

## Chapter 13

# SROs, Marketplaces and Clearing Agencies

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### 13.3 Clearing Agencies

#### 13.3.1 Technical Amendments to CDS Procedures – ISO 15022 MT566 Corporate Action Payment Confirmation Message – Notice of Effective Date

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

ISO 15022 MT566  
CORPORATE ACTION PAYMENT CONFIRMATION MESSAGE

NOTICE OF EFFECTIVE DATE

#### A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENT

##### **Background**

In order to create efficiencies both internally and for our participants, CDS's corporate action/entitlement strategy is to provide automated, straight-through processing which encompasses the collection, analysis, summarization and dissemination of corporate action information.

CDS currently offers ISO 15022 MT564 (corporate action notification) and MT568 (corporate action narrative) messages to its participants. The MT564 and MT568 provide subscribing participants with the details of a corporate action event. These messages will now be supplemented with the MT566 – corporate action payment confirmation message.

Per SWIFT guidelines, the MT566 message is sent by an account servicer to an account owner or its designated agent. This message is used to confirm to the account owner that securities and/or cash have been credited/debited to their account as the result of a corporate action event.

The MT566 will be a subscription-based notification to participants that their CDSX ledgers have been updated (securities and/or cash have been credited or debited) as a result of a corporate action event. In turn, participants may use the message to automatically upload their own in-house systems with these payment details for the purposes of advising their own client base.

SWIFT's Entitlements National Market Practice Group (NMPG) in Canada has validated the details that CDS will be providing in the MT566 message.

##### **Description of Proposed Amendments**

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

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

The proposed amendments are:

- Updated CDSX procedures with revised screen captures and descriptions to show how to access the entitlements messaging subscription profile
- Updated CDSX377 form to add the subscription details for the MT566 message

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 May 26, 2011.

**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 CDS PROCEDURE AMENDMENT**

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 November 1, 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 November 1, 2006, CDS has determined that the proposed amendments will become effective on July 25, 2011.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

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