



CIRCULAR 074-21

April 28, 2021

SELF-CERTIFICATION

**AMENDMENTS TO THE RULES OF BOURSE DE MONTRÉAL INC. TO INTRODUCE OPTIONS ON TWO-YEAR (OGZ)
AND FIVE-YEAR (OGF) GOVERNMENT OF CANADA BOND FUTURES**

On March 16, 2021, the Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) approved amendments to the Rules of the Bourse to allow for the listing of two new options on futures contracts: the options on two-year Government of Canada bond futures contract (“OGZ”) and the options on five-year Government of Canada bond futures contract (“OGF”). 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 **May 28, 2021**, after market close. Please note that the revised articles will also be available on the Bourse’s website (www.m-x.ca).

For additional information, please contact Sophie Brault, Legal Counsel, at 514-787-6565 or by email at sophie.brault@tmx.com.

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BLACKLINE VERSION

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PART 6 - TRADING RULES

Article 6.205 Prearranged Transactions

(a) In general. For the purpose of this Article, “communication” means any communication for the purpose of discerning interest in the execution of a Transaction in the Electronic Trading System prior to the exposure of the order to the market. Any communication that relates to the size, side of market or price of an order, or a potentially forthcoming order, constitutes a communication to prearrange a Transaction.

(b) The parties to a Transaction may engage in communications to prearrange a Transaction on the Electronic Trading System in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the following conditions:

(i) A customer consent to the Approved Participant engaging in prearranging communications on the customer’s behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;

(ii) After the first order for the prearranged Transaction is entered into the Electronic Trading System the parties may not enter the second order for the prearranged Transaction until the following specified time period has elapsed as follows:

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Three-Month Canadian Bankers’ Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
One-Month CORRA Futures Contracts (COA):		
All expiry months and strategies	5 seconds	No threshold
Three-Month CORRA Futures Contracts (CRA):		
All expiry months and strategies	5 seconds	No threshold

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Government of Canada Bond Futures Contracts:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX and S&P/MX Indices:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 seconds	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Two-Year Government of Canada Bond Futures Contracts (OGZ):		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Five-Year Government of Canada Bond Futures Contracts (OGF):		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Equity, ETF and Currency Options:		
All expiry months	0 seconds	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts
All UDS Strategies	5 seconds	No Threshold
Index Options:		
All expiry months	0 seconds	≥ 50 contracts

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
All expiry months	5 seconds	< 50 contracts
All UDS Strategies	5 seconds	No Threshold
Canadian Share Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 seconds	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures and Options on Futures Inter-Group Strategies		
All strategies	5 seconds	No threshold

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

- (iii) The party that initiates communication regarding a prearranged Transaction shall have his or her order entered into the Electronic Trading System first, unless the parties as part of their negotiation agree otherwise. The consent of the client, in whatever form, must be communicated to the Bourse upon request; *provided however*, that in a prearranged Transaction between an Approved Participant and a customer for an equity, ETF or Index Option, the customer's order shall always be entered into the Electronic Trading System first, regardless of which party initiated the communication.
- (iv) Limit orders resting in the Electronic Trading System at the time that the first order of the prearranged Transaction is entered at or better than the price of the first order shall be matched with the first order entered. Any residual, unfilled amount of the first order may be matched against the second order of the prearranged Transaction when the second order is entered.
- (v) Parties may not aggregate unrelated orders to meet the minimum threshold for a prearranged Transaction.
- (vi) The parties to the prearranging communications shall not disclose to any other party details of the negotiation or otherwise enter an order to take advantage of the negotiation during such communications except as permitted in this Article.
- (c) **Committed Orders.** Committed orders may not be used to execute any Transaction under this Article or Article 6.202 having a prescribed time delay longer than zero seconds, and may be used for such Transactions only for the following products subject to the minimum volume threshold:

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	MINIMUM VOLUME THRESHOLD
All expiry months and strategies	
Futures Contracts on S&P/TSX, S&P/MX and FTSE Emerging Markets Indices	100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts	250 contracts
Options on Two-Year Government of Canada Bond Futures Contracts	250 contracts
Options on Five-Year Government of Canada Bond Futures Contracts	250 contracts
Canadian Share Futures Contracts	100 contracts
All expiry months and excluding UDS strategies	
Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts
Basis Trade on Close	
Futures Contracts on S&P/TSX and S&P/MX Indices	100 contracts
Canadian Share Futures Contracts	100 contracts

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

(d) Transactions on eligible products with a prescribed time delay. The parties may engage in communications to prearrange a Transaction on the Electronic Trading System where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the conditions in paragraph (a) of this Article; *provided however:*

(i) in the case of a prearranged Transaction that is between the bid and ask on the Electronic Trading System and for an amount at or greater than the minimum threshold, the parties in their discretion may enter the prearranged Transaction as a committed order with no delay, subject to the conditions in paragraph (c) of this Article, or

(ii) in the case of a prearranged Transaction that is on or between the bid and ask on the Electronic Trading System and for an amount at or greater than the minimum threshold, the parties enter the first and second orders of the prearranged Transaction with no delay between the two, but nevertheless subject to execution risk (including the priority given resting limit orders at or better than the prearranged Transaction price).

(e) Equity, ETF, Index and Currency Option Strategy Transactions With 50% Guaranteed Minimum. The parties to an Option strategy Transaction may engage in communications to prearrange the Transaction where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the following conditions:

- (i) Market Makers are permitted to participate on the Transaction up to a total maximum of 50% of the volume of the intended Transaction;
- (ii) each Approved Participant must contact a Market Supervisor and provide details of the intended Transaction including total quantity, price, side(s) of the Transaction, a description of the legs comprising the strategy and identification of the agreed counterparty; and
- (iii) the Approved Participant will be permitted to execute the Transaction for the remaining volume (a minimum of 50% plus any volume not taken of the 50% that had been offered to the Market Makers).

Article 6.206 Block Trades

(a) In general. Approved Participants may negotiate and execute a Transaction off of the Electronic Trading System pursuant to the following conditions:

- (i) A block trade Transaction may be arranged and executed only during trading hours on the Bourse for the eligible derivative.
- (ii) Block trades are only permitted in the Derivative Instruments and for a quantity which meets or exceeds the minimum volume thresholds as follows (only to the extent the eligible security or derivative instrument is available for trading):

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
One-Month CORRA Futures Contracts (COA)	15 minutes	500 contracts	1 hour	100 contracts
Three-Month CORRA Futures Contracts (CRA)	15 minutes	500 contracts	1 hour	100 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes 30 minutes	1,500 contracts 3,500 contracts	1 hour	350 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	250 contracts	1 hour	100 contracts
30-Year Government of Canada Bond Futures Contracts (LGB)	15 minutes	100 contracts	1 hour	100 contracts
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts	1 hour	100 contracts

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
Options on Government of Canada Bond Futures Contracts (OGZ, OGF, OGB):	15 minutes	2,000 contracts	1 hour	500 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	15 minutes	2,000 contracts	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies one through four (BAX Whites)	Not applicable	Not applicable	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five	15 minutes	1,000 contracts	1 hour	250 contracts

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
through eight (BAX Reds)				
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies nine through twelve (BAX Greens)	15 minutes	500 contracts	1 hour	100 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX) / Options on Three-Month Canadian Banker's Acceptance Futures Contracts Strategy Instruments	15 minutes	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs	1 hour	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs
Ten-Year Government of Canada Bond	15 minutes	Sum of the strategy legs: 2,000 contracts	1 hour	Sum of the strategy legs: 2,0 <u>500</u> contracts in

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
Futures Contracts (CGZ , CGF , CGB) / Options on Ten - Year Government of Canada Bond Futures Contracts (OGZ , OGF , OGB) Strategy Instruments		in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs		which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs

(iii) Where a block strategy Transaction involves the trading of intra-group strategy Derivative Instruments, each derivative leg of the strategy needs to meet only the lowest applicable minimum volume threshold.

Where a block strategy Transaction involves the trading of inter-group strategy Derivative Instruments (excluding futures/options combinations), each derivative leg of the strategy needs to meet its applicable minimum volume threshold.

Where a block strategy transaction involves the trading of futures/options combinations strategy Derivative Instruments, the applicable minimum volume thresholds are defined in the last two rows of the table above.

(iv) Approved Participants may not aggregate separate orders in order to meet the minimum volume thresholds.

(v) Each party to a block trade must be an accredited counterparty as defined in Section 3 of the Derivatives Act.

(vi) The price at which a block trade is arranged must be “fair and reasonable” in light of (a) the size of the block Trade; (b) currently traded prices and bid and ask prices in the same Derivative Instrument; (c) the underlying markets; and (d) general market conditions, all at the time of the Transaction. The fairness and reasonableness of the price of a block trade priced at a basis to an Index as permitted under paragraph (b) of this Article may also take into account the following additional considerations: (e) financing rates, (f) expected dividend income, and (g) time remaining until the Index Futures Contract expiration, all at the relevant time. Although there is no requirement for a block trade to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the Transaction.

(vii) Block Trades shall not trigger special terms orders or otherwise affect orders on the Electronic Trading System.

(viii) A block Trade on a contract roll strategy is not permitted, except for the FTSE Emerging Markets Index Futures Contract.

(ix) The details of a block Trade must be reported by Approved Participants for both the buyer and seller to the Market Operations Department by telephone at 1-888-693-6366 or at 514-871-7871 and on a block Trade Reporting Form, available on the Bourse’s web site at <https://sttrf-frots.m-x.ca>, within the time prescribed in 6.206 (a) (ii).

(x) Following validation of the Trade details by the Bourse (which is not a confirmation by the Bourse that the block Trade has been effected in accordance with this Article), the Bourse shall disseminate the Trade and price information relating to the block Trade.

(xi) Upon request, the Approved Participant shall provide evidence that the block trade Transaction has been effected in accordance with these Rules.

(xii) In all circumstances, a block Trade can only be arranged by the Approved Participant’s Approved Persons.

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Chapter E — Expiration and Settlement

Appendix 6E-4 DESCRIPTION

[Appendix 6E-4.8 OPTIONS ON GOVERNMENT OF CANADA BOND FUTURES CONTRACTS](#)

(a) Main Procedure.

Weighted average. The Settlement Price shall be the weighted average of the prices traded in the closing range (last minute of trading prior to 3:00 p.m., or prior to 1:00 p.m. on early closing days). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(i) Last Trades.

(1) If no Trade occurs during the closing range, the Market Supervisors will consider Transactions executed during the last 30 minutes of trading prior to 3:00 p.m., or prior to 1:00 p.m. on early closing days. Also, to be considered, the bids and offers shall be for a minimum of 25 contracts and shall have been posted at least one minute before 3:00 p.m., or before 1:00 p.m. on early closing days, to be considered.

(2) If no Trade occurs in the closing range (or in the last 30 minutes of trading prior to 3:00 p.m., or prior to 1:00 p.m. on early closing days), the Settlement Price shall be the theoretical price calculated by the Bourse (as described in paragraph (b)). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(b) Ancillary procedure. In the absence of the items required to apply the main procedure in paragraph (a), the following ancillary procedure will apply.

(i) The Settlement Price shall be determined by inserting the following parameters into a standard Option pricing model (Black & Scholes):

(1) Price of the Underlying. The Bourse will capture the Settlement Price of the Underlying Government of Canada Bond Futures Contract. This will be the price of the underlying.

(2) Interest rate. The interest rate used will be a rate deemed appropriate for the product and its expiry date.

(3) Volatility: The Bourse will use the implied volatility (per contract month, for Puts and calls) obtained from relevant market sources and deemed appropriate for the product. The same volatility will be applied for both Calls and Puts.

(4) The Exercise Price of the Options' series and the time to expiration are the other parameters that will be inserted into the model.

(ii) In determining the closing price, the Bourse shall take into account the information provided by the posted strategy.

Chapter F—Reports

Article 6.500 Reports of Accumulated Positions

[...]

- (i) The reporting thresholds established by the Bourse are as follows:

[...]

- (ii) For Futures Contracts and the related Options on Futures Contracts:

(1) 300 contracts, in the case of Futures Contracts and Options on Futures Contracts on Three-Month Canadian Bankers' Acceptance Futures (BAX and OBX), by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. In this case, one Options contract (OBX) is equal to one Futures Contract (BAX);

(2) 250 contracts, in the case of 30-Year Government of Canada Bond Futures (LGB);

(3) 250 contracts, in the case of Futures and Options on Futures Contracts on Ten-Year Government of Canada Bond Futures (CGB and OGB), by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. For the purposes of aggregating positions, one Options contract (OGB) is equal to one Futures Contract (CGB);

(4) 250 contracts, in the case of Futures and Options on Futures Contracts on Five-Year Government of Canada Bond Futures (CGF and OGF); by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. For the purposes of aggregating positions, one Options contract (OGF) is equal to one Futures Contract (CGF);

(5) 250 contracts, in the case of Futures and Options on Futures Contracts on Two-Year Government of Canada Bond Futures (CGZ and OGZ); by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. For the purposes of aggregating positions, one Options contract (OGZ) is equal to one Futures Contract (CGZ);

(6) 1,000 contracts, in the case of S&P/TSX 60 Index Standard Futures (SXF) and S&P/TSX 60 Index Mini Futures (SXM), by aggregating positions on both Futures Contracts. For the purposes of aggregating positions, one standard contract (SXF) is equal to one mini contract (SXM);

- (7) 1,000 contracts, in the case of S&P/TSX Composite Index Mini Futures (SCF);
- (8) 300 contracts, in the case of One-Month CORRA Futures (COA) and Three-Month CORRA Futures (CRA);
- (9) 500 contracts, in the case of S&P/TSX Sector Index Futures (SXA, SXB, SXH, SXY, SXX, SXU);
- (10) 500 contracts, in the case of S&P/MX International Cannabis Index Futures;
- (11) 1,000 contracts, in the case of Futures Contracts on the FTSE Emerging Markets Index; and
- (12) 1,000 contracts, in the case of S&P/TSX 60 ESG Index Futures (SEG) and S&P/TSX Composite ESG Index Futures (SCG).

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PART 13 - PRODUCT SPECIFICATIONS FOR OPTIONS ON FUTURES

Chapter A — Options on Ten-Year Government of Canada Bond Futures

Article 13.0 Underlying

The Underlying Interest is a Ten-year Government of Canada Bond Futures.

Article 13.1 Expiry Cycle

The Delivery Months for Options on Ten-year Government of Canada Bond Futures are:

- (a) Quarterlies: March, June, September and December.
- (b) Monthlies: Based on the next quarterly Futures Contract that is nearest to the Options contract.

Article 13.2 Trading Unit

The trading unit is one Ten-year Government of Canada Bond Futures with a \$100,000 face value at maturity.

Article 13.3 Premium Quotation

Bids and offers are quoted in points where each 0.005 point (0.5 basis point) represents \$5.

Article 13.4 Reserved

Article 13.5 Exercise Prices

Exercise Prices are set at a minimum of 0.5 point intervals per Ten-year Government of Canada Bond Futures.

- (a) Exercise Prices shall be listed in the following manner:
 - (i) one Exercise Price as close as possible to the Settlement Price of the Underlying Interest on the previous business day, plus a minimum of one Exercise Price higher and one Exercise Price lower.
- (b) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market condition.

Article 13.6 Minimum Fluctuation of the Option Premium

Unless determined otherwise by the Bourse, the minimum fluctuation of the Premium is 0.005 point, representing \$5 per contract.

Article 13.7 Maximum Price Variation Thresholds

Options on Ten-year Government of Canada Bond Futures are not subject to maximum price variation thresholds.

Article 13.8 Position Limits

The position limits for Options on Ten-year Government of Canada Bond Futures are the same as the Ten-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract [pursuant to Article 6.309 of the Rules for purposes of position limits with each Option aggregated as the equivalent of a Futures Contract.](#)

And on June 30, 2021 as per circular 021-21:

The position limits for Options on Ten-year Government of Canada Bond Futures are the same as the Ten-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract [pursuant to Article 6.309A of the Rules.](#)

Article 13.9 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.10 Nature of the Option/Settlement Type

- (a) A buyer of one Government of Canada Bond Futures Option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Government of Canada Bond Futures contract (long, if the Option is a Call and short, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.
- (b) The seller of one Government of Canada Bond Futures Option incurs, if the Option is Exercised, the obligation of assuming a position in one Government of Canada Bond Futures contract (short if the Option is a Call and long if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.11 Currency

Trading, clearing and settlement of Options on Ten-year Government of Canada Bond Futures are in Canadian dollars.

Article 13.12 Last Trading Day

- (a) Trading ceases on the third Friday of the month preceding the Option Delivery Month provided that it is a business day and precedes by at least two (2) business days the first notice day of the underlying Futures.
- (b) If it is not a business day, the last Trading Day of the Option is the business day prior to such Friday and preceding by at least two (2) business days the first Delivery notice day of the underlying Futures.

Article 13.13 Trading Hours

Trading hours will be determined and published by the Bourse.

Article 13.14 Expiration Day

Expiration occurs on the last Trading Day.

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[Chapter F — Options on Two-Year Government of Canada Bond Futures](#)

[Article 13.500 Underlying](#)

[The Underlying Interest is a Two-year Government of Canada Bond Futures.](#)

Article 13.501 Expiry Cycle

The Delivery Months for Options on Two-year Government of Canada Bond Futures are:

- (a) Quarterlies: March, June, September and December.
- (b) Monthlies: Based on the next quarterly Futures Contract that is nearest to the Options contract.

Article 13.502 Trading Unit

The trading unit is one Two-year Government of Canada Bond Futures with a \$100,000 face value at maturity.

Article 13.503 Premium Quotation

Bids and offers are quoted in points where each 0.005 point (0.5 basis point) represents \$5.

Article 13.504 Reserved

Article 13.505 Exercise Prices

Exercise Prices are set at a minimum of 0.10 point intervals per Two-year Government of Canada Bond Futures.

- (a) Exercise Prices shall be listed in the following manner:

 - (i) one Exercise Price as close as possible to the Settlement Price of the Underlying Interest on the previous business day, plus a minimum of one Exercise Price higher and one Exercise Price lower.

- (b) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market conditions.

Article 13.506 Minimum Fluctuation of the Option Premium

Unless determined otherwise by the Bourse, the minimum fluctuation of the Premium is 0.005 point, representing \$5 per contract.

Article 13.507 Maximum Price Variation Thresholds

Options on Two-year Government of Canada Bond Futures are not subject to maximum price variation thresholds.

Article 13.508 Position Limits

The position limits for Options on Two-year Government of Canada Bond Futures are the same as the Two-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309 of the Rules.

And on June 30, 2021 as per circular 021-21:

The position limits for Options on Two-year Government of Canada Bond Futures are the same as the Two-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309A of the Rules.

Article 13.509 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.510 Nature of the Option/Settlement Type

- (a) A buyer of one Government of Canada Bond Futures Option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Government of Canada Bond Futures contract (long, if the Option is a Call and short, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.
- (b) The seller of one Government of Canada Bond Futures Option incurs, if the Option is Exercised, the obligation of assuming a position in one Government of Canada Bond Futures contract (short if the Option is a Call and long if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.511 Currency

Trading, clearing and settlement of Options on Two-year Government of Canada Bond Futures are in Canadian dollars.

Article 13.512 Last Trading Day

- (a) Trading ceases on the third Friday of the month preceding the Option Delivery Month provided that it is a business day and precedes by at least two (2) business days the first notice day of the underlying Futures.
- (b) If it is not a business day, the last Trading Day of the Option is the business day prior to such Friday and preceding by at least two (2) business days the first Delivery notice day of the underlying Futures.

Article 13.513 Trading Hours

Trading hours will be determined and published by the Bourse.

Article 13.514 Expiration Day

Expiration occurs on the last Trading Day.

Chapter G — Options on Five-Year Government of Canada Bond Futures

Article 13.600 Underlying

The Underlying Interest is a Five-year Government of Canada Bond Futures.

Article 13.601 Expiry Cycle

The Delivery Months for Options on Five-year Government of Canada Bond Futures are:

- (a) Quarterlies: March, June, September and December.
- (b) Monthlies: Based on the next quarterly Futures Contract that is nearest to the Options contract.

Article 13.602 Trading Unit

The trading unit is one Five-year Government of Canada Bond Futures with a \$100,000 face value at maturity.

Article 13.603 Premium Quotation

Bids and offers are quoted in points where each 0.005 point (0.5 basis point) represents \$5.

Article 13.604 Reserved

Article 13.605 Exercise Prices

Exercise Prices are set at a minimum of 0.25 point intervals per Five-year Government of Canada Bond Futures.

- (a) Exercise Prices shall be listed in the following manner:
 - (i) one Exercise Price as close as possible to the Settlement Price of the Underlying Interest on the previous business day, plus a minimum of one Exercise Price higher and one Exercise Price lower.

(b) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market conditions.

Article 13.606 Minimum Fluctuation of the Option Premium

Unless determined otherwise by the Bourse, the minimum fluctuation of the Premium is 0.005 point, representing \$5 per contract.

Article 13.607 Maximum Price Variation Thresholds

Options on Five-year Government of Canada Bond Futures are not subject to maximum price variation thresholds.

Article 13.608 Position Limits

The position limits for Options on Five-year Government of Canada Bond Futures are the same as the Five-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309 of the Rules.

And on June 30, 2021 as per circular 021-21:

The position limits for Options on Five-year Government of Canada Bond Futures are the same as the Five-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309A of the Rules.

Article 13.609 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.610 Nature of the Option/Settlement Type

(a) A buyer of one Government of Canada Bond Futures Option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Government of Canada Bond Futures contract (long, if the Option is a Call and short, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

(b) The seller of one Government of Canada Bond Futures Option incurs, if the Option is Exercised, the obligation of assuming a position in one Government of Canada Bond Futures contract (short if the Option is a Call and long if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.611 **Currency**

Trading, clearing and settlement of Options on Five-year Government of Canada Bond Futures are in Canadian dollars.

Article 13.612 **Last Trading Day**

(a) Trading ceases on the third Friday of the month preceding the Option Delivery Month provided that it is a business day and precedes by at least two (2) business days the first notice day of the underlying Futures.

(b) If it is not a business day, the last Trading Day of the Option is the business day prior to such Friday and preceding by at least two (2) business days the first Delivery notice day of the underlying Futures

Article 13.613 **Trading Hours**

Trading hours will be determined and published by the Bourse.

Article 13.614 **Expiration Day**

Expiration occurs on the last Trading Day.

CLEAN VERSION

[...]

PART 6 - TRADING RULES

Article 6.205 Prearranged Transactions

(a) In general. For the purpose of this Article, “communication” means any communication for the purpose of discerning interest in the execution of a Transaction in the Electronic Trading System prior to the exposure of the order to the market. Any communication that relates to the size, side of market or price of an order, or a potentially forthcoming order, constitutes a communication to prearrange a Transaction.

(b) The parties to a Transaction may engage in communications to prearrange a Transaction on the Electronic Trading System in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the following conditions:

(i) A customer consent to the Approved Participant engaging in prearranging communications on the customer’s behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;

(ii) After the first order for the prearranged Transaction is entered into the Electronic Trading System the parties may not enter the second order for the prearranged Transaction until the following specified time period has elapsed as follows:

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Three-Month Canadian Bankers’ Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
One-Month CORRA Futures Contracts (COA):		
All expiry months and strategies	5 seconds	No threshold
Three-Month CORRA Futures Contracts (CRA):		
All expiry months and strategies	5 seconds	No threshold

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Government of Canada Bond Futures Contracts:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX and S&P/MX Indices:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 seconds	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Two-Year Government of Canada Bond Futures Contracts (OGZ):		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Five-Year Government of Canada Bond Futures Contracts (OGF):		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Equity, ETF and Currency Options:		
All expiry months	0 seconds	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts
All UDS Strategies	5 seconds	No Threshold
Index Options:		
All expiry months	0 seconds	≥ 50 contracts

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
All expiry months	5 seconds	< 50 contracts
All UDS Strategies	5 seconds	No Threshold
Canadian Share Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 seconds	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures and Options on Futures Inter-Group Strategies		
All strategies	5 seconds	No threshold

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

- (iii) The party that initiates communication regarding a prearranged Transaction shall have his or her order entered into the Electronic Trading System first, unless the parties as part of their negotiation agree otherwise. The consent of the client, in whatever form, must be communicated to the Bourse upon request; *provided however*, that in a prearranged Transaction between an Approved Participant and a customer for an equity, ETF or Index Option, the customer's order shall always be entered into the Electronic Trading System first, regardless of which party initiated the communication.
- (iv) Limit orders resting in the Electronic Trading System at the time that the first order of the prearranged Transaction is entered at or better than the price of the first order shall be matched with the first order entered. Any residual, unfilled amount of the first order may be matched against the second order of the prearranged Transaction when the second order is entered.
- (v) Parties may not aggregate unrelated orders to meet the minimum threshold for a prearranged Transaction.
- (vi) The parties to the prearranging communications shall not disclose to any other party details of the negotiation or otherwise enter an order to take advantage of the negotiation during such communications except as permitted in this Article.
- (c) Committed Orders. Committed orders may not be used to execute any Transaction under this Article or Article 6.202 having a prescribed time delay longer than zero seconds, and may be used for such Transactions only for the following products subject to the minimum volume threshold:

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	MINIMUM VOLUME THRESHOLD
All expiry months and strategies	
Futures Contracts on S&P/TSX, S&P/MX and FTSE Emerging Markets Indices	100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts	250 contracts
Options on Two-Year Government of Canada Bond Futures Contracts	250 contracts
Options on Five-Year Government of Canada Bond Futures Contracts	250 contracts
Canadian Share Futures Contracts	100 contracts
All expiry months and excluding UDS strategies	
Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts
Basis Trade on Close	
Futures Contracts on S&P/TSX and S&P/MX Indices	100 contracts
Canadian Share Futures Contracts	100 contracts

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

(d) Transactions on eligible products with a prescribed time delay. The parties may engage in communications to prearrange a Transaction on the Electronic Trading System where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the conditions in paragraph (a) of this Article; *provided however:*

(i) in the case of a prearranged Transaction that is between the bid and ask on the Electronic Trading System and for an amount at or greater than the minimum threshold, the parties in their discretion may enter the prearranged Transaction as a committed order with no delay, subject to the conditions in paragraph (c) of this Article, or

(ii) in the case of a prearranged Transaction that is on or between the bid and ask on the Electronic Trading System and for an amount at or greater than the minimum threshold, the parties enter the first and second orders of the prearranged Transaction with no delay between the two, but nevertheless subject to execution risk (including the priority given resting limit orders at or better than the prearranged Transaction price).

(e) Equity, ETF, Index and Currency Option Strategy Transactions With 50% Guaranteed Minimum. The parties to an Option strategy Transaction may engage in communications to prearrange the Transaction where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the following conditions:

- (i) Market Makers are permitted to participate on the Transaction up to a total maximum of 50% of the volume of the intended Transaction;
- (ii) each Approved Participant must contact a Market Supervisor and provide details of the intended Transaction including total quantity, price, side(s) of the Transaction, a description of the legs comprising the strategy and identification of the agreed counterparty; and
- (iii) the Approved Participant will be permitted to execute the Transaction for the remaining volume (a minimum of 50% plus any volume not taken of the 50% that had been offered to the Market Makers).

Article 6.206 Block Trades

(a) In general. Approved Participants may negotiate and execute a Transaction off of the Electronic Trading System pursuant to the following conditions:

- (i) A block trade Transaction may be arranged and executed only during trading hours on the Bourse for the eligible derivative.
- (ii) Block trades are only permitted in the Derivative Instruments and for a quantity which meets or exceeds the minimum volume thresholds as follows (only to the extent the eligible security or derivative instrument is available for trading):

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
One-Month CORRA Futures Contracts (COA)	15 minutes	500 contracts	1 hour	100 contracts
Three-Month CORRA Futures Contracts (CRA)	15 minutes	500 contracts	1 hour	100 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes 30 minutes	1,500 contracts 3,500 contracts	1 hour	350 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	250 contracts	1 hour	100 contracts
30-Year Government of Canada Bond Futures Contracts (LGB)	15 minutes	100 contracts	1 hour	100 contracts
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts	1 hour	100 contracts

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
Options on Government of Canada Bond Futures Contracts (OGZ, OGF, OGB):	15 minutes	2,000 contracts	1 hour	500 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	15 minutes	2,000 contracts	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies one through four (BAX Whites)	Not applicable	Not applicable	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five	15 minutes	1,000 contracts	1 hour	250 contracts

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
through eight (BAX Reds)				
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies nine through twelve (BAX Greens)	15 minutes	500 contracts	1 hour	100 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX) / Options on Three-Month Canadian Banker's Acceptance Futures Contracts Strategy Instruments	15 minutes	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs	1 hour	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs
Government of Canada Bond Futures	15 minutes	Sum of the strategy legs: 2,000 contracts	1 hour	Sum of the strategy legs: 500 contracts in

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
Contracts (CGZ, CGF, CGB) / Options on Government of Canada Bond Futures Contracts (OGZ, OGF, OGB) Strategy Instruments		in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs		which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs

(iii) Where a block strategy Transaction involves the trading of intra-group strategy Derivative Instruments, each derivative leg of the strategy needs to meet only the lowest applicable minimum volume threshold.

Where a block strategy Transaction involves the trading of inter-group strategy Derivative Instruments (excluding futures/options combinations), each derivative leg of the strategy needs to meet its applicable minimum volume threshold.

Where a block strategy transaction involves the trading of futures/options combinations strategy Derivative Instruments, the applicable minimum volume thresholds are defined in the last two rows of the table above.

(iv) Approved Participants may not aggregate separate orders in order to meet the minimum volume thresholds.

(v) Each party to a block trade must be an accredited counterparty as defined in Section 3 of the Derivatives Act.

(vi) The price at which a block trade is arranged must be “fair and reasonable” in light of (a) the size of the block Trade; (b) currently traded prices and bid and ask prices in the same Derivative Instrument; (c) the underlying markets; and (d) general market conditions, all at the

time of the Transaction. The fairness and reasonableness of the price of a block trade priced at a basis to an Index as permitted under paragraph (b) of this Article may also take into account the following additional considerations: (e) financing rates, (f) expected dividend income, and (g) time remaining until the Index Futures Contract expiration, all at the relevant time. Although there is no requirement for a block trade to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the Transaction.

(vii) Block Trades shall not trigger special terms orders or otherwise affect orders on the Electronic Trading System.

(viii) A block Trade on a contract roll strategy is not permitted, except for the FTSE Emerging Markets Index Futures Contract.

(ix) The details of a block Trade must be reported by Approved Participants for both the buyer and seller to the Market Operations Department by telephone at 1-888-693-6366 or at 514-871-7871 and on a block Trade Reporting Form, available on the Bourse's web site at <https://sttrf-frots.m-x.ca>, within the time prescribed in 6.206 (a) (ii).

(x) Following validation of the Trade details by the Bourse (which is not a confirmation by the Bourse that the block Trade has been effected in accordance with this Article), the Bourse shall disseminate the Trade and price information relating to the block Trade.

(xi) Upon request, the Approved Participant shall provide evidence that the block trade Transaction has been effected in accordance with these Rules.

(xii) In all circumstances, a block Trade can only be arranged by the Approved Participant's Approved Persons.

[...]

Chapter E — Expiration and Settlement

Appendix 6E-4 DESCRIPTION

Appendix 6E-4.8 OPTIONS ON GOVERNMENT OF CANADA BOND FUTURES CONTRACTS

(a) Main Procedure.

Weighted average. The Settlement Price shall be the weighted average of the prices traded in the closing range (last minute of trading prior to 3:00 p.m., or prior to 1:00 p.m. on early closing days). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(i) Last Trades.

(1) If no Trade occurs during the closing range, the Market Supervisors will consider Transactions executed during the last 30 minutes of trading prior to 3:00 p.m., or prior to 1:00 p.m. on early closing days. Also, to be considered, the bids and offers shall be for a minimum of 25 contracts and shall have been posted at least one minute before 3:00 p.m., or before 1:00 p.m. on early closing days, to be considered.

(2) If no Trade occurs in the closing range (or in the last 30 minutes of trading prior to 3:00 p.m., or prior to 1:00 p.m. on early closing days), the Settlement Price shall be the theoretical price calculated by the Bourse (as described in paragraph (b)). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(b) Ancillary procedure. In the absence of the items required to apply the main procedure in paragraph (a), the following ancillary procedure will apply.

(i) The Settlement Price shall be determined by inserting the following parameters into a standard Option pricing model (Black & Scholes):

(1) Price of the Underlying. The Bourse will capture the Settlement Price of the Underlying Government of Canada Bond Futures Contract. This will be the price of the underlying.

(2) Interest rate. The interest rate used will be a rate deemed appropriate for the product and its expiry date.

(3) Volatility: The Bourse will use the implied volatility (per contract month, for Puts and calls) obtained from relevant market sources and deemed appropriate for the product. The same volatility will be applied for both Calls and Puts.

(4) The Exercise Price of the Options' series and the time to expiration are the other parameters that will be inserted into the model.

(ii) In determining the closing price, the Bourse shall take into account the information provided by the posted strategy.

Chapter F—Reports

Article 6.500 Reports of Accumulated Positions

[...]

- (i) The reporting thresholds established by the Bourse are as follows:

[...]

- (ii) For Futures Contracts and the related Options on Futures Contracts:

(1) 300 contracts, in the case of Futures Contracts and Options on Futures Contracts on Three-Month Canadian Bankers' Acceptance Futures (BAX and OBX), by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. In this case, one Options contract (OBX) is equal to one Futures Contract (BAX);

(2) 250 contracts, in the case of 30-Year Government of Canada Bond Futures (LGB);

(3) 250 contracts, in the case of Futures and Options on Futures Contracts on Ten-Year Government of Canada Bond Futures (CGB and OGB), by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. For the purposes of aggregating positions, one Options contract (OGB) is equal to one Futures Contract (CGB);

(4) 250 contracts, in the case of Futures and Options on Futures Contracts on Five-Year Government of Canada Bond Futures (CGF and OGF) by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. For the purposes of aggregating positions, one Options contract (OGF) is equal to one Futures Contract (CGF);

(5) 250 contracts, in the case of Futures and Options on Futures Contracts on Two-Year Government of Canada Bond Futures (CGZ and OGZ) by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. For the purposes of aggregating positions, one Options contract (OGZ) is equal to one Futures Contract (CGZ);

(6) 1,000 contracts, in the case of S&P/TSX 60 Index Standard Futures (SXF) and S&P/TSX 60 Index Mini Futures (SXM), by aggregating positions on both Futures Contracts. For the purposes of aggregating positions, one standard contract (SXF) is equal to one mini contract (SXM);

(7) 1,000 contracts, in the case of S&P/TSX Composite Index Mini Futures (SCF);

- (8) 300 contracts, in the case of One-Month CORRA Futures (COA) and Three-Month CORRA Futures (CRA);
- (9) 500 contracts, in the case of S&P/TSX Sector Index Futures (SXA, SXB, SXH, SXY, SXX, SXU);
- (10) 500 contracts, in the case of S&P/MX International Cannabis Index Futures;
- (11) 1,000 contracts, in the case of Futures Contracts on the FTSE Emerging Markets Index; and
- (12) 1,000 contracts, in the case of S&P/TSX 60 ESG Index Futures (SEG) and S&P/TSX Composite ESG Index Futures (SCG).

[...]

PART 13 - PRODUCT SPECIFICATIONS FOR OPTIONS ON FUTURES

Chapter A — Options on Ten-Year Government of Canada Bond Futures

Article 13.0 Underlying

The Underlying Interest is a Ten-year Government of Canada Bond Futures.

Article 13.1 Expiry Cycle

The Delivery Months for Options on Ten-year Government of Canada Bond Futures are:

- (a) Quarterlies: March, June, September and December.
- (b) Monthlies: Based on the next quarterly Futures Contract that is nearest to the Options contract.

Article 13.2 Trading Unit

The trading unit is one Ten-year Government of Canada Bond Futures with a \$100,000 face value at maturity.

Article 13.3 Premium Quotation

Bids and offers are quoted in points where each 0.005 point (0.5 basis point) represents \$5.

Article 13.4 Reserved

Article 13.5 Exercise Prices

Exercise Prices are set at a minimum of 0.5 point intervals per Ten-year Government of Canada Bond Futures.

- (a) Exercise Prices shall be listed in the following manner:
 - (i) one Exercise Price as close as possible to the Settlement Price of the Underlying Interest on the previous business day, plus a minimum of one Exercise Price higher and one Exercise Price lower.
- (b) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market condition.

Article 13.6 Minimum Fluctuation of the Option Premium

Unless determined otherwise by the Bourse, the minimum fluctuation of the Premium is 0.005 point, representing \$5 per contract.

Article 13.7 Maximum Price Variation Thresholds

Options on Ten-year Government of Canada Bond Futures are not subject to maximum price variation thresholds.

Article 13.8 Position Limits

The position limits for Options on Ten-year Government of Canada Bond Futures are the same as the Ten-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309 of the Rules.

And on June 30, 2021 as per circular 021-21:

The position limits for Options on Ten-year Government of Canada Bond Futures are the same as the Ten-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309A of the Rules.

Article 13.9 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.10 Nature of the Option/Settlement Type

- (a) A buyer of one Government of Canada Bond Futures Option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Government of Canada Bond Futures contract (long, if the Option is a Call and short, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.
- (b) The seller of one Government of Canada Bond Futures Option incurs, if the Option is Exercised, the obligation of assuming a position in one Government of Canada Bond Futures contract (short if the Option is a Call and long if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.11 Currency

Trading, clearing and settlement of Options on Ten-year Government of Canada Bond Futures are in Canadian dollars.

Article 13.12 Last Trading Day

- (a) Trading ceases on the third Friday of the month preceding the Option Delivery Month provided that it is a business day and precedes by at least two (2) business days the first notice day of the underlying Futures.
- (b) If it is not a business day, the last Trading Day of the Option is the business day prior to such Friday and preceding by at least two (2) business days the first Delivery notice day of the underlying Futures.

Article 13.13 Trading Hours

Trading hours will be determined and published by the Bourse.

Article 13.14 Expiration Day

Expiration occurs on the last Trading Day.

[...]

Chapter F — Options on Two-Year Government of Canada Bond Futures

Article 13.500 Underlying

The Underlying Interest is a Two-year Government of Canada Bond Futures.

Article 13.501 Expiry Cycle

The Delivery Months for Options on Two-year Government of Canada Bond Futures are:

- (a) Quarterlies: March, June, September and December.
- (b) Monthlies: Based on the next quarterly Futures Contract that is nearest to the Options contract.

Article 13.502 Trading Unit

The trading unit is one Two-year Government of Canada Bond Futures with a \$100,000 face value at maturity.

Article 13.503 Premium Quotation

Bids and offers are quoted in points where each 0.005 point (0.5 basis point) represents \$5.

Article 13.504 Reserved

Article 13.505 Exercise Prices

Exercise Prices are set at a minimum of 0.10 point intervals per Two-year Government of Canada Bond Futures.

- (a) Exercise Prices shall be listed in the following manner:
 - (i) one Exercise Price as close as possible to the Settlement Price of the Underlying Interest on the previous business day, plus a minimum of one Exercise Price higher and one Exercise Price lower.
- (b) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market conditions.

Article 13.506 Minimum Fluctuation of the Option Premium

Unless determined otherwise by the Bourse, the minimum fluctuation of the Premium is 0.005 point, representing \$5 per contract.

Article 13.507 Maximum Price Variation Thresholds

Options on Two-year Government of Canada Bond Futures are not subject to maximum price variation thresholds.

Article 13.508 Position Limits

The position limits for Options on Two-year Government of Canada Bond Futures are the same as the Two-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309 of the Rules.

And on June 30, 2021 as per circular 021-21:

The position limits for Options on Two-year Government of Canada Bond Futures are the same as the Two-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309A of the Rules.

Article 13.509 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.510 Nature of the Option/Settlement Type

- (a) A buyer of one Government of Canada Bond Futures Option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Government of Canada Bond Futures contract (long, if the Option is a Call and short, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.
- (b) The seller of one Government of Canada Bond Futures Option incurs, if the Option is Exercised, the obligation of assuming a position in one Government of Canada Bond Futures contract (short if the Option is a Call and long if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.511 Currency

Trading, clearing and settlement of Options on Two-year Government of Canada Bond Futures are in Canadian dollars.

Article 13.512 Last Trading Day

- (a) Trading ceases on the third Friday of the month preceding the Option Delivery Month provided that it is a business day and precedes by at least two (2) business days the first notice day of the underlying Futures.
- (b) If it is not a business day, the last Trading Day of the Option is the business day prior to such Friday and preceding by at least two (2) business days the first Delivery notice day of the underlying Futures.

Article 13.513 Trading Hours

Trading hours will be determined and published by the Bourse.

Article 13.514 Expiration Day

Expiration occurs on the last Trading Day.

Chapter G — Options on Five-Year Government of Canada Bond Futures

Article 13.600 Underlying

The Underlying Interest is a Five-year Government of Canada Bond Futures.

Article 13.601 Expiry Cycle

The Delivery Months for Options on Five-year Government of Canada Bond Futures are:

- (a) Quarterly: March, June, September and December.
- (b) Monthly: Based on the next quarterly Futures Contract that is nearest to the Options contract.

Article 13.602 Trading Unit

The trading unit is one Five-year Government of Canada Bond Futures with a \$100,000 face value at maturity.

Article 13.603 Premium Quotation

Bids and offers are quoted in points where each 0.005 point (0.5 basis point) represents \$5.

Article 13.604 Reserved

Article 13.605 Exercise Prices

Exercise Prices are set at a minimum of 0.25 point intervals per Five-year Government of Canada Bond Futures.

- (a) Exercise Prices shall be listed in the following manner:
 - (i) one Exercise Price as close as possible to the Settlement Price of the Underlying Interest on the previous business day, plus a minimum of one Exercise Price higher and one Exercise Price lower.

- (b) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market conditions.

Article 13.606 Minimum Fluctuation of the Option Premium

Unless determined otherwise by the Bourse, the minimum fluctuation of the Premium is 0.005 point, representing \$5 per contract.

Article 13.607 Maximum Price Variation Thresholds

Options on Five-year Government of Canada Bond Futures are not subject to maximum price variation thresholds.

Article 13.608 Position Limits

The position limits for Options on Five-year Government of Canada Bond Futures are the same as the Five-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309 of the Rules.

And on June 30, 2021 as per circular 021-21:

The position limits for Options on Five-year Government of Canada Bond Futures are the same as the Five-year Government of Canada Bond Futures Contract. Options on Futures Contract positions are aggregated with the underlying Futures Contract pursuant to Article 6.309A of the Rules.

Article 13.609 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.610 Nature of the Option/Settlement Type

(a) A buyer of one Government of Canada Bond Futures Option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Government of Canada Bond Futures contract (long, if the Option is a Call and short, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

(b) The seller of one Government of Canada Bond Futures Option incurs, if the Option is Exercised, the obligation of assuming a position in one Government of Canada Bond Futures

contract (short if the Option is a Call and long if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.611 Currency

Trading, clearing and settlement of Options on Five-year Government of Canada Bond Futures are in Canadian dollars.

Article 13.612 Last Trading Day

(a) Trading ceases on the third Friday of the month preceding the Option Delivery Month provided that it is a business day and precedes by at least two (2) business days the first notice day of the underlying Futures.

(b) If it is not a business day, the last Trading Day of the Option is the business day prior to such Friday and preceding by at least two (2) business days the first Delivery notice day of the underlying Futures

Article 13.613 Trading Hours

Trading hours will be determined and published by the Bourse.

Article 13.614 Expiration Day

Expiration occurs on the last Trading Day.