



PRESS RELEASE

For Immediate Release

March 8th, 2001

Thomas Murray release first Depository Assessment - Canada

LONDON/WASHINGTON/HONGKONG – In response to the U.S. Securities and Exchange Commission's new Rule 17f-7 and commercial pressure to assess Central Securities Depositories (Depositories) globally, Thomas Murray and Standard & Poor's has published its first Depository assessment on the Canadian Depository for Securities Limited (CDS).

CDS exhibits low liquidity, operational, financial, asset commitment and counterparty risk exposure based on its systems' design, functionality and the extensive risk management tools it has put in place. The exception is higher levels of asset commitment risk exposure, which exists within the equity processing system.

The Depository Service combines expertise contributed by a core group of major market participants who have worked to define custody and settlement related risks to which investment advisors and funds are exposed, where they hold investments in foreign securities depositories. The assessment have be made based on data collected and validated by the following support banks globally:

ABN AMRO	Bank of New York
BNP Paribas	Citibank
State Street	Mellon Trust
SE Banken	HSBC (Validation Support Bank)

Commenting on the Depository Service, Al Cooper, CEO of CDS said "We at CDS feel that the Depository Service should go a long way towards helping the industry accurately assess the variety of Depositories in existence. The need to respond to the multitude of regulatory initiatives to set standards and guidelines is well served by this new Service."

Bruce Butterill, CDS Vice President, International Services and Product Management said "CDS worked with Thomas Murray and the support banks in our market to ensure the accuracy and completeness of the assessment. We were impressed with the checks and balances built into the approach and the commitment of Thomas Murray to react positively to incorporate our feedback. Naturally, participation in the service by depositories requires positive interaction and a willingness to confirm the underlying data and comment on the draft assessments to avoid the publication of a qualified assessment."

Simon Thomas, CEO of Thomas Murray expressed his "grateful appreciation to Al Cooper and

his team led by Bruce Butterill whose work greatly influenced the establishment of an appropriate basis for defining and assessing operational risk.”

Commenting on the regulatory demand, Simon Thomas commented that “the Depository Service provides a market led response to Rule 17f-7, which has imposed obligations on mutual funds to assess custody risks in Depositories, and the recent IOSCO/CPSS Consultative Report – Recommendations For Securities Settlement Systems January 2001 which is seeking to help establish minimum standards and best practices.”

For further information contact:

Simon Thomas, CEO, Thomas Murray

Tel: +44 207-830-8300 E-mail: sthomas@thomasmurray.com

Derek Duggan, Managing Director, Information Services, Thomas Murray

Tel: +44 207 830 8300 E-mail: dduggan@thomasmurray.com

Dr Andrew Hook, Regional Director (Americas), Thomas Murray

Tel: +1 202 458 8336 E-mail: ahook@thomasmurray.com

John Woodhouse, Regional Director (Asia Pacific), Thomas Murray

Tel: +64 4 475 3564 E-mail: jwoodhouse@thomasmurray.com

Mark Bachmann, Managing Director, Financial Institutions Ratings, Standard & Poor's

Tel: +1 212-438-7366 E-mail: mark_bachmann@standardandpoors.com

Rob Bowen, Director, Financial Institutions Ratings, Standard & Poor's

Tel: +1 212-438-7381 E-mail: robert_bowen@standardandpoors.com

The role of the CDS in the Canadian Market Infrastructure

The Canadian Depository for Securities Limited ('CDS') is the sole central securities depository in the Canadian market. CDS provides depository, clearing and settlement services for securities and debt in Canada. CDS is a private business organisation incorporated federally under the Canadian Corporations Act of 9 June 1970 and continues under section 181 of the successor Canada Business Corporations Act of 30 July 1980.

Equity and debt securities are immobilised or dematerialised within CDS. All domestic federal securities that are held in safekeeping at the Bank of Canada, provincial treasury bills, bankers' acceptances, and commercial paper are settled by book entry through CDS. All equities, Canadian and eligible provincial, municipal, corporate strip and mortgage backed securities are settled through the Securities Settlement Service ('SSS'). Government bonds, T-bills, bankers acceptance and commercial paper are settled through the Debt Clearing Service ('DCS'). International clearing and settlement of US transactions through ACCESS and New York Link (where CDS acts as the counterparty) supports OTC trades via a link with National Securities Clearing Corporation ('NSCC') and Depository Trust Company ('DTC').

The Depository Review and Risk Evaluation Service ("Depository Service")

The Depository Service is an annual programme, which formally analyse equity and fixed income Depositories around the world. The Service represents a milestone in cross-industry co-operation in tackling the problem. It combines Thomas Murray's strong position as a provider of research, evaluation and assessment custodian banks and local capital market infrastructures with S&P's extensive analytical resources and experience in evaluating credit and counterparty risk.

About Thomas Murray

Thomas Murray is an information, rating and research company specialising in supporting the investment and global securities services industries. The company specialises in the evaluation and assessment of global custodians, agent banks, Depositories, local capital market infrastructure and provides a range of products and services:

- Investor services - assisting institutions evaluate and select global custodians
- Rating services – working with S&P in rating global and domestic custodians
- Network services – assisting banks operating overseas networks evaluate local markets, associated custodial and settlement risks and analyse and select suitable domestic custodians to act as securities correspondent banks
- Information services – local capital market infrastructure information (>100 markets) and Depository Review and Risk Evaluation Service.

About Standard & Poor's

Standard & Poor's, a division of The McGraw-Hill Companies, provides independent financial information, analytical services, advice and credit ratings to the world's financial markets. Among the company's many products are the S&P 500, the premier U.S. portfolio index, and credit ratings on more than 220,000 securities and funds worldwide. With more than 4,000 employees located in 21 countries, Standard & Poor's is an integral part of the global financial infrastructure.