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CIRCULAR 149-16
November 23, 2016

LARGE OPEN POSITION REPORTING (LOPR) OF SHARE FUTURES

Bourse de Montréal Inc. (the “Bourse”) has self-certified modifications to its rules in order to allow for the introduction of Share futures contracts (see Circular 148-16). In anticipation of the listing of the first share futures contracts, the Regulatory Division of the Bourse (the “Division”) would like to provide the following guidance to its approved participants with respect to position reporting.

The Division reminds approved participants that in accordance with *Article 6651 – Position Limits for Options and Share Futures Contracts*:

C) For the purpose of this article:

1. *calls written, puts held, a net short share futures position, and short underlying interest are on the same side of the market and puts written, calls held, a net long share futures position, and long underlying interest are on the same side of the market.*

The position reporting requirements and the reporting thresholds pertaining to share futures and stock options are prescribed under [Article 14102 – Reports Pertaining to the Accumulation of Positions for Derivative Instruments](#).

Options and share futures contracts on the same underlying security held or controlled by the same account beneficial owner must be aggregated (on a gross basis) in order to determine whether the reporting thresholds are attained for reporting purposes.

Although the positions held in options and share futures on the same underlying security must be aggregated to assess whether they need to be reported, positions in stock options and share futures contracts must be reported separately via the Large Open Position Reporting Tool (LOPR).

Some approved participants have informed the Division that their technological systems cannot currently aggregate stock options and share futures positions on the same underlying security in order to assess whether they need to be reported.

As a result, the Division will require approved participants that are currently unable to aggregate their options and share futures positions in the prescribed manner to assess whether they meet the reporting threshold, to report all share futures positions held, regardless of their size, via the LOPR tool.

This temporary requirement is effective immediately and will expire on December 1, 2017.

Following December 1st, 2017, the Division will require that all approved participants aggregate and report their share futures and stock options positions in the manner prescribed under Article 14102.

For additional information, please contact Mr. Jasminder Jakhar, Senior Market Analyst, Regulatory Division at (514) 787-6543 or by email at jasminder.jakhar@tmx.com.

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