



**CIRCULAR 030-21**  
February 18, 2021

**SELF-CERTIFICATION**

**AMENDMENTS TO THE RULES OF BOURSE DE MONTRÉAL INC. TO MODIFY THE EXPIRY CYCLES OF EQUITY INDEX, EQUITY, ETF AND CURRENCY OPTIONS**

On September 17, 2020, the Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) approved amendments to the Rules of the Bourse in order to remove the concept of variable rotating expiry cycles for all Equity Index, Equity, ETF and Currency Options and have one single consolidated listing expiry cycle for all options.

These amendments were self-certified in accordance with the self-certification process as established in the *Derivatives Act* (CQLR, Chapter I-14.01).

These amendments attached herewith will become effective on **February 22, 2021**, after market close. Please note that the revised articles will also be available on the Bourse’s website ([www.m-x.ca](http://www.m-x.ca)).

The amendments described in the present circular were published for public comment by the Bourse on September 18, 2020 (see circular [158-20](#)). Further to the publication of this circular, the Bourse received comments. A summary of the comments received as well as responses from the Bourse to these comments is attached hereto.

For additional information, please contact Alexandre Normandeau, Legal Counsel, at 514-787-6623 or by email at [alexandre.normandeau@tmx.com](mailto:alexandre.normandeau@tmx.com).

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## PART 11 - PRODUCT SPECIFICATIONS FOR EQUITY INDEX, EQUITY, ETF AND CURRENCY OPTIONS

### Chapter A — Options on the S&P/TSX Composite Index Banks (Industry Group)

#### Article 11.1 Expiry Cycle

- (a) At a minimum, the nearest ~~four consecutive months~~ ~~three months~~ plus the next ~~two~~ ~~four~~ months in the designated quarterly Cycle: March, June, September and December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Annual expiry of December for long term Options.

### Chapter B — Standard Options on the S&P/TSX 60 Index

#### Article 11.101 Expiry Cycle

- (a) At a minimum, the nearest ~~four consecutive months~~ ~~three expiries~~, plus the next ~~two~~ ~~four~~ ~~expiries~~ ~~months~~ in ~~the designated~~ the quarterly Cycle: March, June, September, December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Annual expiry of December for long term Options.

### Chapter C — Options on the S&P/TSX Capped Utilities Index

#### Article 11.201 Expiry Cycle

- (a) At a minimum, the nearest ~~four consecutive months~~ ~~three months~~ plus the next ~~two~~ ~~four~~ months in the designated quarterly Cycle: March, June, September and December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Annual expiry of December for long term options.

### Chapter D — Equity Options

#### Article 11.302 Expiry Cycle

- (a) At a minimum, the ~~two~~ ~~nearest~~ ~~four consecutive months~~ ~~nearest expiries~~, plus the next ~~four months in the designated quarterly Cycle: March, June, September and Decembertwo quarterly expiries as defined in the expiry cycle published on the Bourse's website.~~ The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.

- (b) Annual expiry of January for long term Options.

## Chapter E — Currency Options

### Article 11.401 Expiry Cycle

- (a) At a minimum, the ~~three-nearest four consecutive months nearest expiries~~, plus the next ~~two-four months expiries~~ in the designated quarterly Cycle March, June, September, December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Long term Options have an annual expiry in January.

## Chapter F — Options on Exchange Traded Funds

### Article 11.502 Expiry Cycle

- (a) At a minimum, the nearest four consecutive months ~~three expiries~~ plus the next ~~two expiries-four months~~ in the designated quarterly Cycle: March, June, September, December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Long term Options have an annual expiry in March.

## **PART 11 - PRODUCT SPECIFICATIONS FOR EQUITY INDEX, EQUITY, ETF AND CURRENCY OPTIONS**

### **Chapter A — Options on the S&P/TSX Composite Index Banks (Industry Group)**

#### **Article 11.1 Expiry Cycle**

- (a) At a minimum, the nearest four consecutive months plus the next four months in the designated quarterly Cycle: March, June, September and December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Annual expiry of December for long term Options.

### **Chapter B — Standard Options on the S&P/TSX 60 Index**

#### **Article 11.101 Expiry Cycle**

- (a) At a minimum, the nearest four consecutive months plus the next four months in the designated the quarterly Cycle: March, June, September, December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Annual expiry of December for long term Options.

### **Chapter C — Options on the S&P/TSX Capped Utilities Index**

#### **Article 11.201 Expiry Cycle**

- (a) At a minimum, the nearest four consecutive months plus the next four months in the designated quarterly Cycle: March, June, September and December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Annual expiry of December for long term options.

### **Chapter D — Equity Options**

#### **Article 11.302 Expiry Cycle**

- (a) At a minimum, the nearest four consecutive months plus the next four months in the designated quarterly Cycle: March, June, September and December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Annual expiry of January for long term Options.

## **Chapter E — Currency Options**

### **Article 11.401 Expiry Cycle**

- (a) At a minimum, the nearest four consecutive months plus the next four months in the designated quarterly Cycle March, June, September, December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Long term Options have an annual expiry in January.

## **Chapter F — Options on Exchange Traded Funds**

### **Article 11.502 Expiry Cycle**

- (a) At a minimum, the nearest four consecutive months plus the next four months in the designated quarterly Cycle: March, June, September, December. The Bourse may list expiries over a period of two years and an annual expiry in January under such expiry Cycle.
- (b) Long term Options have an annual expiry in March.

**Circular 158-20: Summarized comments and responses**  
**“AMENDMENTS TO THE RULES OF BOURSE DE MONTRÉAL INC. TO MODIFY THE EXPIRY CYCLES OF EQUITY INDEX, EQUITY, ETF**  
**AND CURRENCY OPTIONS”**

No.	Date comments received	Participant Category	Subject	Summary of comments	Summary of responses
1.	October 14, 2020	Firm	General	The Firm supports this proposed rule filing. The Firm agrees with the Bourse that the technological limitations that historically impaired the ability of the Bourse to have different distributed options cycles no longer exists. The Firm believes that having one single consolidated listing expiry cycle for all options is technologically feasible for all market participants and is supported by the public interest for the reasons stated by the Bourse.	The Bourse acknowledges the comment and thanks the Firm.