

## **NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES**

### **Wire Instruction Formatting Update**

#### **A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS**

The proposed procedure amendments are available for review and download on the [User Documentation](#) page on the CDS website.

##### *Description of the proposed amendments*

CDS received a request from Bank of Canada to assist in encouraging payment senders to include the Beneficiary's address on all MT103 wire instructions. This change is in response to amendments made to certain regulations under The Proceeds of Crime (Money Laundering) and Terrorist Financing Act by the Department of Finance Canada. While this new requirement does not specify the need for additional information related to the sender, the requirement could result in processing delays should CDS need to return a wire payment to the sender whose address has not been included in the Ordering Customer field of the wire instructions. In turn, CDS is updating the following external to include the Beneficiary's and Ordering Customer's address in the existing wire instructions:

- CDSX Procedures and User Guide
- Issue and Entitlement Procedures Other Securities
- Participating in CDS Services
- Depository and Paying Agent Procedures

Other minor amendments include updates to reflect formatting and terminology changes that are more of a housekeeping nature.

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 October 28, 2021.

#### **B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they are amendments required to ensure consistency or compliance with an existing rule, securities legislation or other regulatory requirement.

#### **C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENTS**

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition Order dated July 4, 2012, as subsequently amended, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2012-PDG- 0142, as subsequently amended, CDS has determined that the proposed amendments will become effective upon receiving regulatory approval.

**D. QUESTIONS**

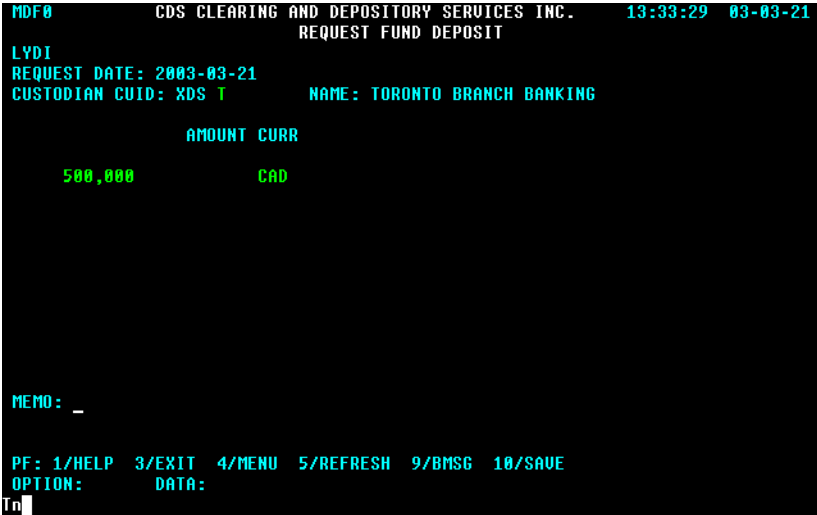
Questions regarding this notice may be directed to:

George Chung  
Senior Operations Governance & Oversight Manager  
Integrated Operations

CDS Clearing and Depository Services Inc.  
100 Adelaide Street West  
Toronto, Ontario M5H 1S3

Telephone: 416-365-8610  
Email: [george.chung@tmx.com](mailto:george.chung@tmx.com)

Request Fund Deposit screen



3. Complete the AMOUNT field and CURR field. If necessary, complete the MEMO field.
4. Press ENTER to validate the information and press PF10 to save. A deposit ID displays at the bottom of the screen in the MEMO line.  
 Be sure to make note of the deposit ID.
5. To deposit Canadian funds, initiate an LVTS payment to CDS’s account held at the Bank of Canada using an MT205 SWIFT message. The Bank of Canada sends a confirmation to CDS that LVTS funds were deposited to CDS’s account. CDS then confirms the deposit in CDSX if the total value reflected on the deposit request is equal to the LVTS payment made to CDS.

The table below indicates the information to be provided in the MT205 SWIFT message.

Field	Description
RELATED REFERENCE	Enter the CDSX funds deposit ID
BANK OF CANADA TRANSIT PAYMENTS CANADA ROUTING NUMBER	00006477017700006 (Financial Institution number: 0177, Transit number: 00006)
SWIFT ADDRESS	BCANCAW2
BENEFICIARY NAME	CDS Clearing and Depository Services Inc.
BENEFICIARY ACCOUNT	Enter 15451001 (CDS’s account number held by the Bank of Canada as CDS’s LVTS banker)
BENEFICIARY BIC	CDSLCAAT

6. To deposit U.S. funds, initiate a Fedwire payment to CDS’s account held at Harris National Association. CDS monitors the account to ensure that the funds are deposited to CDS’s account. CDS then confirms the deposit in CDSX if the total value reflected on the deposit request is equal to the Fedwire payment made to CDS.

The table below indicates the information to be provided in the Fedwire payment.

Bank	Harris National Association
Telegraphic ID	HARRIS CHGO
Account number	203-213-4
ABA number	071000288
FAO	CDS Clearing and Depository Services Inc. (include the CDSX deposit ID)

**Note:** Changes to banking instructions are considered ‘technical changes’ in nature and may be required to be executed quickly. Notification of banking instruction changes will be communicated via the CDS Bulletin process to ensure timely communication to all participants, followed by the publication of updated external procedures.

### 6.3 Inquiring on funds deposits

The Inquire Funds Deposit function can be used to:

- Display information about all confirmed, unconfirmed and rejected funds deposits made during the day
- Indicate if CDS has confirmed the funds deposit request.

All funds deposit requests that have not been confirmed prior to payment exchange are purged during the overnight batch processing cycle.

Participants may review their funds deposit request on the Funds Deposit Notice. For more information, refer to *CDS Reporting Procedures*.

To inquire on funds deposit requests:

1. Access the [Deposit Menu](#) on page 94. For more information, see [Accessing the Deposit Menu](#) on page 94.
2. Type the number identifying Inquire Funds Deposit in the SELECTION field and press ENTER. The [Funds Deposit Inquiry](#) screen on page 97 displays.

- Insufficient ACV – To remove a pending status due to insufficient collateral, the paying agent must increase their ACV by the required quantity to trigger the entitlement settlement process to attempt payment release again.

### 2.4.3 Applying an LVTS payment directly to an event

If an event was set up to receive entitlement payments through a funds account debit, but on payable date the paying agent decides to pay using LVTS funds, they must contact their CDS Customer Service representative and notify them to expect an LVTS payment.

To allocate an LVTS payment towards the payment of an event, the paying agent must do the following:

1. Ensure that the payment release of the event is put on hold (see [Maintaining payment release information](#) on page 27).
2. Initiate an LVTS payment (Tranche One) to CDS's account held at the Bank of Canada by no later than 2:30 p.m. ET (12:30 p.m. MT, 11:30 a.m. PT).

**Note:** CDS will not process partial entitlement payments.

The LVTS payment made for the entire value of an entitlement is directed to the Bank of Canada (CDS's LVTS banker) for CDS's account. The LVTS payment should be made using a SWIFT message -that includes banking information and the ISIN(s) of the security involved in the entitlement as follows:

SWIFT Field Reference	Description	Value
50 – Ordering Customer (MT103/MT103+) (sender's account number, name and address)	<u>Payer account number (one line of up to 34 characters)</u>	<u>Example: CA30001216371411</u>
	<u>Payer name and address (Up to 4 lines of 35 characters of text per line)</u> <b>Note:</b> <u>The address entered must be a legal civic address; P.O. box numbers are not acceptable.</u>	<u>Example: ABC INC. Corporate Treasury Department 5-123 Main Street NW Montreal QC H1A 1A1</u>
57 – Account With Institution (receiver's financial institution information)	Bank of Canada <del>Canadian</del> Payments <del>Canada Association</del> routing number (Transit number: 00006, Canadian Financial Institution number: 0177)	017700006
	Bank of Canada BIC address	BCANCAW2
58 – Beneficiary Institution (MT205) <sup>1</sup>	Beneficiary account number	15451002
	Beneficiary BIC	CDSLCAAT

SWIFT Field Reference	Description	Value
59 – Beneficiary Customer (MT103/MT103+) <sup>2</sup>	<u>Beneficiary account number</u>	<u>15451002</u>
	<u>Beneficiary name and address</u>	CDS Clearing and Depository Services <del>Inc.</del> <u>100 Adelaide Street West</u> <u>Toronto, ON M5H 1S3</u> <u>Canada</u>
72 – Sender to Receiver Information	ISIN(s) and other information for CDS (up to 6 lines of 35 characters of text per line)	For example: /BNF/CA123456AA99

<sup>1</sup> Or 59 – Beneficiary Customer (MT103/MT103+)

<sup>2</sup> Or 58 – Beneficiary Institution (MT205)

3. Ensure that the LVTS payment covers the entire value of the entitlement. CDS will not process partial entitlement payments.

When CDS notifies the paying agent on completion of the payment release, the paying agent verifies the Payment Release Inquiry screen to ensure that the event has been paid.

## 2.5 Reconciling payments

On payable date, the paying agent can release payments using the Maintain Payment Release – Paying Agent function. They can also monitor all events payable on that date and the status of each payment using the Inquire Payment Release function. The following reports allow the paying agent to do the following:

- Settled Transactions report – Reconcile their entitlement payments once the payment has been made
- Unsettled Transactions report – Reconcile their entitlement payments that have not yet been released.

For more information on these reports, refer to *CDS Reporting Procedures*.

Participants who subscribe to the InterLink service may submit messages to release intraday payments in CDSX, and receive messages that provide updates on changes to released payments and the payment settlement status of their event in CDSX. For information on the Payment Release InterLink message layouts, refer to CDS Batch and Interactive Services – Technical Information.

### 2.5.1 Withdrawing submitted and tendered securities

After payment has been released, the Release/Hold Event Payment screen is available to the paying agent to initiate the movement of the submitted entitlement securities to their segregated account.

5. To display more detailed information on any event, type X in the SEL(X) column beside the required event and press ENTER. The [Release/Hold Event Payment screen](#) on page 35 displays for that event.
6. Type R in the PYMT IND field for the RECV (receive) item type to release the entitlement payment.
7. Press ENTER to validate the information and press PF10 to save.

**Note:** For security payments on distribution with options, mandatory with options and voluntary events which have a deposit linked to the payment, the system automatically releases the payment when the deposit is confirmed in CDSX.

#### 4.5 Applying an LVTS payment directly to an event

If an event was set up to receive payment through a funds account debit, but on the payable date the entitlements processor decides to pay using LVTS, they must notify CDS Customer Service to expect an LVTS payment.

If the PAYMENT MODE field is OVRN and the EVENT STATUS field is PEND, change the PYMT IND field to HOLD.

To allocate an LVTS payment towards the payment of an event:

1. Ensure that the event is in a hold status.

Set the PAYMENT MODE field to LVTS to ensure that the event is held. See [Holding an event for intraday payments](#) on page 36 for more details. Payments that are pending due to lack of available funds may also be put on hold in preparation for an LVTS payment.

2. Initiate an LVTS payment (either Tranche One or Two) to CDS's account held at the Bank of Canada by no later than 2:30 p.m. ET (12:30 p.m. MT, 11:30 a.m. PT).

**Note:** CDS will not process partial entitlement payments.

The LVTS payment made for the entire value of an entitlement is directed to the Bank of Canada (CDS's LVTS banker) for CDS's account. The LVTS payment should be made using a SWIFT message that includes banking information and the ISIN(s) of the security involved in the entitlement as follows:

SWIFT Field Reference	Description	Value
50 – Ordering Customer (MT103/MT103+)  (sender's account number, name and address)	<u>Payer account number (one line of up to 34 characters)</u>	<u>Example:</u> <u>CA30001216371411</u>
	<u>Payer name and address (Up to 4 lines of 35 characters of text per line)</u>  <u>Note: The address entered must be a legal civic address; P.O. box numbers are not acceptable.</u>	<u>Example:</u> <u>ABC INC.</u> <u>Corporate Treasury</u> <u>Department</u> <u>5-123 Main Street NW</u> <u>Montreal QC H1A 1A1</u>
57 – Account With Institution  (receiver's financial institution information)	Bank of Canada <del>Canadian</del> Payments <del>Canada</del> Association routing number  (Transit number: 00006, Canadian Financial Institution number: 0177)	017700006
	Bank of Canada BIC address	BCANCAW2
58 – Beneficiary Institution (MT205) <sup>1</sup>	Beneficiary account number	15451002
	Beneficiary BIC	CDSLCAAT
59 – Beneficiary Customer (MT103/MT103+) <sup>2</sup>	<u>Beneficiary account number</u>	<u>15451002</u>
	<u>Beneficiary name and address</u>	<del>Inc.</del> <u>CDS Clearing and Depository Services</u> <u>100 Adelaide Street West</u> <u>Toronto, ON M5H 2C9</u> <u>Canada</u>
72 – Sender to Receiver Information	ISIN(s) and other information for CDS (up to 6 lines of 35 characters of text per line)	For example: /BNF/CA123456AA99

<sup>1</sup> Or 59 – Beneficiary Customer (MT103/MT103+)

<sup>2</sup> Or 58 – Beneficiary Institution (MT205)

### Verifying an LVTS payment

CDS notifies the entitlements processor upon completion of the payment release. To verify the event has been paid, use the Inquire Payment Release function to access the Release/Hold Event Payment screen on page 35.



- <sup>2</sup> Rated R1 [low] for short-term debt by DBRS with a minimum issuer rating of A by CDS and rated AA [low] for long-term debt by DBRS with a minimum issuer rating of AA by CDS.
- <sup>3</sup> No more than 20 per cent of the value of collateral pledged can be the obligation of private and municipal sector issuers – subject to the additional restrictions that (i) only 10 percent of the collateral value pledged can be from LVTS and related issuers; and (ii) only 5 percent of the value of collateral pledged can be the obligation of a single private and municipal sector issuer.
- <sup>4</sup> Securities issued by members of a pool or fund, or “family” of a pool or fund member, are not eligible for collateral related to the pool or fund.
- <sup>5</sup> Rated R-1 [low] by DBRS or A-1 [mid] by S&P or P1 by Moody’s.
- <sup>6</sup> Rated R1 [mid] by DBRS or A-1 [mid] by S&P. Minimum issuer rating of AA by CDS.
- <sup>7</sup> Rated A [low] by DBRS or A- by S&P or A3 by Moody’s.
- <sup>8</sup> 100 per cent of the contribution must be made in U.S. cash.

### 15.1.1 Delivering Canadian dollar cash as collateral

To pledge Canadian dollar cash as collateral, initiate an LVTS payment to CDS’s cash collateral account held at the Bank of Canada using an MT205 SWIFT message. The Bank of Canada sends a confirmation to CDS that LVTS funds were deposited to CDS’s account. CDS then enters the cash value received in the Collateral Management System.

The table below indicates the information to be provided in the MT205 SWIFT message.

Field	Description
RELATED REFERENCE	Enter the collateral pool ID or participant fund ID
BANK OF CANADA <del>TRANSIT</del> PAYMENTS CANADA ROUTING NUMBER	<del>00006177</del> 017700006 (Financial Institution number: 0177, Transit number: 00006)
SWIFT ADDRESS	BCANCAW2
BENEFICIARY NAME	CDS Clearing and Depository Services Inc.
BENEFICIARY ACCOUNT	15451003 (CDS’s account number held by the Bank of Canada as CDS’s LVTS banker)
BENEFICIARY BIC	CDSLCAAT

**Note:** Changes to banking instructions are considered ‘technical changes’ innate and may be required to be executed quickly. Notification of banking instruction changes will be communicated via the CDS Bulletin process to ensure timely communication to all participants, followed by the publication of updated external procedures.

#### Canadian dollar cash deposits

When using Canadian cash deposits as collateral:

### 6.1.1 Accessing the Deposit Menu

To access the Deposit Menu:

1. Log on to CDS systems. For more information, refer to *Participating in CDS Services*.
2. On the CDS Clearing and Depository Services Inc. Main Menu, type the number identifying CDSX - Customer Functions in the SELECTION field and press ENTER. The **CDSX – Customer Functions Menu** on page 18 displays.
3. Type the number identifying Deposit Menu in the SELECTION field and press ENTER. The **Deposit Menu** on page 94 displays.

Deposit Menu

```
MM10          CDS CLEARING AND DEPOSITORY SERVICES INC.      13:27:15
                DEPOSIT MENU                                03-03-21

      1 REQUEST SECURITY DEPOSIT      (MDE0)
      2 REQUEST FUNDS DEPOSIT         (MDF0)
      3 INQUIRE SECURITY DEPOSIT      (MDI0)
      4 INQUIRE FUNDS DEPOSIT        (MDJ0)

                                SELECTION: _

PF: 1/HELP  3/EXIT  4/MENU  9/BMSG
OPTION:      DATA:
```

### 6.2 Funds deposits

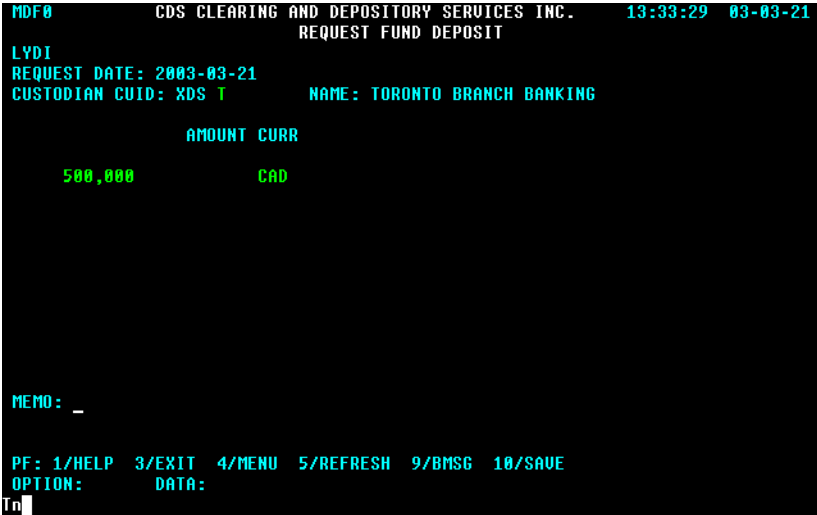
Participants may deposit Canadian or U.S. funds into their funds account.

For Canadian funds deposits, CDS confirms the deposit once LVTS funds have been transferred to CDS's LVTS account at the Bank of Canada. For U.S. funds deposits, CDS confirms the deposit once funds have been transferred to CDS's account at Harris National Association.

To request a funds deposit in CDSX:

1. Access the **Deposit Menu** on page 94. For more information, see [Accessing the Deposit Menu](#) on page 94.
2. Type the number identifying Request Funds Deposit in the SELECTION field and press ENTER. The **Request Fund Deposit** screen on page 95 displays.

Request Fund Deposit screen



3. Complete the AMOUNT field and CURR field. If necessary, complete the MEMO field.
4. Press ENTER to validate the information and press PF10 to save. A deposit ID displays at the bottom of the screen in the MEMO line.  
 Be sure to make note of the deposit ID.
5. To deposit Canadian funds, initiate an LVTS payment to CDS’s account held at the Bank of Canada using an MT205 SWIFT message. The Bank of Canada sends a confirmation to CDS that LVTS funds were deposited to CDS’s account. CDS then confirms the deposit in CDSX if the total value reflected on the deposit request is equal to the LVTS payment made to CDS.

The table below indicates the information to be provided in the MT205 SWIFT message.

Field	Description
RELATED REFERENCE	Enter the CDSX funds deposit ID
BANK OF CANADA PAYMENTS CANADA ROUTING NUMBER	017700006 (Financial Institution number: 0177, Transit number: 00006)
SWIFT ADDRESS	BCANCAW2
BENEFICIARY NAME	CDS Clearing and Depository Services Inc.
BENEFICIARY ACCOUNT	Enter 15451001 (CDS’s account number held by the Bank of Canada as CDS’s LVTS banker)
BENEFICIARY BIC	CDSLCAAT

- Insufficient ACV – To remove a pending status due to insufficient collateral, the paying agent must increase their ACV by the required quantity to trigger the entitlement settlement process to attempt payment release again.

### 2.4.3 Applying an LVTS payment directly to an event

If an event was set up to receive entitlement payments through a funds account debit, but on payable date the paying agent decides to pay using LVTS funds, they must contact their CDS Customer Service representative and notify them to expect an LVTS payment.

To allocate an LVTS payment towards the payment of an event, the paying agent must do the following:

1. Ensure that the payment release of the event is put on hold (see [Maintaining payment release information](#) on page 27).
2. Initiate an LVTS payment (Tranche One) to CDS's account held at the Bank of Canada by no later than 2:30 p.m. ET (12:30 p.m. MT, 11:30 a.m. PT).

**Note:** CDS will not process partial entitlement payments.

The LVTS payment made for the entire value of an entitlement is directed to the Bank of Canada (CDS's LVTS banker) for CDS's account. The LVTS payment should be made using a SWIFT message that includes banking information and the ISIN(s) of the security involved in the entitlement as follows:

SWIFT Field Reference	Description	Value
50 – Ordering Customer (MT103/MT103+) (sender's account number, name and address)	Payer account number (one line of up to 34 characters)	Example: CA30001216371411
	Payer name and address (Up to 4 lines of 35 characters of text per line) <b>Note:</b> The address entered must be a legal civic address; P.O. box numbers are not acceptable.	Example: ABC INC. Corporate Treasury Department 5-123 Main Street NW Montreal QC H1A 1A1
57 – Account With Institution (receiver's financial institution information)	Bank of Canada Payments Canada routing number (Transit number: 00006, Canadian Financial Institution number: 0177)	017700006
	Bank of Canada BIC address	BCANCAW2
58 – Beneficiary Institution (MT205) <sup>1</sup>	Beneficiary account number	15451002
	Beneficiary BIC	CDSLCAAT

SWIFT Field Reference	Description	Value
59 – Beneficiary Customer (MT103/MT103+) <sup>2</sup>	Beneficiary account number	15451002
	Beneficiary name and address	CDS Clearing and Depository Services 100 Adelaide Street West Toronto, ON M5H 1S3 Canada
72 – Sender to Receiver Information	ISIN(s) and other information for CDS (up to 6 lines of 35 characters of text per line)	For example: /BNF/CA123456AA99

<sup>1</sup> Or 59 – Beneficiary Customer (MT103/MT103+)

<sup>2</sup> Or 58 – Beneficiary Institution (MT205)

3. Ensure that the LVTS payment covers the entire value of the entitlement. CDS will not process partial entitlement payments.

When CDS notifies the paying agent on completion of the payment release, the paying agent verifies the Payment Release Inquiry screen to ensure that the event has been paid.

## 2.5 Reconciling payments

On payable date, the paying agent can release payments using the Maintain Payment Release – Paying Agent function. They can also monitor all events payable on that date and the status of each payment using the Inquire Payment Release function. The following reports allow the paying agent to do the following:

- Settled Transactions report – Reconcile their entitlement payments once the payment has been made
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For more information on these reports, refer to *CDS Reporting Procedures*.

Participants who subscribe to the InterLink service may submit messages to release intraday payments in CDSX, and receive messages that provide updates on changes to released payments and the payment settlement status of their event in CDSX. For information on the Payment Release InterLink message layouts, refer to CDS Batch and Interactive Services – Technical Information.

### 2.5.1 Withdrawing submitted and tendered securities

After payment has been released, the Release/Hold Event Payment screen is available to the paying agent to initiate the movement of the submitted entitlement securities to their segregated account.

5. To display more detailed information on any event, type X in the SEL(X) column beside the required event and press ENTER. The [Release/Hold Event Payment screen](#) on page 35 displays for that event.
6. Type R in the PYMT IND field for the RECV (receive) item type to release the entitlement payment.
7. Press ENTER to validate the information and press PF10 to save.

**Note:** For security payments on distribution with options, mandatory with options and voluntary events which have a deposit linked to the payment, the system automatically releases the payment when the deposit is confirmed in CDSX.

#### 4.5 Applying an LVTS payment directly to an event

If an event was set up to receive payment through a funds account debit, but on the payable date the entitlements processor decides to pay using LVTS, they must notify CDS Customer Service to expect an LVTS payment.

If the PAYMENT MODE field is OVRN and the EVENT STATUS field is PEND, change the PYMT IND field to HOLD.

To allocate an LVTS payment towards the payment of an event:

1. Ensure that the event is in a hold status.

Set the PAYMENT MODE field to LVTS to ensure that the event is held. See [Holding an event for intraday payments](#) on page 36 for more details. Payments that are pending due to lack of available funds may also be put on hold in preparation for an LVTS payment.

2. Initiate an LVTS payment (either Tranche One or Two) to CDS's account held at the Bank of Canada by no later than 2:30 p.m. ET (12:30 p.m. MT, 11:30 a.m. PT).

**Note:** CDS will not process partial entitlement payments.

The LVTS payment made for the entire value of an entitlement is directed to the Bank of Canada (CDS's LVTS banker) for CDS's account. The LVTS payment should be made using a SWIFT message that includes banking information and the ISIN(s) of the security involved in the entitlement as follows:

SWIFT Field Reference	Description	Value
50 – Ordering Customer (MT103/MT103+)  (sender's account number, name and address)	Payer account number (one line of up to 34 characters)	Example: CA30001216371411
	Payer name and address (Up to 4 lines of 35 characters of text per line)  <b>Note:</b> The address entered must be a legal civic address; P.O. box numbers are not acceptable.	Example: ABC INC. Corporate Treasury Department 5-123 Main Street NW Montreal QC H1A 1A1
57 – Account With Institution  (receiver's financial institution information)	Bank of Canada Payments Canada routing number  (Transit number: 00006, Canadian Financial Institution number: 0177)	017700006
	Bank of Canada BIC address	BCANCAW2
58 – Beneficiary Institution (MT205) <sup>1</sup>	Beneficiary account number	15451002
	Beneficiary BIC	CDSLCAAT
59 – Beneficiary Customer (MT103/MT103+) <sup>2</sup>	Beneficiary account number	15451002
	Beneficiary name and address	CDS Clearing and Depository Services 100 Adelaide Street West Toronto, ON M5H 2C9 Canada
72 – Sender to Receiver Information	ISIN(s) and other information for CDS (up to 6 lines of 35 characters of text per line)	For example: /BNF/CA123456AA99

<sup>1</sup> Or 59 – Beneficiary Customer (MT103/MT103+)

<sup>2</sup> Or 58 – Beneficiary Institution (MT205)

### Verifying an LVTS payment

CDS notifies the entitlements processor upon completion of the payment release. To verify the event has been paid, use the Inquire Payment Release function to access the Release/Hold Event Payment screen on page 35.

- <sup>2</sup> Rated R1 [low] for short-term debt by DBRS with a minimum issuer rating of A by CDS and rated AA [low] for long-term debt by DBRS with a minimum issuer rating of AA by CDS.
- <sup>3</sup> No more than 20 per cent of the value of collateral pledged can be the obligation of private and municipal sector issuers – subject to the additional restrictions that (i) only 10 percent of the collateral value pledged can be from LVTS and related issuers; and (ii) only 5 percent of the value of collateral pledged can be the obligation of a single private and municipal sector issuer.
- <sup>4</sup> Securities issued by members of a pool or fund, or “family” of a pool or fund member, are not eligible for collateral related to the pool or fund.
- <sup>5</sup> Rated R-1 [low] by DBRS or A-1 [mid] by S&P or P1 by Moody’s.
- <sup>6</sup> Rated R1 [mid] by DBRS or A-1 [mid] by S&P. Minimum issuer rating of AA by CDS.
- <sup>7</sup> Rated A [low] by DBRS or A- by S&P or A3 by Moody’s.
- <sup>8</sup> 100 per cent of the contribution must be made in U.S. cash.

### 15.1.1 Delivering Canadian dollar cash as collateral

To pledge Canadian dollar cash as collateral, initiate an LVTS payment to CDS’s cash collateral account held at the Bank of Canada using an MT205 SWIFT message. The Bank of Canada sends a confirmation to CDS that LVTS funds were deposited to CDS’s account. CDS then enters the cash value received in the Collateral Management System.

The table below indicates the information to be provided in the MT205 SWIFT message.

Field	Description
RELATED REFERENCE	Enter the collateral pool ID or participant fund ID
BANK OF CANADA PAYMENTS CANADA ROUTING NUMBER	017700006 (Financial Institution number: 0177, Transit number: 00006)
SWIFT ADDRESS	BCANCAW2
BENEFICIARY NAME	CDS Clearing and Depository Services Inc.
BENEFICIARY ACCOUNT	15451003 (CDS’s account number held by the Bank of Canada as CDS’s LVTS banker)
BENEFICIARY BIC	CDSLCAAT

**Note:** Changes to banking instructions are considered ‘technical changes’ innature and may be required to be executed quickly. Notification of banking instruction changes will be communicated via the CDS Bulletin process to ensure timely communication to all participants, followed by the publication of updated external procedures.

#### Canadian dollar cash deposits

When using Canadian cash deposits as collateral:

- Participants may substitute securities for collateral amounts greater than \$10 million by 1 p.m. ET on the day of deposit, if securities are deemed eligible collateral in the funds