

## **SECTION 14**

### **COMMUNICATIONS WITH THE CDS CLEARING HOUSE AND THE CSE**

#### **14.1 Information regarding Securities available for Dematerialization**

The CDS shall, by arrangement with the Clearing House, ensure that the CDS Clearing House is notified;

- (i) when a Security is admitted for dematerialization on the CDS.
- (ii) of any addition, deletion or modification to the Securities admitted for dematerialization on the CDS.

#### **14.2 Instructions Received from the CDS Clearing House**

- (i) The CDS shall credit and debit a Client Account in the CDS with Securities on the Settlement Date pursuant to the settlement of Market Contracts, based on the settlement instructions received from the CDS Clearing House.
- (ii) The CDS shall substitute Securities in respect of Repurchase Transactions on debt securities carried out on the CSE based on the instructions received from the CDS – Clearing House.
- (iii) The CDS shall be entitled to rely on the information provided by the CDS Clearing House in respect of such Trades.
- (iv) The CDS shall not be responsible for any dispute arising between the Account Holder and the Depository Participant in respect of Market Contracts carried out by the Participant for and on behalf of the Account Holder.

For the purpose this Rule,

‘Settlement Date’ means the date on which the settlement of a Market Contract shall take place in accordance with the Clearing House Rules of the CDS.

‘Market Contract’ means a Trade which is or is to be cleared or settled through the CDS - Clearing House in accordance with the Clearing House Rules of the CDS.

#### **14.3 Notifications from the CDS - Clearing House and CSE**

- (i) Where the CDS is notified in writing by the CSE and/or CDS - Clearing House of any disciplinary action taken against or in respect of a Trading Participant and/or Clearing Member which also operates in the capacity of a Depository Participant of the CDS, it shall facilitate such disciplinary action, as deemed necessary in terms of these Rules.
- (ii) If any such action referred to in Rule 14.3 (i) results in the CSE and/or CDS Clearing House suspending/terminating the Trading Participant and/or Clearing Member status, the CDS shall not permit such Depository Participant to perform any Depository functions in terms of these Rules.