

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

Expansion of Company Types in CDSX®

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

In CDS's settlement system, CDSX, details of each participant are identified in a Company Profile. The Company Profile comprises information required for clearing, settlement and custodial activities, and includes details such as the company's legal name and DUNS number, tax domicile and IRS qualified intermediary status, credit category, whether they are a custodian, etc.

One of the details included in the Company Profile is Company Type, a 2-character field that describes how CDS has categorized the participant - e.g. AB is a Schedule 1 Bank, IN is an Investment Dealer, TR a Trust Company, etc.

In order to correctly describe our client base and to provide a category for our own internal accounts, CDS will be expanding the list of Company Types.

The existing Company Types will remain, and include:

- AB – Schedule 1 Bank
- BB – Schedule 2 Bank
- BC – Bank of Canada
- CL – Clearing Organizations
- IN – Investment Dealer
- TR – Trust Company
- LI – Insurance Company
- CR – Corporation
- OT – Other

The new Company Types that will be added are:

- CB – Schedule 3 Bank
- LP – Limited Participant Transfer Agent/Depository Agent
- MF – Mutual Fund Company
- TA – Transfer Agent Company
- XO – Internal Operations
- XR – Internal Risk / Default

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.

There are no amendments to CDS's procedure manuals required for this initiative. The list of company types identified on the CDSX Help Screen for the Company Type field (as described above) will be updated to include the new categories.

These changes were reviewed and approved by the SDRC on December 10th, 2015.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed in this Notice are considered technical in nature, required for routine operating procedures and administrative practices relating to the CDS Service.

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*.

Subject to non-disapproval of the proposed amendments by the Recognizing Regulators, CDS has determined that these amendments will become effective on **February 1st, 2016**.

D. QUESTIONS

Questions regarding this notice may be directed to:

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