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CIRCULAR 116-17
August 7, 2017

SELF-CERTIFICATION

AMENDMENTS TO THE RULES OF BOURSE DE MONTREAL INC. TO MOVE TO T+2 SETTLEMENT

The Rules and Policies Committee (the “**Committee**”) of Bourse de Montréal Inc. (the “**Bourse**”) has approved amendments to the rules of the Bourse to facilitate the move to a T+2 settlement cycle, an industry-wide change scheduled to be effective September 5, 2017 in the Canadian context.

These amendments, as attached, were self-certified in accordance with the self-certification process as established in the *Derivatives Act* (CQLR, Chapter I-14.01) and will take effect on September 5th, 2017. Please note that these articles will also be available on the Bourse’s website (www.m-x.ca).

For additional information, please contact the undersigned by telephone at (514) 787-6578 or by email at martin.jannelle@tmx.com.

Martin Jannelle
Legal counsel
Bourse de Montréal Inc.

**RULE FIFTEEN
FUTURES CONTRACTS SPECIFICATIONS**

[...]

FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURES

15620 Underlying
(18.01.16)

The underlying issue is \$100,000 nominal value of a Government of Canada bond with a 6% notional coupon.

15621 Expiry Cycle
(18.01.16)

Unless otherwise determined by the Bourse, the expiry months for a Five-year Government of Canada Bond futures are March, June, September and December.

15622 Trading Unit
(18.01.16)

Unless otherwise determined by the Bourse, the trading unit is \$100,000 nominal value of a Government of Canada bond with a 6% notional coupon.

15623 Currency
(18.01.16)

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

15624 Price Quotation
(18.01.16)

Bids and offers on Five-year Government of Canada Bond futures are quoted per \$100 nominal value.

15625 Minimum Price Fluctuation
(18.01.16)

Unless otherwise determined by the Bourse, the minimum price fluctuation is 0.01 per \$100 nominal value.

15626 Daily Price Limit
(18.01.16)

There shall be no daily price limit.

15627 Position Limits for Bond Futures Contracts
(18.01.16, 04.02.16)

For all expiration months combined

- a) 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 14157 is equal to half the sum of:
 - i) 20% of the total outstanding deliverable bonds of the front contract month; and
 - ii) the greater of:
 - a) 4,000 contracts or
 - b) 20% of the average daily open interest for all contract months during the preceding three calendar months.

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 14157.

For the first contract month

- b) For the first contract month, the maximum net Long Position or net Short Position in each designated Government of Canada bond futures contract which a person may own or control in accordance with article 14157 is the futures contract equivalent of 5% of the total outstanding amount of Government of Canada bonds eligible for delivery for the designated Government of Canada bond futures contracts at the start of trading on the first business day prior to the first delivery notice day of the first contract month.

The position limit for the first contract month becomes effective on the first business day prior to the first delivery notice day of the first contract month.

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 b) unless an exemption is granted under article 14157.

15628 Position Reporting Threshold
(18.01.16)

The position reporting threshold is set pursuant article 14102.

15629 Contract Type
(18.01.16)

Five-year Canadian Government Bond futures are physically settled. Delivery shall be made in the manner prescribed in articles 15632 to 15637 of Rule Fifteen or by the Clearing Corporation.

15630 Last Trading Day
(18.01.16)

Trading of Five-year Government of Canada Bond futures ceases at 1:00 p.m. on the seventh business day preceding the last business day of the delivery month.

15631 Trading Hours
(18.01.16)

Trading hours will be determined and published by the Bourse.

15632 Delivery Standards

(18.01.16)

- a) For Five-year Government of Canada Bond futures, shall be deliverable only those Government of Canada bond issues which:
- i) have a remaining maturity of between 4 years 3 months and 5 years 3 months, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete one month increments, by rounding down to the nearest entire one month period. e.g. 4 years 5 months and 14 days shall be considered 4 years and 5 months from the first day of the delivery month);
 - ii) have an outstanding amount of \$3.5 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
 - iii) are originally issued at 5-year Government of Canada bond auctions (an issue which has an original maturity of more than 5 years and 9 months and which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$3.5 billion);
 - iv) are issued and delivered on or before the 15th day preceding the first Delivery Notice Day corresponding to the delivery month of the contract;
 - v) have a face value at maturity in multiples of \$100,000; and
 - vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.
- b) The price of a deliverable Government of Canada Bond shall be determined according to the conversion factors tables published by the Bourse.

The conversion factor of a deliverable issue is the actualized value of the deliverable issue to the notional yield of the futures contract considered on the first day of the delivery month, minus the interest accrued until delivery day.

- c) The amount to be paid at delivery is equal to \$1,000 multiplied by the conversion factor of the deliverable issue and multiplied by the settlement price of the futures contract being delivered, plus accrued interests to the delivery day. Accrued interest is charged to the approved participant taking delivery.
- d) All Government of Canada Bonds being delivered in respect of a futures contract must be of the same issue.
- e) Before a contract is listed for trading, the Bourse shall have the right to exclude any deliverable Government of Canada bond issue, even if it meets all the standards specified in this Rule.

15633 Delivery Procedures

(18.01.16)

- a) Members must apply the assignment process used by the Clearing Corporation to assign delivery to each of their accounts; In order that the delivery procedure of the Clearing Corporation not be impaired, members shall keep throughout the contract month, an up-to-date list of the purchase and sale dates of all open positions for that contract month;
- b) Only a member holding a seller's position can initiate the delivery process;
- c) All buyers' and sellers' positions still open in a contract after trading has ceased in the contract shall be settled by delivery;
- d) In the case where a seller's position is still open in a contract after trading has ceased in that contract, and where the member does not initiate the delivery process, the Clearing Corporation shall substitute itself for the member in initiating the delivery process.

15634 Submission of Delivery Notice

(18.01.16)

To initiate the delivery process, an approved participant holding a seller's position must submit a delivery notice to the Clearing Corporation before the time limit set by the Clearing Corporation on any business day, between the ~~second~~^{third} business day preceding the first business day of the delivery month, and the ~~second~~^{third} business day preceding the last business day of the delivery month, inclusively

15635 Assignment of Delivery Notice

(18.01.16)

- a) The assignment of a delivery notice to a member holding a long position shall be done by the Clearing Corporation, in the manner set forth by the Clearing Corporation;
- b) The member holding an assigned long position shall receive a delivery notice from the Clearing Corporation on the business day following the submission of the delivery notice by the member holding the seller's position.

15636 Delivery Day

(18.01.16)

Delivery of five-year Government of Canada Bond futures shall be done on the ~~second~~^{third} business day following the submission of the delivery notice by the approved participant holding a seller's position, or on any other day as determined by the Clearing Corporation. Delivery shall be completed no later than the last business day of the delivery month.

15637 Execution Default

(18.01.16)

All defaults from approved participants in respect to delivery procedures shall carry the imposition of a penalty, as determined from time to time by the Bourse.

15638 Emergencies, Acts of God, Actions of Governments
(18.01.16)

- a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

- b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:
 - i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

 - ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated 5-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last day of trading.

TEN-YEAR GOVERNMENT OF CANADA BOND FUTURES

15640 Underlying (18.01.16)

The underlying issue is \$100,000 nominal value of a Government of Canada bond with a 6% notional coupon.

15641 Expiry Cycle (18.01.16)

Unless otherwise determined by the Bourse, the expiry months for a Ten-year Government of Canada Bond future are March, June, September and December.

15642 Trading Unit (18.01.16)

Unless otherwise determined by the Bourse, the trading unit is \$100,000 nominal value of a Government of Canada bond with a 6% notional coupon.

15643 Currency (18.01.16)

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

15644 Price Quotation (18.01.16)

Bids and offers on Ten-year Government of Canada Bond futures are quoted per \$100 nominal value.

15645 Minimum Price Fluctuation (18.01.16)

Unless otherwise determined by the Bourse, the minimum price fluctuation is 0.01 per \$100 nominal value.

15646 Daily Price Limit (18.01.16)

There shall be no daily price limit.

15647 Position Limits for Bond Futures Contracts (18.01.16, 04.02.16)

For all expiration months combined

- a) 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 14157 is equal to half the sum of:
 - i) 20% of the total outstanding deliverable bonds of the front contract month; and

- ii) the greater of:
 - a) 4,000 contracts or
 - b) 20% of the average daily open interest for all contract months during the preceding three calendar months.

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 14157.

For the first contract month

- b) For the first contract month, the maximum net Long Position or net Short Position in each designated Government of Canada bond futures contract which a person may own or control in accordance with article 14157 is the futures contract equivalent of 5% of the total outstanding amount of Government of Canada bonds eligible for delivery for the designated Government of Canada bond futures contracts at the start of trading on the first business day prior to the first delivery notice day of the first contract month.

The position limit for the first contract month becomes effective on the first business day prior to the first delivery notice day of the first contract month.

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 b) unless an exemption is granted under article 14157.

15648 Position Reporting Threshold
(18.01.16)

The position reporting threshold is set pursuant article 14102.

15649 Contract Type
(18.01.16)

Ten-year Canadian Government Bond futures are physically settled. Delivery shall be made in the manner prescribed in articles 15652 to 15657 of Rule Fifteen or by the Clearing Corporation.

15650 Last Trading Day
(18.01.16)

Trading of Ten-year Government of Canada Bond futures ceases at 1:00 p.m. on the seventh business day preceding the last business day of the delivery month.

15651 Trading Hours
(18.01.16)

Trading hours will be determined and published by the Bourse.

15652 Delivery Standards
(18.01.16)

- a) For Ten-year Government of Canada Bond futures, shall be deliverable only those Government of Canada bond issues which:
- i) have a remaining maturity of between 8 and 10½ years, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete periods of three months, by rounding down to the nearest entire three-month period, e.g. 10 years and seven months shall be considered 10½ years from the first day of the delivery month);
 - ii) have an outstanding amount of \$3.5 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
 - iii) are originally issued at 10-year auctions (a bond not issued at a 10-year auction which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$3.5 billion);
 - iv) are issued and delivered on or before the 15th day preceding the first Delivery Notice Day corresponding to the delivery month of the contract;
 - v) have a face value at maturity in multiples of \$100,000; and
 - vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.
- b) The price of a deliverable Government of Canada Bond shall be determined according to the conversion factors tables published by the Bourse.

The conversion factor of a deliverable issue is the actualized value of the deliverable issue to the notional yield of the futures contract considered on the first day of the delivery month, minus the interest accrued until delivery day.

- c) The amount to be paid at delivery is equal to \$1,000 multiplied by the conversion factor of the deliverable issue and multiplied by the settlement price of the futures contract being delivered, plus accrued interests to the delivery day. Accrued interest is charged to the approved participant taking delivery.
- d) All Government of Canada Bonds being delivered in respect of a futures contract must be of the same issue.
- e) Before a contract is listed for trading, the Bourse shall have the right to exclude any deliverable Government of Canada bond issue, even if it meets all the standards specified in this Rule.

15653 Delivery Procedures

(18.01.16)

- a) Members must apply the assignment process used by the Clearing Corporation to assign delivery to each of their accounts; In order that the delivery procedure of the Clearing Corporation not be impaired,

members shall keep throughout the contract month, an up-to-date list of the purchase and sale dates of all open positions for that contract month;

- b) Only a member holding a seller's position can initiate the delivery process;
- c) All buyers' and sellers' positions still open in a contract after trading has ceased in the contract shall be settled by delivery;
- d) In the case where a seller's position is still open in a contract after trading has ceased in that contract, and where the member does not initiate the delivery process, the Clearing Corporation shall substitute itself for the member in initiating the delivery process.

15654 Submission of Delivery Notice

(18.01.16)

To initiate the delivery process, an approved participant holding a seller's position must submit a delivery notice to the Clearing Corporation before the time limit set by the Clearing Corporation on any business day, between the ~~second~~^{third} business day preceding the first business day of the delivery month, and the ~~second~~^{third} business day preceding the last business day of the delivery month, inclusively.

15655 Assignment of Delivery Notice

(18.01.16)

- a) The assignment of a delivery notice to a member holding a long position shall be done by the Clearing Corporation, in the manner set forth by the Clearing Corporation;
- b) The member holding an assigned long position shall receive a delivery notice from the Clearing Corporation on the business day following the submission of the delivery notice by the member holding the seller's position.

15656 Delivery Day

(18.01.16)

Delivery of Ten-year Government of Canada Bond futures shall be done on the ~~second~~^{third} business day following the submission of the delivery notice by the approved participant holding a seller's position, or on any other day as determined by the Clearing Corporation. Delivery shall be completed no later than the last business day of the delivery month.

15657 Execution Default

(18.01.16)

All defaults from approved participants in respect to delivery procedures shall carry the imposition of a penalty, as determined from time to time by the Bourse.

15658 Emergencies, Acts of God, Actions of Governments

(18.01.16)

- a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special

meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

- b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:
 - i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;
 - ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Ten-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last day of trading.

THIRTY-YEAR GOVERNMENT OF CANADA BOND FUTURES

15660 Underlying (18.01.16)

The underlying issue is \$100,000 nominal value of a Government of Canada bond with a 6% notional coupon.

15661 Expiry Cycle (18.01.16)

Unless otherwise determined by the Bourse, the expiry months for a Thirty-year Government of Canada Bond future are March, June, September and December.

15662 Trading Unit (18.01.16)

Unless otherwise determined by the Bourse, the trading unit is \$100,000 nominal value of a Government of Canada bond with a 6% notional coupon.

15663 Currency (18.01.16)

Trading, clearing and settlement of Thirty-year Government of Canada Bond futures are in Canadian dollars.

15664 Price Quotation (18.01.16)

Bids and offers on Thirty-year Government of Canada Bond futures are quoted per \$100 nominal value.

15665 Minimum Price Fluctuation (18.01.16)

Unless otherwise determined by the Bourse, the minimum price fluctuation is 0.01 per \$100 nominal value.

15666 Daily Price Limit (18.01.16)

There shall be no daily price limit.

15667 Position Limits for Bond Futures Contracts (18.01.16, 04.02.16)

For all expiration months combined

- a) 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 14157 is equal to half the sum of:

- i) 20% of the total outstanding deliverable bonds of the front contract month; and
- ii) the greater of:
 - a) 4,000 contracts or
 - b) 20% of the average daily open interest for all contract months during the preceding three calendar months.

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 14157.

For the first contract month

- b) For the first contract month, the maximum net Long Position or net Short Position in each designated Government of Canada bond futures contract which a person may own or control in accordance with article 14157 is the futures contract equivalent of 5% of the total outstanding amount of Government of Canada bonds eligible for delivery for the designated Government of Canada bond futures contracts at the start of trading on the first business day prior to the first delivery notice day of the first contract month.

The position limit for the first contract month becomes effective on the first business day prior to the first delivery notice day of the first contract month.

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 b) unless an exemption is granted under article 14157.

15668 Position Reporting Threshold
(18.01.16)

The position reporting threshold is set pursuant article 14102.

15669 Contract Type
(18.01.16)

Thirty-year Canadian Government Bond futures are physically settled. Delivery shall be made in the manner prescribed in articles 15672 to 15677 of Rule Fifteen or by the Clearing Corporation.

15670 Last Trading Day
(18.01.16)

Trading of Thirty-year Government of Canada Bond futures ceases at 1:00 p.m. on the seventh business day preceding the last business day of the delivery month.

15671 Trading Hours
(18.01.16)

Trading hours will be determined and published by the Bourse.

15672 Delivery Standards

(18.01.16)

- a) For Thirty-year Government of Canada Bond futures, shall be deliverable only those Government of Canada Bond issues which:
- i) have a remaining maturity of not less than 25 years, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete periods of three months, by rounding down to the nearest entire three-month period, e.g. 30 years and seven months shall be considered 30½ years from the first day of the delivery month);
 - ii) have an outstanding amount of \$3.5 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
 - iii) are originally issued at 30-year auctions (a bond not issued at a 30-year auction which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$3.5 billion);
 - iv) are issued and delivered on or before the 15th day preceding the first delivery notice day corresponding to the delivery month of the contract;
 - v) have a face value at maturity in multiples of \$100,000; and
 - vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.
- b) The price of a deliverable Government of Canada Bond shall be determined according to the conversion factors tables published by the Bourse.

The conversion factor of a deliverable issue is the actualized value of the deliverable issue to the notional yield of the futures contract considered on the first day of the delivery month, minus the interest accrued until delivery day.

- c) The amount to be paid at delivery is equal to \$1,000 multiplied by the conversion factor of the deliverable issue and multiplied by the settlement price of the futures contract being delivered, plus accrued interests to the delivery day. Accrued interest is charged to the approved participant taking delivery.
- d) All Government of Canada Bonds being delivered in respect of a futures contract must be of the same issue.
- e) Before a contract is listed for trading, the Bourse shall have the right to exclude any deliverable Government of Canada bond issue, even if it meets all the standards specified in this Rule.

15673 Delivery Procedures

(18.01.16)

- a) Members must apply the assignment process used by the Clearing Corporation to assign delivery to each of their accounts; In order that the delivery procedure of the Clearing Corporation not be impaired, members shall keep throughout the contract month, an up-to-date list of the purchase and sale dates of all open positions for that contract month;
- b) Only a member holding a seller's position can initiate the delivery process;
- c) All buyers' and sellers' positions still open in a contract after trading has ceased in the contract shall be settled by delivery;
- d) In the case where a seller's position is still open in a contract after trading has ceased in that contract, and where the member does not initiate the delivery process, the Clearing Corporation shall substitute itself for the member in initiating the delivery process.

15674 Submission of Delivery Notice

(18.01.16)

To initiate the delivery process, an approved participant holding a seller's position must submit a delivery notice to the Clearing Corporation before the time limit set by the Clearing Corporation on any business day, between the ~~second~~^{third} business day preceding the first business day of the delivery month, and the ~~second~~^{third} business day preceding the last business day of the delivery month, inclusively.

15675 Assignment of Delivery Notice

(18.01.16)

- a) The assignment of a delivery notice to a member holding a long position shall be done by the Clearing Corporation, in the manner set forth by the Clearing Corporation;
- b) The member holding an assigned long position shall receive a delivery notice from the Clearing Corporation on the business day following the submission of the delivery notice by the member holding the seller's position.

15676 Delivery Day

(18.01.16)

Delivery of Thirty-year Government of Canada Bond futures shall be done on the ~~second~~^{third} business day following the submission of the delivery notice by the approved participant holding a seller's position, or on any other day as determined by the Clearing Corporation. Delivery shall be completed no later than the last business day of the delivery month.

15677 Execution Default

(18.01.16)

All defaults from approved participants in respect to delivery procedures shall carry the imposition of a penalty, as determined from time to time by the Bourse.

15678 Emergencies, Acts of God, Actions of Governments
(18.01.16)

- a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.
- b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:
 - i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;
 - ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Thirty-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last day of trading.

[...]

CANADIAN AND INTERNATIONAL SHARE FUTURES CONTRACTS

15801 Underlying (23.11.16)

The underlying issue for a Canadian or international share futures contract is an individual Canadian or international share eligible under article 15801.1.

15801.1 Eligibility criteria (31.01.01, 23.11.16)

In order for a Canadian or international share futures contract to be traded on the Exchange, the underlying share shall be a share which is currently traded on a recognized exchange, on which an option or futures contract is listed on this same exchange or on any other recognized exchange and which meet the criteria of the Canadian Derivatives Clearing Corporation.

15802 Expiry Cycle (31.01.01, 18.01.16)

The expiry months for Canadian and international share futures contracts are as follows:

Quarterly cycle: March, June, September and December.

Other selected expiry cycles: January, February, April, May, July, August, October and November.

15803 Trading Hours (23.11.16)

Trading hours will be determined and published by the Exchange.

15804 Trading Unit (31.01.01, 29.04.02, 23.11.16)

The Bourse, in consultation with the Canadian Derivatives Clearing Corporation, shall establish the trading unit for each futures contract that has been approved for trading.

15805 Currency (31.01.01, 18.01.16, 23.11.16)

Trading, clearing and settlement are in Canadian dollars for Canadian share futures contracts.

Trading, clearing and settlement are in foreign currency for international share futures contracts.

15806 Price Quotation (31.01.01, 18.01.16)

Bids and offers on futures contracts on Canadian shares are quoted in Canadian dollars and cents per share.

Bids and offers on futures contracts on international shares are quoted in foreign currency units per share.

15807 Minimum Price Fluctuation
(31.01.01, 18.01.16)

Unless otherwise determined by the Bourse, the minimum price fluctuation for futures contracts on Canadian shares is CAN \$0.01 per share.

Unless otherwise determined by the Bourse, the minimum price fluctuation for futures contracts on international shares, is the unit of fluctuation used by the market on which the underlying share is being traded.

15808 Price Limit/Trading Halts
(31.01.01, 18.01.16, 23.11.16)

Trading halts shall be coordinated with the triggering of the trading halt mechanism of the underlying interest (circuit breaker).

In the event that a recognized exchange suspends trading in the underlying interest of an international share futures contract, then the Bourse may take certain measures regarding the futures contract concerned, including suspending or halting trading in the futures contract.

15809 Position Limits
(31.01.01, 29.04.02, 15.05.09, 23.11.16)

The maximum net long or net short positions in share futures contracts which a person may own or control in accordance with article 14157 of the Rules of the Bourse shall be as provided for under article 6651.

15810 Position Reporting Threshold
(31.01.01, 29.04.02, 18.01.16, 23.11.16)

The position reporting threshold is set pursuant to article 14102.

15811 Delivery or settlement
(31.01.01)

Delivery of Canadian shares shall be made in the manner prescribed in articles 15813 to 15818 of the Rules or by the Clearing Corporation.

Settlement of International shares shall be by cash through the Clearing Corporation. The settlement procedures are those provided for in articles 15821 to 15830 of the Rules.

15812 Last Trading Day
(31.01.01, 18.01.16)

Trading in Canadian share futures contracts ends at 4:00 p.m. on the third Friday of the contract month or, if not a business day, the first preceding business day.

Trading in international share futures contract ends on the last day of trading of corresponding stock index futures contracts traded on a recognized exchange for which the underlying stock is a constituent,

15813 Delivery Standards for Canadian shares
(31.01.01)

Shall be deliverable only those Canadian shares that are the direct underlying security of the futures contract being subject to delivery.

15814 Delivery Procedure
(31.01.01)

- a) Members must apply the assignment process used by the Clearing Corporation to assign delivery to each of their accounts;
- b) Only a member holding a seller's position can initiate the delivery process;
- c) All buyers' and sellers' positions still open in a contract after trading has ceased in the contract shall be settled by delivery;
- d) In the case where a seller's position is still open in a contract after trading has ceased in that contract, and where the member does not initiate the delivery process, the Clearing Corporation shall substitute itself for the member in initiating the delivery process.

15815 Submission of Delivery Notice
(31.01.01)

To initiate the delivery process, a member holding a seller's position must submit a delivery notice to the Clearing Corporation before the time limit set by the Clearing Corporation after the close of the last trading day.

15816 Assignment of Delivery Notice
(31.01.01)

- a) The assignment of a delivery notice to a member holding a long position shall be done by the Clearing Corporation, in the manner set forth by the Clearing Corporation;
- b) The member holding an assigned long position shall receive a delivery notice from the Clearing Corporation on the business day following the submission of the delivery notice by the member holding the seller's position.

15817 Delivery Day
(31.01.01)

Delivery in respect to futures contracts on Canadian shares must be done in the manner prescribed by the Exchange and the Clearing Corporation following the submission of the delivery notice by the member holding a seller's position.

15818 Execution Default
(31.01.01)

All defaults from members in respect to delivery procedures shall carry the imposition of a penalty, as determined from time to time by the Exchange.

15819 Emergencies, Acts of God, Actions of Governments

(31.01.01, 22.01.16)

- a) In the event that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Exchange and the Clearing Corporation. In the event that the Exchange or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an Emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.
- b) In the event the Board of Directors decides that a shortage of deliverable of Canadian shares issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors may, for instance:
 - i) designate as a deliverable issue any other issue of the same issuer that does not meet the criteria in this Rule;
 - ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Canadian share on the last day of trading.

15820 Adjustment to Terms of Contract

(31.01.01)

The terms of a share futures contract are subject to adjustment in accordance with the By-Laws and Rules of the Exchange, or with General Conditions of the Clearing Corporation. When adjustments are made, a notice thereof shall be promptly given to members.

15821 Settlement Procedures

(31.01.01)

- a) Canadian shares futures contracts are subject to settlement after the close of the last trading day by the delivery of the underlying shares on the final settlement day pursuant to the rules of the Clearing Corporation.
- b) For International shares futures contracts, all open positions at the close of the last trading day are marked-to-market using the final settlement price on the final settlement day and terminated by cash settlement pursuant to the rules of the Clearing Corporation.

15822 Final Settlement Day

(31.01.01)

- a) For the Canadian share futures contract, the final settlement day shall be the ~~second~~^{third} business day after the last trading day.
- b) For International share futures contracts, the final settlement day of a given contract month shall be the first business day following the last day of trading in the contract month.

15823 Final Settlement Price

(31.01.01, 23.11.16)

- a) For Canadian shares futures contracts, the final settlement price shall be the trading unit of the futures contract times the closing price of the stock underlying the futures contract posted by the Toronto Stock Exchange on the last trading day.
- b) For International shares futures contracts, the final settlement price determined on the final settlement day shall be the price of the underlying stock as determined by the recognized exchange to compute the final settlement price of the corresponding stock index futures contract for which the underlying stock is a constituent, or by such other method as prescribed by the Exchange.