

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures – Reg SHO Procedure Change

**CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)**

**TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**REG SHO PROCEDURE CHANGE**

**NOTICE OF EFFECTIVE DATE**

**A. DESCRIPTION OF THE AMENDMENTS**

*Background*

The Reg SHO procedures related to the Rule 144 exemption state that if a participant needs to identify a close out as being a Rule 144 related item the participant will provide CDS with a form describing what they need, a copy of the Close Out report and either a transfer receipt or an affidavit which tells CDS that the security is a Rule 144 issue and is being transferred to unrestricted shares. Since an affidavit is a legal document to be signed by a commissioner of oaths or a notary, it becomes onerous for participants to get that signed. This change would be for CDS to accept a letter from the participant instead of an affidavit. The letter would be on the participant's letterhead and signed by an authorized CDS signing officer of the participant and would state that the security was a Rule 144 security.

The Procedures marked for the amendments may be accessed at the CDS website at:

<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open>

*Description of Proposed Amendments*

The following procedure will be impacted by this initiative:

- New York Link Participant Procedures, Chapter 1 About the New York Link Service, Regulation SHO, Section 1.8.2

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

**C. EFFECTIVE DATE OF THE RULE**

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on 1 November, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépot et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on 1 November, 2006, CDS has determined that these amendments will be effective on May 5, 2008.

These amendments were reviewed and approved by the CDS Strategic Development Review Committee ("SDRC") on March 27, 2008.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

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