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CIRCULAR
August 29, 2013

SELF-CERTIFICATION

EXTENDING OBX TO THE FIFTH THROUGH EIGHT MONTHS OF THE QUARTERLY CYCLE

AMENDMENTS TO OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACT SPECIFICATIONS

The Rules and Policies Committee of Bourse de Montréal Inc. (the **Bourse**) has approved amendments to the Options on Three-Month Canadian Bankers' Acceptance Futures (OBX) contract specifications in order to increase the number of listed contract months. Following these amendments, the contract months listed for standard OBX options shall be the nearest eight months in the March, June, September, December quarterly cycle. Further amendments were also made to the OBX, OBW, OBY and OBZ contract specifications in an effort to enhance consistency between the English and French versions. Such amendments were self-certified in accordance with the self-certification process established under the *Derivatives Act* (R.S.Q., chapter I-14.01).

The amended specifications of the OBX contract, as attached, will take effect on **September 17, 2013**. Please note that the option specifications will also be available on the Bourse's website (www.m-x.ca).

For additional information please contact Ms. Joanne Elkaim, Director – Fixed Income Derivatives, at 514 871-7891 or at jelkaim@m-x.ca.

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Vice-President, Legal Affairs, Derivatives

Circular no.: 150-2013

OBX—Options on Three-Month Canadian Bankers' Acceptance Futures: OBX, OBW, OBY and OBZ

Underlying Futures Contract	<ul style="list-style-type: none"> For <u>regular standard OBX</u> options (<u>OBX</u>), the underlying BAX contract is the futures contract that expires <u>during</u> the month in which the option expires. For serial mid-curve options (<u>OBW</u>), the underlying <u>is the BAX contract</u> that expires one year from the next quarterly month that is nearest to the expiration of the option. For example, the underlying <u>futures contract</u> for the one-year mid-curve option that expires in January or February is the March BAX <u>futures contract</u> <u>of</u> the next calendar year. For one-year <u>and two-year quarterly mid-curve options</u> (<u>OBY and OBZ</u>), the underlying <u>BAX contract</u> is the corresponding <u>BAX contract</u> <u>quarterly futures contract</u> that expires one <u>year (for OBY)</u> or two years <u>(for OBZ)</u> after the option expires, <u>respectively</u>. For example, the underlying <u>futures contract</u> for the one-year quarterly mid-curve option that expires in June is the June BAX <u>futures contract</u> <u>of</u> the next calendar year.
Trading unit	<u>One Three-Month Canadian Bankers' Acceptance Futures (BAX) contract.</u>
Contract M<u>months</u>	<ul style="list-style-type: none"> For <u>standard OBX options</u>: <u>The eight nearest months in the March, June, September, December quarterly cycle.</u> For <u>OBW serial mid-curve options</u>: <u>The two nearest non-quarterly months (serials) in the January, February, April, May, July, August, October, November cycle.</u> For <u>OBY and OBZ</u>: <u>The four nearest months in the March, June, September, December quarterly cycle.</u>
Premium quotation	<u>Quoted in points where each 0.01 point (1 basis point) represents C\$25. For example, a quote of 0.465 represents a total option premium of C\$1,162.50 (46.5 basis points × C\$25).</u>
Cabinet trades	<u>Cabinet trades (options with a premium below 0.01) are quoted in 0.001 point (one-tenth of a basis point) where each 0.001 point represents C\$2.50.</u>
Minimum price fluctuation	<ul style="list-style-type: none"> <u>0.005 = C\$12.50 per contract.</u> <u>0.001 = C\$2.50 per contract for cabinet trades.</u>
Strike prices	<u>Set at a minimum interval of 0.125 points.</u>
Contract type	<u>American style.</u>

Last trading dDay of Trading/Expiration	<ul style="list-style-type: none"> For standard OBX options: Trading ceases at 10:00 a.m. (Montréal time) on the second^{2nd} London, (Great Britain), banking day prior to the third^{3rd} Wednesday of the contract month, <u>provided it is a business day</u>. If it is not a business day, trading will cease on the first preceding business day. If the fixed day is a Bourse or bank holiday in Montréal or Toronto, the last trading day shall be the previous bank business day. For OBW, OBZ and OBZ all mid-curve options: Trading ceases at 10:00 a.m. (Montréal time) on the Friday immediately preceding the thi^{3rd} Wednesday of the contract month. If the fixed day is an exchange or banking holiday in Montreal or Toronto, the last trading day shall be the previous bank business day. <u>provided it is a business day</u>. If it is not a business day, trading will cease on the first preceding business day.
Expiration day	The last trading day of the contract month.
Reporting lLimit	300 options, or futures -equivalent futures , contracts. For the purpose of calculating this limit, positions in the options contracts are aggregated with positions in the underlying futures contracts. For aggregation purposes, one options contract is equivalent to one futures contract.
Position limit	Information on position limits can be obtained from the exchange as they are subject to periodic changes.
Price limit	None.
Minimum mMargin Rrequirements	Information on minimum margin requirements can be obtained from the e Exchange as they are subject to periodic changes.
Trading hHours (Montréal time)	<p><u>Regular session: 6:00 a.m. to 4:00 p.m.</u></p> <p>Note: During early closing days, the regular session closes at 1:30 p.m.</p> <ul style="list-style-type: none"> *Early session: 6:00 a.m. to 7:45 a.m. *Regular session: 8:00 a.m. to 3:00 p.m. *Extended session*: 3:09 p.m. to 4:00 p.m. <p>* There is no extended session on the last trading day of the expiring contract month.</p> <p>Note: During early closing days, the regular session closes at 1:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:09 p.m. to 1:30 p.m.</p>
Clearing cCorporation	Canadian Derivatives Clearing Corporation (CDCC).
Ticker sSymbol	<ul style="list-style-type: none"> For regularstandard OBX options: OBX For serial mid-curve options: OBW For one-year quarterly mid-curve options: OBY For two-year quarterly mid-curve options: OBZ

Options on Three-Month Canadian Bankers' Acceptance Futures: OBX, OBW, OBY and OBZ

Underlying	<ul style="list-style-type: none"> ▪ For regular options (OBX), the underlying BAX contract is the futures contract that expires during the month in which the option expires. ▪ For serial mid-curve options (OBW), the underlying is the BAX contract that expires one year from the next quarterly month that is nearest to the expiration of the option. For example, the underlying for the one-year mid-curve option that expires in January or February is the March BAX contract of the next calendar year. ▪ For one-year and two-year quarterly mid-curve options (OBY and OBZ), the underlying is the corresponding BAX contract that expires one year (for OBY) or two years (for OBZ) after the option expires. For example, the underlying for the one-year quarterly mid-curve option that expires in June is the June BAX contract of the next calendar year.
Trading unit	One Three-Month Canadian Bankers' Acceptance Futures (BAX) contract.
Contract months	<ul style="list-style-type: none"> ▪ For OBX: The eight nearest months in the March, June, September, December quarterly cycle. ▪ For OBW: The two nearest non-quarterly months (serials) in the January, February, April, May, July, August, October, November cycle. ▪ For OBY and OBZ: The four nearest months in the March, June, September, December quarterly cycle.
Premium quotation	Quoted in points where each 0.01 point (1 basis point) represents C\$25. For example, a quote of 0.465 represents a total option premium of C\$1,162.50 (46.5 basis points × C\$25).
Cabinet trades	Cabinet trades (options with a premium below 0.01) are quoted in 0.001 point (one-tenth of a basis point) where each 0.001 point represents C\$2.50.
Minimum price fluctuation	<ul style="list-style-type: none"> ▪ 0.005 = C\$12.50 per contract. ▪ 0.001 = C\$2.50 per contract for cabinet trades.
Strike prices	Set at a minimum interval of 0.125 points.
Contract type	American style.
Last trading day	<ul style="list-style-type: none"> ▪ For OBX: Trading ceases at 10:00 a.m. on the second London, Great Britain, banking day prior to the third Wednesday of the contract month, provided it is a business day. If it is not a business day, trading will cease on the first preceding business day. ▪ For OBW, OBY and OBZ: Trading ceases at 10:00 a.m. on the Friday immediately preceding the third Wednesday of the contract month, provided it is a business day. If it is not a business day, trading will cease on the first preceding business day.
Expiration day	The last trading day of the contract month.

Reporting limit	300 options, or equivalent futures, contracts. For the purpose of calculating this limit, positions in the options contracts are aggregated with positions in the underlying futures contracts. For aggregation purposes, one options contract is equivalent to one futures contract.
Position limit	Information on position limits can be obtained from the exchange as they are subject to periodic changes.
Price limit	None.
Minimum margin requirements	Information on minimum margin requirements can be obtained from the exchange as they are subject to periodic changes.
Trading hours	Regular session: 6:00 a.m. to 4:00 p.m. Note: During early closing days, the regular session closes at 1:30 p.m.
Clearing corporation	Canadian Derivatives Clearing Corporation (CDCC).
Ticker symbol	<ul style="list-style-type: none"> ▪ For regular options: OBX ▪ For serial mid-curve options: OBW ▪ For one-year quarterly mid-curve options: OBY ▪ For two-year quarterly mid-curve options: OBZ

Specifications – Trading
15.10.02, 03.10.08, 13.03.09, 14.04.10, 31.05.13, 03.09.13