

13.1.2 CDS Notice of Request for Comments – Material Amendments to CDS Rules Relating to Eligibility Criteria for CAD RCP

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (“CDS”)

**MATERIAL AMENDMENTS TO CDS RULES
ELIGIBILITY CRITERIA FOR CAD RCP**

REQUEST FOR COMMENTS

DESCRIPTION OF THE PROPOSED AMENDMENTS

On October 12, 2005, the Board of Directors of The Canadian Depository for Securities Limited (“CDS”) approved amendments to the CDS Participant Rules which (A) describe the eligibility requirements for Receivers of Credit which want to become a member of the Canadian Dollar (“CAD”) Category Credit Ring (as this term is defined in the CDS Participant Rules) and (B) require a Member of the CAD Category Credit Ring for RCP Receivers to not increase its Systems-Operating Cap and increase the amount of its Collateral Pool Contribution by a special margin collateral Contribution where an early warning event designated by the Investment Dealers Association of Canada (“IDA”) has occurred.

NATURE AND PURPOSE OF THE PROPOSED AMENDMENTS

Background

On October 1, 2004 the Ontario Securities Commission (“OSC”) non-disapproved CDS’s Receivers’ Collateral Pool (“RCP”) Rules. This non-disapproval was subject to the condition that the CAD RCP must have written objective eligibility standards that are transparent and fair which are to be effective by February 28, 2006. It has been determined, in consultation with the OSC, that an IDA member-only RCP is appropriate.

To be eligible to become a member of the Credit Ring for RCP Receivers making CAD settlements, under the current version of the CDS Participant Rules, the regulatory body that has primary audit jurisdiction over the Participant must be a party to a memorandum of understanding (“MOU”) with CDS wherein it agrees to provide CDS with notice of an early warning event occurring in relation to the Participant. The IDA is the only self-regulatory entity which has entered into an MOU with CDS. It has been determined that it is desirable to amend the CDS Participant Rule to clarify the fact that to be a Member of the Credit Ring for RCP Receivers making CAD settlements Participants must be members of the IDA.

In addition, CDS is proposing to move the requirements to provide special margin collateral where an early warning event has occurred from its Participant Procedures to its Participant Rules.

Overview

CDS developed the CAD RCP to provide an alternative to pre-funding or arranging a line-of-credit. The CAD RCP provides a cost-effective alternative to reliance on major financial institutions, which are often the parent organizations of competitors, to provide credit.

- The proposed rule amendment establishes the criteria that a Receiver must meet to be eligible to be a Member in the Credit Ring for RCP Receivers making Canadian dollar settlements.

Furthermore, as mentioned above, the proposed amendments will move the requirements for special margin collateral from the CDS Participant Procedures to Rule 5.12.7 of the CDS Participant Rules. The special margin collateral rules describe the obligations of a Participant where an “early warning event” has been designated by the IDA.

Qualifications for Membership in Canadian dollar Contribution Credit Ring

A member of the CAD RCP pledges collateral to the collateral pool and is given an initial aggregate collateral value (“ACV”) and a system-operating cap for CAD settlements. The amount guaranteed by the CAD RCP credit ring includes all amounts used by a defaulting participant under its system-operating cap for settlement payments (but not settlement payments drawn under a line of credit and guaranteed by a surety).

The current rules concerning the CAD RCP provide that a CAD RCP member must be regulated by a self-regulatory organization or government regulator that has entered into a memorandum of understanding with CDS, under which CDS will receive notice of a receiver placed on early warning and/or of changes regarding the status of the receiver so that CDS may take such steps to protect its interests and those of all other Participants.

The proposed amendments to Rule 5.9.1(b)(i) specify that to be eligible to be a member of the CAD RCP a Receiver must fulfil three requirements:

- That the CAD RCP member be a member of the IDA;
- That the IDA has entered into a memorandum of understanding with CDS which defines the term “early warning event” and provides that the IDA will notify CDS when an early warning event has been designated in relation to a Receiver; and
- There has not been an early warning event designated in relation to the CAD RCP within the previous 12 months except where the existing members of contributing credit ring (or a governing subset thereof) have explicitly waived this criterion in relation to the specific CAD RCP.

It should be noted that these requirements only pertain to members of the CAD RCP and do not affect members of the USD credit ring.

This amendment is being made to clarify that, at the present time, only IDA members can be CAD RCP members. In an effort to manage risk, CDS must know that there is an entity effectively monitoring a CAD RCP member to determine whether an “early warning event” has occurred. All of the current CAD RCP Participants are independent broker-dealers who are IDA members. The non-contributing credit ring participants include receivers who are not IDA members, as well as bank-owned broker-dealers and independent broker-dealers who are members of the IDA.

Special Margin Collateral

The proposed amendments to Rule 5.12.7, which is based on the requirements formerly appearing in the CDS Participant Procedures, provides for increased “Collateral Pool Contributions” and restricts the ability to temporarily increase the “System-Operating Cap” when the IDA determines an early warning event has occurred in relation to a CAD RCP Participant.

The term “Collateral Pool Contribution” is defined in Section 1.2 of the CDS Participant Rules as “the contribution made to its Collateral Pool by a Member of a Category Credit Ring. “Systems-Operating Cap” is defined in the same section as “the limit established in accordance with Rule 5.10 on the Transactions that may be effected by an extender, Active Federated Participant, Settlement Agent or RCP Receiver.”

The proposed amendment references an early warning event designated by the IDA.⁹ The amendments to Rule 5.12.7 refer to the two “early warning levels” established by the IDA early warning designation process. At early warning level 1, the additional contribution is equal to its current collateral requirement. At early warning level 2, the additional contribution is 100% of its system-operating cap, unless the CDS Governing Council has determined that the cap shall be set at zero.

By identifying IDA membership as a requirement of be a member in the Credit Ring for CAD RCP Receivers, CDS will ensure that there are not going to be inconsistent risk standards applied to members of the same credit ring. Each member of a credit ring is placing its capital at risk and requires some comfort that other members of the ring will be subject to some minimum, transparent and objective criteria. If members of a credit ring are not satisfied that all other members of the ring are properly regulated and subject to appropriate criteria, they may choose not to participate which may cause the ring to collapse. CDS believes that members of a single credit ring must be assured that the other members of their ring are subject to the same credit control. If an applicant is unable to meet the criteria for any credit ring, they are entitled to create their own credit ring with other Receivers of Credit who are subject to similar criteria. The proposed amendment references the obligations imposed on a CAD RCP Participant to increase their Collateral Pool Contribution where an early warning event has occurred. Early warning events are categorized as “level 1” events and “level 2” events and the extent of the increase of Collateral Pool Contribution will depend on the level assigned by the IDA. The amendment makes it clear that information concerning a Participant’s early warning status and requirements to make special Collateral Pool Contributions is confidential and may not be disclosed to other members of the Category Credit Ring.

In addition, the proposed amendments include a change to Rule 5.12.7(d) which provides direction as to the release of the special Collateral Pool Contribution. It provides that the special contribution will be released, at the CAD RCP Participant’s request, where there is no longer an early warning event designation in relation to the CAD RCP Participant.

The proposed provisions are intended to address the issue of increased risk to all members of a Contributing Credit Ring when one of the members of the ring is undergoing an early warning event. Where an organization is undergoing an early warning event there may be an increased likelihood that the organization in question may default on their obligations which will expose all members of that organization’s Contributing Credit Ring to potential liability. The proposed amendments to Rule 5.12.7 are meant to manage the risk exposure for all members of a Contributing Credit Ring by increasing the collateral that a member will

⁹ Early warning reports are provided for in IDA By-law 30.

be required to provide or reduce the member's cap when an early warning event is ongoing. The additional collateral or cap reduction will reduce the risk exposure for all Credit Ring members.

IMPACT OF PROPOSED AMENDMENTS

As the proposed amendments to Rule 5.12.7 are based on requirements currently existing in the CDS Participant Procedures the proposed amendment will have little impact on CDS, its Participants or other participants in the industry.

It should be noted Participants in the CAD RCP are all currently IDA members and therefore are familiar with IDA standards. Consideration was given to finding a means of establishing an appropriate level of congruency with other regulatory standards, in order to create a CAD RCP which would include Participants who are not IDA members however an analysis of capital requirements and regulatory standards determined that finding equivalency across various regulatory regimes was not possible. In addition, there was a concern whether other organizations would maintain consistent communication with CDS. CDS has ongoing experience of working with the IDA under a memorandum of understanding, and that experience provides assurance that CDS and the IDA can maintain appropriate levels of communication.

The impact on individual receivers of credit will vary depending on their particular risk tolerance and banking and credit arrangements. Membership in the CAD RCP does expose each member to the potential for loss of their collateral contribution as a result of the default of another member. For this reason, a number of potential CAD RCP members have chosen not to be members and rely on lines of credit as their sole source of credit in CDSX. CDS has analyzed the costs of credit provided by the CAD RCP in comparison with equivalent lines of credit. While the costs vary by Participant, the magnitude of the cost difference does not provide a material cost benefit to members of the CAD RCP.

DESCRIPTION OF THE RULE DRAFTING PROCESS

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to Section 21.1 of the Ontario *Securities Act* and as a self-regulatory organization by the Autorité des marchés financiers pursuant to Section 169 of the Québec *Securities Act*. In addition CDS has been 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*. The Ontario Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

Each amendment to the CDS Participant Rules is reviewed by CDS's Legal Drafting Group ("LDG"). The LDG is a committee which includes members of Participants' legal and business groups. The LDG's mandate is to advise CDS management and its Board of Directors on rule amendments and other legal matters relating to centralized securities depository and clearing services in order to ensure that they meet the needs of CDS, its Participants and the securities industry.

COMMENTS

Comments on the proposed amendments should be in writing and delivered by November 20, 2005 and delivered to:

Jamie Anderson
Senior Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Fax: 416-365-1984
e-mail: attention@cds.ca

A copy should also be provided to the Ontario Securities Commission by forwarding a copy to:

Cindy Petlock
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 1903, Box 55,
20 Queen Street West
Toronto, Ontario, M5H 3S8

Fax: 416-595-8940
e-mail: cpetlock@osc.gov.on.ca

CDS will make available to the public, upon request, copies of comments received during the comment period.

COMPARATIVE ANALYSIS

CDS has undertaken a review of the eligibility criteria for access to the CAD RCP Credit Ring to ensure that it meets international standards. International standards require that access criteria be objective and publicly disclosed to permit fair and open access. CDS believes that its criteria for becoming a Participant in CDS not only meet international standards but also are as transparent and fair and are less onerous than similar criteria imposed by The Depository Trust Company.

The National Securities Clearing Corporation ("NSCC") has also recognized the necessity to protect itself against credit risk and have procedures which have a similar purpose as the criteria which will be established as a result of the proposed amendments. While the NSCC and CDS have similar objectives in protecting against credit risk the structural differences between NSCC and CDS have resulted in each organization adopting a different approach.

The NSCC provides credit to its members directly rather than relying on members to provide the credit themselves. It protects itself against credit risk by requiring contributions to a clearing fund based on risk-based margin calculations. To monitor its members the NSCC undertakes extensive credit reviews. Members placed on surveillance may be required to make additional deposits to the clearing fund. The NSCC relies on compliance with domestic regulatory requirements in determining whether a member is to be placed on surveillance. The NSCC approach in relying on the regulatory reports (such as SEC FOCUS) to determine whether a member must make additional deposits is very similar to the approach CDS is proposing to take under the proposed amendment to Rule 5.12.7. CDS and NSCC will both be relying on compliance with other entity's regulatory requirements to determine when additional capital or collateral will have to be provided to reduce the risk burden faced by other members.

PUBLIC INTEREST ASSESSMENT

In analyzing the impact of the proposed amendments to the Participant rules, CDS has determined that the implementation of these amendments would not be contrary to the public interest.

PROPOSED RULE AMENDMENTS

Appendix "A" contains text of the current CDS Participant Rules marked to reflect proposed amendments (moved text is not marked) as well as text of the CDS Participant Rules reflecting the adoption of the proposed amendments.

QUESTIONS

Questions regarding this notice may be directed to:

Michael Brady
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TOOMAS MARLEY,
VICE-PRESIDENT, LEGAL AND CORPORATE SECRETARY

APPENDIX "A"
PROPOSED RULE AMENDMENT

5.9.1 Establishment of Category Credit Rings	5.9.1 Establishment of Category Credit Rings
<p><u>(a) Category Credit Rings</u></p> <p>Each Participant is, by virtue of its acceptance as a Participant, a Member of the Category Credit Ring for the category of Participant into which it is classified. The Category Credit Rings are:</p> <ul style="list-style-type: none"> (a)—<u>(i)</u> all Extenders of Credit, (b)—<u>(ii)</u> each Active Federated Participant and its Federated Participants, (c)—<u>(iii)</u> all Settlement Agents, (d)—<u>(iv)</u> the RCP Receivers making Canadian dollar Settlements, (e)—<u>(v)</u> the RCP Receivers making US dollar Settlements, (f)—<u>(vi)</u> the Non-Contributing Receivers making Canadian dollar Settlements and (g)—<u>(vii)</u> the Non-Contributing Receivers making US dollar Settlements. <p>The Members of each Category Credit Ring guarantee the payment to CDS in accordance with this Rule 5.9 of the obligation of all Members of that Category Credit Ring described in Rule 5.9.5. Each Participant other than a Receiver is a Member of a single Category Credit Ring.</p> <p><u>(b) Category Credit Rings for Receivers</u></p> <p>Each Receiver is a Member of two Category Credit Rings, one for each currency.</p> <p><u>(i) Canadian dollar Settlements</u></p> <p>An eligible Receiver must choose to be a Member of either the Credit Ring for RCP Receivers making Canadian dollar Settlements or the Credit Ring for Non-Contributing Receivers making Canadian dollar Settlements.</p> <p>A Receiver is eligible to become a Member of the Credit Ring for RCP Receivers making Canadian dollar Settlements <u>only if (A) it is a member of the Investment Dealers Association of Canada, the Regulatory Body that has primary audit jurisdiction over the Receiver (B) the Investment Dealers Association of Canada has entered into a memorandum of understanding with CDS which defines the term "early warning event" and</u></p>	<p><u>(a) Category Credit Rings</u></p> <p>Each Participant is, by virtue of its acceptance as a Participant, a Member of the Category Credit Ring for the category of Participant into which it is classified. The Category Credit Rings are:</p> <ul style="list-style-type: none"> (i) all Extenders of Credit, (ii) each Active Federated Participant and its Federated Participants, (iii) all Settlement Agents, (iv) the RCP Receivers making Canadian dollar Settlements, (v) the RCP Receivers making US dollar Settlements, (vi) the Non-Contributing Receivers making Canadian dollar Settlements and (vii) the Non-Contributing Receivers making US dollar Settlements. <p>The Members of each Category Credit Ring guarantee the payment to CDS in accordance with this Rule 5.9 of the obligation of all Members of that Category Credit Ring described in Rule 5.9.5. Each Participant other than a Receiver is a Member of a single Category Credit Ring.</p> <p><u>(b) Category Credit Rings for Receivers</u></p> <p>Each Receiver is a Member of two Category Credit Rings, one for each currency.</p> <p><u>(i) Canadian dollar Settlements</u></p> <p>A Receiver must choose to be a Member of either the Credit Ring for RCP Receivers making Canadian dollar Settlements or the Credit Ring for Non-Contributing Receivers making Canadian dollar Settlements.</p> <p>A Receiver is eligible to become a Member of the Credit Ring for RCP Receivers making Canadian dollar Settlements if (A) it is a member of the Investment Dealers Association of Canada, (B) the Investment Dealers Association of Canada has entered into a memorandum of understanding with CDS which defines the term "early warning event" and provides for notice to CDS when an early</p>

<p>providing for (i) notice to CDS of material changes in its regulation of member firms and (ii) the exchange of information when a Participant regulated by such Regulatory Body experiences an early warning event <u>has been designated in relation to a Receiver, and (C) there has not been an early warning event designated in relation to the Receiver within the previous 12 months (or during the period since the Receiver has been a member of the Investment Dealers Association of Canada where such period is less than 12 months) except where the existing Members or a governing representative sub-set thereof has explicitly waived this criterion for a specific Receiver of Credit and permits the Receiver of Credit to become a Member of the Credit Ring for RCP Receivers making Canadian dollar Settlements notwithstanding such an early warning event designation or is in material operational or financial difficulties that may adversely affect other persons dealing with the Participant.</u></p> <p>An eligible Receiver who chooses to become a Member of the RCP Receivers Credit Ring making Canadian dollar Settlements becomes an RCP Receiver. An ineligible Receiver, <u>or an eligible Receiver who chooses not to become an RCP Receiver</u>, is a Member of the Credit Ring for Non-Contributing Receivers making Canadian dollar Settlements.</p> <p><u>(ii) US dollar settlements</u></p> <p>Each Receiver must choose to be a Member of either the Credit Ring for RCP Receivers making US dollar Settlements or the Credit Ring for Non-Contributing Receivers making US dollar Settlements. A Receiver who chooses to become a Member of the RCP Receivers Credit Ring making US dollar Settlements becomes an RCP Receiver.</p> <p><u>(c) Collateral Pools</u></p> <p>A Collateral Pool is established for each Category Credit Ring, except the Category Credit Rings for Non-Contributing Receivers. An RCP Receiver <u>for a currency</u> makes a Contribution to the Receivers Collateral Pool <u>for that currency</u>; a A Non-Contributing Receiver <u>for a currency</u> does not contribute collateral to <u>a the Receivers Collateral Pool for that currency</u>.</p>	<p>warning event has been designated in relation to a Receiver, and (C) there has not been an early warning event designated in relation to the Receiver within the previous 12 months (or during the period since the Receiver has been a member of the Investment Dealers Association of Canada where such period is less than 12 months) except where the existing Members or a governing representative sub-set thereof has explicitly waived this criterion for a specific Receiver of Credit and permits the Receiver of Credit to become a Member of the Credit Ring for RCP Receivers making Canadian dollar Settlements notwithstanding such an early warning event designation.</p> <p>An eligible Receiver who chooses to become a Member of the RCP Receivers Credit Ring making Canadian dollar Settlements becomes an RCP Receiver. An ineligible Receiver, or an eligible Receiver who chooses not to become an RCP Receiver, is a Member of the Credit Ring for Non-Contributing Receivers making Canadian dollar Settlements.</p> <p>(ii) US dollar settlements</p> <p>Each Receiver must choose to be a Member of either the Credit Ring for RCP Receivers making US dollar Settlements or the Credit Ring for Non-Contributing Receivers making US dollar Settlements. A Receiver who chooses to become a Member of the RCP Receivers Credit Ring making US dollar Settlements becomes an RCP Receiver.</p> <p>(c) Collateral Pools</p> <p>A Collateral Pool is established for each Category Credit Ring, except the Category Credit Rings for Non-Contributing Receivers. An RCP Receiver for a currency makes a Contribution to the Receivers Collateral Pool for that currency. A Non-Contributing Receiver for a currency does not contribute collateral to the Receivers Collateral Pool for that currency.</p>
<p>5.12.7 Increased Collateral Pool Contribution by RCP Receiver</p> <p><u>(a) CDS Request</u></p> <p>Forthwith at the request of CDS, an RCP Receiver shall provide additional Contributions to the Canadian dollar Collateral Pool or to the US dollar Collateral Pool, which Contributions shall be in addition to its Contribution to</p>	<p>5.12.7 Increased Collateral Pool Contribution by RCP Receiver</p> <p>(a) CDS Request</p> <p>Forthwith at the request of CDS, an RCP Receiver shall provide additional Contributions to the Canadian dollar Collateral Pool or to the US dollar Collateral Pool, which Contributions shall be in addition to its Contribution to</p>

<p>such Collateral Pool calculated in accordance with Rule 5.12.3. The amount of such additional Contributions shall be the amount that CDS in its absolute discretion determines to be prudent to ensure the due discharge of the Participant's obligations to CDS that are secured by its RCP Collateral Pool Contributions (taking into consideration the financial stability and regulatory status of the Participant, the amount of its obligations to CDS and any other factor that CDS considers relevant).</p> <p>(b) <u>Special Margin Collateral</u></p> <p><u>If an early warning event has been designated by the Investment Dealers Association of Canada in relation to a Member of the Credit Ring for RCP Receivers making Canadian dollar Settlements, then the Member may not be permitted to temporarily increase its System-Operating Cap and the required amount of the Collateral Pool Contribution to be made by that Member shall be increased by a special margin collateral Contribution calculated accordingly:</u></p> <p>(i) <u>if the designation is early warning level 1, an amount equal to its current Collateral Pool Contribution (unless the Member opts to reduce its System-Operating Cap in which the amount shall equal the value of its reduced System-Operating Cap divided by the leverage ratio applicable to the Credit Ring for RCP Receivers making Canadian dollar Settlements), or</u></p> <p>(ii) <u>if the designation is early warning level 2, an amount equal to the difference between its current Collateral Pool Contribution and its RCP Receiver's System-Operating Cap.</u></p> <p><u>Information concerning a Member's early warning status and the requirement to make a special margin collateral Contribution is confidential and shall not be disclosed to the other Members.</u></p> <p>(c) <u>Effect of Increased Contributions</u></p> <p>The additional Contributions <u>or special margin collateral Contributions</u> made by the RCP Receiver at the request of CDS pursuant to this Rule 5.12.7 shall not affect the calculation of the leverage factor or of the System Operating Cap of (i) the RCP Receiver that made the additional Contributions <u>or special margin collateral Contributions</u> or (ii) of any other RCP Receiver.</p> <p>(d) <u>Release of Additional Contributions</u></p> <p>At the request of the RCP Receiver that made the additional Contributions <u>pursuant to paragraph (a), and provided that an early warning event has not been designated in relation to the RCP Receiver,</u> CDS shall release any additional Contribution if CDS determines in its discretion that such additional Contribution is not</p>	<p>such Collateral Pool calculated in accordance with Rule 5.12.3. The amount of such additional Contributions shall be the amount that CDS in its absolute discretion determines to be prudent to ensure the due discharge of the Participant's obligations to CDS that are secured by its RCP Collateral Pool Contributions (taking into consideration the financial stability and regulatory status of the Participant, the amount of its obligations to CDS and any other factor that CDS considers relevant).</p> <p>(b) <u>Special Margin Collateral</u></p> <p>If an early warning event has been designated by the Investment Dealers Association of Canada in relation to a Member of the Credit Ring for RCP Receivers making Canadian dollar Settlements, then the Member may not be permitted to temporarily increase its System-Operating Cap and the required amount of the Collateral Pool Contribution to be made by that Member shall be increased by a special margin collateral Contribution calculated accordingly:</p> <p>(i) if the designation is early warning level 1, an amount equal to its current Collateral Pool Contribution (unless the Member opts to reduce its System-Operating Cap in which the amount shall equal the value of its reduced System-Operating Cap divided by the leverage ratio applicable to the Credit Ring for RCP Receivers making Canadian dollar Settlements), or</p> <p>(ii) if the designation is early warning level 2, an amount equal to the difference between its current Collateral Pool Contribution and its RCP Receiver's System-Operating Cap.</p> <p>Information concerning a Member's early warning status and the requirement to make a special margin collateral Contribution is confidential and shall not be disclosed to the other Members.</p> <p>(c) <u>Effect of Increased Contributions</u></p> <p>The additional Contributions or special margin collateral Contributions made by the RCP Receiver pursuant to this Rule 5.12.7 shall not affect the calculation of the leverage factor or of the System Operating Cap of (i) the RCP Receiver that made the additional Contributions or special margin collateral Contributions or (ii) any other RCP Receiver.</p> <p>(d) <u>Release of Additional Contributions</u></p> <p>At the request of the RCP Receiver that made the additional Contribution, and provided that an early warning event has not been designated in relation to the RCP Receiver, CDS shall release any additional Contribution if CDS determines in its discretion that such additional Contribution is not required to ensure</p>
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<p>required to ensure the due discharge of the Participant's obligations to CDS. <u>At the request of the RCP Receiver that made the special margin collateral Contribution pursuant to paragraph (b), CDS shall release such special margin collateral Contribution provided there is no longer an early warning event designated in relation to the RCP Receiver.</u></p>	<p>the due discharge of the Participant's obligations to CDS. At the request of the RCP Receiver that made the special margin collateral Contribution pursuant to paragraph (b), CDS shall release such special margin collateral Contribution provided there is no longer an early warning event designated in relation to the RCP Receiver.</p>
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