

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

Transfer Fees Allocation Reports

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

In 2014, CDS was asked by the Debt & Equity subcommittee of the Strategic Development Review Committee (SDRC) to review whether additional transaction details could be provided on CDS monthly invoices in relation to fees passed on to participants as a result of Transfer Agent activities. These details were requested in order to allow participants the ability to charge back their relevant business units that incurred the fees.

It was determined that the software utilized by CDS to produce its monthly invoices could not be enhanced to provide the requested details. Therefore, CDS has developed two new participant reports to provide the required information.

Entitlement Transfer Fees Allocation Report (RMS 000388)

When CDS entitlement or corporate action processing results in a security deposit or withdrawal transaction, the resulting Transfer Agent fee is divided pro-rata between those participants whose custody positions have been affected. The fees allocated to the participant are rolled up into a single invoice item under Billing Code 7966 - *Transfer Fees – Other*.

The monthly Entitlement Transfer Fees Allocation Report will provide participants with a breakdown of the fees apportioned to them under Billing Code 7966. These fees will be reported by security, and will identify the entitlement or corporate action event that resulted in the fee.

Transfer Agent Pass-through Fees Allocation Report (RMS 000386)

This monthly report will provide details of the charges levied to CDS by Transfer Agents related to the transfer of cash payments for entitlement or corporate events processed in CDSX. The Transfer Agent fee is divided pro-rata between those participants involved in the transaction that has incurred the fee. The aggregated total of all the fees appear as a single invoice item under Billing Code 7965 – *Transfer Agent Pass-through – CDSX*.

The monthly Transfer Agent Pass-through Fees Allocation Report will provide a breakdown of the Transfer Agent fees apportioned to the participant, and will be reported by Transfer Agent, security and event ID.

Both of these reports will be implemented on June 27, 2015, and will be available effective June 29, 2015.

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 April 30, 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 June 29, 2015.

D. QUESTIONS

Questions regarding this notice may be directed to:

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