

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

HOUSEKEEPING CHANGES – September 2015 (Revised)

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.

Depository and Paying Agent Procedures

- Chapter 2, Paying Agent Procedures: Section 2.4.3, Step 2 – Updates to the details required on LVTS payments made to CDS for entitlements.

Money Market Issue and Entitlement Procedures

- Chapter 7, Processing Entitlements: Section 7.5, Step 2 – Updates to the details required on LVTS payments made to CDS for entitlements.

Issue and Entitlement Procedures – Other Securities

- Chapter 4, Processing Entitlements: Section 4.5, Step 2 – Updates to the details required on LVTS payments made to CDS for entitlements.

CDSX Procedures and User Guide

- Chapter 3, Issue Activities: Section 3.2.7 – Correction to add “U.S.” as a payment fund currency.
- Chapter 6, Deposit Activities: Section 6.2, Step 5 – Correction to the CDS Bank of Canada account number displayed in the Beneficiary Account field.
- Chapter 8, Entitlement Activities: Section 8.2.3 – Addition of two charts showing the CDSX restrictions placed on securities undergoing Mandatory and Mandatory with Option/Voluntary entitlement events. The restrictions noted to various CDSX functions have always been in place; details are being provided to assist Participants in their understanding of the effective timeframes of these restrictions.
- Chapter 8, Entitlement Activities: Section 8.7.1 – Minor stylistic correction under event code SPN.
- Chapter 9, Payment Exchange Activities: Section 9.4 – Correction to the CDS Bank of Canada account number displayed in the second bullet.

CDS Reporting Procedures

- Contents Page – Addition of a new chapter, Chapter 5 ATON reports. These are existing reports, and are currently described in the *ATON User Guide*. The details of these reports are also being included in this manual for information purposes, and easier user reference.
- Chapter 1, Introduction to CDS Reports: Section 1.2 – Interactive links are being added to the ATON reports referenced in the List of Reports table, for direct user navigation.
- Chapter 5, ATON Reports – Addition of a new chapter describing the existing ATON reports that are available for Participants. The details of these reports are currently described in the *ATON User Guide*, and are being included in this manual for information purposes, and easier user reference.
- Chapter 25, Transaction Reports: Section 25.4 – Corrections to the descriptions of the transaction codes included in the Daily Transaction Report (RMS000230).
- Chapter 25, Transaction Reports: Section 25.8 – Corrections to the descriptions of the transaction codes included in the Settled Transactions Report (RMS000038B).

Participating in CDS Services

- Chapter 15, Collateral Administration: Section 15.1.1 - Correction to the CDS Bank of Canada account number displayed in the Beneficiary Account field.

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- Chapter 17, Collateral Pools: Section 17.5.2 – Removal of this section, which was previously replaced by Section 17.6 but was not removed in the English version of this manual.

Trade and Settlement Procedures

- Chapter 1, Introduction to Trade and Settlement: Section 1.4.1 – Minor stylistic correction to character spacing on the Trade and Settlement Activities chart, as well as a correction to the footnote referenced for overnight online activity.
- Chapter 8, Buying In outstanding CNS positions: Section 8.4 – a spelling correction, changing CDS to CNS.

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.

Money Market Issue and Entitlement Procedures

- Chapter 7, Processing entitlements: Section 7.5, Step 2 – A sentence was added to match the English version: “Remarque : La CDS ne traitera pas les paiements partiels de droits et privilèges.”

CDSX Procedures and User Guide

- Chapter 6, Deposit activities: Section 6.2, Step 5 – correction of typographic error, from “Canda” to Canada”.

Participating in CDS Services

- Chapter 15, Collateral administration: First table on page 204 – In 3rd column, Action, the word “date” is corrected to “l’heure”, to match the English version; it applies to the two cells in that column.
- Chapter 17, Collateral pools: section 17.4 – Subsection title is corrected to match the English version, (“commun” should be plural: “communs”).

Trade and Settlement Procedures

- Chapter 1, Introduction to Trade and Settlement: Section 1.11 – Interactive link is being added to Chapter 10, CDCC trade processing, referenced in the last sentence, for direct user navigation.
- Chapter 2, Default and alternate settlement accounts: Section 2.1, Note – Change of “compte implicite de règlement” to “compte de règlement implicite”, for consistency.
- Chapter 3, Exchange trades: Section 3.4.1 and 3.4.2, first bullet point – Correct “Le rapport de rectification et de redressement des opérations boursières” to “Le rapport de rectification et de rajustement des opérations boursières”.
- Chapter 10, CDCC trade processing: Section 10.3.1, Step 3 – Interactive link is being updated to “Profil du client – Menu” screen referenced, for direct user navigation.

US Deposit and Withdrawal Procedures

- Chapter 2, U.S. withdrawal activities: Section 2.2.1 – Sentence added to 2nd and 3rd paragraphs to match the English version (“Pour obtenir de plus amples renseignements, veuillez consulter le guide *Procédés et méthodes de production de rapports de la CDS*.”).

CDS Delivery Services Participant Procedures

- Chapter 3, Intercity transfer envelope: Section 3.3 – Correction of pick up time in last cell in the table, from “8 h 30” to “8 h”, to match the English version.
- Chapter 4, Remote transfer service: Section 4.3 – Correction of pick up time in last cell in the table, from “8 h 30” to “8 h”, to match 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 September 24, 2015.

The proposed procedure amendments are available for review and download on the User Documentation page on the CDS website at <http://www.cds.ca/cds-services/user-resources/user-documentation>.

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.

B. 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 November 2, 2015.

D. QUESTIONS

Questions regarding this notice may be directed to:

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