restricted Eurobond - Remove section to reflect changes to physical strip products.
- Chapter 4, Book-entry strips and packages, Section 4.4.3 Stripping CDSX-restricted U.S. market bonds - Remove section to reflect changes to physical strip products.
- Chapter 6, Deposit Activities - Remove bullet referencing physical strips to reflect changes to physical strip products.
- Chapter 6, Deposit Activities, Section 6.4 Security Deposits - Correct typo (Change "dentry" to "entry").
- Chapter 8 Entitlement Activities, Withdrawal cut off times (unnumbered subsection of 8.4.3 - Delete step 8 to eliminate referencing discontinued Unconfirmed Withdrawal of Tender Report – Participant report.
- Chapter 8 Entitlement Activities, Section 8.1 Entitlement cut off times - Add "at 10:00 a.m." after "On the option's expiry date" to clarify timing.

### **DTC Direct Link Participant Procedures**

- Chapter 1, About the DTC Direct Link Service, Section CDS Billing (Unnumbered section under 1.4 Billing) - Remove paragraph stating that CDS distributes documents received from DTCC in the participant lock boxes to eliminate reference to discontinued lock box.

### **Participating in CDS Services**

- Table of Contents - Remove 6.3 Lock boxes and keys entry to eliminate reference to discontinued lock box.
- Table of Contents - Remove 7.17 JASDEC Link Service to eliminate reference to terminated participant (effective date September 30, 2017).
- Administrating access to CDS's systems and services- Delete lock boxes and keys in the Arranging for access to CDS premises bullet to eliminate reference to discontinued lock box.
- Chapter 6, Setting up access to CDS premises – Eliminate reference to discontinued lock boxes and key.
- Chapter 6, Setting up access to CDS premises - 6.3 Lock boxes and keys- Delete section to eliminate reference to discontinued lock box.
- Chapter 7, Registering and Withdrawing from CDS Services- Section 7.17 JASDEC Link Service - Delete section to eliminate reference to terminated participant (effective date September 30, 2017).

### **Pledge and Settlement Procedures**

- Chapter 4, Modifying Pledges, Section 4.8 Requesting partial settlement – Updated incomplete statement that securities must be pledged to satisfy partial settlement to read "securities and/or cash".

### **Trade and Settlement Procedures**

- Chapter 1, Introduction to Trade and Settlement, Section 1.8 International deliveries - Remove JASDEC Link bullet to eliminate reference to terminated participant (effective date September 30, 2017).

### **CDS Glossary**

- Terms - Remove JASDEC Link Service entry to eliminate reference to terminated participant.
- Acronyms and Abbreviations - Remove JASDEC entry to eliminate reference to terminated participant (effective date September 30, 2017).

### **CDS Application for Participation**

- Remove reference to discontinued lock box on page 20.
- Update address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3 on the following pages:
  - Page 25
  - Page 26
  - Page 27
  - Page 28
  - Page 34
  - Page 49

### **CDSX Forms**

- CDSX174 - Replacement Designation of Signing Officers: Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
- CDSX 218 – Data Transmission Request: Modify list of data files to reflect current set available to participants:
  - Delete 0020 NSCC consolidated net settlement trade summary file, which is no longer available to participants.
  - Add 0028-02 NSCC Consolidated Trade Summary (CTS) CSV file, which is now available to participants.
  - Add 0028-03 NSCC Consolidated Trade Summary (CTS) MRO, which is now available to participants.
- CDSX 377 - InterLink/SWIFT Service Message Request: Remove typo (P under Third Party).
  - CDSX 798 - CDS Online Services, Support Service Eligibility Details Ledger Functions:
    - Remove JSS - Delivery Free entry to reflect participant termination.
    - Update TMX CDS logo.
- CDSX 811 - Event Claim Form – Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
- CDSX831 - Issuer Letter of Authorization:
  - Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
- CDSX832 - Issuer Legal Opinion Cover Letter:
  - Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
- CDSX836 – Application for Subscriber Plan:
  - Update TMX CDS logo.
  - Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
- CDSX837 – Notification of Participant Shared (Terminal) Access:
  - Update TMX CDS logo.
  - Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
- CDSX843 – Web Services Request – Correct name for CDS NR-7 Certification Service.
- CDSX858 - Appointment and Authorization of Third Party Trade Reporting (TPTR):
  - Update TMX CDS logo.
  - Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
- SMS012 – Confirmation of Registered Holdings Form:
  - Move TMX CDS logo to standard top left placement.
  - Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
  - Correct typo (**Biling** address).
- SMS013 – Sample Request Letter:
  - Update CDS address to 100 Adelaide Street West, Toronto, Ontario M5H 1S3.
  - Correct typos (Authorised **signature** of issuer or agent **representative**)

### **FRENCH**

Please note that the French version includes technical amendments that do not appear in the English version and that are meant to ensure consistency between both versions, coherence of the text or its linguistic quality.

The following amendments were made only in the French version of the documents.

### **Transfer Agent Procedures**

- Chapter 1, Introduction, section 1.4, CDSX custodian functions – Revision of the translation of this section to ensure consistency with the English version. Correction of a typo in the table.
- Chapter 4, Processing security deposit requests, section 4.4, Inquiring on security deposits in CDSX – Revision to ensure uniformity in French of transfer agents by « agents des transferts », in replacement of « agents de transfert ».

### **CDSX Procedures and User Guide**

- Chapter 3, Issue Activities, section 3.2.4, Book-entry-only issues – Addition of the word « différé » to « avec certificat » [deferred certificate] in the bullet point list to ensure consistency with the English version.
- Chapter 3, Issue Activities, section 3.8, Setting up non-money market securities, point 1 – Revision of the translation of point 1 to ensure consistency with the English version.
- Chapter 3, Issue Activities, section 3.8, Setting up non-money market securities, point 7 – Grammar corrections, from « sans certificats » to « sans certificat » [non-certificated], and from « avec certificats différés » to « avec certificat différé » [deferred certificate] to ensure uniformity in French.
- Chapter 7, Withdrawal activities, section 7.3, Requesting security withdrawals – Deletion of the paragraph starting with « Les heures limites en vigueur [...] » to ensure consistency with the English version.

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 November 23, 2017.

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](http://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 correct inaccurate grammar and referencing, and to enhance stylistic formatting.

### **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 as a clearing house by the *Autorité des marchés financiers* 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*.

CDS has determined that these amendments will become effective upon receiving the necessary regulatory approvals.

### **D. QUESTIONS**

Questions regarding this notice may be directed to:

Andrea Weissler  
Documentation Specialist, Operations Governance & Oversight  
CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario M5H 1S3  
Telephone: (416) 365-8406  
Email: andrea.weissler@tmx.com

- International deliveries – This is a two-way armoured courier delivery service participants use to deliver non-negotiable securities, negotiable securities and documents (i.e., reports and notices) between CDS and the Depository Trust Company (DTC) and National Securities Clearing Corporation (NSCC). Delivery services are handled in the following ways:
  - New York Link settlements – The participant drops off settlement envelopes for the New York Link service at CDS. An armoured courier delivers the envelopes to NSCC for the Intercity Envelope Settlement Service (IESS).
  - New York Link/DTC Direct deposits – The participant drops off deposits for the New York Link service at CDS. An armoured courier delivers the envelopes to DTC.
  - CDSX U.S. deposits and withdrawals – The participant drops off security deposits for DTC at CDS. An armoured courier delivers the envelopes to DTC.

## 1.1 CDS disclaimer of responsibility

Participants using delivery services must bear the liability for the value of their shipments. CDS is only liable for the securities held for participants and credited to the securities accounts maintained for CDSX, from the time a security is deposited to the time it is withdrawn. For more information on the terms and provisions for using delivery services, refer to the Participant Rules.

Except as CDS may determine to be appropriate or necessary, CDS does not examine the contents of envelopes or verify the amounts of money shown on the list accompanying an envelope. CDS is not responsible for the contents and is only providing a courier service.

## 1.2 Courier used for delivery services

For delivery services, CDS ships securities using an armoured courier with the exception of same-city transfer where messengers are used.

CDS currently uses Brink's<sup>®</sup> Canada as its armoured courier.

Notify the armoured courier if the value of the shipment is over \$50 million.

A daily courier receipt is printed listing a summary of the envelopes received by a participant and their declared value (if appropriate). ~~This is filed in the participant's lock box the next business day.~~ For any discrepancies, contact CDS Operations on the same day. For any discrepancies noticed after the delivery date, contact CDS Customer Service.

## CHAPTER 8

# International deliveries

International deliveries is a two-way armoured courier delivery service participants use to deliver non-negotiable securities, negotiable securities and documents (i.e., reports and notices) between CDS and the Depository Trust Company (DTC), the National Securities Clearing Corporation (NSCC) or the appropriate transfer agent. Deliveries are handled in the following ways:

- New York Link settlements – The participant drops off settlement envelopes for the New York Link service at CDS. An armoured courier delivers the envelopes to NSCC for delivery under their Intercity Envelope Settlement Service (IESS).
- New York Link/DTC Direct deposits – The participant drops off deposits for the New York Link service at CDS. An armoured courier delivers the envelopes to DTC.
- CDSX U.S. deposits and withdrawals – The participant drops off security deposits for DTC at CDS. An armoured courier delivers the envelopes to DTC.

**Note:** For all services, DTC contacts the participant directly for OFAC related inquiries.

### 8.1 New York Link settlements

IESS envelopes are used for New York Link settlements.

This service may be used to deliver:

- non-negotiable securities
- negotiable securities
- other documents.

~~A daily courier receipt is sent from CDS listing a summary of the envelopes received and their declared value, and is filed in the participant's lock box during the next business day.~~

For any discrepancies, contact CDS on the same day. For any discrepancies noticed after delivery date, contact CDS Customer Service.

#### 8.1.1 Preparing IESS envelopes

One IESS envelope is used for each New York Link security.

Occasionally, when DTCC calculates its service and usage rebates, the participant may receive a credit in their settlement account. These credits are not part of the billing cycle and are not included in CDS billing.

### **CDS billing**

On the seventh business day of every month, CDS sends each participant an invoice. The International section of the invoice shows the following:

- DTCC billable amount from two months ago
- CDS's markup on that amount
- CDS charges related to the previous month's activity.

To determine the CDS markup amount, CDS obtains the DTCC and Omgeo total, subtracts any American Depository Receipt charges and calculates the appropriate markup in accordance with CDS's *Participant Product Price List*.

~~CDS distributes the CDS monthly invoices and a copy of the DTC Direct Link invoice received from DTCC, in the participants' lock boxes on the seventh business day of the month.~~

CDS collects payments in U.S. dollars on the ninth business day of the month and that payment is reflected on the CNS Cash Reconciliation Statement report. For more information on this report, refer to *CDS Reporting Procedures*.

## **1.5 U.S. withholding tax**

The U.S. Internal Revenue Service (IRS) has regulations with respect to withholding tax on U.S. source income. These regulations affect certain aspects of participants' operations including the manner in which they assign tax classifications to the DTCC accounts for which they are responsible.

CDS collects the required documentation on behalf of DTCC.

For more information, refer to DTCC's documentation.

**extender of credit**

A CDS participant who is a financial institution, direct clearer or group clearer member of the Canadian Payments Association, has capital of not less than \$1 billion and is a direct participant in LVTS.

**FundSERV**

A company that facilitates the processing of mutual fund transfer requests transmitted from the ATON system.

**InterLink**

A CDS service that participants use to submit trade messages to CDS during the day.

**Internal Risk Management System (IRMS)**

A CDS system that calculates the haircut rates for securities to determine ACV and the collateral requirements for the CNS participant fund.

**International Securities Identification Number (ISIN)**

A code that uniquely identifies securities. It consists of a two-character alphabetical country code, nine-character alphanumerical security identifier and a check-digit.

~~**JASDEC Link Service**~~

~~A unilateral custody link established by CDS with the Japan Securities Depository Center, Inc. (JASDEC) that facilitates book-based movements of Canadian securities, eligible at both CDS and JASDEC, between the two depositories.~~

**Large Value Transfer System (LVTS)**

A wire payment system administered by the Canadian Payments Association that facilitates electronic funds payments. It provides real-time finality of payment to the receiver and guaranteed same-day certainty of funds settlement.

**mark-to-market**

A practice that revalues securities and trades in the course of settlement using current market prices.

## Acronyms and abbreviations

<b>ACT</b>	Automated Confirmation Transaction
<b>ACV</b>	aggregate collateral value
<b>APAS</b>	Appointment of Proxy Attorney System
<b>ATON™</b>	Account Transfer Online Notification
<b>BEO</b>	book-entry-only issue
<b>BEPM</b>	book-entry payment method
<b>BNS</b>	batch net settlement
<b>CBS</b>	certificate-based settlement
<b>CDCC</b>	Canadian Derivatives Clearing Corporation (CDCC)
<b>CDS®</b>	The Canadian Depository for Securities Limited
<b>CMS</b>	Collateral Management System
<b>CNS</b>	continuous net settlement
<b>CPA</b>	Canadian Payments Association
<b>CUID</b>	Customer Unit Identifier
<b>DRS</b>	Direct Registration Option
<b>DTC</b>	The Depository Trust Company
<b>DTCC</b>	The Depository Trust & Clearing Corporation
<b>EAS</b>	Electronic Alert service
<b>ESIR</b>	Electronic Settlement Instruction Registry
<b>IRMS</b>	Internal Risk Management System
<b>ISIN</b>	International Securities Identification Number
<del><b>JASDEG</b></del>	<del>Japan Securities Depository Center, Inc.</del>
<b>LVTS</b>	Large Value Transfer System
<b>NASDAQ</b>	National Association of Securities Dealers Automated Quotations
<b>NCS</b>	Network Custody and Clearing System
<b>NRD®</b>	National Registration Database
<b>NSCC</b>	National Securities Clearing Corporation
<b>PVS</b>	performance, volume and stress testing
<b>RBM</b>	risk-based margining
<b>RFT</b>	request for transfer
<b>RMS</b>	Report Management System
<b>SCRIBE™</b>	System for Canadian Real-Time Information Broadcast Electronically
<b>SEB</b>	Skandinaviska Enskilda Banken AB

- Summary of Outstanding Confirmed Transactions report – Lists the balances of outstanding CNS transactions, CNS transactions with next-day value, net CNS transactions, transactions available in the CNS settlement account, outstanding non-CNS transactions and outstanding non-CNS transactions with next-day value.

For more information, refer to *CDS Reporting Procedures*.

## 1.12 Additional services

Participants may subscribe to additional services that are available in CDSX. The additional services that use CDSX are listed below:

- InterLink service – An alternative to using CDS online systems to transmit transaction details and receive transaction and system messages. For more information, refer to *CDS Batch and Interactive Services – Technical Information*.
- Limited Functionality Depository Ledger Service – Participants who require the use of a depository ledger for segregation of money market securities can have limited access to CDSX. For more information, refer to *Participating in CDS Services*.
- ATON service – A service that facilitates the data exchange of client account information by subscribers. This service replaces the paper-based requests for transfers and the associated asset lists used to effect account transfers from one broker to another. The ATON service enables the electronic transfer of information and provides an online confirmation process. For more information, refer to *ATON User Guide*.
- Bulletin Service – CDS produces and distributes information bulletins related to critical activities resulting from daily securities issuance, trading, entitlement processing and international links. For more information, refer to CDS Bulletins on the CDS website ([www.cds.ca](http://www.cds.ca)).
- File Transmission service – A service that provides end-of-day and beginning-of-day CDSX transaction details, security and entitlement information, ledger position details and information on DTCC activities. For more information, refer to *CDS Batch and Interactive Services – Technical Information*.
- Trade Matching service – A service that matches non-exchange trades. For more information, refer to *Trade and Settlement Procedures*.
- Continuous Net Settlement service – A service that nets eligible trades with value-dated CNS positions. CNS positions that reach value date become outstanding CNS positions and are considered for CNS settlement. For more information, refer to *Trade and Settlement Procedures*.

- GIC Funds-Only Trade Service – A service that allows GIC issuers and purchasers to settle funds owing between them for daily settlement of new GIC securities, maturity amounts, interest payments, commissions and early redemptions. These non-exchange trades are created via a batch file from a GIC service bureau (e.g. CANNEX).
- Matched Institutional Trade Interface service – A service that enables participants to submit matched institutional trades to CDSX through a virtual matching utility (VMU). For more information, refer to *Trade and Settlement Procedures*.
- International services – CDS provides the following international services:
  - DTC Direct Link Service
  - CAVALI Link Service
  - CDS/DTC Cross-Border Movement Service
  - Euroclear France Link Service
  - ~~JASDEC Link Service~~
  - New York Link Service
  - SEB Link Service.
- SOLA Netting System service - CDSX provides a gateway for participants using the Canadian Derivatives Clearing Corporation's (CDCC) fixed income netting product, SOLA. Through CDSX, SOLA users can submit, modify and confirm non-exchange repo and cash trades for netting and novation at CDCC.

To register for these services, refer to *Participating in CDS Services*.

### Feature Detail screen

```
HB19          CDS CLEARING AND DEPOSITORY SERVICES INC.    16:22:32  03-03-21
INQUIRE          FEATURE DETAIL                      LINE:    1 OF
BAFS

SECURITY NUMBER: CA 50186E1007 RET PR1 SECURITY (CAD)
FEATURE TYPE: DIU  DIVIDEND
EFFECTIVE DATE: 2004-02-02          EXPIRY DATE: 2005-01-01

CURRENCY  SECURITY  RATE RATE          SUBMIT  DEL
          NUMBER   TYPE                    OR RECEIVE  IND
-----  -
PF: 1/HELP  3/EXIT  4/MENU  5/REFRESH  6/NEXT  7/BACK  8/FWD  9/BMSG  10/SAVE
OPTION: _   DATA:
```

6. Review the feature details.

### 3.6.5 Viewing eligibility and restriction information

When a security is set up in CDSX, CDS establishes the security's eligibility for CDS services and applies restrictions on CDSX functionality.

To view security eligibility and restrictions:

1. Access the [Security List screen](#) on page 57. For more information, see [Viewing information on confirmed securities](#) on page 56.
2. Type 5 in the SEL field beside the required security and press ENTER to display the [Eligibility Information screen](#) on page 64 with information about the security eligibility in CDSX.

Eligibility Information screen

```

HDIA      CDS CLEARING AND DEPOSITORY SERVICES INC.      09:07:04  09-01-09
INQUIRE      ELIGIBILITY INFORMATION
ADAA
SECURITY NUMBER: CA 1350019X79  SHORT NAME: BIG BELL

      ELIGIBILITY SERVICE      EFFECTIVE DATE      DELETE
      CNS                      2000-07-06
      DCS                      2000-07-06
      DTC                      2000-07-06
      FNS                      2003-11-19

PF: 1/HELP  3/EXIT  4/MENU  5/REFRESH  6/NEXT  9/BHSG  10/SAVE
OPTION: _    DATA:
Tr          R 24 C 10
  
```

3. Review the fields indicated in the table below.

Field	Description
ELIGIBILITY SERVICE	Services for which the security is eligible: DCS – CDSX services CNS – Continuous Net Settlement services DTC – CDS/DTC Cross-Border Movement Service EOC – Euroclear France Link Service <del>JSS – JASDEC Link Service</del> SEB – SEB Link Service SNS – SOLA Netting System Service
EFFECTIVE DATE	Date when the service eligibility becomes effective
DELETE	Indicates if the eligibility has been deleted

4. To view the restrictions on the security, press PF6 to display the Function Restriction Information screen on page 65.

## CHAPTER 4

# Book-entry strips and packages

The CDS Book-Entry Strip Service enables participants to strip, reconstitute and package securities.

**Note:** This service is unavailable to U.S. Treasury securities. Participants who want to strip U.S. Treasury securities must use the U.S. Treasury Commercial Book Entry System. Participants electing to move already stripped U.S. Treasury securities to CDS must request that CDS make the stripped instrument eligible within CDSX. Once in CDSX, the stripped instruments will be set up as regular U.S. Treasury securities. For more information, see [Requesting issues be made eligible in CDSX](#) on page 43.

The book-entry strip and package activities are:

- Stripping securities – Participants may strip securities by splitting debt securities held in their segregated account as indicated in the table below.

Types of securities	May be split into . . .
Bonds	Individual interest, principal or payment (interest and/or principal) components, which correspond to the individual payments involved. Each interest and/or principal payment on the underlying bond is treated as a maturity of the corresponding component
Asset-backed securities	Monthly payment and principal components

CDS supports the creation of non-standard strip components. For more information, see [Requesting the stripping of a debt security](#) on page 79.

- Packaging securities – Participants may package book-entry strips by taking some or all of the remaining interest and/or principal components for a security and creating new securities with new and separate ISINs and positions. For more information, see [Packaging book-entry securities](#) on page 88.
- Reconstituting securities – Participants may reconstitute securities by reassembling the individual interest, principal or payment components that are related to an original-issue security. For more information, see [Reconstituting securities](#) on page 82.
- ~~Depositing physical strips—Participants may deposit coupons and residuals (strip bond components) from bonds that have been physically stripped. The strip bonds are credited to their account under the appropriate CDS book-entry strip ISIN. Once deposited, the strip bonds cannot be withdrawn before maturity. For more information, see [Depositing book-entry physical strips](#) on page 93.~~

3. Complete a separate CDS Book-Entry Strip Request form (CDSX047) for each underlying security being stripped as follows:
  - Enter the face value of the security to be stripped (must be a whole number).
  - Enter the number of interest or payment components, principal components, and the total number of components.
  - Disregard the section “For equity issues only.”
  - Have an authorized signing officer:
    - Sign the form, if sending the form by fax
    - Approve the email, if sending the form by email
4. Email or fax the form to CDS Toronto Operations by 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT) for same-day processing or after 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT) for next-day processing.

CDS processes a strip ledger adjustment to:

- Debit the participant’s segregated account in the underlying security
- Credit the participant’s segregated account in each of the strip components related to the underlying security.

#### 4.4.1 ~~Stripping CDSX restricted domestic market bonds~~

~~Participants may strip issues which are normally ineligible for CDSX activities if they immediately strip the entire quantity deposited. The maximum face value of each certificate must not exceed \$40,000,000 and no more than 20 certificates per participant per day may be processed.~~

~~Securities bearing coupons must meet the following standards or they will be rejected:~~

- ~~Entire serial numbers must be visible and legible on each coupon.~~
- ~~All remaining coupons must be attached (except those maturing within 15 days).~~
- ~~All coupons must be intact (i.e., not damaged or taped).~~
- ~~Coupons maturing within 15 days must be detached.~~

~~To strip restricted domestic market bonds issued by a Canadian issuer:~~

1. ~~Ensure that the certificates are fully registered (if the certificates can be registered) or registered as to principal only (if the certificates cannot be fully registered) to the following name:~~

~~CDS & CO.  
P.O. Box 1038, Station A  
25 The Esplanade  
Toronto, Ontario  
M5W 1E0~~

- ~~2. Complete three copies of the CDS Book Entry Strip Request form (CDSX047) for each issue as follows:~~
  - ~~• Enter the face value of the security to be stripped (must be a whole number).~~
  - ~~• Enter the number of principal, interest or payment components, and the total number of components.~~
  - ~~• Disregard the section “For equity issues only.”~~
  - ~~• Have the form signed by an authorized signing officer.~~
  - ~~• Place a checkmark in the Restricted Security Attached box.~~
- ~~3. If securities must be shipped to another centre, complete a separate Inter City Batch Control form (CDSX184) for each destination. For more information on CDS Delivery Services, refer to CDS Delivery Services Participant Procedures.~~
- ~~4. Attach two copies of the CDS Book Entry Strip Request form to the certificates. Attach the Inter City Batch Control form (CDSX184) as well, if there is one.~~
- ~~5. Deliver the certificates and forms to CDS Toronto Operations by 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT). CDS signs each Envelope Seal (CDSX001), verifies the certificates in the presence of the messenger, stamps or initials the form, and returns the form and Envelope Seal to the messenger.~~

~~If the certificates are rejected, make the necessary changes and resubmit the request.~~
- ~~6. When the ledger adjustment for the security is processed to the account, verify the credit in the usual way.~~

~~CDS processes the strip request in the usual way.~~

#### **4.4.2 Stripping CDSX restricted Eurobonds**

~~This service is available only on days when both CDS Toronto and Euroclear are open.~~

~~To strip Eurobonds issued by a Canadian issuer that are CDSX-eligible but restricted:~~

- ~~1. Complete the CDS Book Entry Strip Request – Foreign Market Debt Securities form (CDSX007).~~

- ~~2. Fax the form to CDS Toronto Operations by 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT) on the day prior to delivery.~~
- ~~3. Make a free overnight delivery to CDS's custodian account at Euroclear (BSDT A/C No. CDDF5940002, Euroclear No. 91770).~~
- ~~4. When the ledger adjustment for the security is processed after the delivery is completed, verify the credit on the Daily Transaction report. For more information, refer to CDS Reporting Procedures.~~

~~CDS processes the request in the usual way.~~

#### 4.4.3 ~~Stripping GDSX restricted U.S. market bonds~~

~~This service is available only on days when both CDS Toronto and DTCC are open.~~

~~To strip GDSX eligible fully restricted U.S. market bonds issued by a Canadian issuer:~~

- ~~1. Ensure that the strip ISIN component list exists for the issue on the request.~~
- ~~2. Contact CDS Vancouver Operations in advance of the strip to advise them of the northbound cross border movement of the GDSX restricted underlying bond.~~
- ~~3. Complete the CDS Book Entry Strip Request—Foreign Market Debt Securities form (CDSX007). If the form is mailed to CDS Toronto Operations, create three copies of it.~~
- ~~4. Fax or mail the completed form(s) to CDS Toronto Operations by 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT).~~
- ~~5. Process a free delivery to CDS account 5099 at DTCC by 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT).~~
- ~~6. Ensure that the DTCC Delivery Option screen contains the GUID and that the COMMENTS field contains FOR STRIPPING PURPOSES.~~
- ~~7. Verify that the deposit of the securities is credited to the correct account.~~

~~**Note:** CDS may reject deliveries if the above steps are not followed.~~

#### 4.5 Reconstituting securities

Once the strip components have been created, they may be reassembled into a related original-issue underlying security. Underlying securities may be reconstituted beyond the quantity stripped by book-entry by requesting that CDS use the packaging facility to process the request.

## CHAPTER 6

# Deposit activities

Participants can deposit the following in CDSX:

- Funds – Deposit Canadian or U.S. funds into their funds account only. For more information, see [Funds deposits](#) on page 97.
- Securities – Deposit only CDSX-eligible instruments into their general, segregated or RSP account. For more information, see [Security deposits](#) on page 100. Aggregate Collateral Value (ACV) is subject to sector limits and increases when a security is deposited to the general account. For more information, refer to *Participating in CDS Services*.
- ~~Physical strip bonds – Deposit only physical strip bonds derived from bonds issued or guaranteed by a government. For more information, see [Depositing book-entry physical strips](#) on page 93.~~

Transactions entered after the deposit cutoff times are processed the next business day.

## 6.1 Deposit functions

Participants can process deposit requests by accessing the following functions on the [Deposit Menu](#) on page 97:

- Request Funds Deposit – Enter details of a funds deposit to the participant's funds account.
- Inquire Funds Deposit – View all confirmed, unconfirmed or rejected requests for funds deposits that have been made during the day.
- Request Security Deposit – Request the deposit of eligible securities into CDSX.
- Inquire Security Deposit – View all confirmed, unconfirmed, or rejected requests for security deposits that have been made during the day.

Participants who subscribe to the InterLink service can transmit security deposit requests to CDSX using InterLink messaging. For more information, see [Security deposits](#) on page 100.

Participants who subscribe to the TRAX transfer requests application can transmit deposit requests to CDSX using a web-based interface. For more information, refer to *Participating in CDS Services*.

CDS provides reports for monitoring the deposit of funds and securities in CDSX. For more information, refer to *CDS Reporting Procedures*.

### Funds Deposit Inquiry screen

MDJ0		CDS CLEARING AND DEPOSITORY SERVICES INC.			13:34:24 03-03-21	
LYDI		FUNDS DEPOSIT INQUIRY			LINE: 1 OF 1	
					SKIP TO LINE _	
DEPOSIT ID	REQUEST/ VALUE DATE	CUID	AMOUNT	CURR	STATUS	
D03080-68901	2003-03-21	XDST	500,000.00+	CAD	U	

PF: 1/HELP 3/EXIT 4/MENU 5/REFRESH 7/BACK 8/FWD 9/BMSG  
 OPTION: DATA:

- Review the STATUS field to determine if the request is unconfirmed (U), confirmed (C) or rejected (R).

## 6.4 Security deposits

Participants can enter security deposit requests in CDSX in the following ways:

- Direct online entry into CDSX
- InterLink message CDSD010 – Participants who subscribe to the InterLink service can transmit deposit requests to CDSX using InterLink messaging. For more information, refer to *CDS Batch and Interactive Services – Technical Information*.

Participants register for this service by completing the InterLink/SWIFT Service – Messages Request (CDSX377).

- TRAX transfer requests – Participants who subscribe to the TRAX transfer requests application can transmit deposit requests to CDSX using the TRAX web-based interface or using InterLink Message CDSK010. The service level of deposit transactions created through TRAX defaults to REG (regular) and can be changed to 24H (24-hour) or INS (instant). For more information, refer to *Participating in CDS Services*.

Security deposits are entered in CDSX and, if required, the certificates are then forwarded to the custodians of the issues. For some issues, transfer agents may assume the system role of custodian (i.e., validator) in CDSX.

The current cutoff times for security deposit activities appear in the Timetables-Deposits and Withdrawals bulletins. To view these bulletins, access CDS Bulletins on the CDS website ([www.cds.ca](http://www.cds.ca)).

To request a security deposit in CDSX:

1. Access the [Deposit Menu](#) on page 97. For more information, see [Accessing the Deposit Menu](#) on page 97.
2. Type the number identifying Request Security Deposit in the SELECTION field and press ENTER. The [Request Security Deposit screen](#) on page 101 displays.

Request Security Deposit screen

```

MDE0      CDS CLEARING AND DEPOSITORY SERVICES INC.      13:28:01  03-03-21
              REQUEST SECURITY DEPOSIT                      LINE:  1 OF  0

LYDI
SERVICE LEVEL:  _      REQUEST DATE: 2003-03-21      WINDOW LOCATION:
CUSTODIAN CUID:  _      NAME:                               REL LOCATION:
PAR/QUANTITY:   _      TAG NUMBER:                      DEC REQ:
SECURITY NBR:   _      TYPE:  NAME:
ACCOUNT        :      NAME:
              AVAILABLE CUSTODIAN CUIDS

CERTIFICATE NBR      DENOMINATION      CERTIFICATE NBR      DENOMINATION

TOTAL DENOMINATION:      0.00+  SUPPORT DOC INCLUDED:
REG NAME:
MEMO:

PF: 1/HELP  3/EXIT  4/MENU  5/REFRESH  7/BACK  8/FWD  9/BMSG  10/SAVE
OPTION:      DATA:
  
```

3. Complete the fields as indicated in the table below.

Field	Description
SERVICE LEVEL	INS – Instant deposit REG – Regular deposit 24H – 24-hour deposit* *Note: 24H (24-hour) deposit entry is only available through TRAX
REQUEST DATE	Date of the request (defaults to the current date)
WINDOW LOCATION	Location where the securities subject to the deposit are to be delivered. If this field is left blank, CDSX automatically populates it
CUSTODIAN CUID	CUID of the custodian or transfer agent for the securities. If the custodian CUID is not known, leave the field blank and press ENTER. CDSX provides a list of up to six custodian CUIDs. Enter the appropriate custodian CUID before saving the security deposit request
REL LOCATION	Location where the participant wants their rejected security deposits to be sent for pickup
PAR/QUANTITY	Par or quantity of the securities to be deposited
SECURITY NBR	ISIN for the security

- When full payment is received from the paying agent, the Entitlement System debits the participant's account for funds and/or securities, and credits the participant with the entitlement. For voluntary events, the participant's tender account is debited.

When a partial payment for an event is received from one of the paying agents, all security positions for that event are removed from the participant's account. Participants are credited on a pro-rated basis with the proceeds received by CDS from the paying agent.

For an interest payment on a Spanish maple bond, the participant must ensure that their filing with the withholding agent matches their elections in CDSX in order to receive a favourable rate. If their filings with the withholding agent do not match their elections in CDSX, then the participant will receive the entire payment at the unfavourable rate. CDS will ensure that the entitlement is paid at the unfavourable rate. If the participant needs to make a subsequent claim to recover tax withheld, they must contact the withholding agent directly, whose contact information is provided on the CDSX event bulletin.

## 8.1 Entitlement cutoff times

The cutoff times for entitlement activities are indicated in the table below.

Entitlement activity	ET	MT	PT
Start of online access	7:00 a.m.	5:00 a.m.	4:00 a.m.
End of intraday entitlement release	2:30 p.m.	12:30 p.m.	11:30 a.m.
End of funds option selection entry (Canadian and U.S. dollars)	4:00 p.m.	2:00 p.m.	1:00 p.m.
End of security option selection entry	7:30 p.m.	5:30 p.m.	4:30 p.m.

Participants may tender securities up until system shutdown and may only tender funds until payment exchange for the currency being tendered.

For all non-default options that are handled in the bulk process and where cash must be submitted by the participant (e.g., rights subscriptions), the participant's funds account is automatically debited as indicated in the table below.

For instructions submitted and confirmed . . .	The participant's funds account is automatically debited . . .
Prior to the option's expiry date	On the morning of the expiry date
On the option's expiry date <u>at 10:00 a.m.</u>	When the instructions are confirmed

## 8.2 Entitlement functions

The entitlement functions available to participants are:

Event Item Information screen

```
FWE? CDS CLEARING AND DEPOSITORY SERVICES INC. 12:18:34 03-03-21
INQUIRE EVENT ITEM INFORMATION LINE: 1 OF 1
LYDI SKIP TO LINE

EVENT ID : E08020037002 EVENT TYPE : DWO
SECURITY NBR : CA50186E1007 RET PRI SECURITY (CAD)
EVENT STATUS : CONF MANDATORY/VOLUNTARY : M

OPT ITEM DEFAULT DISBURSEMENT DISBURSEMENT
NBR NBR IND SECURITY NBR SECURITY CURR SECURITY PRICE RATE
-----
2 3 N CA50186E1007

PF: 1/HELP 3/EXIT 4/MENU 5/REFRESH 7/BACK 8/FWD 9/BMSG
OPTION: _ DATA:
```

- 6. To withdraw some or all instructions, type the quantity to be withdrawn in the REQUESTED QTY/WITHDRAWN QTY field beside the required instruction.
- 7. Press ENTER to validate and press PF10 to save the instructions.
- 8. ~~On the next business day, review the Unconfirmed Withdrawal of Tender Report—Participant to determine if the depository agent has confirmed the option selection instructions that were withdrawn. For more information, refer to CDS Reporting Procedures.~~

8.5 Event calendar

The Event Calendar function enables participants to view or generate a report on entitlement events (confirmed and unconfirmed only) where they hold a current position, record date position or adjusted record date position. For more information, refer to the *CDS Reporting Procedures*.

To view or report on the event calendar:

- 1. Access the [Event Menu](#) on page 131. For more information, see [Accessing the Event Menu](#) on page 130.
- 2. Type the number identifying Event Calendar in the SELECTION field and press ENTER. The [Event Calendar Search/Report Selection](#) screen on page 163 displays.

Report category	Report name	Report ID
International reports	ACT Billing report	000357
	CDS Trading Blotter – Dropped Trade report	000267
	CDS Trading Blotter – Unmatched Trade report	000933
	CNS Accounting Summary report for DTCC	003409
	CNS Cash Reconciliation Statement report	003401, 003408
	<del>CNS Consolidated Trade Summary report</del>	<del>004279</del>
	CNS Daytime Miscellaneous Activity report	003426
	CNS Dividend Activity report	003405
	CNS Due Bill Activity report	003411
	CNS Miscellaneous Activity report	003402
	CNS Position Report Prior to Day Cycle	003414
	CNS Position Report Prior to Night Cycle	003413
	CNS Projection report	003406
	CNS Receive/Deliver Instruction report	000198
	CNS Record Date report	003403
	CNS Settlement Activity Statement report	003404, 003407
	Credit Summary Listing report	003420, 003423
	Deliver and Receive Settlement Activity report	003430
	Deliveries Received and Debited (DSS) report	003419, 003422
	Deliveries Received and Debited (IESS) report	003416
	Dividend Reorganization Cash Settlement Items report	003432
	Domestic Index Receipt report	003429
	International Delivery report	000142
	International Ledger Reconciliation Report for DTCC Actual Balances	000778
	Locked-In Trade Exception report	001890
	NASDAQ/FINRA – ACT Compliance report	00359
	Participant Daily Activity Statement report	003428
	Participant Settlement Super Statement – DTC/NSCC report	003440
	<del>Supplemental Consolidated Trade Summary report (Cycles 1 and 2)</del>	<del>003424</del>

## 10.4 CNS Cash Summary Report – Post CNS/BNS

Report ID	000010
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day
Retention period	35 days
Sort order	COMPANY, LEDGER (page breaks) LEDGER, CLEARING ORGANIZATION, CURRENCY, ACTIVITY
Aggregation	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY CNS OUTSTANDINGS AT CLOSE OF BUSINESS (by VALUE-DATED POSITIONS EXTRACTED, MARKS APPLIED TO TRADES, MARKS APPLIED TO NET OUTSTANDING POSITIONS, ALLOTTED NET OUTSTANDING POSITIONS, CNS/BNS SETTLEMENTS) CNS OUTSTANDINGS - POST CNS/BNS

This report summarizes the changes to the cash value of outstanding CNS positions from end-of-day to after the CNS/BNS process.

## 10.5 CNS Mark Difference Details report

Report ID	000229
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day
Retention period	Six months
Sort order	COMPANY, LEDGER, CURRENCY (page breaks) VALUE DATE, COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION, TRADE ID
Aggregation	COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION TOTAL MARK DIFFERENCE ON EXTRACTED TRADES (by COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION) TOTAL MARK DIFFERENCE ON NETTED OUTSTANDING POSITIONS (by COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION) TOTAL MARK DIFFERENCE ON NETTED VALUE-DATED POSITIONS (by COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION) OVERALL MARK DIFFERENCE (by COMPANY, LEDGER, CURRENCY)

This report lists marking activity for CNS. It includes the marking of new trades as well as outstanding and value-dated positions.

This report is generated in the overnight batch ~~and again after the CNS/BNS process~~. It is also generated if outstanding and value-dated CNS positions are marked intraday.

Sort order	COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION ID, NET MARK AMOUNT
Aggregation	AMOUNT (by currency)

This report lists all the interest mark amounts, by security, that were calculated based on the CNS quantities that failed to settle that day.

## 10.9 Outstanding CNS Position Update report

Report ID	000227
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day
Retention period	35 days
Sort order	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY, SECURITY ID, TIMESTAMP
Aggregation	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY) CHANGE IN VALUE - SETTLED POSITIONS (by COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY) TOTAL CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CURRENCY) TOTAL CHANGE IN VALUE - SETTLED POSITIONS (by COMPANY, LEDGER, CURRENCY)

This report lists changes to outstanding CNS positions. The report is generated in the overnight batch ~~and again after the CNS/BNS process~~. The following activity codes are reported:

- AL – allotment
- BI – buy-in washout
- EN – entitlement
- NT – netting
- PM – participant merge
- ST – settlement (BNS and real-time)

## 10.10 Value-dated CNS Position Update report

Report ID	000394
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day

Retention period	35 days
Sort order	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY, SECURITY ID, TIMESTAMP
Aggregation	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY) TOTAL CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CURRENCY)

This report lists changes to value-dated CNS positions. The report is generated in the overnight batch ~~and again after the CNS/BNS process~~. The following activity codes are reported:

- AL – allotment
- EN – entitlement
- MV – movement of a value-dated CNS position that reached value date
- NT – netting
- PM – participant merge

## CHAPTER 13

# Entitlement reports

The entitlement reports contain information on the entitlement events that occur for securities, including maturity and interest events.

The table below indicates the entitlement reports and report IDs.

Report	Report ID
1042-S Reporting – Detail report	000234, 000091
Called Positions report	000209
CDS Expiry Date – Upcoming Events List report	REPORT01930
Claims for Outstanding Trades and CNS Positions report	000238
Claims for Settled Trades and Outstanding CNS Positions report	000369
Daily Tender – Payment Tracking Report	000106
Due Bill Calculation report	000239
Dutch Auction Tender report	000105
Event Calendar report	000086
Event Inquiry report	000085
Holder of Record for Events report	000205
Holder of Record for Extendible Commercial Paper report	000123
Overnight Payment Release report	000217
Projected Payment Rejection Report – Transfer Agent	000367
Projected Payment Report for Participants	000201
Projected Payment Report for Paying Agents	000203
Rejected Option Selection Instruction Report – Depository Agent	000250
Rejected Option Selection Instruction Report – Participant	000251
Rights Distribution Eligibility Report – Depository Agent	000252
Rights Distribution Eligibility Report – Participant	000253
Security Loan Items – Entitlement Details report	000171
Security Loan Items – Upcoming Entitlements report	000172
Subscription Breakdown Report – Depository Agent	000254
Subscription Breakdown Report – Participant	000255
Summary of Consolidated Payment report	001912
Summary of Payment Release report	000219
Summary of Projected Payment Report for Participants	001910
Summary of Projected Payment Report for Paying Agents	001911
Tender Breakdown Report – Depository Agent	000213
Tender Breakdown Report – Participant	000282

Report	Report ID
Trade Conversion Report – BOD	000268
Trade Conversion Report – EOD	000222
<del>Unconfirmed Withdrawal of Tender Report—Depository Agent</del>	<del>000256</del>
<del>Unconfirmed Withdrawal of Tender Report—Participant</del>	<del>000257</del>
Unreleased and Pending Entitlement Payments report – Transfer Agent	000535
U.S. Source Income Events Payment Breakdown report	000555, 002259
U.S. Withholding Tax Pool Allocation report	002367

### 13.1 1042-S Reporting – Detail report

Report ID	000234 (company level) 000091 (ledger level)
Available	Monthly
Data currency	End of day
Retention period	Seven years
Sort order	None
Aggregation	None

This report is generated at the ledger level and lists U.S. withholding tax records for Canadian participants. The report lists the taxes withheld on their behalf for the year (based on their QI status and tax elections), the details of the taxes withheld, the status of the tax instructions and 1042-S income reported.

### 13.2 Called Positions report

Report ID	000209
Available	Daily
Data currency	End of day
Retention period	Seven years
Sort order	LEDGER, EVENT TYPE, SECURITY NUMBER
Aggregation	None

This report lists the record date position and the number of securities called for a partial call event for a particular participant.

Sort order	EVENT TYPE, EVENT ID, ROLE, TRADE GROUP, OTHER PARTY DETAILS
Aggregation	None

This report lists information on the processing of outstanding trades and outstanding and value-dated CNS positions for mandatory events.

If the event is set up and confirmed prior to payable date with the payment mode of overnight or intraday, the trade conversion information is contained in the [Trade Conversion Report – BOD](#) on the morning of payable date. If the event is created on payable date and payment is released or disbursed on payable date, the trade conversion information is contained in the end-of-day report on the morning of payable date+1. If an event with a status of Submitted for Payment was deleted, the reversed trades are contained in the end-of-day report.

### 13.33 ~~Unconfirmed Withdrawal of Tender Report – Depository Agent~~

<del>Report ID</del>	<del>000256</del>
<del>Available</del>	<del>Daily</del>
<del>Data currency</del>	<del>End of day</del>
<del>Retention period</del>	<del>Seven years</del>
<del>Sort order</del>	<del>DEPOSITARY AGENT, EVENT TYPE, ISIN, OPTION NUMBER</del>
<del>Aggregation</del>	<del>UNCONFIRMED WITHDRAWALS (by option) OPTIONS (by event)</del>

~~This report lists the option selection instructions for which a tender withdrawal request was entered by a GDS participant but not yet confirmed by the depository agent.~~

### 13.34 ~~Unconfirmed Withdrawal of Tender Report – Participant~~

<del>Report ID</del>	<del>000257</del>
<del>Available</del>	<del>Daily</del>
<del>Data currency</del>	<del>End of day</del>
<del>Retention period</del>	<del>Seven years</del>
<del>Sort order</del>	<del>COMPANY CODE, LEDGER, DEPOSITARY AGENT, EVENT TYPE, ISIN, OPTION NUMBER</del>
<del>Aggregation</del>	<del>UNCONFIRMED WITHDRAWALS (by option) OPTIONS (by event)</del>

~~This report lists the option selection instructions for which a tender withdrawal request was entered by a GDS participant but not yet confirmed by the depository agent.~~

## CHAPTER 16

# International reports

The international reports include details of transactions related to the following international services:

- DTC Direct Link Service
- New York Link Service.

For more information about these services, refer to the appropriate international manual.

The table below indicates the international reports and report IDs.

Report	Report ID
ACT Billing report	000357
CDS Trading Blotter – Dropped Trade report	000267
CDS Trading Blotter – Unmatched Trade report	000933
CNS Accounting Summary report for DTCC	003409
CNS Cash Reconciliation Statement report	003401, 003408
<del>CNS Consolidated Trade Summary report</del>	<del>004279</del>
CNS Daytime Miscellaneous Activity report	003426
CNS Dividend Activity report	003405
CNS Due Bill Activity report	003411
CNS Miscellaneous Activity report	003402
CNS Position Report Prior to Day Cycle	003414
CNS Position Report Prior to Night Cycle	003413
CNS Projection report	003406
CNS Receive/Deliver Instruction report	000198
CNS Record Date report	003403
CNS Settlement Activity Statement report	003404, 003407
Credit Summary Listing report	003420, 003423
Deliver and Receive Settlement Activity report	003430
Deliveries Received and Debited (DSS) report	003419, 003422
Deliveries Received and Debited (IESS) report	003416
Dividend Reorganization Cash Settlement Items report	003432
Domestic Index Receipt report	003429
International Delivery report	000142
International Ledger Reconciliation Report for DTCC Actual Balances	000778
Locked-In Trade Exception report	001890

Report	Report ID
NASDAQ/FINRA – ACT Compliance report	00359
Participant Daily Activity Statement report	003428
Participant Settlement Super Statement – DTC/NSCC report	003440
<del>Supplemental Consolidated Trade Summary report (Cycles 1 and 2)</del>	<del>003424</del>

### 16.1 ACT Billing report

Source	CDS
Report ID	00357
Available	Monthly
Data currency	Month end (end of day)
Retention period	Seven years
Sort order	MPID
Aggregation	None

This report provides a breakdown of billable items for each MPID for a particular billing period.

### 16.2 CDS Trading Blotter – Dropped Trade report

Source	CDS
Report ID	000267
Available	Daily
Data currency	Yesterday
Retention period	Seven years
Sort order	SECURITY NBR
Aggregation	None

This report lists any unmatched trades that are past their value date and were dropped from the CDS Trading Blotter – Unmatched Trade report.

### 16.3 CDS Trading Blotter – Unmatched Trade report

Source	CDS
Report ID	000933
Available	Daily
Data currency	Yesterday
Retention period	Seven years

## 16.5 CNS Cash Reconciliation Statement report

Source	DTCC
Report ID	003401 (preliminary) 003408 (final)
Available	11:00 p.m. ET (9:00 p.m. MT, 8:00 p.m. PT) for the preliminary report 3:00 p.m. ET (1:00 p.m. MT, 12:00 p.m. PT) for the final report
Data currency	Trade date+2
Retention period	Seven years
Sort order	MONEY RECAP, MARKET VALUE RECAP, SETTLEMENT RECONCILIATION
Aggregation	DEBIT and CREDIT totals for MONEY RECAP LMV (long market value) and SMV (short market value) totals for MARKET VALUE

The report is divided into the following sections:

- Money Recap – Details yesterday's closing money balances, the value of all trades due for settlement today, any miscellaneous money entries and any cash dividends payable today. The entries are netted to produce a closing money balance for settlement today.
- Market Value Recap – Reflects the net market value of all night cycle activity and all “open” positions before the day’s cycle settlement activity takes place.
- Settlement Reconciliation – Nets the money balance with the participant’s open positions to calculate its current money settlement (line 18) before daytime activity occurs.

Line 18 of the preliminary report indicates the current money settlement value before daytime settlement and is one component of the cash settlement worksheet. The final report assists the participant in reconciling the CNS money settlement from the previous business day. It includes the intraday activity not available on the preliminary statement.

The recycle activity is posted to lines 19 and 20 to compute the final CNS money settlement. The recycle activity is detailed in the [CNS Settlement Activity Statement report](#).

## 16.6 ~~CNS Consolidated Trade Summary report~~

<del>Source</del>	<del>DTCC</del>
<del>Report ID</del>	<del>004279</del>
<del>Available</del>	<del>Daily</del>
<del>Data currency</del>	<del>Trade date+4</del>

<del>Retention period</del>	<del>Seven years</del>
<del>Sort order</del>	<del>SECURITY NUMBER</del>
<del>Aggregation</del>	<del>CLEARED GRAND TOTAL, CLEARED NET POSITIONS</del>

~~This report provides the following:~~

- ~~• A summary by security issue of all compared trades due to settle the following business day~~
- ~~• The contra broker (special representative), price and contract amount for each trade~~
- ~~• Net buys and sells by issue~~
- ~~• The net of all trades to one net dollar figure. The net contract amount is reported on the preliminary CNS Cash Reconciliation Statement report on trade date+2~~
- ~~• Non CNS balance order trades~~
- ~~• All CDS designated transactions from all sources.~~

## 16.7 CNS Daytime Miscellaneous Activity report

Source	DTCC
Report ID	003426
Available	4:00 p.m. ET (2:00 p.m. MT, 1:00 p.m. PT)
Data currency	Current day
Retention period	Seven years
Sort order	ISIN
Aggregation	TOTAL RECEIVED, TOTAL DELIVERED ISIN

This report includes reorganizations, stock borrows and any other miscellaneous activities received in CNS after the start of day cycle.

## 16.8 CNS Dividend Activity report

Source	DTCC
Report ID	003405
Available	Daily
Data currency	Yesterday
Retention period	Seven years
Sort order	SECURITY NUMBER
Aggregation	None

In addition, this report lists a monthly position statement showing the status of all securities positions, including those where no activity occurred during the month. Participants must confirm the accuracy of the monthly position statement in writing within 10 business days after the statement is available.

**16.28 Participant Settlement Super Statement – DTC/NSCC report**

Source	DTCC
Report ID	003440
Available	Daily
Data currency	Yesterday
Retention period	Seven years
Sort order	SUMMARY BALANCES, ACTIVITY BALANCES
Aggregation	DTC TOTALS, NSCC TOTALS, NET BALANCE, ACTIVITY BALANCE, POST ACTIVITY, FUNDS TRANSFER, SUSPENSES, ADJUSTMENTS, SPONSORED ADJ, BALANCE, SUB TOTALS, GRAND TOTALS

This report lists daily activities and the amounts to be paid or received by the participant during payment exchange.

**16.29 ~~Supplemental Consolidated Trade Summary report (Cycles 1 and 2)~~**

<del>Source</del>	<del>DTCC</del>
<del>Report ID</del>	<del>003424</del>
<del>Available</del>	<del>Cycle 1 — 2:00 a.m. ET (12:00 a.m. MT, 11:00 p.m. PT) Cycle 2 — 1:00 p.m. ET (11:00 a.m. MT, 10:00 a.m. PT)</del>
<del>Data currency</del>	<del>Yesterday (Cycle 1) Current day (Cycle 2)</del>
<del>Retention period</del>	<del>Seven years</del>
<del>Sort order</del>	<del>CUSIP</del>
<del>Aggregation</del>	<del>BOND TOTALS, NET BONDS, STOCK TOTALS, NET STOCKS, TOTALS-TRADE, NET TRADES, CLEARED GRAND TOTALS and CLEARED NET POSITIONS</del>

~~The Cycle 1 report contains T+1 and older trades received between 9:00 p.m. and 12:00 a.m. ET (7:00 p.m. and 10:00 p.m. MT, 6:00 p.m. and 9:00 p.m. PT) on settlement day.~~

~~The Cycle 2 report contains T+2 and older trades received between 12:00 a.m. and 12:00 p.m. ET (10:00 p.m. and 10:00 a.m. MT, and 9:00 p.m. and 9:00 a.m. PT) on settlement day.~~

5.1.11	Inquiring on Entitlements Messaging Subscription Profile . . . . .	81
<b>Chapter 6</b>	<b>Setting up access to CDS premises . . . . .</b>	<b>82</b>
6.1	Authorized signing officers . . . . .	82
6.2	Messenger ID passes . . . . .	83
6.2.1	Requesting and authorizing messenger ID passes . . . . .	83
6.2.2	Revoking or terminating a messenger ID pass . . . . .	84
6.2.3	Notifying CDS about a lost messenger ID pass . . . . .	84
<del>6.3</del>	<del>Lock boxes and keys . . . . .</del>	<del>84</del>
<b>Chapter 7</b>	<b>Registering and withdrawing from CDS services . . . . .</b>	<b>86</b>
7.1	Automated Confirmation Transaction (ACT) service . . . . .	86
7.2	CDS/DTC Cross-Border Movement Service . . . . .	87
7.3	CDS participant contingency services . . . . .	87
7.4	CDS test region facilities . . . . .	88
7.5	CDS Works . . . . .	88
7.6	CDSX. . . . .	89
7.7	CDSX Custodian Position File. . . . .	89
7.8	Continuous Net Settlement Service. . . . .	90
7.8.1	Withdrawing from CNS. . . . .	90
7.9	CNS Positions Reporting. . . . .	90
7.10	Delivery services . . . . .	91
7.11	Dividend Eligibility Reporting Service . . . . .	92
7.12	DTC Direct Link Service . . . . .	93
7.13	Entitlements Messaging service . . . . .	93
7.14	Euroclear France Link Service . . . . .	94
7.15	File Transmission Service . . . . .	94
7.16	InterLink. . . . .	94
<del>7.17</del>	<del>JASDEC Link Service . . . . .</del>	<del>94</del>
7.18	Limited Functionality Depository Ledger Service . . . . .	95
7.19	Matched Institutional Trade Interface service . . . . .	95
7.20	Money market and other securities eligibility. . . . .	95
7.21	Mutual Fund and Limited Partnership Tax Breakdown subscription service . . . . .	96
7.22	New York Link Service . . . . .	97
7.23	SEB Link Service. . . . .	97
7.24	Network Connectivity service . . . . .	98
7.25	Trade Matching . . . . .	98
7.26	SOLA netting system. . . . .	98
7.26.1	Registering for the SOLA netting system . . . . .	99
7.26.2	Withdrawing from the SOLA netting system. . . . .	99
7.27	GIC Funds-Only Trade Service . . . . .	99
7.28	Third Party Trade Reporting . . . . .	99

## CHAPTER 1

# Introduction to CDS

CDS Clearing and Depository Services Inc. (CDS) is the designated central clearing corporation for all eligible debt and equity securities in Canada. CDS provides a variety of automated services for financial institutions active in Canada and international capital markets. This manual is designed to assist participants in the following tasks:

- Familiarizing themselves with CDS
- Setting up their companies with CDS
- Setting up their users with access to CDS's online systems
- Accessing and using CDSX and its related functions
- Inquiring on their customer profiles
- Managing their financial risk.

### 1.1 Administrating access to CDS's systems and services

CDS is responsible for setting up initial access to online systems and services. Once this initial setup is complete, CDS participants are responsible for the following:

- Connecting and logging on to CDS's online systems. For more information, see [Using CDS systems](#) on page 20.
- Designating customer security administrators and service access administrators to set up and manage their users. For more information, see [Administrating online access](#) on page 46.
- Arranging for access to CDS premises, which requires authorized signing officers, [and messenger ID passes](#), ~~lock boxes and keys~~. For more information, see [Setting up access to CDS premises](#) on page 82.
- Registering for the CDS services that support their activities at CDS. For more information, see [Registering and withdrawing from CDS services](#) on page 86.

### 1.2 Participant roles and responsibilities

A participant's role determines whether they have access to specific CDS services or CDSX functions.

Refer to the *Participant Rules* for more information on participants' roles, qualifications, obligations, representations and warranties in terms of the activities or functions performed in CDSX.

## CHAPTER 6

# Setting up access to CDS premises

When setting up initial access to CDS services and premises, participants must arrange to have:

- [Authorized signing officers](#) on page 82
- [Messenger ID passes](#) on page 83
- ~~[Lock boxes and keys on page 84.](#)~~

### 6.1 Authorized signing officers

Participants must file a written authorization with CDS with the names and specimen signatures of the individuals who are authorized to act on their behalf for CDS services. Any two authorized signing officers may notify CDS of the appointment of another individual as an authorized signing officer. Each appointment remains in effect until CDS receives a written notice revoking the signing officer's appointment.

An authorized signing officer may at any time file a written authorization with CDS of the names and signatures of individuals who may act on behalf of the participant (e.g., messengers).

To authorize an individual as an authorized signing officer:

1. Prepare the following documents on company letterhead:
  - A list indicating the names of the individuals being authorized, the name of the participant and the participant CUID.
  - Include a specimen signature for each individual on the list.
  - A cover letter to be signed by two authorized signing officers of the participant, requesting any additions, changes or deletions.
2. Notify the CDS regional managers by sending each of them a copy of the list.  
The initial list of authorized signing officers for a participant is attached as Schedule B of the *Participant Rules*.

To revoke the authorization of a signing officer:

1. Prepare a notice of revocation on participant letterhead.
2. Deliver the notice to CDS's Head Office, Depository Services, Toronto.

### 6.2.2 Revoking or terminating a messenger ID pass

To revoke an employee's authorization, cut off the signature portion of the messenger ID pass and return the card to the CDS Security Station, accompanied by a letter of authorization on company letterhead.

CDS considers all messenger ID passes valid until otherwise notified.

### 6.2.3 Notifying CDS about a lost messenger ID pass

If a messenger ID pass is lost, present a letter of authorization on company letterhead signed by an authorized signing officer. The letter must include the following:

- Today's date
- The participant CUID
- The messenger name
- The messenger's sample signature.

Upon receipt of the letter of authorization, CDS Clearing Operations will:

1. Compare the authorized signature with that in the Schedule B signature database and place their initials next to the authorized signature to indicate its authenticity.
2. Make three photocopies of the letter and distribute them to Banking, Transfer Operations and the messenger.

The original copy is placed near the window in full view of all Clearing Operations personnel.

The letter of authorization is valid only for the days it is issued.

## 6.3 ~~Lock boxes and keys~~

~~Participants wishing to make deliveries of securities-related correspondence to other participants may do so by locating the proper lock box for the receiving participant (identified by CUID) and inserting the material to be delivered in the delivery "slot" in the box.~~

~~At no time are securities or other valuables to be placed in any lock box.~~

~~Extreme care must be used to ensure that the material is placed in the proper receiver's box.~~

### ~~Picking up lock box contents~~

~~Receiver's messengers holding keys may pick up their lock box contents at any time throughout the business day.~~

~~Receivers should ensure that they have not received anything addressed to another participant. If they have, receivers must re-deliver the material to the proper receiver's lock box.~~

~~**Lost key replacement**~~

~~If keys are lost, or are in the possession of a terminated employee, the participant should immediately notify the CDS Clearing Operations manager by telephone to discuss the actions required (i.e., supply of additional keys or lock replacement).~~

**Note:** Participants who subscribe to the Entitlements Messaging Service are billed directly by SWIFT. This requires participants to complete the appropriate SWIFT forms. Contact Customer Service to coordinate the completion of the forms.

#### **7.14 Euroclear France Link Service**

The Euroclear France Link Service is a unilateral custody link established by CDS with Euroclear France to facilitate book-based movements of French securities (eligible for the Euroclear France Link Service) between the two depositories.

To register or withdraw from the service, participants must complete the CDS Online Services Support – Service Eligibility Details Ledger Functions form (CDSX798).

For more information, refer to *International Services Procedures*.

#### **7.15 File Transmission Service**

The File Transmission Service provides end-of-day and beginning-of-day CDSX transaction details, security and entitlement information for domestic and international activities. For more information on the file services available, refer to *CDS Batch and Interactive Services – Technical Information*.

Participants register for this service by completing the Data Transmission Request form (CDSX218).

#### **7.16 InterLink**

InterLink is a service that provides CDSX participants who have MQ series (an IBM messaging product) with an alternative to the 3270 terminal. For more information on InterLink messaging, refer to *CDS Batch and Interactive Services – Technical Information*.

Participants register for this service by completing the following forms:

- InterLink Service – Message Request (Participant) (CDSX377)
- InterLink Service – Message Request (Custodian) (CDSX757).

#### **7.17 ~~JASDEC Link Service~~**

~~The JASDEC Link Service is a unilateral custody link established by CDS with the Japan Securities Depository Center, Inc. (JASDEC) to facilitate book-based movements of Canadian securities (eligible for the JASDEC Link Service) between the two depositories.~~

~~To register or withdraw from the service, participants must complete the CDS Online Services Support – Service Eligibility Details Ledger Functions form (CDSX798).~~

~~For more information, refer to *International Services Procedures*.~~

## **7.18 Limited Functionality Depository Ledger Service**

Participants who require the use of a depository ledger for segregation can have limited access to CDSX. Each participant:

- Must have a separate CUID and ledger account for securities (a line of credit cannot be assigned to this separate CUID and ledger)
- Can make no more than an average of five deliveries per business day to or from the account during any month
- Must have submitted a completed Schedule C and paid the limited functionality entrance fee
- Will be charged for the services which they use in accordance with CDS's standard fee schedule
- May deposit and withdraw securities.

Deliveries of securities to participants using this service must be free deliveries made after payment exchange.

For more details about the Limited Functionality Depository Ledger Service, contact CDS Customer Service.

## **7.19 Matched Institutional Trade Interface service**

The Matched Institutional Trade Interface service enables the matching of institutional trades by a virtual matching utility (VMU) and submission to CDS for settlement. Acceptable trades are created in CDSX as confirmed non-exchange trades.

Participants register for this service by completing the following forms:

- Matched Institutional Trade Interface Service – Appointment and Authorization of VMU form (CDSX808)
- Service Eligibility – Unit form (CDSX799).

For more information, refer to *Trade and Settlement Procedures*.

## **7.20 Money market and other securities eligibility**

To ensure the appropriate functionality is made available, participants who process money market and other securities must complete the Application to Act as ISIN Activator, Security Validator or Custodian (CDSX854).

2. If the pledge has a DK status, the participant submitting the pledge must change the details and the participant accepting the pledge must confirm the change.
3. When both parties are satisfied with the pledge details, they arrange for an exchange of funds (if any) against the pledge.
4. The participant accepting the pledge confirms the renewed pledge online.

Once confirmed, the pledge settles if sufficient security positions exist.

#### 4.8 Requesting partial settlement

When modifying an existing pledge or correcting a DK'd pledge, the participant submitting the request must release a holding cheque either partially or in full against the receipt of new securities and/or cash.

**Note:** The amount of funds to be partially released by the lender in a partial settlement is equal to the ACV value of the securities received in the partial settlement.

##### Eligibility criteria

The system processes the request for partial settlement only if the following criteria are met:

- The pledge is confirmed, with a value date of the current day
- The pledge modification consists of the release of a holding cheque (partial or full amount) against the increase of two to ten security items
- There are no other funds changes, e.g., an interest charge, a transfer amount or an increase in a holding cheque
- The lender's account type for settlement of all items is the unrestricted collateral account or the restricted collateral account
- The partial settlement indicator is set to Y, for Yes. A partial pledge settlement can be made only before payment exchange because holding cheque items cannot be entered after payment exchange
- The holding cheques are in Canadian currency.

If the above criteria are not met, the system processes the settlement in the normal manner by releasing the funds only if all the securities being substituted are present in the borrower's ledger.

The pledge modification settles only when all the securities being substituted have been delivered to the borrower.

CDSX runs separate payment exchanges for Canadian and U.S. dollar activities. Both payment exchanges are expected to start at 4:00 p.m. ET (2:00 p.m. MT, 1:00 p.m. PT). However, for various reasons, the start and end of the payment exchanges may be altered for one or both currencies.

## 1.5 Trade Matching service

The Trade Matching service provides an alternative method of confirming non-exchange trades where the trade type is DP (direct participant) and both parties to the trade are eligible for trade matching. The acceptor is not required to wait for the submitter to enter trade details as both parties can submit the same trade details in CDSX. The service matches the trades, deletes the original trades and replaces them with a new confirmed trade. Participants need only manage exceptions (i.e., unconfirmed trades). A lock in process ensures that all trades are confirmed within one business day of entry.

For more information, see [Trade matching](#) on page 45.

## 1.6 Matched Institutional Trade Interface service

The Matched Institutional Trade Interface service enables institutional trades to be matched by a virtual matching utility (VMU) and then submitted to CDS. Acceptable trades are then created in CDSX as confirmed non-exchange trades.

For more information, see [Matched Institutional Trade Interface](#) on page 57.

## 1.7 CDS/DTC Cross-Border Movement Service

A cross-border movement is a book-entry transaction between CDS and The Depository Trust Company (DTC). This service is used by CDS participants to move security positions between CDS and DTC.

For more information, refer to *CDS/DTC Cross-Border Movement Service Participant Procedures*.

## 1.8 International deliveries

The International Message Hub (IMHub) manages the processing of international deliveries for the following services:

- Euroclear France Link
- ~~JASDEC Link~~
- SEB Link.

For more information, refer to *International Services Procedures*.

### Application for Participation: Schedule C Selection of Services

Initial Filing

Update Filing

To: CDS CLEARING AND DEPOSITORY SERVICES LIMITED

From: \_\_\_\_\_  
Name of Applicant (Participant)

We apply to use the following Services offered by CDS:

Settlement Services:

CDSX

DTC Direct Link Service

New York Link Service

CNS

Reporting Services:

ACT

Strip Bond Report Service

ATON (includes use of ATON within CDSX)

Trade Matching\*

Information Services:

Bulletins

Entitlements Messaging

CDSX Entitlements Data Feed

CDSX Security Master File (SMF)

Other Services:

Delivery Services

~~Lock Box~~ Delete reference to Lock Box

SOLA

Onsite Contingency Service

InterLink

Cross-border Service  
(not a member of the NYL/DDL Services)

CANNEX

\*Mandatory for all IIROC members. Non-IIROC members also must complete form CDSX800.

\_\_\_\_\_  
Name of Applicant (Participant)

\_\_\_\_\_  
Signature of Signing Officer

\_\_\_\_\_  
Name and Title of Signing Officer

\_\_\_\_\_  
Date CDSX789 (09/09)

## Application for Participation: Appendix B Example of Bank Reference Letter

(To be prepared on the letterhead of the Financial Institution)

Date

CDS Clearing and Depository Services Inc.  
~~85 Richmond Street West~~ 100 Adelaide Street West  
~~Toronto, Ontario~~ Toronto, Ontario  
~~M5H 2C9~~ M5H 1S3

**Attention: Corporate Secretary**

Dear Sirs:

**Subject: (Name of Applicant applying for Participation in CDS)**

We are pleased to provide this letter of reference in unqualified support of (*Name of Applicant applying for Participation in CDS*) application for approval as a participant in the clearing and depository services of CDS Clearing and Depository Services Inc. This will confirm that (*Name of Applicant applying for Participation in CDS*) has maintained current accounts in good standing at (*Name of Financial Institution*) since (*Date*).

Should you have any further questions, please do not hesitate to contact me at (*Telephone Number*).

Yours very truly,

*Name of Financial Institution Representative*  
*Title*  
*Telephone Number*  
*Facsimile Number*  
*E-mail Address*

CDSX792 (10/06)

## Application for Participation: Appendix C Example of Self-Regulatory Organization (SRO) Reference Letter

(To be prepared on the letterhead of the Self-Regulatory Organization, if applicable)

Date

CDS Clearing and Depository Services Inc.  
~~85 Richmond Street West~~ 100 Adelaide Street West  
Toronto, Ontario Toronto, Ontario  
M5H 2C9 M5H 1S3

**Attention: Corporate Secretary**

Dear Sirs:

**Subject: Certificate of Good Standing**

This letter will confirm that (*Name of Applicant applying for Participation in CDS*) ("the Applicant") is a member of good standing has satisfied the following requirements of the (*Name of Self-Regulatory Organization*) ("the audit jurisdiction SRO"):

1. The Applicant has in force a Financial Institution Bond satisfactory to the audit jurisdiction SRO;
2. The Applicant is duly registered and in good standing with the audit jurisdiction SRO; and
3. To the best knowledge and belief of the senior executive officer responsible for member financial regulation at the audit jurisdiction SRO, the Applicant is in compliance with all applicable requirements.

If you have any further questions, please do not hesitate to contact me at (*Telephone Number*).

Yours very truly,

*Name of SRO Representative*

*Title*

*Telephone Number*

*Facsimile Number*

*E-mail Address*

CDSX793 (10/06)

## Application for Participation: Appendix D Example of Canadian Payments Association Reference Letter

(To be prepared on the letterhead of the Canadian Payments Association, if applicable)

Date

CDS Clearing and Depository Services Inc.  
~~85 Richmond Street West~~ 100 Adelaide Street West  
Toronto, Ontario Toronto, Ontario  
M5H 2C9 M5H 1S3

**Attention: Corporate Secretary**

Dear Sirs:

**Subject: (Name of Applicant Applying for Participation in CDS)**

This letter will certify that (Name of Applicant applying for Participation in CDS) is a direct clearer and Large Value Transfer Service user.

If you have any further questions, please do not hesitate to contact me at (Telephone Number).

Yours very truly,

*Name of Canadian Payments Association Representative*  
*Title*  
*Telephone Number Facsimile Number*  
*E-mail Address*

CDSX794 (10/06)

## Application for Participation: Appendix E Appointment and Authorization of Service Bureau

To: CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS")

a Participant or an applicant for participation at CDS (the "Participant") hereby appoints:

(the "Service Bureau")

\_\_\_\_\_

Service Bureau Contact Person

\_\_\_\_\_

Phone Number

to act for and on behalf of the Participant's transactions effected through the Services for CDS, as the term "Services" (the "Services") is defined in the Participant Agreement and Service Rules of CDS (the "CDS Rules").

The Participant hereby authorizes and directs CDS to accept and rely upon every communication, transaction, authorization or instruction for Participant's activities in the Services ("Communications") submitted through the Service Bureau which are identified by the Participant's Authentication Mechanism (as such term is defined in the CDS Rules). Until and unless this Appointment and Authorization is amended or terminated, CDS may accept and rely upon Communications submitted through the Service Bureau in the same manner as if such Communications came directly from the Participant.

*(Cross out the following paragraph, if inapplicable, and initial the change.)*

The Participant further authorizes and directs CDS to provide to the Service Bureau, rather than, or (only if requested in writing by Participant) in addition to Participant, confirmations, advises, reports and other documents and communications relating to Participant's transactions in respect of the Services.

The Participant acknowledges that, except as specifically provided herein, nothing in this Appointment and Authorization affects the rights or obligations of the Participant and CDS as set forth in the CDS Rules. This Appointment and Authorization shall remain in full force and effect until amended or terminated by the Participant giving written notice delivered, sent by regular pre-paid first class mail or faxed to CDS at 100 Adelaide St. West, Toronto, Ontario M5H 1S3 ~~85 Richmond St. West, Toronto, Ontario M5H 2C9~~, Attention: Chief Legal Officer, fax number (416) 365-1984, or by CDS giving written notice delivered, sent by regular pre-paid first class mail or faxed to the Participant at the Participant's last known address and contact person according to CDS' records. The effective time for notice shall be as prescribed in the CDS Rules as they may be amended from time to time.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Name of Participant or Applicant for Participation

Per:  
Name and Title of Authorized Signing Officer

Per:  
Name and Title of Authorized Signing Officer CDS795 (03/06)

**Application for Participation: Appendix H  
Form of Legal Opinion  
(Foreign Institution wishing to Participate in CDSX)**

[Date]

[Name, address and firm of Attorney  
providing the opinion]

CDS Clearing and Depository Services Inc.

~~85 Richmond Street West~~    100 Adelaide Street West  
~~Toronto, Ontario M5H 2C9~~    Toronto, Ontario M5H 1S3

**Attention: Chief Legal Officer**

Bank of Canada  
234 Wellington Street  
Ottawa, Ontario K1A 0G9

**Attention: Assistant General Counsel**

Dear Sir:

**Re: Opinion Relating to Participation of (the “Applicant”) in the CDSX**

In this opinion, the following terms have the meanings set out below:

- **“Canadian Branch”** means the Canadian branch or branches to be established by the Applicant; [delete if not applicable]
- **“Clearing House”** means an entity, other than the Bank of Canada or a stock exchange, which provides clearing or settlement services for a Canadian clearing and settlement system, whether or not such entity is a Central Counter-Party;
- **“CDS”** means CDS Clearing and Depository Services Inc., being the Clearing House for the CDSX;
- **“CDSX”** means the domestic clearing, settlement and depository services of CDS, being a designated clearing and settlement system within the meaning of the Payment Clearing and Settlement Act (Canada);
- **“CDSX Participant”** means a Participant in the CDSX, as determined in accordance with the Participant Agreement and Rules;
- **“Incorporating Jurisdiction”** means the jurisdiction named in paragraph 1 below, under the laws of which the Applicant is incorporated or otherwise established;

# Application for Participation: Appendix L Matched Institutional Trade Interface Service — Appointment and Authorization of Virtual Matching Utility (VMU)

To: **CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”)**

\_\_\_\_\_ a Participant of CDS (the “Participant”) hereby appoints:

\_\_\_\_\_ (the “VMU ”)

\_\_\_\_\_ VMU Contact Person

\_\_\_\_\_ Phone Number

\_\_\_\_\_ Email Address

to report matched trades to CDS on behalf of the Participant for Settlement through the Services of CDS, as those terms are defined in the Participant Rules of CDS (the “CDS Rules”).

The Participant hereby authorizes and directs CDS to accept and rely upon every instruction or other communication relating to a matched trade to be settled by the Participant through the Services (“Instructions”) which is submitted to CDS by the VMU until and unless this Appointment and Authorization is terminated in accordance with the provisions set out below.

The Participant further authorizes and directs CDS to provide to the VMU (upon request), in addition to the Participant, confirmations, advises and reports relating to the status of matched trades reported by the VMU on behalf of the Participant (Confirmations). **Update address: 100 Adelaide Street West, Toronto, Ontario, M5H 1S3**

The Participant acknowledges that, except as specifically provided herein, nothing in this Appointment and Authorization affects the rights or obligations of the Participant and CDS as set forth in the CDS Rules. This Appointment and Authorization shall remain in full force and effect until terminated by either (i) the Participant on no less than three business days’ written notice delivered, sent by regular pre-paid first class mail or faxed to CDS at ~~85 Richmond St. West, Toronto, Ontario M5H 2C9~~, Attention: Chief Legal Officer, fax number (416) 365-1984; or, (ii) CDS on no less than three business days’ written notice delivered, sent by regular pre-paid first class mail or faxed to the Participant at the Participant’s last known address and contact person according to CDS’ records. The effective time for notice shall be as prescribed in the CDS Rules as they may be amended from time to time. The termination of this Appointment and Authorization shall be effective as of the start of business on: (i) the second business day following the effective date of the notice (notwithstanding any earlier date which may be specified in the notice); or, (ii) on such later date as specified in the notice.

The termination of this Appointment and Authorization shall not affect the status of (or the respective rights and obligations of CDS and the Participant in connection with) any trades already reported to CDS by the VMU pursuant to the Appointment and Authorization but not yet settled as of the effective time of the termination (the “Unsettled Trades”). The Participant accordingly acknowledges that Unsettled Trades may be settled subsequent to the termination of this Appointment and Authorization, and the Participant authorizes CDS to provide Confirmations to the VMU relating to the status of the Unsettled Trades notwithstanding that such Confirmations are provided after the termination of this Appointment and Authorization.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_ Name of Participant

Per: \_\_\_\_\_  
Name and Title of Authorized Signing Officer

Per: \_\_\_\_\_  
Name and Title of Authorized Signing Officer

CDSX808 (10/06)

***Please photocopy this form onto your company letterhead, after blocking out this box.***

Date: \_\_\_\_\_

To: The Canadian Depository for Securities Limited  
~~85 Richmond Street West, Toronto, M5H 2C9~~  
100 Adelaide Street West, Toronto, Ontario M5H 1S3

Attention: Customer Service

Re: **Replacement Designation of Signing Officers**

In accordance with CDS Service Rule 3.1.1, we replace our previous designation of Signing Officers and designate each of the individuals named below our new Signing Officer authorized to act on behalf of us for all purposes of the Services, and certify that he or she holds the office set opposite his or her name and that the specimen signature set opposite his or her name is his or her genuine signature:

<b>Name</b>	<b>Title</b>	<b>Specimen Signature</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CDS shall be entitled to rely upon this replacement designation of Signing Officers until a new replacement designation is notified to CDS in accordance with CDS Service Rule 3.1.1.

\_\_\_\_\_  
Signing Officer\*

\_\_\_\_\_  
Signing Officer\*

\* Signatures must be from 2 previous designations

# Data Transmission Request

Action: <input type="checkbox"/> Add <input type="checkbox"/> Change <input type="checkbox"/> Delete		Company name:
Company code:	Unit:	
Ledger:		
Other:		

## Inbound transmission (from participant to CDS)

<input type="checkbox"/> Trade Entry	<input type="checkbox"/> Intl. Ledger Reconciliation	<input type="checkbox"/> Trade Confirmation	<input type="checkbox"/> Projected Payments File	<input type="checkbox"/> GIC Funds - only Trade File (CANNEX)
<input type="checkbox"/> Ledger Reconciliation	<input type="checkbox"/> Intl. Trade Reconciliation	<input type="checkbox"/> ACT Trade File	<input type="checkbox"/> DRIP Price	<input type="checkbox"/> Inter-account movement

## Outbound transmission (from CDS to participant)

✓	Record subtype	Description	✓	Record subtype	Description
		<b>Deposit file (EOD) (0004) (all)</b>			<b>Trade file (0009) (BOD) (all) continued</b>
	0040	Unconfirmed security deposits		0096	IXCA - new trades
	0041	Purged funds deposits and rejected security/funds deposits		0097	LQNT - new trades
		<b>Domestic exchange file (0012) (BOD) (all)</b>		0098	CX2 - new trades
	0071	Domestic exchange trade reconciliation file			<b>Trade file (0002) (EOD) (all)</b>
	0072	Domestic exchange trade reconciliation file - sub-participant		0023	Exchange trades - modified and outstanding trades
		<b>Ledger update file (0001) (EOD) (all)</b>		0024	Exchange trades - deleted/purged trades
	0001	Mark-to-market		0028	Non-exchange trades - unsettled (confirmed, unconfirmed) trades
	0002	Confirmed security deposits, confirmed funds deposits		0029	Non-exchange trades - deleted/purged trades
	0003	Unconfirmed, confirmed and rejected withdrawals			<b>Withdrawal file (0005) (EOD)</b>
	0004	Trade settlement		0050	Unconfirmed withdrawals
	0005	Pledge settlement			<b>File type Other outbound CDSX files</b>
	0006	Deposit or withdrawal adjustment		0031	CNS activity file (BOD)
	0007	Ledger adjustment		0006	CNS activity file (EOD)
	0008	Inter-account movements		0010	CNS EOD position record file
	0009	CNS settlement		0011	Custodian ledger reconciliation file
	0010	Payment exchange transactions		0015	Custodian position file
	0011	Entitlement payments and receipts		0017	Daily ITP statistics file
	0013	Funds transfer		0018	Daily ITP trade detail file
	0014	Currency service transaction		7040	Entitlement file - complete
		<b>Pledge file (0003) (EOD) (all)</b>		7041	Entitlement file - changes
	0030	Existing (settled) pledges		0021	Extended failed trades - IIROC
	0031	Future-dated pledge transactions		0024	Final projected payments file
	0032	Deleted/added loan items		0014	Ledger balances - proxy record date
	0033	Deleted/purged pledges		0008	Ledger positions file
		<b>Trade file (0009) (BOD) (all)</b>		0020	<del>NSCC consolidated net settlement trade summary file</del>
	0020	CDCC - new trades		0007	NSCC continuous net settlement account summary extract file
	0022	TSE/CDNX - new trades		7050	Participant profile file
	0025	CNQ - new trades		0023	Projected payments matching file
	0026	TCM - new trades		7030	Security master file - complete
	0027	Non-exchange trades - unsettled, received after file type 28 is produced		7031	Security master file - changes
	0070	CXD - new trades		0016	1042-S reporting - detail file (monthly)      Company      Ledger
	0080	LYNX - new trades		1000	DRIP price rejects
	0090	PURE - new trades		0025	CNS fails to deliver detail file
	0091	CHIX - new trades		0028-01	NSCC UTC MRO trade capture data file
	0092	OMEG - new trades		0028-02	NSCC Consolidated Trade Summary (CTS) CSV
	0093	AATS - new trades		0028-03	NSCC Consolidated Trade Summary (CTS) MRO
	0094	NEOE - new trades			
	0095	TMXS - new trades			

## InterLink/SWIFT Service – Message Request

CDS Participant Requestor: \_\_\_\_\_ CUID: \_\_\_\_\_ Ledger: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone number: \_\_\_\_\_

Third party service provider (if applicable): \_\_\_\_\_ Destination: \_\_\_\_\_  
(mandatory)

Local Queue: \_\_\_\_\_ Queue manager: \_\_\_\_\_

InterLink service subscription:      Changes to current service requirement:      Date: \_\_\_\_\_  
(YYYY/MM/DD)

SWIFT service subscription:      Changes to current service requirement:      Date: \_\_\_\_\_  
(YYYY/MM/DD)

BIC code: \_\_\_\_\_ Authorized signature: \_\_\_\_\_

Message name	Message number	CDS inbound/outbound	Your CUID (✓)	Third party (✓)	Add (✓)	Remove (✓)
Broadcast Notification Message	CDSN01N	O				
<b>Ledger transfer</b>						
Funds Transfer Entry	CDSA010	I				
Funds Transfer Reject	CDSA01R	O				
Funds Transfer Confirm	CDSA01C	O				
Funds Transfer Notify	CDSA01N	O				
<b>Inter-account movement</b>						
Inter-Account Movement Entry	CDSA020	I				
Inter-Account Movement Reject	CDSA02R	O				
Inter-Account Movement Confirm	CDSA02C	O				
Inter-Account Movement Notify	CDSA02N	O				
<b>Non-exchange trade</b>						
Non-Exchange Trade Entry	CDST010	I				
Non-Exchange Trade Reject	CDST01R	O				
Non-Exchange Trade Confirm	CDST01C	O				
Non-Exchange Trade Notify	CDST01N	O				
Non-Exchange Trade Modify	CDST100	I				
Non-Exchange Trade Modify Rejection	CDST10R	O				
Non-Exchange Trade Modify Confirmation	CDST10C	O				
Non-Exchange Trade Modify Notification	CDST10N	O		P		
Non-Exchange Trade Settlement Notification	CDST90N	O				
<b>Ledger</b>						
Ledger Position Update Notification	CDSU01N	O				
Default CUID required:						
<b>Pledge</b>						
Pledge Entry	CDSP020	I				
Pledge Modify	CDSP200	I				
Pledge Seizure	CDSP210	I				



# CDS – Online Services

## Support – Service Eligibility Details

### Ledger Functions

Company code:	Company name:
---------------	---------------

Ledger:

Service Description	Eligibility				Effective Date					
CNS POSN Reporting (CDSX01N)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Y	Y	M	M	D	D
Domestic - CNS CAD	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Y	Y	M	M	D	D
Domestic - CNS USD	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Y	Y	M	M	D	D
DTC - Delivery Free	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Y	Y	M	M	D	D
EOC - Delivery Free	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Y	Y	M	M	D	D
<del>JSS - Delivery Free</del> Delete entire line	<input type="checkbox"/>	<del>Yes</del>	<input type="checkbox"/>	<del>No</del>	Y	Y	M	M	D	D
SEB - Delivery Free	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Y	Y	M	M	D	D

Signature:	Date:
------------	-------



## Schedule A Event Claim Form

The Canadian Depository for Securities Limited  
~~85 Richmond St. W.~~ 100 Adelaide St. W.  
Toronto, Ontario  
~~M5H 2C9~~ M5H 1S3

Participant name:	
CUID(s) affected:	Location:
Completed by:	Phone number:
Today's date:	Date of the event:
Dollar amount of claim:	Claim calculation:
Supporting documentation attached <input type="checkbox"/>	

Action taken to minimize loss:
--------------------------------

Please email the completed claim form to your CDS Relationship Manager.

Note: Please include a detailed description of the event on your company letterhead.  
All supporting documentation should be forwarded with this form.

# Issuer Letter of Authorization

Date:

CDS Clearing and Depository Services Inc.  
~~85 Richmond Street West~~ 100 Adelaide Street West  
Toronto, Ontario  
~~M5H 2C9~~ M5H 1S3  
Canada

Attention:

To whom it may concern:

In connection with the issuance by \_\_\_\_\_ (the "Issuer") of its corporate Spanish debt securities ( \_\_\_\_\_ ), the Issuer and \_\_\_\_\_ as guarantor of the said securities (the "Guarantor"), hereby confirm that Acupay System LLC ("Acupay") is their agent and authorize CDS Clearing and Depository Services Inc. ("CDS") to furnish Acupay with such information pertaining to the holdings of CDS participants in the said securities as would be reflected on a Holders of Record Report, or a similar report utilized for the same purpose, and their elections for tax relief on such positions in order to facilitate the tax withholding and exchange processing certification procedures as fully described in the Issuer's Offering Memorandum dated \_\_\_\_\_ in respect of the said securities.

\_\_\_\_\_  
*Issuer*

\_\_\_\_\_  
*Guarantor*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Title*

# Issuer Legal Opinion Cover Letter

Date:

CDS Clearing and Depository Services Inc.  
~~85 Richmond Street West~~ 100 Adelaide Street West  
Toronto, Ontario  
~~M5H 2C9~~ M5H 1S3  
Canada

Attention:

To whom it may concern:

We have acted as Spanish legal counsel to \_\_\_\_\_ (the "Issuer"), for purposes, among others, of issuing a legal opinion (the "Opinion"), addressed to the Issuer in connection with the issuance of \_\_\_\_\_ guaranteed by \_\_\_\_\_  
*(details of securities)* \_\_\_\_\_ (the "Bank"). The Opinion is attached as Schedule 1, the following being some important highlights:

- According to Law \_\_\_\_\_, the issuance of the securities by the Issuer will be subject to certain reporting requirements, (which include disclosure of the identities of the holders and the activities performed by the Issuer). These disclosure obligations were implemented by \_\_\_\_\_  
*(full title of law in English and date)* \_\_\_\_\_,  
*(full title of law in Spanish and date)* \_\_\_\_\_,  
as amended by \_\_\_\_\_  
*(full title of law in English and date)* \_\_\_\_\_,  
*(full title of law in Spanish and date)* \_\_\_\_\_.
- The Issuer, the Bank and the Fiscal and Paying Agent have agreed upon certain procedures with the relevant clearing system (i.e., CDS Clearing and Depository Services Inc. or "CDS") and with Acupay System LLC ("Acupay") (as described under (i) the heading "Taxation – Spanish Tax Considerations – Evidence of Beneficial Owner Residency in Connection with Interest Payments", of the Preliminary Offering Memorandum and the Offering Memorandum; (ii) Annex A to the Preliminary Offering Memorandum and the Offering Memorandum; and (iii) the terms of the Acupay Agreement) which, in our opinion, comply with the reporting requirements set forth by Law \_\_\_\_\_, as confirmed by \_\_\_\_\_  
*(name of law in English)* \_\_\_\_\_.
- Since, in our opinion, the procedures referred to in Paragraph \_\_\_\_\_ of the Opinion comply with the reporting requirements set forth by Law \_\_\_\_\_ (as amended by Law \_\_\_\_\_ and Law \_\_\_\_\_), as confirmed by \_\_\_\_\_,  
*(name of law in Spanish)* \_\_\_\_\_,  
we are of the opinion that CDS will not incur any risk before the Spanish Tax Authorities as a consequence of taking part in such procedures in the manner described in Annex A to the Preliminary Offering Memorandum and the Offering Memorandum.

- In addition, if the procedures referred to in Paragraph \_\_\_\_\_ of the Opinion prove to be ineffective and CDS participants are unable to collect and provide the Issuer or the Bank with all of the information concerning the identity and country of residence of beneficial owners, as required by Spanish tax authorities, on a timely basis (in which case, the Preliminary Offering Memorandum and the Offering Memorandum state that the Issuer will withhold at the then applicable rate – currently \_\_\_% - from any interest payment with respect to the outstanding principal amount of the securities as to which the agreed procedures prove ineffective), we are of the opinion that CDS will not incur any risk before the Spanish tax authorities.
- In the event that the beneficial owner information submitted to the Issuer or the Bank is later found to be false or incorrect, we are of the opinion that the Issuer will be held liable by the Spanish tax authorities for the underpayment of withholding taxes. We are also of the opinion that CDS will not be held liable in this situation by the Spanish tax authorities. If it is found that the underpayment of withholding taxes was made with wrongful intention or negligence, the Spanish tax authorities may find that there was a tax infringement and impose penalties on the Issuer. Active co-operators in the commission of such tax infringement will be held jointly and severally liable for the underpaid withholding taxes and consequent penalties. Since CDS does not know or have access to beneficial owner information, we are of the opinion that CDS could not be deemed to be an active co-operator in the alleged tax infringement by the Spanish tax authorities.

Sincerely,



← Updated logo

## CDS Onsite Contingency Service Application for Subscriber Plan

To: **The Canadian Depository for Securities Limited ("CDS")**  
100 Adelaide Street West, Toronto, Ontario M5H 2C9  
~~85 Richmond Street West~~  
Attn: Customer Service

From: \_\_\_\_\_  
(the "Subscriber")

The Subscriber applies to subscribe to the CDS Onsite Contingency Service (the "Service").

The Subscriber agrees that the monthly standby fees for the Service, plus applicable taxes, will be billed to the Subscriber monthly and will be charged to the Subscriber's Invoice Unit. Additional fees and other usage charges for the Service, plus applicable taxes, will be charged to the Subscriber's Invoice Unit as applicable.

The Subscriber acknowledges that the Service shall be subject to the *Participant Agreement and Service Rules* and the procedures and user guides for the Service.

This application is made on behalf of the Subscriber by its duly authorized signing officer.

\_\_\_\_\_, 20\_\_\_\_.  
Signing officer Date



← Update logo

# Notification of Participant Shared (Terminal) Access

To: **The Canadian Depository for Securities Limited ("CDS")**  
100 Adelaide Street West, Toronto, Ontario M5H 2C9  
Attn: Customer Service

The following Participants hereby jointly notify CDS that they have agreed to share terminal sites and office space in order to access and use CDS online functions as a backup facility in situations of temporary terminal/system failure in the following way:

Participant A: \_\_\_\_\_ will be allowed to access and use CDS online functions  
(participant name)

using their own logon IDs at the terminal site(s) of Participant B: \_\_\_\_\_  
(participant name)

Conversely, Participant B will be allowed to access and use CDS online functions using their own logon IDs at the terminal site(s) of Participant A.

Each of the above Participant directs CDS to provide online access to the other Participant as contemplated above, at a time and in accordance with further specific instructions contained in the Participant Shared (Terminal) Access Request fax sent to you.

Each Participant acknowledges that all access and any agreement between the Participants concerning shared access shall at all times be subject to the *Participant Agreement and Service Rules* and procedures and user guides for this service.

\_\_\_\_\_  
*Signature of authorized signing officer for Participant A*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature of authorized signing officer for Participant B*

\_\_\_\_\_  
*Date*

**For CDS use only:**

\_\_\_\_\_  
*CDS Customer Service signature*

\_\_\_\_\_  
*Date*

**CDS Customer Service must forward a signed copy of this notification to Information Security**

Effective date:



# Web Services Request for CDS Participants

Company name:	Company code:	Mailing address: (street address, city, postal code)
Contact name:	Phone number:	

CUID	Electronic Alert service	Corporate Action Liability Management service	CDS NR7-R Certification service	TRAX Trade Confirmation Statistics	TRAX Transfer Requests	New York Link Monitoring service	TRAX Entitlements Tracking
			↑				
			Change to CDS-DTCC Payment Service				

### Legal disclaimer

These services are covered by the *CDS Participant Rules and Procedures*.

Internet related delays or communication/network outages are beyond the control and responsibility of CDS and may delay or disrupt the participant's ability to access the CDS web services and/or web and email alerts created by these services. Participants are responsible for maintaining their internet connections to receive web alerts and/or maintaining and monitoring their designated email addresses to ensure that they receive email alerts.

Email alerts sent by CDS are not encrypted so the confidentiality or security of the information is not guaranteed.

**By signing below, the signing officer, on behalf of the participant, accepts the legal disclaimer above and all the terms and conditions for the service as set out in the CDS Participant Rules and procedures.**

### Customer authorization

Name:	Title:		
Authorized signature:			Date:

### CDS use only

<input type="checkbox"/> Request verified by Customer Service	Name:	Date:
<input type="checkbox"/> Authorization verified by Security Systems	Name:	Date:
<input type="checkbox"/> Request Completed by Security Systems	Name:	Date:



← Update logo

# Appointment and Authorization of Third Party Trade Reporting (TPTR)

To: CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS")

\_\_\_\_\_ a participant of CDS (the "Participant") hereby appoints:

\_\_\_\_\_ (the "TPTR")

\_\_\_\_\_ TPTR Contact Person

\_\_\_\_\_ Phone Number

\_\_\_\_\_ Email Address

to report matched trades to CDS on behalf of the Participant for Settlement through the Services of CDS, as those terms are defined in the Participant Rules of CDS (the "CDS Rules").

The Participant hereby authorizes and directs CDS to accept and rely upon every instruction or other communication relating to a matched trade to be settled by the Participant through the Services ("Instructions") which is submitted to CDS by the TPTR until and unless this Appointment and Authorization is terminated in accordance with the provisions set out below.

The Participant further authorizes and directs CDS to provide to the TPTR (upon request), in addition to the Participant, confirmations, advises and reports relating to the status of matched trades reported by the TPTR on behalf of the Participant (Confirmations).

The Participant acknowledges that, except as specifically provided herein, nothing in this Appointment and Authorization affects the rights or obligations of the Participant and CDS as set forth in the CDS Rules. This Appointment and Authorization shall remain in full force and effect until terminated by either (i) the Participant on no less than three business days' written notice delivered, sent by regular pre-paid first class mail or faxed to CDS at ~~85 Richmond St. West, Toronto, Ontario M5H 2G9~~, Attention: Chief Legal Officer, fax number (416) 365-1984; or, (ii) CDS on no less than three business days' written notice delivered, sent by regular pre-paid first class mail or faxed to the Participant at the Participant's last known address and contact person according to CDS' records. The effective time for notice shall be as prescribed in the CDS Rules as they may be amended from time to time. The termination of this Appointment and Authorization shall be effective as of the start of business on: (i) the second business day following the effective date of the notice (notwithstanding any earlier date which may be specified in the notice); or, (ii) on such later date as specified in the notice.

100 Adelaide St. West, Toronto, Ontario M5H 1S3,

The termination of this Appointment and Authorization shall not affect the status of (or the respective rights and obligations of CDS and the Participant in connection with) any trades already reported to CDS by the TPTR pursuant to the Appointment and Authorization but not yet settled as of the effective time of the termination (the "Unsettled Trades"). The Participant accordingly acknowledges that Unsettled Trades may be settled subsequent to the termination of this Appointment and Authorization, and the Participant authorizes CDS to provide Confirmations to the TPTR relating to the status of the Unsettled Trades notwithstanding that such Confirmations are provided after the termination of this Appointment and Authorization.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_ Name of Participant

Per: \_\_\_\_\_ Name and Title of Authorized Signing Officer

Per: \_\_\_\_\_ Name and Title of Authorized Signing Officer

# Confirmation of Registered Holdings Form

The eligible issuer, \_\_\_\_\_, by its duly authorized officer or its appointed agent (if applicable)  
(issuer)  
 \_\_\_\_\_ hereby requests that CDS provide a confirmation of registered holdings ("Confirmation") of the security  
(name of officer or agent)  
 or securities registered to in the name of the nominee of CDS Clearing and Depository Services Inc. ("CDS Clearing"), CDS & CO., as identified in the attached request  
 letter dated \_\_\_\_\_ and acknowledges that CDS' provision of such Confirmation(s) is subject to the terms and conditions on the reverse hereof:  
(date of request)

## Fee calculation:

Calculate the fee for the attached request based on the number of ISINs included in the request: Province **(must be selected)**:

Number of ISINs (first 10)	<input type="text"/>	x \$105.00	<input type="text"/>
+ Number of ISINs (11 to 30)	<input type="text"/>	x \$53.00	<input type="text"/>
+ Number of ISINs (over 30)	<input type="text"/>	x \$27.00	<input type="text"/>
<b>Total ISINs:</b>	<input type="text"/>	Sub-total:	<input type="text"/>
		Plus 5% GST:	<input type="text"/>

  

<input type="checkbox"/> or 13% HST: <i>(ON, NL, NB residents only)</i>	<input type="text"/>	(CDS GST/HST Registration Number)
<input type="checkbox"/> or 14% HST: <i>(PEI residents only)</i>	<input type="text"/>	<b>830507497RT0001</b>
<input type="checkbox"/> or 15% HST: <i>(NS residents only)</i>	<input type="text"/>	<small>(CDS GST Registration Number)</small>
<input type="checkbox"/> Plus 9.975% QST: <i>(QC residents only)</i>	<input type="text"/>	(CDS QST Registration Number)
	<input type="text"/>	<b>1215325551TQ0001</b>

**Note:** Calculated QST amount is rounded up to the nearest cent.

**Total:**

## Method of payment (please choose one):

<input type="checkbox"/> <b>Payment enclosed</b> Please make cheque or bank draft payable to:	<input type="checkbox"/> <b>Wire payment</b> (Canadian dollars only) Beneficiary Bank: <b>BANK OF MONTREAL</b> 100 King Street West, Toronto, ON M5X 1A3
<b>CDS</b> <del>85 Richmond Street West</del> 100 Adelaide Street West Toronto, ON M5H-2C91S3 Attn: Finance A/R	SWIFT BIC CODE: <b>BOFMCAM2</b> Beneficiary Acct. No.: <b>1594-223</b> Transit No.: <b>0002(2)</b> Beneficiary: <b>CDS</b> <del>100 Adelaide Street West, 85 Richmond Street West</del> , Toronto, ON M5H <del>1S32C9</del>
<input type="checkbox"/> <b>Invoice requested</b>	
<input type="checkbox"/> Issuer/Agent has previously been billed by CDS. Please use the most recent billing information on file.	
<b>OR</b>	
<input type="checkbox"/> Please use the following billing information:	

Issuer:		Agent (if applicable):	
Billing contact:		Phone:	Email:
Billing address:			
City:	Province:	Postal code:	Country:

## Requested by:

<input type="checkbox"/> Issuer	<input type="checkbox"/> Agent	Name of requesting organization:	Authorized signature:
Name and title of authorized signing officer:		Phone:	Date:

## CDS internal use only

Confirmation request accepted by (CDS signature):	Date:
Payment received by (CDS Finance signature):	Date:
Completed confirmation released by (CDS signature):	Date:

## Standard Terms and Conditions

1. Confirmation of Registered Holdings (the “Confirmation”) Service. By submitting this form, the Issuer represents that CDSI Clearing and Depository Services Inc. (“CDS Clearing”), by its Nominee CDS & CO., is the – or a – registered holder of the security eligible for the CDS Clearing depository service. The issuer, or its authorized agent, acknowledges that CDS & CO. holds the securities as bare nominee on behalf of CDS Participants in the Depository Service, for which CDS Clearing performs settlement and custodial services. CDS Clearing has been authorized by each Participant to disclose to an eligible security Issuer the aggregate number of eligible securities of that Issuer held for the account of CDS Participants. The Confirmation will indicate such positions as at the close of business, following necessary adjustments, upon the date(s) specified and will be made available to the Issuer as soon as reasonably practicable thereafter.
2. Data Accuracy. CDS will reprocess and re-issue a Confirmation where, within three months of the date of the original Confirmation, the Requesting Party demonstrates to the reasonable satisfaction of CDS that the confirmations did not reconcile with the Issuers register.
3. Limitation of Liability. The Issuer, or the Issuer’s duly authorized Agent, acknowledges and agrees that neither CDS, nor any of its affiliated companies, shall be liable for failure to provide the Confirmation requested if such failure is due to any cause or condition beyond the reasonable control of CDS. Further, the Issuer, or the Issuer’s duly authorized Agent, acknowledges that the aggregate liability of CDS for damages of any kind, howsoever incurred, shall not exceed the total amount paid by the Issuer or its authorized Agent for the Confirmation(s) in the three months immediately preceding the occurrence of the event giving rise to such liability.
4. Use of Confirmation. A Confirmation obtained from CDS shall not be used by the Issuer or any person receiving a Confirmation or copy thereof, except in accordance with applicable securities law, regulation, or instruction and, more specifically, shall only be used in connection with:
  - (a) sending securityholder materials;
  - (b) an effort to influence the voting of securityholders of the issuer;
  - (c) an offer to acquire securities of the issuer; or
  - (d) any other matter relating to the affairs of the issuer.
5. Fees. CDS shall charge a fee, according to the then-current CDS fee schedule for Confirmations provided under this Agreement. CDS reserves the right to amend the fee schedule from time to time at its sole discretion; amendments to the fee schedule made after submission of the request but prior to the delivery of the Confirmation, however, shall not impact the Total Fee. NOTE: Fees for Confirmations are payable in advance (except in the circumstance that the requesting party opts to be invoiced for the Confirmation) to ‘CDS Securities Management Solutions Inc.’ and must accompany the delivery of this form of agreement to CDS.
6. Taxes: Fees charged under this Agreement are exclusive of any federal, provincial or local sales or commodities taxes which are or may be imposed upon the supply of the Confirmation(s) hereunder. Any such tax shall be paid by the Requesting Party directly to the taxing authority, or if CDS, in its opinion, is required by law to collect such tax, CDS will add the amount of the tax to the Requesting Party’s fees.
7. Notice: Notices under this Agreement shall be delivered personally or by registered mail to the address set out for the receiving party on the face hereof or to the Billing Address, if applicable. Notices to CDS shall be addressed to the attention of: Customer Service, ~~100 Adelaide Street West, Toronto, Ontario M5H 1S3-85 Richmond Street West, Toronto, Ontario M5H 2C9.~~
8. Issuer’s Agent. If this Request for Confirmation is made on behalf of the Issuer by the Issuer’s Agent, the Issuer’s Agent:
  - (a) represents and warrants that it has been duly authorized by the Issuer to make this Request, to receive the Confirmation requested and any notices provided hereunder, and to pay the fees charged for Confirmations;
  - (b) represents and warrants that this Request is made solely in connection with a matter relating to the affairs of the Issuer; and
  - (c) agrees to be bound by the terms and conditions of this Agreement as fully and to the same extent and degree as the Issuer.
9. General. This Agreement may not be assigned by the Requesting Party without the written consent of CDS, and shall bind the parties hereto and their respective permitted successors and assigns. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the Federal laws of Canada applicable therein.

# Sample request letter

To be printed on the letterhead of the issuer or its duly authorized agent.

Date:

CDS Securities Management Solutions Inc.

100 Adelaide ~~85 Richmond~~-Street West, Toronto, ON M5H 1S3ZC9

**Attn: Customer Service**

**Subject:** Confirmation of Registered Holdings for \_\_\_\_\_  
(security description)

Dear Sirs:

Please provide a confirmation of registered holdings for the security information listed below as

at \_\_\_\_\_  
(effective date for the confirmation)

CUSIP/ISIN	Security issue description	Amount
<small>(security issue identification number)</small>	<small>(include all identifying particulars such as security issue name, type of security, interest rate, maturity date, etc.)</small>	<small>(principal, par value or number of shares)</small>

Attach additional pages as required and note the number of pages attached.

Number of pages attached:

Please mail (or fax) the completed confirmation to the attention of:

\_\_\_\_\_  
Authorized sign~~a~~ture of issuer or agent represent~~a~~tive

\_\_\_\_\_  
Name and title of issuer or agent representative

## FOR CDS ~~SOLUTIONS INC.~~ USE ONLY

### CONFIRMATION:

I, \_\_\_\_\_, hereby confirm that the information provided above and/or in the separate attachment is:

**Correct**       **Incorrect** (please see notes on differences)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

- International deliveries – This is a two-way armoured courier delivery service participants use to deliver non-negotiable securities, negotiable securities and documents (i.e., reports and notices) between CDS and the Depository Trust Company (DTC) and National Securities Clearing Corporation (NSCC). Delivery services are handled in the following ways:
  - New York Link settlements – The participant drops off settlement envelopes for the New York Link service at CDS. An armoured courier delivers the envelopes to NSCC for the Intercity Envelope Settlement Service (IESS).
  - New York Link/DTC Direct deposits – The participant drops off deposits for the New York Link service at CDS. An armoured courier delivers the envelopes to DTC.
  - CDSX U.S. deposits and withdrawals – The participant drops off security deposits for DTC at CDS. An armoured courier delivers the envelopes to DTC.

### **1.1 CDS disclaimer of responsibility**

Participants using delivery services must bear the liability for the value of their shipments. CDS is only liable for the securities held for participants and credited to the securities accounts maintained for CDSX, from the time a security is deposited to the time it is withdrawn. For more information on the terms and provisions for using delivery services, refer to the Participant Rules.

Except as CDS may determine to be appropriate or necessary, CDS does not examine the contents of envelopes or verify the amounts of money shown on the list accompanying an envelope. CDS is not responsible for the contents and is only providing a courier service.

### **1.2 Courier used for delivery services**

For delivery services, CDS ships securities using an armoured courier with the exception of same-city transfer where messengers are used.

CDS currently uses Brink's<sup>®</sup> Canada as its armoured courier.

Notify the armoured courier if the value of the shipment is over \$50 million.

A daily courier receipt is printed listing a summary of the envelopes received by a participant and their declared value (if appropriate). For any discrepancies, contact CDS Operations on the same day. For any discrepancies noticed after the delivery date, contact CDS Customer Service.

### **1.3 Authorized personnel**

Participants must present a messenger ID card or a letter of authorization to pick up envelopes at CDS offices.

## CHAPTER 8

# International deliveries

International deliveries is a two-way armoured courier delivery service participants use to deliver non-negotiable securities, negotiable securities and documents (i.e., reports and notices) between CDS and the Depository Trust Company (DTC), the National Securities Clearing Corporation (NSCC) or the appropriate transfer agent. Deliveries are handled in the following ways:

- New York Link settlements – The participant drops off settlement envelopes for the New York Link service at CDS. An armoured courier delivers the envelopes to NSCC for delivery under their Intercity Envelope Settlement Service (IESS).
- New York Link/DTC Direct deposits – The participant drops off deposits for the New York Link service at CDS. An armoured courier delivers the envelopes to DTC.
- CDSX U.S. deposits and withdrawals – The participant drops off security deposits for DTC at CDS. An armoured courier delivers the envelopes to DTC.

**Note:** For all services, DTC contacts the participant directly for OFAC related inquiries.

### 8.1 New York Link settlements

IESS envelopes are used for New York Link settlements.

This service may be used to deliver:

- non-negotiable securities
- negotiable securities
- other documents.

For any discrepancies, contact CDS on the same day. For any discrepancies noticed after delivery date, contact CDS Customer Service.

#### 8.1.1 Preparing IESS envelopes

One IESS envelope is used for each New York Link security.

To prepare the IESS delivery:

1. Complete the online Intercity Credit ticket through the DTC Participant Terminal Service (PTS – ECSP function) or the Participant Browser Service (PBS), with the following information:
  - Deliverer ID is the participant's NSCC number

Occasionally, when DTCC calculates its service and usage rebates, the participant may receive a credit in their settlement account. These credits are not part of the billing cycle and are not included in CDS billing.

### **CDS billing**

On the seventh business day of every month, CDS sends each participant an invoice. The International section of the invoice shows the following:

- DTCC billable amount from two months ago
- CDS's markup on that amount
- CDS charges related to the previous month's activity.

To determine the CDS markup amount, CDS obtains the DTCC and Omgeo total, subtracts any American Depository Receipt charges and calculates the appropriate markup in accordance with CDS's *Participant Product Price List*.

CDS collects payments in U.S. dollars on the ninth business day of the month and that payment is reflected on the CNS Cash Reconciliation Statement report. For more information on this report, refer to *CDS Reporting Procedures*.

## **1.5 U.S. withholding tax**

The U.S. Internal Revenue Service (IRS) has regulations with respect to withholding tax on U.S. source income. These regulations affect certain aspects of participants' operations including the manner in which they assign tax classifications to the DTCC accounts for which they are responsible.

CDS collects the required documentation on behalf of DTCC.

For more information, refer to DTCC's documentation.

**extender of credit**

A CDS participant who is a financial institution, direct clearer or group clearer member of the Canadian Payments Association, has capital of not less than \$1 billion and is a direct participant in LVTS.

**FundSERV**

A company that facilitates the processing of mutual fund transfer requests transmitted from the ATON system.

**InterLink**

A CDS service that participants use to submit trade messages to CDS during the day.

**Internal Risk Management System (IRMS)**

A CDS system that calculates the haircut rates for securities to determine ACV and the collateral requirements for the CNS participant fund.

**International Securities Identification Number (ISIN)**

A code that uniquely identifies securities. It consists of a two-character alphabetical country code, nine-character alphanumeric security identifier and a check-digit.

**Large Value Transfer System (LVTS)**

A wire payment system administered by the Canadian Payments Association that facilitates electronic funds payments. It provides real-time finality of payment to the receiver and guaranteed same-day certainty of funds settlement.

**mark-to-market**

A practice that revalues securities and trades in the course of settlement using current market prices.

**National Association of Securities Dealers Automated Quotations (NASDAQ)**

The primary market for trading NASDAQ-listed stocks.

## Acronyms and abbreviations

<b>ACT</b>	Automated Confirmation Transaction
<b>ACV</b>	aggregate collateral value
<b>APAS</b>	Appointment of Proxy Attorney System
<b>ATON™</b>	Account Transfer Online Notification
<b>BEO</b>	book-entry-only issue
<b>BEPM</b>	book-entry payment method
<b>BNS</b>	batch net settlement
<b>CBS</b>	certificate-based settlement
<b>CDCC</b>	Canadian Derivatives Clearing Corporation (CDCC)
<b>CDS®</b>	The Canadian Depository for Securities Limited
<b>CMS</b>	Collateral Management System
<b>CNS</b>	continuous net settlement
<b>CPA</b>	Canadian Payments Association
<b>CUID</b>	Customer Unit Identifier
<b>DRS</b>	Direct Registration Option
<b>DTC</b>	The Depository Trust Company
<b>DTCC</b>	The Depository Trust & Clearing Corporation
<b>EAS</b>	Electronic Alert service
<b>ESIR</b>	Electronic Settlement Instruction Registry
<b>IRMS</b>	Internal Risk Management System
<b>ISIN</b>	International Securities Identification Number
<b>LVTS</b>	Large Value Transfer System
<b>NASDAQ</b>	National Association of Securities Dealers Automated Quotations
<b>NCS</b>	Network Custody and Clearing System
<b>NRD®</b>	National Registration Database
<b>NSCC</b>	National Securities Clearing Corporation
<b>PVS</b>	performance, volume and stress testing
<b>RBM</b>	risk-based margining
<b>RFT</b>	request for transfer
<b>RMS</b>	Report Management System
<b>SCRIBE™</b>	System for Canadian Real-Time Information Broadcast Electronically
<b>SEB</b>	Skandinaviska Enskilda Banken AB
<b>SEDAR®</b>	System for Electronic Document Analysis and Retrieval

- Summary of Outstanding Confirmed Transactions report – Lists the balances of outstanding CNS transactions, CNS transactions with next-day value, net CNS transactions, transactions available in the CNS settlement account, outstanding non-CNS transactions and outstanding non-CNS transactions with next-day value.

For more information, refer to *CDS Reporting Procedures*.

## 1.12 Additional services

Participants may subscribe to additional services that are available in CDSX. The additional services that use CDSX are listed below:

- InterLink service – An alternative to using CDS online systems to transmit transaction details and receive transaction and system messages. For more information, refer to *CDS Batch and Interactive Services – Technical Information*.
- Limited Functionality Depository Ledger Service – Participants who require the use of a depository ledger for segregation of money market securities can have limited access to CDSX. For more information, refer to *Participating in CDS Services*.
- ATON service – A service that facilitates the data exchange of client account information by subscribers. This service replaces the paper-based requests for transfers and the associated asset lists used to effect account transfers from one broker to another. The ATON service enables the electronic transfer of information and provides an online confirmation process. For more information, refer to *ATON User Guide*.
- Bulletin Service – CDS produces and distributes information bulletins related to critical activities resulting from daily securities issuance, trading, entitlement processing and international links. For more information, refer to CDS Bulletins on the CDS website ([www.cds.ca](http://www.cds.ca)).
- File Transmission service – A service that provides end-of-day and beginning-of-day CDSX transaction details, security and entitlement information, ledger position details and information on DTCC activities. For more information, refer to *CDS Batch and Interactive Services – Technical Information*.
- Trade Matching service – A service that matches non-exchange trades. For more information, refer to *Trade and Settlement Procedures*.
- Continuous Net Settlement service – A service that nets eligible trades with value-dated CNS positions. CNS positions that reach value date become outstanding CNS positions and are considered for CNS settlement. For more information, refer to *Trade and Settlement Procedures*.

- GIC Funds-Only Trade Service – A service that allows GIC issuers and purchasers to settle funds owing between them for daily settlement of new GIC securities, maturity amounts, interest payments, commissions and early redemptions. These non-exchange trades are created via a batch file from a GIC service bureau (e.g. CANNEX).
- Matched Institutional Trade Interface service – A service that enables participants to submit matched institutional trades to CDSX through a virtual matching utility (VMU). For more information, refer to *Trade and Settlement Procedures*.
- International services – CDS provides the following international services:
  - DTC Direct Link Service
  - CAVALI Link Service
  - CDS/DTC Cross-Border Movement Service
  - Euroclear France Link Service
  - New York Link Service
  - SEB Link Service.
- SOLA Netting System service - CDSX provides a gateway for participants using the Canadian Derivatives Clearing Corporation's (CDCC) fixed income netting product, SOLA. Through CDSX, SOLA users can submit, modify and confirm non-exchange repo and cash trades for netting and novation at CDCC.

To register for these services, refer to *Participating in CDS Services*.

### Feature Detail screen

```
HB19          CDS CLEARING AND DEPOSITORY SERVICES INC.    16:22:32  03-03-21
INQUIRE          FEATURE DETAIL                          LINE:    1 OF
BAFS

SECURITY NUMBER: CA 50186E1007 RET PR1 SECURITY (CAD)
FEATURE TYPE: DIU DIVIDEND
EFFECTIVE DATE: 2004-02-02          EXPIRY DATE: 2005-01-01

CURRENCY  SECURITY  RATE RATE          SUBMIT  DEL
          NUMBER   TYPE                    OR RECEIVE  IND
-----  -
PF: 1/HELP  3/EXIT  4/MENU  5/REFRESH  6/NEXT  7/BACK  8/FWD  9/BMSG  10/SAVE
OPTION: _   DATA:
```

6. Review the feature details.

### 3.6.5 Viewing eligibility and restriction information

When a security is set up in CDSX, CDS establishes the security's eligibility for CDS services and applies restrictions on CDSX functionality.

To view security eligibility and restrictions:

1. Access the [Security List screen](#) on page 57. For more information, see [Viewing information on confirmed securities](#) on page 56.
2. Type 5 in the SEL field beside the required security and press ENTER to display the [Eligibility Information screen](#) on page 64 with information about the security eligibility in CDSX.

Eligibility Information screen

```

HDIA      CDS CLEARING AND DEPOSITORY SERVICES INC.    09:07:04  09-01-09
INQUIRE      ELIGIBILITY INFORMATION
ADAA
SECURITY NUMBER: CA 1350019X79  SHORT NAME: BIG BELL

      ELIGIBILITY SERVICE    EFFECTIVE DATE    DELETE
      CNS                    2000-07-06
      DCS                    2000-07-06
      DTC                    2000-07-06
      FNS                    2003-11-19

PF: 1/HELP  3/EXIT  4/MENU  5/REFRESH  6/NEXT  9/BHSG  10/SAVE
OPTION: _    DATA:
Tr          R 24 C 10
  
```

3. Review the fields indicated in the table below.

Field	Description
ELIGIBILITY SERVICE	Services for which the security is eligible: DCS – CDSX services CNS – Continuous Net Settlement services DTC – CDS/DTC Cross-Border Movement Service EOC – Euroclear France Link Service SEB – SEB Link Service SNS – SOLA Netting System Service
EFFECTIVE DATE	Date when the service eligibility becomes effective
DELETE	Indicates if the eligibility has been deleted

4. To view the restrictions on the security, press PF6 to display the Function Restriction Information screen on page 65.

## CHAPTER 4

# Book-entry strips and packages

The CDS Book-Entry Strip Service enables participants to strip, reconstitute and package securities.

**Note:** This service is unavailable to U.S. Treasury securities. Participants who want to strip U.S. Treasury securities must use the U.S. Treasury Commercial Book Entry System. Participants electing to move already stripped U.S. Treasury securities to CDS must request that CDS make the stripped instrument eligible within CDSX. Once in CDSX, the stripped instruments will be set up as regular U.S. Treasury securities. For more information, see [Requesting issues be made eligible in CDSX](#) on page 43.

The book-entry strip and package activities are:

- Stripping securities – Participants may strip securities by splitting debt securities held in their segregated account as indicated in the table below.

Types of securities	May be split into . . .
Bonds	Individual interest, principal or payment (interest and/or principal) components, which correspond to the individual payments involved. Each interest and/or principal payment on the underlying bond is treated as a maturity of the corresponding component
Asset-backed securities	Monthly payment and principal components

CDS supports the creation of non-standard strip components. For more information, see [Requesting the stripping of a debt security](#) on page 79.

- Packaging securities – Participants may package book-entry strips by taking some or all of the remaining interest and/or principal components for a security and creating new securities with new and separate ISINs and positions. For more information, see [Packaging book-entry securities](#) on page 86.
- Reconstituting securities – Participants may reconstitute securities by reassembling the individual interest, principal or payment components that are related to an original-issue security. For more information, see [Reconstituting securities](#) on page 80.
- Processing entitlements on strips, packages and reconstituted securities – CDS processes entitlements for strips, packages and reconstituted securities separately from the events for the underlying securities based on rules and restrictions. For more information, see [Entitlements for strips, packages and reconstituted securities](#) on page 184.

3. Complete a separate CDS Book-Entry Strip Request form (CDSX047) for each underlying security being stripped as follows:
  - Enter the face value of the security to be stripped (must be a whole number).
  - Enter the number of interest or payment components, principal components, and the total number of components.
  - Disregard the section “For equity issues only.”
  - Have an authorized signing officer:
    - Sign the form, if sending the form by fax
    - Approve the email, if sending the form by email
4. Email or fax the form to CDS Toronto Operations by 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT) for same-day processing or after 10:00 a.m. ET (8:00 a.m. MT, 7:00 a.m. PT) for next-day processing.

CDS processes a strip ledger adjustment to:

- Debit the participant’s segregated account in the underlying security
- Credit the participant’s segregated account in each of the strip components related to the underlying security.

#### **4.5 Reconstituting securities**

Once the strip components have been created, they may be reassembled into a related original-issue underlying security. Underlying securities may be reconstituted beyond the quantity stripped by book-entry by requesting that CDS use the packaging facility to process the request.

To reconstitute an original-issue underlying security, the following conditions must be satisfied:

- A valid [CDS Book-Entry Strip Component Listing](#) on page 75 for the original-issue security must exist. If the listing does not exist, submit a request for one.
- Participants must reconstitute all related interest and principal components from the current date to the maturity date of the principal component.
- Participants must have sufficient quantity available in their segregated account of each component at the time that the request is processed to reconstitute the quantity requested in the underlying security.

If participants have insufficient quantity available in one or more components, the request will be rejected.

If a quantity of one in one or more components is needed, make arrangements with another participant to obtain the required positions, or request the position from CDS by following the procedures in [Processing accumulated strip bond fractions](#) on page 88.

## CHAPTER 6

# Deposit activities

Participants can deposit the following in CDSX:

- Funds – Deposit Canadian or U.S. funds into their funds account only. For more information, see [Funds deposits](#) on page 97.
- Securities – Deposit only CDSX-eligible instruments into their general, segregated or RSP account. For more information, see [Security deposits](#) on page 100. Aggregate Collateral Value (ACV) is subject to sector limits and increases when a security is deposited to the general account. For more information, refer to *Participating in CDS Services*.

Transactions entered after the deposit cutoff times are processed the next business day.

### 6.1 Deposit functions

Participants can process deposit requests by accessing the following functions on the [Deposit Menu](#) on page 97:

- Request Funds Deposit – Enter details of a funds deposit to the participant's funds account.
- Inquire Funds Deposit – View all confirmed, unconfirmed or rejected requests for funds deposits that have been made during the day.
- Request Security Deposit – Request the deposit of eligible securities into CDSX.
- Inquire Security Deposit – View all confirmed, unconfirmed, or rejected requests for security deposits that have been made during the day.

Participants who subscribe to the InterLink service can transmit security deposit requests to CDSX using InterLink messaging. For more information, see [Security deposits](#) on page 100.

Participants who subscribe to the TRAX transfer requests application can transmit deposit requests to CDSX using a web-based interface. For more information, refer to *Participating in CDS Services*.

CDS provides reports for monitoring the deposit of funds and securities in CDSX. For more information, refer to *CDS Reporting Procedures*.

### Funds Deposit Inquiry screen

DEPOSIT ID	REQUEST/ VALUE DATE	CUID	AMOUNT	CURR	STATUS
D03080-68901	2003-03-21	XDST	500,000.00+	CAD	U

- Review the STATUS field to determine if the request is unconfirmed (U), confirmed (C) or rejected (R).

## 6.4 Security deposits

Participants can enter security deposit requests in CDSX in the following ways:

- Direct online entry into CDSX
- InterLink message CDSD010 – Participants who subscribe to the InterLink service can transmit deposit requests to CDSX using InterLink messaging. For more information, refer to *CDS Batch and Interactive Services – Technical Information*.

Participants register for this service by completing the InterLink/SWIFT Service – Messages Request (CDSX377).

- TRAX transfer requests – Participants who subscribe to the TRAX transfer requests application can transmit deposit requests to CDSX using the TRAX web-based interface or using InterLink Message CDSK010. The service level of deposit transactions created through TRAX defaults to REG (regular) and can be changed to 24H (24-hour) or INS (instant). For more information, refer to *Participating in CDS Services*.

Security deposits are entered in CDSX and, if required, the certificates are then forwarded to the custodians of the issues. For some issues, transfer agents may assume the system role of custodian (i.e., validator) in CDSX.

The current cutoff times for security deposit activities appear in the Timetables-Deposits and Withdrawals bulletins. To view these bulletins, access CDS Bulletins on the CDS website ([www.cds.ca](http://www.cds.ca)).

To request a security deposit in CDSX:

1. Access the [Deposit Menu](#) on page 97. For more information, see [Accessing the Deposit Menu](#) on page 97.
2. Type the number identifying Request Security Deposit in the SELECTION field and press ENTER. The [Request Security Deposit screen](#) on page 101 displays.

Request Security Deposit screen

```

MDE0      CDS CLEARING AND DEPOSITORY SERVICES INC.      13:28:01  03-03-21
              REQUEST SECURITY DEPOSIT                      LINE:  1 OF  0

LYDI
SERVICE LEVEL:  _      REQUEST DATE: 2003-03-21      WINDOW LOCATION:
CUSTODIAN CUID:  _      NAME:                               REL LOCATION:
PAR/QUANTITY:   _      TAG NUMBER:                               DEC REQ:
SECURITY NBR:   _      TYPE:  NAME:
ACCOUNT        :      NAME:
              AVAILABLE CUSTODIAN CUIDS

CERTIFICATE NBR      DENOMINATION      CERTIFICATE NBR      DENOMINATION

TOTAL DENOMINATION:      0.00+  SUPPORT DOC INCLUDED:
REG NAME:
MEMO:

PF: 1/HELP  3/EXIT  4/MENU  5/REFRESH  7/BACK  8/FWD  9/BMSG  10/SAVE
OPTION:      DATA:
  
```

3. Complete the fields as indicated in the table below.

Field	Description
SERVICE LEVEL	INS – Instant deposit REG – Regular deposit 24H – 24-hour deposit* *Note: 24H (24-hour) deposit entry is only available through TRAX
REQUEST DATE	Date of the request (defaults to the current date)
WINDOW LOCATION	Location where the securities subject to the deposit are to be delivered. If this field is left blank, CDSX automatically populates it
CUSTODIAN CUID	CUID of the custodian or transfer agent for the securities. If the custodian CUID is not known, leave the field blank and press ENTER. CDSX provides a list of up to six custodian CUIDs. Enter the appropriate custodian CUID before saving the security deposit request
REL LOCATION	Location where the participant wants their rejected security deposits to be sent for pickup
PAR/QUANTITY	Par or quantity of the securities to be deposited
SECURITY NBR	ISIN for the security

6. When full payment is received from the paying agent, the Entitlement System debits the participant’s account for funds and/or securities, and credits the participant with the entitlement. For voluntary events, the participant’s tender account is debited.

When a partial payment for an event is received from one of the paying agents, all security positions for that event are removed from the participant’s account. Participants are credited on a pro-rated basis with the proceeds received by CDS from the paying agent.

For an interest payment on a Spanish maple bond, the participant must ensure that their filing with the withholding agent matches their elections in CDSX in order to receive a favourable rate. If their filings with the withholding agent do not match their elections in CDSX, then the participant will receive the entire payment at the unfavourable rate. CDS will ensure that the entitlement is paid at the unfavourable rate. If the participant needs to make a subsequent claim to recover tax withheld, they must contact the withholding agent directly, whose contact information is provided on the CDSX event bulletin.

**8.1 Entitlement cutoff times**

The cutoff times for entitlement activities are indicated in the table below.

Entitlement activity	ET	MT	PT
Start of online access	7:00 a.m.	5:00 a.m.	4:00 a.m.
End of intraday entitlement release	2:30 p.m.	12:30 p.m.	11:30 a.m.
End of funds option selection entry (Canadian and U.S. dollars)	4:00 p.m.	2:00 p.m.	1:00 p.m.
End of security option selection entry	7:30 p.m.	5:30 p.m.	4:30 p.m.

Participants may tender securities up until system shutdown and may only tender funds until payment exchange for the currency being tendered.

For all non-default options that are handled in the bulk process and where cash must be submitted by the participant (e.g., rights subscriptions), the participant’s funds account is automatically debited as indicated in the table below.

For instructions submitted and confirmed . . .	The participant’s funds account is automatically debited . . .
Prior to the option’s expiry date	On the morning of the expiry date
On the option’s expiry date at 10:00 a.m.	When the instructions are confirmed

**8.2 Entitlement functions**

The entitlement functions available to participants are:

Event Item Information screen

```
FWE?      CDS CLEARING AND DEPOSITORY SERVICES INC.      12:18:34 03-03-21
INQUIRE      EVENT ITEM INFORMATION      LINE:  1 OF  1
LYDI      SKIP TO LINE

EVENT ID      : E080200377002      EVENT TYPE      : DWO
SECURITY NBR  : CA50186E1007      RET PRI SECURITY (CAD)
EVENT STATUS  : CONF      MANDATORY/VOLUNTARY : M

OPT ITEM DEFAULT      DISBURSEMENT      DISBURSEMENT
NBR NBR  IND      SECURITY NBR  SECURITY CURR  SECURITY PRICE RATE
-----
  2   3   N      CA50186E1007

PF: 1/HELP  3/EXIT  4/MENU  5/REFRESH  7/BACK  8/FWD  9/BMSG
OPTION: _      DATA:
```

- 6. To withdraw some or all instructions, type the quantity to be withdrawn in the REQUESTED QTY/WITHDRAWN QTY field beside the required instruction.
- 7. Press ENTER to validate and press PF10 to save the instructions.

8.5 Event calendar

The Event Calendar function enables participants to view or generate a report on entitlement events (confirmed and unconfirmed only) where they hold a current position, record date position or adjusted record date position. For more information, refer to the *CDS Reporting Procedures*.

To view or report on the event calendar:

- 1. Access the [Event Menu](#) on page 131. For more information, see [Accessing the Event Menu](#) on page 130.
- 2. Type the number identifying Event Calendar in the SELECTION field and press ENTER. The [Event Calendar Search/Report Selection](#) screen on page 163 displays.

<b>Report category</b>	<b>Report name</b>	<b>Report ID</b>
International reports	ACT Billing report	000357
	CDS Trading Blotter – Dropped Trade report	000267
	CDS Trading Blotter – Unmatched Trade report	000933
	CNS Accounting Summary report for DTCC	003409
	CNS Cash Reconciliation Statement report	003401, 003408
	CNS Daytime Miscellaneous Activity report	003426
	CNS Dividend Activity report	003405
	CNS Due Bill Activity report	003411
	CNS Miscellaneous Activity report	003402
	CNS Position Report Prior to Day Cycle	003414
	CNS Position Report Prior to Night Cycle	003413
	CNS Projection report	003406
	CNS Receive/Deliver Instruction report	000198
	CNS Record Date report	003403
	CNS Settlement Activity Statement report	003404, 003407
	Credit Summary Listing report	003420, 003423
	Deliver and Receive Settlement Activity report	003430
	Deliveries Received and Debited (DSS) report	003419, 003422
	Deliveries Received and Debited (IESS) report	003416
	Dividend Reorganization Cash Settlement Items report	003432
	Domestic Index Receipt report	003429
	International Delivery report	000142
	International Ledger Reconciliation Report for DTCC Actual Balances	000778
	Locked-In Trade Exception report	001890
	NASDAQ/FINRA – ACT Compliance report	00359
	Participant Daily Activity Statement report	003428
	Participant Settlement Super Statement – DTC/NSCC report	003440

## 10.4 CNS Cash Summary Report – Post CNS/BNS

Report ID	000010
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day
Retention period	35 days
Sort order	COMPANY, LEDGER (page breaks) LEDGER, CLEARING ORGANIZATION, CURRENCY, ACTIVITY
Aggregation	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY CNS OUTSTANDINGS AT CLOSE OF BUSINESS (by VALUE-DATED POSITIONS EXTRACTED, MARKS APPLIED TO TRADES, MARKS APPLIED TO NET OUTSTANDING POSITIONS, ALLOTTED NET OUTSTANDING POSITIONS, CNS/BNS SETTLEMENTS) CNS OUTSTANDINGS - POST CNS/BNS

This report summarizes the changes to the cash value of outstanding CNS positions from end-of-day to after the CNS/BNS process.

## 10.5 CNS Mark Difference Details report

Report ID	000229
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day
Retention period	Six months
Sort order	COMPANY, LEDGER, CURRENCY (page breaks) VALUE DATE, COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION, TRADE ID
Aggregation	COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION TOTAL MARK DIFFERENCE ON EXTRACTED TRADES (by COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION) TOTAL MARK DIFFERENCE ON NETTED OUTSTANDING POSITIONS (by COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION) TOTAL MARK DIFFERENCE ON NETTED VALUE-DATED POSITIONS (by COMPANY, LEDGER, CURRENCY, CLEARING ORGANIZATION) OVERALL MARK DIFFERENCE (by COMPANY, LEDGER, CURRENCY)

This report lists marking activity for CNS. It includes the marking of new trades as well as outstanding and value-dated positions.

This report is generated in the overnight batch. It is also generated if outstanding and value-dated CNS positions are marked intraday.

For this report, the trade ID is:

This report lists all the interest mark amounts, by security, that were calculated based on the CNS quantities that failed to settle that day.

### 10.9 Outstanding CNS Position Update report

Report ID	000227
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day
Retention period	35 days
Sort order	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY, SECURITY ID, TIMESTAMP
Aggregation	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY) CHANGE IN VALUE - SETTLED POSITIONS (by COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY) TOTAL CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CURRENCY) TOTAL CHANGE IN VALUE - SETTLED POSITIONS (by COMPANY, LEDGER, CURRENCY)

This report lists changes to outstanding CNS positions. The report is generated in the overnight batch. The following activity codes are reported:

- AL – allotment
- BI – buy-in washout
- EN – entitlement
- NT – netting
- PM – participant merge
- ST – settlement (BNS and real-time)

### 10.10 Value-dated CNS Position Update report

Report ID	000394
Available	7:00 a.m. ET (5:00 a.m. MT, 4:00 a.m. PT) daily
Data currency	Beginning of day
Retention period	35 days

Sort order	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY, SECURITY ID, TIMESTAMP
Aggregation	COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CLEARING ORGANIZATION, CURRENCY) TOTAL CHANGE IN VALUE - NETTED POSITIONS (by COMPANY, LEDGER, CURRENCY)

This report lists changes to value-dated CNS positions. The report is generated in the overnight batch. The following activity codes are reported:

- AL – allotment
- EN – entitlement
- MV – movement of a value-dated CNS position that reached value date
- NT – netting
- PM – participant merge

## CHAPTER 13

# Entitlement reports

The entitlement reports contain information on the entitlement events that occur for securities, including maturity and interest events.

The table below indicates the entitlement reports and report IDs.

Report	Report ID
1042-S Reporting – Detail report	000234, 000091
Called Positions report	000209
CDS Expiry Date – Upcoming Events List report	REPORT01930
Claims for Outstanding Trades and CNS Positions report	000238
Claims for Settled Trades and Outstanding CNS Positions report	000369
Daily Tender – Payment Tracking Report	000106
Due Bill Calculation report	000239
Dutch Auction Tender report	000105
Event Calendar report	000086
Event Inquiry report	000085
Holder of Record for Events report	000205
Holder of Record for Extendible Commercial Paper report	000123
Overnight Payment Release report	000217
Projected Payment Rejection Report – Transfer Agent	000367
Projected Payment Report for Participants	000201
Projected Payment Report for Paying Agents	000203
Rejected Option Selection Instruction Report – Depository Agent	000250
Rejected Option Selection Instruction Report – Participant	000251
Rights Distribution Eligibility Report – Depository Agent	000252
Rights Distribution Eligibility Report – Participant	000253
Security Loan Items – Entitlement Details report	000171
Security Loan Items – Upcoming Entitlements report	000172
Subscription Breakdown Report – Depository Agent	000254
Subscription Breakdown Report – Participant	000255
Summary of Consolidated Payment report	001912
Summary of Payment Release report	000219
Summary of Projected Payment Report for Participants	001910
Summary of Projected Payment Report for Paying Agents	001911
Tender Breakdown Report – Depository Agent	000213
Tender Breakdown Report – Participant	000282

Report	Report ID
Trade Conversion Report – BOD	000268
Trade Conversion Report – EOD	000222
Unreleased and Pending Entitlement Payments report – Transfer Agent	000535
U.S. Source Income Events Payment Breakdown report	000555, 002259
U.S. Withholding Tax Pool Allocation report	002367

### 13.1 1042-S Reporting – Detail report

Report ID	000234 (company level) 000091 (ledger level)
Available	Monthly
Data currency	End of day
Retention period	Seven years
Sort order	None
Aggregation	None

This report is generated at the ledger level and lists U.S. withholding tax records for Canadian participants. The report lists the taxes withheld on their behalf for the year (based on their QI status and tax elections), the details of the taxes withheld, the status of the tax instructions and 1042-S income reported.

### 13.2 Called Positions report

Report ID	000209
Available	Daily
Data currency	End of day
Retention period	Seven years
Sort order	LEDGER, EVENT TYPE, SECURITY NUMBER
Aggregation	None

This report lists the record date position and the number of securities called for a partial call event for a particular participant.

### 13.3 CDS Expiry Date – Upcoming Events List report

Report ID	REPORT01930
Available	Daily
Data currency	Beginning of day

### 13.33 Unreleased and Pending Entitlement Payments report – Transfer Agent

Report ID	000535
Available	At scheduled intervals after 12:00 p.m. ET (10:00 a.m. MT, 9:00 a.m. PT) daily
Data currency	Intraday
Retention period	Seven years
Sort order	CURRENCY, PAYABLE DATE, FUNDS AMOUNT, SECURITY ID, PAYING AGENT
Aggregation	None

This report lists all entitlement events, on payable date, that are unreleased or payment pending for transfer agents using automated payment reconciliation.

This report is available to transfer agents who subscribe to projected payment reconciliation.

### 13.34 U.S. Source Income Events Payment Breakdown report

Report ID	000555 (end of day) 002259 (beginning of day)
Available	Daily
Data currency	End of day Beginning of day
Retention period	Seven years
Sort order	EVENT TYPE, SECURITY NUMBER, OPTION NBR
Aggregation	None

This report lists a summary of entitlement activity for U.S. withholding tax, including the gross payment for an event, the taxes withheld and the net payment.

If the event is set up and confirmed prior to payable date with the payment mode of overnight, the payment breakdown information is contained in the beginning-of-day report on the morning of payable date. If the event is set up and confirmed prior to payable date with the payment mode of intraday, or if the event is created on payable date and payment is released or disbursed on payable date, the payment breakdown information is contained in the end-of-day report on the morning of payable date+1.

### 13.35 U.S. Withholding Tax Pool Allocation report

Report ID	002367
Available	Daily

## CHAPTER 16

# International reports

The international reports include details of transactions related to the following international services:

- DTC Direct Link Service
- New York Link Service.

For more information about these services, refer to the appropriate international manual.

The table below indicates the international reports and report IDs.

Report	Report ID
ACT Billing report	000357
CDS Trading Blotter – Dropped Trade report	000267
CDS Trading Blotter – Unmatched Trade report	000933
CNS Accounting Summary report for DTCC	003409
CNS Cash Reconciliation Statement report	003401, 003408
CNS Daytime Miscellaneous Activity report	003426
CNS Dividend Activity report	003405
CNS Due Bill Activity report	003411
CNS Miscellaneous Activity report	003402
CNS Position Report Prior to Day Cycle	003414
CNS Position Report Prior to Night Cycle	003413
CNS Projection report	003406
CNS Receive/Deliver Instruction report	000198
CNS Record Date report	003403
CNS Settlement Activity Statement report	003404, 003407
Credit Summary Listing report	003420, 003423
Deliver and Receive Settlement Activity report	003430
Deliveries Received and Debited (DSS) report	003419, 003422
Deliveries Received and Debited (IESS) report	003416
Dividend Reorganization Cash Settlement Items report	003432
Domestic Index Receipt report	003429
International Delivery report	000142
International Ledger Reconciliation Report for DTCC Actual Balances	000778
Locked-In Trade Exception report	001890
NASDAQ/FINRA – ACT Compliance report	00359

Report	Report ID
Participant Daily Activity Statement report	003428
Participant Settlement Super Statement – DTC/NSCC report	003440

### 16.1 ACT Billing report

Source	CDS
Report ID	00357
Available	Monthly
Data currency	Month end (end of day)
Retention period	Seven years
Sort order	MPID
Aggregation	None

This report provides a breakdown of billable items for each MPID for a particular billing period.

### 16.2 CDS Trading Blotter – Dropped Trade report

Source	CDS
Report ID	000267
Available	Daily
Data currency	Yesterday
Retention period	Seven years
Sort order	SECURITY NBR
Aggregation	None

This report lists any unmatched trades that are past their value date and were dropped from the CDS Trading Blotter – Unmatched Trade report.

### 16.3 CDS Trading Blotter – Unmatched Trade report

Source	CDS
Report ID	000933
Available	Daily
Data currency	Yesterday
Retention period	Seven years
Sort order	SECURITY NBR
Aggregation	None

## 16.5 CNS Cash Reconciliation Statement report

Source	DTCC
Report ID	003401 (preliminary) 003408 (final)
Available	11:00 p.m. ET (9:00 p.m. MT, 8:00 p.m. PT) for the preliminary report 3:00 p.m. ET (1:00 p.m. MT, 12:00 p.m. PT) for the final report
Data currency	Trade date+2
Retention period	Seven years
Sort order	MONEY RECAP, MARKET VALUE RECAP, SETTLEMENT RECONCILIATION
Aggregation	DEBIT and CREDIT totals for MONEY RECAP LMV (long market value) and SMV (short market value) totals for MARKET VALUE

The report is divided into the following sections:

- Money Recap – Details yesterday's closing money balances, the value of all trades due for settlement today, any miscellaneous money entries and any cash dividends payable today. The entries are netted to produce a closing money balance for settlement today.
- Market Value Recap – Reflects the net market value of all night cycle activity and all “open” positions before the day’s cycle settlement activity takes place.
- Settlement Reconciliation – Nets the money balance with the participant’s open positions to calculate its current money settlement (line 18) before daytime activity occurs.

Line 18 of the preliminary report indicates the current money settlement value before daytime settlement and is one component of the cash settlement worksheet. The final report assists the participant in reconciling the CNS money settlement from the previous business day. It includes the intraday activity not available on the preliminary statement.

The recycle activity is posted to lines 19 and 20 to compute the final CNS money settlement. The recycle activity is detailed in the [CNS Settlement Activity Statement report](#).

## 16.6 CNS Daytime Miscellaneous Activity report

Source	DTCC
Report ID	003426
Available	4:00 p.m. ET (2:00 p.m. MT, 1:00 p.m. PT)
Data currency	Current day

Sort order	Security number
Aggregation	TOTAL (for each security by account)

This report lists the following daily activities by security name and number:

- Last date when activity occurred
- Opening position level
- Type of activity that occurred (e.g., a security out to transfer, a security segregated from general free account or a security that is involved in a loan pledge)
- Closing position level.

Any discrepancies between the activities listed in the participant’s records and those listed on the report must be reported to DTCC’s Reconciliation department as soon as possible.

In addition, this report lists a monthly position statement showing the status of all securities positions, including those where no activity occurred during the month. Participants must confirm the accuracy of the monthly position statement in writing within 10 business days after the statement is available.

**16.27 Participant Settlement Super Statement – DTC/NSCC report**

Source	DTCC
Report ID	003440
Available	Daily
Data currency	Yesterday
Retention period	Seven years
Sort order	SUMMARY BALANCES, ACTIVITY BALANCES
Aggregation	DTC TOTALS, NSCC TOTALS, NET BALANCE, ACTIVITY BALANCE, POST ACTIVITY, FUNDS TRANSFER, SUSPENSES, ADJUSTMENTS, SPONSORED ADJ, BALANCE, SUB TOTALS, GRAND TOTALS

This report lists daily activities and the amounts to be paid or received by the participant during payment exchange.

5.1.11	Inquiring on Entitlements Messaging Subscription Profile . . . . .	81
<b>Chapter 6</b>	<b>Setting up access to CDS premises . . . . .</b>	<b>82</b>
6.1	Authorized signing officers . . . . .	82
6.2	Messenger ID passes . . . . .	83
6.2.1	Requesting and authorizing messenger ID passes . . . . .	83
6.2.2	Revoking or terminating a messenger ID pass . . . . .	84
6.2.3	Notifying CDS about a lost messenger ID pass . . . . .	84
<b>Chapter 7</b>	<b>Registering and withdrawing from CDS services . . . . .</b>	<b>86</b>
7.1	Automated Confirmation Transaction (ACT) service . . . . .	86
7.2	CDS/DTC Cross-Border Movement Service . . . . .	87
7.3	CDS participant contingency services . . . . .	87
7.4	CDS test region facilities . . . . .	88
7.5	CDS Works . . . . .	88
7.6	CDSX . . . . .	89
7.7	CDSX Custodian Position File . . . . .	89
7.8	Continuous Net Settlement Service . . . . .	90
7.8.1	Withdrawing from CNS . . . . .	90
7.9	CNS Positions Reporting . . . . .	90
7.10	Delivery services . . . . .	91
7.11	Dividend Eligibility Reporting Service . . . . .	92
7.12	DTC Direct Link Service . . . . .	93
7.13	Entitlements Messaging service . . . . .	93
7.14	Euroclear France Link Service . . . . .	94
7.15	File Transmission Service . . . . .	94
7.16	InterLink . . . . .	94
7.18	Limited Functionality Depository Ledger Service . . . . .	95
7.19	Matched Institutional Trade Interface service . . . . .	95
7.20	Money market and other securities eligibility . . . . .	95
7.21	Mutual Fund and Limited Partnership Tax Breakdown subscription service . . . . .	96
7.22	New York Link Service . . . . .	97
7.23	SEB Link Service . . . . .	97
7.24	Network Connectivity service . . . . .	98
7.25	Trade Matching . . . . .	98
7.26	SOLA netting system . . . . .	98
7.26.1	Registering for the SOLA netting system . . . . .	99
7.26.2	Withdrawing from the SOLA netting system . . . . .	99
7.27	GIC Funds-Only Trade Service . . . . .	99
7.28	Third Party Trade Reporting . . . . .	99
<b>Chapter 8</b>	<b>CDS participant contingency services . . . . .</b>	<b>101</b>
8.1	CDS Participant Onsite Contingency Service . . . . .	101

## CHAPTER 1

# Introduction to CDS

CDS Clearing and Depository Services Inc. (CDS) is the designated central clearing corporation for all eligible debt and equity securities in Canada. CDS provides a variety of automated services for financial institutions active in Canada and international capital markets. This manual is designed to assist participants in the following tasks:

- Familiarizing themselves with CDS
- Setting up their companies with CDS
- Setting up their users with access to CDS's online systems
- Accessing and using CDSX and its related functions
- Inquiring on their customer profiles
- Managing their financial risk.

### 1.1 Administrating access to CDS's systems and services

CDS is responsible for setting up initial access to online systems and services. Once this initial setup is complete, CDS participants are responsible for the following:

- Connecting and logging on to CDS's online systems. For more information, see [Using CDS systems](#) on page 20.
- Designating customer security administrators and service access administrators to set up and manage their users. For more information, see [Administrating online access](#) on page 46.
- Arranging for access to CDS premises, which requires authorized signing officers, and messenger ID passes. For more information, see [Setting up access to CDS premises](#) on page 82.
- Registering for the CDS services that support their activities at CDS. For more information, see [Registering and withdrawing from CDS services](#) on page 86.

### 1.2 Participant roles and responsibilities

A participant's role determines whether they have access to specific CDS services or CDSX functions.

Refer to the *Participant Rules* for more information on participants' roles, qualifications, obligations, representations and warranties in terms of the activities or functions performed in CDSX.

## CHAPTER 6

# Setting up access to CDS premises

When setting up initial access to CDS services and premises, participants must arrange to have:

- [Authorized signing officers](#) on page 82
- [Messenger ID passes](#) on page 83

### 6.1 Authorized signing officers

Participants must file a written authorization with CDS with the names and specimen signatures of the individuals who are authorized to act on their behalf for CDS services. Any two authorized signing officers may notify CDS of the appointment of another individual as an authorized signing officer. Each appointment remains in effect until CDS receives a written notice revoking the signing officer's appointment.

An authorized signing officer may at any time file a written authorization with CDS of the names and signatures of individuals who may act on behalf of the participant (e.g., messengers).

To authorize an individual as an authorized signing officer:

1. Prepare the following documents on company letterhead:
  - A list indicating the names of the individuals being authorized, the name of the participant and the participant CUID.
  - Include a specimen signature for each individual on the list.
  - A cover letter to be signed by two authorized signing officers of the participant, requesting any additions, changes or deletions.
2. Notify the CDS regional managers by sending each of them a copy of the list.  
The initial list of authorized signing officers for a participant is attached as Schedule B of the *Participant Rules*.

To revoke the authorization of a signing officer:

1. Prepare a notice of revocation on participant letterhead.
2. Deliver the notice to CDS's Head Office, Depository Services, Toronto.

### **6.2.2 Revoking or terminating a messenger ID pass**

To revoke an employee's authorization, cut off the signature portion of the messenger ID pass and return the card to the CDS Security Station, accompanied by a letter of authorization on company letterhead.

CDS considers all messenger ID passes valid until otherwise notified.

### **6.2.3 Notifying CDS about a lost messenger ID pass**

If a messenger ID pass is lost, present a letter of authorization on company letterhead signed by an authorized signing officer. The letter must include the following:

- Today's date
- The participant CUID
- The messenger name
- The messenger's sample signature.

Upon receipt of the letter of authorization, CDS Clearing Operations will:

1. Compare the authorized signature with that in the Schedule B signature database and place their initials next to the authorized signature to indicate its authenticity.
2. Make three photocopies of the letter and distribute them to Banking, Transfer Operations and the messenger.

The original copy is placed near the window in full view of all Clearing Operations personnel.

The letter of authorization is valid only for the days it is issued.

**Note:** Participants who subscribe to the Entitlements Messaging Service are billed directly by SWIFT. This requires participants to complete the appropriate SWIFT forms. Contact Customer Service to coordinate the completion of the forms.

#### **7.14 Euroclear France Link Service**

The Euroclear France Link Service is a unilateral custody link established by CDS with Euroclear France to facilitate book-based movements of French securities (eligible for the Euroclear France Link Service) between the two depositories.

To register or withdraw from the service, participants must complete the CDS Online Services Support – Service Eligibility Details Ledger Functions form (CDSX798).

For more information, refer to *International Services Procedures*.

#### **7.15 File Transmission Service**

The File Transmission Service provides end-of-day and beginning-of-day CDSX transaction details, security and entitlement information for domestic and international activities. For more information on the file services available, refer to *CDS Batch and Interactive Services – Technical Information*.

Participants register for this service by completing the Data Transmission Request form (CDSX218).

#### **7.16 InterLink**

InterLink is a service that provides CDSX participants who have MQ series (an IBM messaging product) with an alternative to the 3270 terminal. For more information on InterLink messaging, refer to *CDS Batch and Interactive Services – Technical Information*.

Participants register for this service by completing the following forms:

- InterLink Service – Message Request (Participant) (CDSX377)
- InterLink Service – Message Request (Custodian) (CDSX757).

#### **7.17 Limited Functionality Depository Ledger Service**

Participants who require the use of a depository ledger for segregation can have limited access to CDSX. Each participant:

- Must have a separate CUID and ledger account for securities (a line of credit cannot be assigned to this separate CUID and ledger)
- Can make no more than an average of five deliveries per business day to or from the account during any month

2. If the pledge has a DK status, the participant submitting the pledge must change the details and the participant accepting the pledge must confirm the change.
3. When both parties are satisfied with the pledge details, they arrange for an exchange of funds (if any) against the pledge.
4. The participant accepting the pledge confirms the renewed pledge online.

Once confirmed, the pledge settles if sufficient security positions exist.

#### **4.8 Requesting partial settlement**

When modifying an existing pledge or correcting a DK'd pledge, the participant submitting the request must release a holding cheque either partially or in full against the receipt of new securities and/or cash.

**Note:** The amount of funds to be partially released by the lender in a partial settlement is equal to the ACV value of the securities received in the partial settlement.

##### **Eligibility criteria**

The system processes the request for partial settlement only if the following criteria are met:

- The pledge is confirmed, with a value date of the current day
- The pledge modification consists of the release of a holding cheque (partial or full amount) against the increase of two to ten security items
- There are no other funds changes, e.g., an interest charge, a transfer amount or an increase in a holding cheque
- The lender's account type for settlement of all items is the unrestricted collateral account or the restricted collateral account
- The partial settlement indicator is set to Y, for Yes. A partial pledge settlement can be made only before payment exchange because holding cheque items cannot be entered after payment exchange
- The holding cheques are in Canadian currency.

If the above criteria are not met, the system processes the settlement in the normal manner by releasing the funds only if all the securities being substituted are present in the borrower's ledger.

The pledge modification settles only when all the securities being substituted have been delivered to the borrower.

CDSX runs separate payment exchanges for Canadian and U.S. dollar activities. Both payment exchanges are expected to start at 4:00 p.m. ET (2:00 p.m. MT, 1:00 p.m. PT). However, for various reasons, the start and end of the payment exchanges may be altered for one or both currencies.

## **1.5 Trade Matching service**

The Trade Matching service provides an alternative method of confirming non-exchange trades where the trade type is DP (direct participant) and both parties to the trade are eligible for trade matching. The acceptor is not required to wait for the submitter to enter trade details as both parties can submit the same trade details in CDSX. The service matches the trades, deletes the original trades and replaces them with a new confirmed trade. Participants need only manage exceptions (i.e., unconfirmed trades). A lock in process ensures that all trades are confirmed within one business day of entry.

For more information, see [Trade matching](#) on page 45.

## **1.6 Matched Institutional Trade Interface service**

The Matched Institutional Trade Interface service enables institutional trades to be matched by a virtual matching utility (VMU) and then submitted to CDS. Acceptable trades are then created in CDSX as confirmed non-exchange trades.

For more information, see [Matched Institutional Trade Interface](#) on page 57.

## **1.7 CDS/DTC Cross-Border Movement Service**

A cross-border movement is a book-entry transaction between CDS and The Depository Trust Company (DTC). This service is used by CDS participants to move security positions between CDS and DTC.

For more information, refer to *CDS/DTC Cross-Border Movement Service Participant Procedures*.

## **1.8 International deliveries**

The International Message Hub (IMHub) manages the processing of international deliveries for the following services:

- Euroclear France Link
- SEB Link.

For more information, refer to *International Services Procedures*.

### Application for Participation: Schedule C Selection of Services

Initial Filing

Update Filing

To: CDS CLEARING AND DEPOSITORY SERVICES LIMITED

From: \_\_\_\_\_  
Name of Applicant (Participant)

We apply to use the following Services offered by CDS:

Settlement Services:

CDSX

DTC Direct Link Service

New York Link Service

CNS

Reporting Services:

ACT

Strip Bond Report Service

ATON (includes use of ATON within CDSX)

Trade Matching\*

Information Services:

Bulletins

Entitlements Messaging

CDSX Entitlements Data Feed

CDSX Security Master File (SMF)

Other Services:

Delivery Services

Onsite Contingency Service

SOLA

InterLink

Cross-border Service  
(not a member of the NYL/DDI Services)

CANNEX

\*Mandatory for all IIROC members. Non-IIROC members also must complete form CDSX800.

\_\_\_\_\_  
Name of Applicant (Participant)

\_\_\_\_\_  
Signature of Signing Officer

\_\_\_\_\_  
Name and Title of Signing Officer

\_\_\_\_\_  
Date CDSX789 (09/09)

## Application for Participation: Appendix B Example of Bank Reference Letter

(To be prepared on the letterhead of the Financial Institution)

Date

CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario  
M5H 1S3

**Attention: Corporate Secretary**

Dear Sirs:

**Subject: (Name of Applicant applying for Participation in CDS)**

We are pleased to provide this letter of reference in unqualified support of *(Name of Applicant applying for Participation in CDS)* application for approval as a participant in the clearing and depository services of CDS Clearing and Depository Services Inc. This will confirm that *(Name of Applicant applying for Participation in CDS)* has maintained current accounts in good standing at *(Name of Financial Institution)* since *(Date)*.

Should you have any further questions, please do not hesitate to contact me at *(Telephone Number)*.

Yours very truly,

*Name of Financial Institution Representative*  
*Title*  
*Telephone Number*  
*Facsimile Number*  
*E-mail Address*

CDSX792 (10/06)

## Application for Participation: Appendix C Example of Self-Regulatory Organization (SRO) Reference Letter

(To be prepared on the letterhead of the Self-Regulatory Organization, if applicable)

Date

CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario  
M5H 1S3

**Attention: Corporate Secretary**

Dear Sirs:

**Subject: Certificate of Good Standing**

This letter will confirm that (*Name of Applicant applying for Participation in CDS*) ("the Applicant") is a member of good standing has satisfied the following requirements of the (*Name of Self-Regulatory Organization*) ("the audit jurisdiction SRO"):

1. The Applicant has in force a Financial Institution Bond satisfactory to the audit jurisdiction SRO;
2. The Applicant is duly registered and in good standing with the audit jurisdiction SRO; and
3. To the best knowledge and belief of the senior executive officer responsible for member financial regulation at the audit jurisdiction SRO, the Applicant is in compliance with all applicable requirements.

If you have any further questions, please do not hesitate to contact me at (*Telephone Number*).

Yours very truly,

*Name of SRO Representative*

*Title*

*Telephone Number*

*Facsimile Number*

*E-mail Address*

CDSX793 (10/06)

## Application for Participation: Appendix D Example of Canadian Payments Association Reference Letter

(To be prepared on the letterhead of the Canadian Payments Association, if applicable)

Date

CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario  
M5H 1S3

**Attention: Corporate Secretary**

Dear Sirs:

**Subject: *(Name of Applicant Applying for Participation in CDS)***

This letter will certify that *(Name of Applicant applying for Participation in CDS)* is a direct clearer and Large Value Transfer Service user.

If you have any further questions, please do not hesitate to contact me at *(Telephone Number)*.

Yours very truly,

*Name of Canadian Payments Association Representative*  
*Title*  
*Telephone Number Facsimile Number*  
*E-mail Address*

CDSX794 (10/06)

## Application for Participation: Appendix E Appointment and Authorization of Service Bureau

To: CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS")

a Participant or an applicant for participation at CDS (the "Participant") hereby appoints:

(the "Service Bureau")

---

Service Bureau Contact Person

Phone Number

to act for and on behalf of the Participant's transactions effected through the Services for CDS, as the term "Services" (the "Services") is defined in the Participant Agreement and Service Rules of CDS (the "CDS Rules").

The Participant hereby authorizes and directs CDS to accept and rely upon every communication, transaction, authorization or instruction for Participant's activities in the Services ("Communications") submitted through the Service Bureau which are identified by the Participant's Authentication Mechanism (as such term is defined in the CDS Rules). Until and unless this Appointment and Authorization is amended or terminated, CDS may accept and rely upon Communications submitted through the Service Bureau in the same manner as if such Communications came directly from the Participant.

*(Cross out the following paragraph, if inapplicable, and initial the change.)*

The Participant further authorizes and directs CDS to provide to the Service Bureau, rather than, or (only if requested in writing by Participant) in addition to Participant, confirmations, advises, reports and other documents and communications relating to Participant's transactions in respect of the Services.

The Participant acknowledges that, except as specifically provided herein, nothing in this Appointment and Authorization affects the rights or obligations of the Participant and CDS as set forth in the CDS Rules. This Appointment and Authorization shall remain in full force and effect until amended or terminated by the Participant giving written notice delivered, sent by regular pre-paid first class mail or faxed to CDS at 100 Adelaide St. West, Toronto, Ontario M5H 1S3, Attention: Chief Legal Officer, fax number (416) 365-1984, or by CDS giving written notice delivered, sent by regular pre-paid first class mail or faxed to the Participant at the Participant's last known address and contact person according to CDS' records. The effective time for notice shall be as prescribed in the CDS Rules as they may be amended from time to time.

Dated this                      day of                      , 20                      .

---

Name of Participant or Applicant for Participation

Per:

Name and Title of Authorized Signing Officer

Per:

Name and Title of Authorized Signing Officer

CDS795 (03/06)

**Application for Participation: Appendix H  
Form of Legal Opinion  
(Foreign Institution wishing to Participate in CDSX)**

[Date]

[Name, address and firm of Attorney  
providing the opinion]

CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario M5H 1S3

**Attention: Chief Legal Officer**

Bank of Canada  
234 Wellington Street  
Ottawa, Ontario K1A 0G9

**Attention: Assistant General Counsel**

Dear Sir:

**Re: Opinion Relating to Participation of (the “Applicant”) in the CDSX**

In this opinion, the following terms have the meanings set out below:

- **“Canadian Branch”** means the Canadian branch or branches to be established by the Applicant; [delete if not applicable]
- **“Clearing House”** means an entity, other than the Bank of Canada or a stock exchange, which provides clearing or settlement services for a Canadian clearing and settlement system, whether or not such entity is a Central Counter-Party;
- **“CDS”** means CDS Clearing and Depository Services Inc., being the Clearing House for the CDSX;
- **“CDSX”** means the domestic clearing, settlement and depository services of CDS, being a designated clearing and settlement system within the meaning of the Payment Clearing and Settlement Act (Canada);
- **“CDSX Participant”** means a Participant in the CDSX, as determined in accordance with the Participant Agreement and Rules;
- **“Incorporating Jurisdiction”** means the jurisdiction named in paragraph 1 below, under the laws of which the Applicant is incorporated or otherwise established;

## Application for Participation: Appendix L Matched Institutional Trade Interface Service — Appointment and Authorization of Virtual Matching Utility (VMU)

To: **CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”)**

\_\_\_\_\_ a Participant of CDS (the “Participant”) hereby appoints:

\_\_\_\_\_ (the “VMU ”)

\_\_\_\_\_ VMU Contact Person

\_\_\_\_\_ Phone Number

\_\_\_\_\_ Email Address

to report matched trades to CDS on behalf of the Participant for Settlement through the Services of CDS, as those terms are defined in the Participant Rules of CDS (the “CDS Rules”).

The Participant hereby authorizes and directs CDS to accept and rely upon every instruction or other communication relating to a matched trade to be settled by the Participant through the Services (“Instructions”) which is submitted to CDS by the VMU until and unless this Appointment and Authorization is terminated in accordance with the provisions set out below.

The Participant further authorizes and directs CDS to provide to the VMU (upon request), in addition to the Participant, confirmations, advises and reports relating to the status of matched trades reported by the VMU on behalf of the Participant (Confirmations).

The Participant acknowledges that, except as specifically provided herein, nothing in this Appointment and Authorization affects the rights or obligations of the Participant and CDS as set forth in the CDS Rules. This Appointment and Authorization shall remain in full force and effect until terminated by either (i) the Participant on no less than three business days’ written notice delivered, sent by regular pre-paid first class mail or faxed to CDS at 100 Adelaide St. West, Toronto, Ontario M5H 1S3, Attention: Chief Legal Officer, fax number (416) 365-1984; or, (ii) CDS on no less than three business days’ written notice delivered, sent by regular pre-paid first class mail or faxed to the Participant at the Participant’s last known address and contact person according to CDS’ records. The effective time for notice shall be as prescribed in the CDS Rules as they may be amended from time to time. The termination of this Appointment and Authorization shall be effective as of the start of business on: (i) the second business day following the effective date of the notice (notwithstanding any earlier date which may be specified in the notice); or, (ii) on such later date as specified in the notice.

The termination of this Appointment and Authorization shall not affect the status of (or the respective rights and obligations of CDS and the Participant in connection with) any trades already reported to CDS by the VMU pursuant to the Appointment and Authorization but not yet settled as of the effective time of the termination (the “Unsettled Trades”). The Participant accordingly acknowledges that Unsettled Trades may be settled subsequent to the termination of this Appointment and Authorization, and the Participant authorizes CDS to provide Confirmations to the VMU relating to the status of the Unsettled Trades notwithstanding that such Confirmations are provided after the termination of this Appointment and Authorization.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Name of Participant

Per: \_\_\_\_\_

Name and Title of Authorized Signing Officer

Per: \_\_\_\_\_

Name and Title of Authorized Signing Officer

CDSX808 (10/06)

*Please photocopy this form onto your company letterhead, after blocking out this box.*

Date: \_\_\_\_\_

To: The Canadian Depository for Securities Limited  
100 Adelaide Street West, Toronto, Ontario M5H 1S3

Attention: Customer Service

Re: **Replacement Designation of Signing Officers**

In accordance with CDS Service Rule 3.1.1, we replace our previous designation of Signing Officers and designate each of the individuals named below our new Signing Officer authorized to act on behalf of us for all purposes of the Services, and certify that he or she holds the office set opposite his or her name and that the specimen signature set opposite his or her name is his or her genuine signature:

Name	Title	Specimen Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CDS shall be entitled to rely upon this replacement designation of Signing Officers until a new replacement designation is notified to CDS in accordance with CDS Service Rule 3.1.1.

\_\_\_\_\_  
Signing Officer\*

\_\_\_\_\_  
Signing Officer\*

\* Signatures must be from 2 previous designations

# Data Transmission Request

Action: <input type="checkbox"/> Add <input type="checkbox"/> Change <input type="checkbox"/> Delete	Company name:
Company code:	Unit:
Ledger:	
Other:	

### Inbound transmission (from participant to CDS)

<input type="checkbox"/> Trade Entry	<input type="checkbox"/> Intl. Ledger Reconciliation	<input type="checkbox"/> Trade Confirmation	<input type="checkbox"/> Projected Payments File	<input type="checkbox"/> GIC Funds - only Trade File (CANNEX)
<input type="checkbox"/> Ledger Reconciliation	<input type="checkbox"/> Intl. Trade Reconciliation	<input type="checkbox"/> ACT Trade File	<input type="checkbox"/> DRIP Price	<input type="checkbox"/> Inter-account movement

### Outbound transmission (from CDS to participant)

✓	Record subtype	Description	✓	Record subtype	Description
		Deposit file (EOD) (0004) (all)			Trade file (0009) (BOD) (all) continued
	0040	Unconfirmed security deposits		0096	IXCA - new trades
	0041	Purged funds deposits and rejected security/funds deposits		0097	LQNT - new trades
		Domestic exchange file (0012) (BOD) (all)		0098	CX2 - new trades
	0071	Domestic exchange trade reconciliation file			Trade file (0002) (EOD) (all)
	0072	Domestic exchange trade reconciliation file - sub-participant		0023	Exchange trades - modified and outstanding trades
		Ledger update file (0001) (EOD) (all)		0024	Exchange trades - deleted/purged trades
	0001	Mark-to-market		0028	Non-exchange trades - unsettled (confirmed, unconfirmed) trades
	0002	Confirmed security deposits, confirmed funds deposits		0029	Non-exchange trades - deleted/purged trades
	0003	Unconfirmed, confirmed and rejected withdrawals			Withdrawal file (0005) (EOD)
	0004	Trade settlement		0050	Unconfirmed withdrawals
	0005	Pledge settlement			File type    Other outbound CDSX files
	0006	Deposit or withdrawal adjustment		0031	CNS activity file (BOD)
	0007	Ledger adjustment		0006	CNS activity file (EOD)
	0008	Inter-account movements		0010	CNS EOD position record file
	0009	CNS settlement		0011	Custodian ledger reconciliation file
	0010	Payment exchange transactions		0015	Custodian position file
	0011	Entitlement payments and receipts		0017	Daily ITP statistics file
	0013	Funds transfer		0018	Daily ITP trade detail file
	0014	Currency service transaction		7040	Entitlement file - complete
		Pledge file (0003) (EOD) (all)		7041	Entitlement file - changes
	0030	Existing (settled) pledges		0021	Extended failed trades - IIROC
	0031	Future-dated pledge transactions		0024	Final projected payments file
	0032	Deleted/added loan items		0014	Ledger balances - proxy record date
	0033	Deleted/purged pledges		0008	Ledger positions file
		Trade file (0009) (BOD) (all)		0007	NSCC continuous net settlement account summary extract file
	0020	CDCC - new trades		7050	Participant profile file
	0022	TSE/CDNX - new trades		0023	Projected payments matching file
	0025	CNQ - new trades		7030	Security master file - complete
	0026	TCM - new trades		7031	Security master file - changes
	0027	Non-exchange trades - unsettled, received after file type 28 is produced		0016	1042-S reporting - detail file (monthly)    Company    Ledger
	0070	CXD - new trades		1000	DRIP price rejects
	0080	LYNX - new trades		0025	CNS fails to deliver detail file
	0090	PURE - new trades		0028-01	NSCC UTC MRO trade capture data file
	0091	CHIX - new trades		0028-02	NSCC Consolidated Trade Summary (CTS) CSV
	0092	OMEG - new trades		0028-03	NSCC Consolidated Trade Summary (CTS) MRO
	0093	AATS - new trades			
	0094	NEOE - new trades			
	0095	TMXS - new trades			

## InterLink/SWIFT Service – Message Request

CDS Participant Requestor: \_\_\_\_\_ CUID: \_\_\_\_\_ Ledger: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone number: \_\_\_\_\_

Third party service provider (if applicable): \_\_\_\_\_ Destination: \_\_\_\_\_  
(mandatory)

Local Queue: \_\_\_\_\_ Queue manager: \_\_\_\_\_

InterLink service subscription:      Changes to current service requirement:      Date: \_\_\_\_\_  
(YYYY/MM/DD)

SWIFT service subscription:      Changes to current service requirement:      Date: \_\_\_\_\_  
(YYYY/MM/DD)

BIC code: \_\_\_\_\_ Authorized signature: \_\_\_\_\_

Message name	Message number	CDS inbound/outbound	Your CUID (✓)	Third party (✓)	Add (✓)	Remove (✓)
Broadcast Notification Message	CDSN01N	O				
<b>Ledger transfer</b>						
Funds Transfer Entry	CDSA010	I				
Funds Transfer Reject	CDSA01R	O				
Funds Transfer Confirm	CDSA01C	O				
Funds Transfer Notify	CDSA01N	O				
<b>Inter-account movement</b>						
Inter-Account Movement Entry	CDSA020	I				
Inter-Account Movement Reject	CDSA02R	O				
Inter-Account Movement Confirm	CDSA02C	O				
Inter-Account Movement Notify	CDSA02N	O				
<b>Non-exchange trade</b>						
Non-Exchange Trade Entry	CDST010	I				
Non-Exchange Trade Reject	CDST01R	O				
Non-Exchange Trade Confirm	CDST01C	O				
Non-Exchange Trade Notify	CDST01N	O				
Non-Exchange Trade Modify	CDST100	I				
Non-Exchange Trade Modify Rejection	CDST10R	O				
Non-Exchange Trade Modify Confirmation	CDST10C	O				
Non-Exchange Trade Modify Notification	CDST10N	O				
Non-Exchange Trade Settlement Notification	CDST90N	O				
<b>Ledger</b>						
Ledger Position Update Notification	CDSU01N	O				
Default CUID required:						
<b>Pledge</b>						
Pledge Entry	CDSP020	I				
Pledge Modify	CDSP200	I				
Pledge Seizure	CDSP210	I				



## CDS – Online Services Support – Service Eligibility Details Ledger Functions

Company code:	Company name:
---------------	---------------

Ledger:
---------

Service Description	Eligibility				Effective Date			
	Yes	No	Yes	No	Y	M	D	D
CNS POSN Reporting (CDSX01N)	Yes	No	Yes	No	Y	M	D	D
Domestic - CNS CAD	Yes	No	Yes	No	Y	M	D	D
Domestic - CNS USD	Yes	No	Yes	No	Y	M	D	D
DTC - Delivery Free	Yes	No	Yes	No	Y	M	D	D
EOC - Delivery Free	Yes	No	Yes	No	Y	M	D	D
SEB - Delivery Free	Yes	No	Yes	No	Y	M	D	D

Signature:	Date:
------------	-------



## Schedule A Event Claim Form

The Canadian Depository for Securities Limited  
100 Adelaide St. W.  
Toronto, Ontario  
M5H 1S3

Participant name:	
CUID(s) affected:	Location:
Completed by:	Phone number:
Today's date:	Date of the event:
Dollar amount of claim:	Claim calculation:
Supporting documentation attached <input type="checkbox"/>	

Action taken to minimize loss:
--------------------------------

Please email the completed claim form to your CDS Relationship Manager.

Note: Please include a detailed description of the event on your company letterhead.  
All supporting documentation should be forwarded with this form.

# Issuer Letter of Authorization

Date:

CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario  
M5H 1S3  
Canada

Attention:

To whom it may concern:

In connection with the issuance by \_\_\_\_\_ (the "Issuer") of its corporate Spanish debt securities ( \_\_\_\_\_ ), the Issuer and \_\_\_\_\_ as guarantor of the said securities (the "Guarantor"), hereby confirm that Acupay System LLC ("Acupay") is their agent and authorize CDS Clearing and Depository Services Inc. ("CDS") to furnish Acupay with such information pertaining to the holdings of CDS participants in the said securities as would be reflected on a Holders of Record Report, or a similar report utilized for the same purpose, and their elections for tax relief on such positions in order to facilitate the tax withholding and exchange processing certification procedures as fully described in the Issuer's Offering Memorandum dated \_\_\_\_\_ in respect of the said securities.

\_\_\_\_\_  
*Issuer*

\_\_\_\_\_  
*Guarantor*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Title*

# Issuer Legal Opinion Cover Letter

Date:

CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario  
M5H 1S3  
Canada

Attention:

To whom it may concern:

We have acted as Spanish legal counsel to \_\_\_\_\_ (the "Issuer"), for purposes, among others, of issuing a legal opinion (the "Opinion"), addressed to the Issuer in connection with the issuance of \_\_\_\_\_ guaranteed by \_\_\_\_\_  
(details of securities) \_\_\_\_\_ (the "Bank"). The Opinion is attached as Schedule 1, the following being some important highlights:

- According to Law \_\_\_\_\_, the issuance of the securities by the Issuer will be subject to certain reporting requirements, (which include disclosure of the identities of the holders and the activities performed by the Issuer). These disclosure obligations were implemented by \_\_\_\_\_  
(full title of law in English and date) \_\_\_\_\_,  
(full title of law in Spanish and date) \_\_\_\_\_), as amended by \_\_\_\_\_  
(full title of law in English and date) \_\_\_\_\_).  
(full title of law in Spanish and date)
- The Issuer, the Bank and the Fiscal and Paying Agent have agreed upon certain procedures with the relevant clearing system (i.e., CDS Clearing and Depository Services Inc. or "CDS") and with Acupay System LLC ("Acupay") (as described under (i) the heading "Taxation – Spanish Tax Considerations – Evidence of Beneficial Owner Residency in Connection with Interest Payments", of the Preliminary Offering Memorandum and the Offering Memorandum; (ii) Annex A to the Preliminary Offering Memorandum and the Offering Memorandum; and (iii) the terms of the Acupay Agreement) which, in our opinion, comply with the reporting requirements set forth by Law \_\_\_\_\_, as confirmed by \_\_\_\_\_  
(name of law in English)
- Since, in our opinion, the procedures referred to in Paragraph \_\_\_\_\_ of the Opinion comply with the reporting requirements set forth by Law \_\_\_\_\_ (as amended by Law \_\_\_\_\_ and Law \_\_\_\_\_), as confirmed by \_\_\_\_\_,  
(name of law in Spanish) we are of the opinion that CDS will not incur any risk before the Spanish Tax Authorities as a consequence of taking part in such procedures in the manner described in Annex A to the Preliminary Offering Memorandum and the Offering Memorandum.



CDS Onsite Contingency Service  
Application for Subscriber Plan

To: The Canadian Depository for Securities Limited ("CDS")  
100 Adelaide Street West, Toronto, Ontario M5H 1S3  
Attn: Customer Service

From: \_\_\_\_\_  
(the "Subscriber")

The Subscriber applies to subscribe to the CDS Onsite Contingency Service (the "Service").

The Subscriber agrees that the monthly standby fees for the Service, plus applicable taxes, will be billed to the Subscriber monthly and will be charged to the Subscriber's Invoice Unit. Additional fees and other usage charges for the Service, plus applicable taxes, will be charged to the Subscriber's Invoice Unit as applicable.

The Subscriber acknowledges that the Service shall be subject to the Participant Agreement and Service Rules and the procedures and user guides for the Service.

This application is made on behalf of the Subscriber by its duly authorized signing officer.

\_\_\_\_\_  
Signing officer

\_\_\_\_\_, 20 \_\_\_\_ .  
Date



## Notification of Participant Shared (Terminal) Access

To: The Canadian Depository for Securities Limited ("CDS")  
100 Adelaide Street West, Toronto, Ontario M5H 1S3  
Attn: Customer Service

The following Participants hereby jointly notify CDS that they have agreed to share terminal sites and office space in order to access and use CDS online functions as a backup facility in situations of temporary terminal/system failure in the following way:

Participant A: \_\_\_\_\_ will be allowed to access and use CDS online functions  
(participant name)

using their own logon IDs at the terminal site(s) of Participant B: \_\_\_\_\_  
(participant name)

Conversely, Participant B will be allowed to access and use CDS online functions using their own logon IDs at the terminal site(s) of Participant A.

Each of the above Participant directs CDS to provide online access to the other Participant as contemplated above, at a time and in accordance with further specific instructions contained in the Participant Shared (Terminal) Access Request fax sent to you.

Each Participant acknowledges that all access and any agreement between the Participants concerning shared access shall at all times be subject to the Participant Agreement and Service Rules and procedures and user guides for this service.

\_\_\_\_\_  
Signature of authorized signing officer for Participant A

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of authorized signing officer for Participant B

\_\_\_\_\_  
Date

For CDS use only:

\_\_\_\_\_  
CDS Customer Service signature

\_\_\_\_\_  
Date

CDS Customer Service must forward a signed copy of this notification to Information Security



### Legal disclaimer

These services are covered by the *CDS Participant Rules and Procedures*.

Internet related delays or communication/network outages are beyond the control and responsibility of CDS and may delay or disrupt the participant's ability to access the CDS web services and/or web and email alerts created by these services. Participants are responsible for maintaining their internet connections to receive web alerts and/or maintaining and monitoring their designated email addresses to ensure that they receive email alerts.

Email alerts sent by CDS are not encrypted so the confidentiality or security of the information is not guaranteed.

**By signing below, the signing officer, on behalf of the participant, accepts the legal disclaimer above and all the terms and conditions for the service as set out in the CDS Participant Rules and procedures.**

### Customer authorization

Name:	Title:
Authorized signature:	Date:

### CDS use only

<input type="checkbox"/> Request verified by Customer Service	Name:	Date:
<input type="checkbox"/> Authorization verified by Security Systems	Name:	Date:
<input type="checkbox"/> Request Completed by Security Systems	Name:	Date:



## Appointment and Authorization of Third Party Trade Reporting (TPTR)

To: CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS")

\_\_\_\_\_ a participant of CDS (the "Participant") hereby appoints:

\_\_\_\_\_ (the "TPTR ")

\_\_\_\_\_ TPTR Contact Person

\_\_\_\_\_ Phone Number

\_\_\_\_\_ Email Address

to report matched trades to CDS on behalf of the Participant for Settlement through the Services of CDS, as those terms are defined in the Participant Rules of CDS (the "CDS Rules").

The Participant hereby authorizes and directs CDS to accept and rely upon every instruction or other communication relating to a matched trade to be settled by the Participant through the Services ("Instructions") which is submitted to CDS by the TPTR until and unless this Appointment and Authorization is terminated in accordance with the provisions set out below.

The Participant further authorizes and directs CDS to provide to the TPTR (upon request), in addition to the Participant, confirmations, advises and reports relating to the status of matched trades reported by the TPTR on behalf of the Participant (Confirmations).

The Participant acknowledges that, except as specifically provided herein, nothing in this Appointment and Authorization affects the rights or obligations of the Participant and CDS as set forth in the CDS Rules. This Appointment and Authorization shall remain in full force and effect until terminated by either (i) the Participant on no less than three business days' written notice delivered, sent by regular pre-paid first class mail or faxed to CDS at 100 Adelaide St. West, Toronto, Ontario M5H 1S3, Attention: Chief Legal Officer, fax number (416) 365-1984; or, (ii) CDS on no less than three business days' written notice delivered, sent by regular pre-paid first class mail or faxed to the Participant at the Participant's last known address and contact person according to CDS' records. The effective time for notice shall be as prescribed in the CDS Rules as they may be amended from time to time. The termination of this Appointment and Authorization shall be effective as of the start of business on: (i) the second business day following the effective date of the notice (notwithstanding any earlier date which may be specified in the notice); or, (ii) on such later date as specified in the notice.

The termination of this Appointment and Authorization shall not affect the status of (or the respective rights and obligations of CDS and the Participant in connection with) any trades already reported to CDS by the TPTR pursuant to the Appointment and Authorization but not yet settled as of the effective time of the termination (the "Unsettled Trades"). The Participant accordingly acknowledges that Unsettled Trades may be settled subsequent to the termination of this Appointment and Authorization, and the Participant authorizes CDS to provide Confirmations to the TPTR relating to the status of the Unsettled Trades notwithstanding that such Confirmations are provided after the termination of this Appointment and Authorization.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_ Name of Participant

Per: \_\_\_\_\_ Name and Title of Authorized Signing Officer

Per: \_\_\_\_\_ Name and Title of Authorized Signing Officer



# Confirmation of Registered Holdings Form

The eligible issuer, \_\_\_\_\_, by its duly authorized officer or its appointed agent (if applicable)  
 \_\_\_\_\_ (issuer)  
 \_\_\_\_\_ hereby requests that CDS provide a confirmation of registered holdings ("Confirmation") of the security  
 \_\_\_\_\_ (name of officer or agent)  
 or securities registered to in the name of the nominee of CDS Clearing and Depository Services Inc. ("CDS Clearing"), CDS & CO., as identified in the attached request  
 letter dated \_\_\_\_\_ and acknowledges that CDS' provision of such Confirmation(s) is subject to the terms and conditions on the reverse hereof:  
 \_\_\_\_\_ (date of request)

## Fee calculation:

Calculate the fee for the attached request based on the number of ISINs included in the request: Province **(must be selected)**:

Number of ISINs (first 10)	<input type="text"/>	x \$105.00	<input type="text"/>
+ Number of ISINs (11 to 30)	<input type="text"/>	x \$53.00	<input type="text"/>
+ Number of ISINs (over 30)	<input type="text"/>	x \$27.00	<input type="text"/>
<b>Total ISINs:</b>	<input type="text"/>	Sub-total:	<input type="text"/>
		Plus 5% GST:	<input type="text"/>

or 13% HST: (ON, NL, NB residents only)  
 or 14% HST: (PEI residents only)  
 or 15% HST: (NS residents only)  
 Plus 9.975% QST: (QC residents only)

**Note:** Calculated QST amount is rounded up to the nearest cent.

(CDS GST/HST Registration Number)	<input type="text" value="830507497RT0001"/>
(CDS QST Registration Number)	<input type="text" value="1215325551TQ0001"/>

**Total:**

## Method of payment (please choose one):

**Payment enclosed**  
 Please make cheque or bank draft payable to:

**CDS**  
 100 Adelaide Street West  
 Toronto, ON M5H1S3  
 Attn: Finance A/R

**Wire payment** (Canadian dollars only)  
 Beneficiary Bank: **BANK OF MONTREAL**  
 100 King Street West, Toronto, ON M5X 1A3

SWIFT BIC CODE: **BOFMCAM2**  
 Beneficiary Acct. No.: **1594-223** Transit No.: **0002(2)**  
 Beneficiary: **CDS**  
 100 Adelaide Street West., Toronto, ON M5H 1S3

**Invoice requested**

Issuer/Agent has previously been billed by CDS. Please use the most recent billing information on file.  
**OR**  
 Please use the following billing information:

Issuer:		Agent (if applicable):	
Billing contact:		Phone:	Email:
Billing address:			
City:	Province:	Postal code:	Country:

## Requested by:

<input type="checkbox"/> Issuer	<input type="checkbox"/> Agent	Name of requesting organization:	Authorized signature:
Name and title of authorized signing officer:		Phone:	Date:

## CDS internal use only

Confirmation request accepted by (CDS signature):	Date:
Payment received by (CDS Finance signature):	Date:
Completed confirmation released by (CDS signature):	Date:

## Standard Terms and Conditions

1. Confirmation of Registered Holdings (the “Confirmation”) Service. By submitting this form, the Issuer represents that CDSI Clearing and Depository Services Inc. (“CDS Clearing”), by its Nominee CDS & CO., is the – or a – registered holder of the security eligible for the CDS Clearing depository service. The issuer, or its authorized agent, acknowledges that CDS & CO. holds the securities as bare nominee on behalf of CDS Participants in the Depository Service, for which CDS Clearing performs settlement and custodial services. CDS Clearing has been authorized by each Participant to disclose to an eligible security Issuer the aggregate number of eligible securities of that Issuer held for the account of CDS Participants. The Confirmation will indicate such positions as at the close of business, following necessary adjustments, upon the date(s) specified and will be made available to the Issuer as soon as reasonably practicable thereafter.
2. Data Accuracy. CDS will reprocess and re-issue a Confirmation where, within three months of the date of the original Confirmation, the Requesting Party demonstrates to the reasonable satisfaction of CDS that the confirmations did not reconcile with the Issuers register.
3. Limitation of Liability. The Issuer, or the Issuer’s duly authorized Agent, acknowledges and agrees that neither CDS, nor any of its affiliated companies, shall be liable for failure to provide the Confirmation requested if such failure is due to any cause or condition beyond the reasonable control of CDS. Further, the Issuer, or the Issuer’s duly authorized Agent, acknowledges that the aggregate liability of CDS for damages of any kind, howsoever incurred, shall not exceed the total amount paid by the Issuer or its authorized Agent for the Confirmation(s) in the three months immediately preceding the occurrence of the event giving rise to such liability.
4. Use of Confirmation. A Confirmation obtained from CDS shall not be used by the Issuer or any person receiving a Confirmation or copy thereof, except in accordance with applicable securities law, regulation, or instruction and, more specifically, shall only be used in connection with:
  - (a) sending securityholder materials;
  - (b) an effort to influence the voting of securityholders of the issuer;
  - (c) an offer to acquire securities of the issuer; or
  - (d) any other matter relating to the affairs of the issuer.
5. Fees. CDS shall charge a fee, according to the then-current CDS fee schedule for Confirmations provided under this Agreement. CDS reserves the right to amend the fee schedule from time to time at its sole discretion; amendments to the fee schedule made after submission of the request but prior to the delivery of the Confirmation, however, shall not impact the Total Fee. NOTE: Fees for Confirmations are payable in advance (except in the circumstance that the requesting party opts to be invoiced for the Confirmation) to ‘CDS Securities Management Solutions Inc.’ and must accompany the delivery of this form of agreement to CDS.
6. Taxes: Fees charged under this Agreement are exclusive of any federal, provincial or local sales or commodities taxes which are or may be imposed upon the supply of the Confirmation(s) hereunder. Any such tax shall be paid by the Requesting Party directly to the taxing authority, or if CDS, in its opinion, is required by law to collect such tax, CDS will add the amount of the tax to the Requesting Party’s fees.
7. Notice: Notices under this Agreement shall be delivered personally or by registered mail to the address set out for the receiving party on the face hereof or to the Billing Address, if applicable. Notices to CDS shall be addressed to the attention of: Customer Service, 100 Adelaide Street West, Toronto, Ontario M5H 1S3-.
8. Issuer’s Agent. If this Request for Confirmation is made on behalf of the Issuer by the Issuer’s Agent, the Issuer’s Agent:
  - (a) represents and warrants that it has been duly authorized by the Issuer to make this Request, to receive the Confirmation requested and any notices provided hereunder, and to pay the fees charged for Confirmations;
  - (b) represents and warrants that this Request is made solely in connection with a matter relating to the affairs of the Issuer; and
  - (c) agrees to be bound by the terms and conditions of this Agreement as fully and to the same extent and degree as the Issuer.
9. General. This Agreement may not be assigned by the Requesting Party without the written consent of CDS, and shall bind the parties hereto and their respective permitted successors and assigns. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the Federal laws of Canada applicable therein.

