

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

Change for Aequitas Neo Exchange Bring-on

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

On November 13, 2014 the Ontario Securities Commission approved the recognition of Aequitas Neo Exchange as an exchange. The Recognition Order will become effective March 1, 2015. The securities regulatory authorities in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut have exempted or are in the process of exempting Aequitas and Aequitas Neo Exchange from the requirement to be recognized as a stock exchange, exchange or self-regulatory organization.

CDS will make the minor changes required to the CDSX settlement system to accommodate the entry of exchange trades originating from Aequitas Neo Exchange. These changes will include the acceptance and processing of trades as well as the performance of trade reconciliations. A participant requests the trade reconciliation service by submitting a 'CDS – Online Services Support – Service Eligibility Details Unit Functions' (form CDSX799). Subscribing participants send in a file containing their trades for a specific exchange which is compared to the trades that were submitted to CDS by that exchange. Any discrepancies are reported back to the participant via a file.

To allow Aequitas Neo Exchange trades to be available for this service, the form CDSX799 must be amended to include Aequitas Neo Exchange (exchange ID NEOE) as an option.

The amendment will become effective on March 1, 2015.

Additionally, the new exchange identifier will be added to existing CDSX background tables such as those required for pricing and entitlement processing.

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.

This amendment was reviewed and approved by the SDRC on January 29, 2015.

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

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendment proposed in this Notice is considered technical in nature, involving matters of routine operating procedures and administrative processes relating to the CDS services.

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 on March 1, 2015.

D. QUESTIONS

Questions regarding this notice may be directed to:

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