



CIRCULAR 096-19

July 2, 2019

SELF-CERTIFICATION

**HOUSEKEEPING AMENDMENTS TO ARTICLES 12.207, 6.4, 6.206 AND 6.208 OF THE RULES OF
BOURSE DE MONTRÉAL INC.**

On May 9, 2019, the Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) approved housekeeping amendments to articles 12.207, 6.4, 6.206 and 6.208. 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 **July 5, 2019**, 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 Martin Jannelle, Senior Legal Counsel, at 514-787-6578 or at martin.jannelle@tmx.com.

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Chapter C—Five Year Government of Canada Bond Futures

[...]

Article 12.207 Position Limits

- (a) For all expiration months combined. For all expiration months combined for each designated Government of Canada Bond Futures Contract, the maximum net Long Position or net Short Position which a Person may own or control in accordance with Article 6.310 is equal to half the sum of:
- (i) 20% of the total outstanding deliverable Bonds of the front Delivery Month; and the greater of
 - (1) 4,000 contracts or
 - (2) 20% of the average daily Open Interest for all ~~contract months~~Delivery Months during the preceding three ~~Delivery Months~~calendar months.
 - (ii) If deemed necessary, the Bourse may apply a different position limit to an Approved Participant or its client. This position limit may not exceed the position limit determined in accordance with this paragraph (a) unless an exemption is granted under Article 6.311.

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- (i) 20% of the total outstanding deliverable Bonds of the front Delivery Month; and the greater of
 - (1) 4,000 contracts or
 - (2) 20% of the average daily Open Interest for all Delivery Months during the preceding three calendar months.
 - (ii) If deemed necessary, the Bourse may apply a different position limit to an Approved Participant or its client. This position limit may not exceed the position limit determined in accordance with this paragraph (a) unless an exemption is granted under Article 6.311.

[...]

Chapter A—In General

Article 6.4 ~~Open Positions; Liquidation Trades~~ Closing Trades

- (a) All Derivative Instruments positions for a Client Account or non-client account must remain open until liquidated by a closing Transaction, by Delivery, by cash settlement or failure to perform as provided in the rules of the exchange where such Derivative Instruments are traded and the Clearing Corporation.
- (b) All Closing Trades shall take place on the Bourse and shall be subject to the Regulations of the Bourse and of the designated Clearing Corporation.

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Chapter A—In General

Article 6.4 Closing Trades

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[...]

Chapter C—Prearranged Transactions and Trade Cancellation

[...]

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)	
30-Day Overnight Repo Rate Futures Contracts (ONX)	15 minutes	1,000 contracts	1 hour	250 contracts
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts	1 hour	50 contracts
Ten-Year Government of	15 minutes	1,500 contracts	1 hour	350 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)	
Canada Bond Futures Contracts (CGB)				
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
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	15 minutes	2,000 contracts	1 hour	500 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)	
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies one through four (BAX Whites)	15 minutes Not applicable	– Not applicable	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight (BAX Reds)	15 minutes	1,000 contracts	1 hour	250 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies nine through twelve (BAX Greens)	15 minutes	500 contracts	1 hour	100 contracts
Three-Month Canadian	15 minutes	Sum of the strategy legs:	1 hour	Sum of the strategy legs:

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)	
Bankers' Acceptance Futures Contracts (BAX) / Options on Three-Month Canadian Banker's Acceptance Futures Contracts Strategy Instruments		2,000 contracts in which the options leg(s) volume must amount to at least 50% of the 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 Futures Contracts (CGB) / Options on Ten-Year Government of Canada Bond Futures Contracts (OGB) 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

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 - (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)	
30-Day Overnight Repo Rate Futures Contracts (ONX)	15 minutes	1,000 contracts	1 hour	250 contracts
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts	1 hour	50 contracts
Ten-Year Government of Canada Bond	15 minutes	1,500 contracts	1 hour	350 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)	
Futures Contracts (CGB)				
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
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	15 minutes	2,000 contracts	1 hour	500 contracts
Three-Month Canadian Bankers'	Not applicable	Not applicable	1 hour	500 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)	
Acceptance Futures Contracts quarterlies one through four (BAX Whites)				
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight (BAX Reds)	15 minutes	1,000 contracts	1 hour	250 contracts
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	15 minutes	Sum of the strategy legs: 2,000 contracts in which the options leg(s)	1 hour	Sum of the strategy legs: 2,000 contracts in which the options leg(s)

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	(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 (BAX) / Options on Three-Month Canadian Banker's Acceptance Futures Contracts Strategy Instruments		volume must amount to at least 50% of the sum of the strategy legs		volume must amount to at least 50% of the sum of the strategy legs
Ten-Year Government of Canada Bond Futures Contracts (CGB) / Options on Ten-Year Government of Canada Bond Futures Contracts (OGB) 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

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Chapter C—Prearranged Transactions and Trade Cancellation

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Article 6.208 Exchange of Futures for Related Products

- (a) EFRP Transactions in general. Exchanges of Futures for Related Products (“EFRP”) Transactions involving Futures Contracts listed and traded on the Bourse are permitted if such Transactions are executed in accordance with the requirements of this Article. An EFRP Transaction is composed of the privately negotiated execution of a Bourse Futures Contract and the opposite, simultaneous execution of an approximately equivalent quantity or value of cash product, by-product, related product, or Over-The-Counter (“OTC”) Derivative Instrument underlying the Futures Contract.
- (i) An EFRP Transaction is permitted to be executed off of the Trading System pursuant to Article 6.204 if such Transaction is conducted in accordance with each of the requirements and conditions of this Article.
- (ii) The following separate types of Transactions are referred to collectively as EFRP Transaction under this Article, and are included under, and subject to, its provisions:
- (1) Exchange for Physical (“EFP”) – the simultaneous execution of a Bourse Futures Contract and a corresponding cash market transaction; and
 - (2) Exchange for Risk (“EFR”) – the simultaneous execution of a Bourse Futures Contract and a corresponding OTC swap or other OTC derivative transaction.

[...]

Chapter C—Prearranged Transactions and Trade Cancellation

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- (ii) The following separate types of Transactions are referred to collectively as EFRP Transaction under this Article, and are included under, and subject to, its provisions:
- (1) Exchange for Physical (“EFP”) – the simultaneous execution of a Bourse Futures Contract and a corresponding cash market transaction; and
 - (2) Exchange for Risk (“EFR”) – the simultaneous execution of a Bourse Futures Contract and a corresponding OTC swap or other OTC derivative transaction.

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