

<input checked="" type="checkbox"/> Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/> Back-office – Options
<input checked="" type="checkbox"/> Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/> Technology
<input checked="" type="checkbox"/> Back-office – Options	<input checked="" type="checkbox"/> Regulation

**128-17**

September 13, 2017

## **SUPERVISION AND COMPLIANCE OBLIGATIONS PUBLICATION OF GUIDELINES**

As announced at the second edition of the Derivatives Exchange conference last June, the Regulatory Division of Bourse de Montréal Inc. (the “Bourse”) has developed Guidelines on Supervision and Compliance Obligations (the “Guidelines”) that establish the underlying principles and questions the Regulatory Division (the “Division”) considers when assessing the reasonableness of a participant’s supervisory system. The obligations relating to supervision and compliance are principle-based as there exists no one-size-fits-all. As such, the participants have the ability to design and implement a supervisory system adapted to their business model, structure and risk management.

Article 3011 of the Rules of the Bourse provides that each approved participant, at the time of its approval and so long as it remains approved, must establish and maintain a system to supervise the activities of each of its employees and agents that is reasonably designed to achieve compliance with the Rules and Policies of the Bourse and with any legislation and regulations applicable to securities and derivative instruments activities. Each approved participant must also comply with the Electronic Trading Rules, especially those regarding supervisory controls, risk management and surveillance policies and procedures, the authorization to set and adjust these supervisory controls, and the obligations related to the use of an automated order system (Regulation 23-103 respecting Electronic Trading (Chapter V-1.1, r. 7.1)).

These Guidelines are divided into three sections: the first details the components of a supervisory system as provided by article 3011 of the Rules of the Bourse, the second lists the principles of a reasonable supervisory system, and the third contains a list of questions that should be asked when assessing the reasonableness of a supervisory system. Please note that the Guidelines may be consulted on the website of the Regulatory Division of the Bourse [here](#).

For any further questions or comments, please contact the Regulatory Division, by telephone at 514 787-6530, toll-free at 1-800-361-5353 extension 46530 or by email at [info.mxr@tmx.com](mailto:info.mxr@tmx.com).

Julie Rochette  
Vice President and Chief Regulatory Division