

1.1.2 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Mark-to-Market Component of Continuous Net Settlement Collateral Requirement

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED

MATERIAL AMENDMENTS TO CDS PARTICIPANT PROCEDURES

MARK-TO-MARKET COMPONENT OF CONTINUOUS NET SETTLEMENT COLLATERAL REQUIREMENT

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and The Canadian Depository for Securities Limited (CDS), the Commission approved on August 8, 2006, the rule amendments filed by CDS relating to the mark-to-market component of the continuous net settlement collateral requirement subject to the following term and condition:

CDS will provide to the Commission the same analytical information relating to the impact of the change to the MTM component of the CNS collateral on the CCP withdrawal collateral requirements as CDS provides to the Bank of Canada.

The rule amendments allow for increased accuracy and efficiency in the calculation of collateral requirements for the CNS function. A copy and description of these amendments were published on June 9, 2006 at (2006) 29 OSCB 4887. No comment letters were received.