



## NOTICE TO MEMBERS

No. 2013 - 017

January 18, 2013

### **SELF-CERTIFICATION**

#### **AMENDMENT TO SECTION 2 OF THE OPERATIONS MANUAL**

#### **OTCI – TIME FRAMES FOR ON-LINE ACCESS**

The Board of Directors of the Canadian Derivatives Clearing Corporation (CDCC) has approved an amendment to Section 2 of the Operations Manual of CDCC. CDCC wishes to advise Clearing Members that this amendment has been self-certified in accordance with the self-certification process as established in the *Derivatives Act* (R.S.Q., chapter I-14.01).

The purpose of the amendment is to change the cut-off time to enter an OTCI (other than Fixed Income Transaction) from 4:00 p.m. to 4:30 p.m.

Please find enclosed the amendment which will be in effect and will be incorporated in the version of the Operations Manual of CDCC which will be available on CDCC's web site ([www.cdcc.ca](http://www.cdcc.ca)) as of January 18, 2013.

If you have any questions or concerns, please contact CDCC's Member Services department or direct your e-mail inquiries to [cdccops@cdcc.ca](mailto:cdccops@cdcc.ca).

Glenn Goucher  
President and Chief Clearing Officer

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## **TIME FRAMES**

### **ON-LINE ACCESS**

Clearing Members must be connected to the CDCC Clearing Application using their PC terminals to perform a variety of functions. (Clearing Members must supply their own PC terminals and Internet connection, at their own cost).

All instructions (corrections, Open Position changes, Position Transfers, Deposits, withdrawals, and submission of Exercise Notices and Tender Notices) must be entered on-line.

The CDCC Clearing Application allows Clearing Members to view their current information throughout the day electronically (except during scheduled maintenance or unforeseen outages). In addition, Clearing Members can download their reports after 7:00 p.m. every day using the FTP Download function.

Should a Clearing Member not have electronic access (due to technical issues) to the CDCC Clearing Application, CDCC can perform instructions on behalf of the Clearing Member. This requires a phone call from the Clearing Member to CDCC, along with the appropriate form faxed or scanned and e-mailed to CDCC. Such form must be authorized with the approved Clearing Member's stamp.

The regular business hours of CDCC are 7:00 a.m. to 5:30 p.m. on every Business Day.

With respect to operational activity related to Options with an Expiration Date on Saturday, CDCC staff members are on-site from 8:00 a.m. to forty-five (45) minutes after delivery of the Options Exercised and Assigned Report (MT02).

## TIME FRAMES

### TIME FRAMES FOR ON-LINE ACCESS

#### ON EVERY BUSINESS DAY

Activity	Deadlines
Settlement Time with respect to payments for overnight settlement	7:45 a.m.
Fixed Income Transactions – Morning Netting Cycle Timeframe in respect of any Pending Payment Against Delivery Requirements (Morning Net Payment Against Delivery Requirements sent to CDS for settlement during the Morning Net DVP Settlement Timeframe)	10:00 to 10:15 a.m.
Morning Net DVP Settlement Timeframe	10:15 to 10:30 a.m.
Morning Intra-Day Margin Call	10:30 a.m.
Afternoon Intra-Day Margin Call	1:15 p.m.
Specific Deposits (same day withdrawal)	1:15 p.m.
Fixed Income Transactions – – Afternoon Netting Cycle Timeframe in respect of any Pending Settlement Requirements (Afternoon Net DVP Settlement Requirements sent to CDS for settlement by End of Day DVP Settlement Time)	2:00 to 2:15 p.m.
Cash Deposits (Margin Deposits) – under \$2,000,000 (same day deposit)	2:45 p.m.
Cash Deposits (Margin Deposits) – of and over \$2,000,000 (2 Business Days notice)	2:45 p.m.
Cash withdrawal requests (Margin Deposits) – under \$2,000,000 (same day withdrawal)	2:45 p.m.
Cash withdrawal requests (Margin Deposits) – of and over \$2,000,000 (2 Business Days notice)	2:45 p.m.
Fixed Income Transactions – (Same Day Transactions) – Submission Cut-Off Time	3:30 p.m.
All assets deposits other than cash (Margin Deposits)	3:30 p.m.
All assets withdrawal requests other than cash (Margin Deposits) for same day withdrawal	3:30 p.m.
All assets substitution requests other than cash (Margin Deposits) for same day substitution	3:30 p.m.
Specific Deposits (overnight valuation)	3:30 p.m.
End of Day DVP Settlement Time	4:00 p.m.
OTCI (other than Fixed Income Transactions) – Unmatched entry	4:30 p.m.
Position Transfers	5:25 p.m.

### TIME FRAMES

Same Day and T+1 Trade corrections	5:30 p.m.
Open Position changes	5:30 p.m.
Fixed Income Transactions and Futures contracts on Acceptable Securities – Netting Cut Off Time (Netted settlement instructions (Net Delivery Requirements and Net Payment Against Delivery Requirements) sent to CDS for settlement on the next business day)	5:30 p.m.

## TIME FRAMES

### TIME FRAMES FOR ON-LINE ACCESS (continued)

#### ON EVERY BUSINESS DAY (continued)

Activity	Deadlines
Futures – Request for Standard vs Mini Offset	5:00 p.m.
Futures – Tender Notices submission	5:30 p.m.
Options – Exercise Notices submission	5:30 p.m.
CDCC Clearing Application shutdown – Close of Business	5:30 p.m.
Fixed Income Transactions – available (next Business Day start)	7:00 p.m.
 <b>Unsettled Item</b>	
Confirmation of settled items to be sent to CDCC	4:15 p.m.
 <b>Daily Capital Margin Monitoring Calls</b>	
CDCC notifies Clearing Members of additional Margin required	9:30 a.m.
Clearing Member's obligation to cover any deficit	12:00 (noon)

TIME FRAMES FOR ON-LINE ACCESS (continued on next page)

## TIME FRAMES

### TIME FRAMES FOR ON-LINE ACCESS (continued)

#### EXPIRY SATURDAY

Activity	Deadlines
Reports available (FTP Download): <ul style="list-style-type: none"> <li>➤ Expiry Report (MX01)</li> <li>➤ Expiry Options Daily Transaction Report (MT01)</li> <li>➤ List of Options/Cash Adjustments (MT03)</li> </ul>	6:00 a.m.
CDCC Clearing Application available for: <ul style="list-style-type: none"> <li>➤ Trade corrections</li> <li>➤ Open Position changes</li> <li>➤ Position Transfers</li> <li>➤ Changes to Automatic Exercises</li> <li>➤ Exercise Notices input</li> <li>➤ Cancel / correct previous (Friday) exercises</li> </ul>	6:00 a.m. to 10:00 a.m.
CDCC Clearing Application shutdown: <ul style="list-style-type: none"> <li>➤ CDCC processes expiry entries</li> </ul>	10:01 a.m.
Reports available (FTP Download): <ul style="list-style-type: none"> <li>➤ List of Expiry Adjustments Report (MX02)</li> <li>➤ Expiry Difference Report (MX03)</li> </ul>	10:15 a.m. to 11:30 a.m.
CDCC Clearing Application available again for: <ul style="list-style-type: none"> <li>➤ Review of expiry entries</li> <li>➤ Corrections to expiry entries</li> </ul>	10:15 a.m. to 10:30 a.m.
CDCC Clearing Application shutdown <ul style="list-style-type: none"> <li>➤ Close of Business</li> </ul>	10:30 a.m.
Reports available (FTP Download): <ul style="list-style-type: none"> <li>➤ Options Exercised and Assigned Report (MT02)</li> <li>➤ Other reports and files also available</li> </ul>	11:45 a.m.

**TIME FRAMES FOR ON-LINE ACCESS (continued on next page)**

## TIME FRAMES

### TIME FRAMES FOR ON-LINE ACCESS (continued)

#### FIFO PERIOD

Activity	Deadlines
Daily reporting by Clearing Members of the Long Positions in each of their accounts in chronological order	5:30 p.m.
Submission of Tender Notices	5:30 p.m.

#### PLEDGING

Clearing Members must input requests for deposit or withdrawal of Acceptable Collateral on the pledging screen of the CDCC Clearing Application.

CDCC monitors the pledging screens between 9:00 a.m. and 3:30 p.m. on Business Days.

CDCC verifies the validity of each deposit made by Clearing Members and ensures that withdrawals do not create deficits in the Clearing Members' accounts (Margin, Clearing Fund or Difference Fund). Any request for the withdrawal of a Specific Deposit should be entered prior to when the intra-day margin call process runs as deposits are valued at this time. Any withdrawal of this type entered after such time will not be processed as such withdrawal cannot be properly valued.

The entries on the pledging screen of the CDCC Clearing Application are matched by CDCC to corresponding entries on the reporting system of the relevant Central Securities Depository.

In some cases an exchange of document at a CDCC Office by the Clearing Members (accompanied by a screen print of the entry bearing the Clearing Member's stamp) may be accepted by CDCC as constituting a physical deposit or withdrawal.

After performing all the validation processes, CDCC confirms within the CDCC Clearing Application the Clearing Members' deposits and/or withdrawals.

Deposits, withdrawals and changes thereto will be reflected on the immediately following Business Day Deposits and Withdrawals Report (MA01). In accordance with CDCC's Rules, any discrepancies that the Clearing Member notices against its own records should be reported to CDCC immediately.