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CIRCULAR 152-16
November 28, 2016

**ACCEPTABLE STRATEGIES INVOLVING THE THREE-MONTH
CANADIAN BANKERS’ ACCEPTANCE FUTURES (BAX)
AND OPTIONS ON THREE-MONTH CANADIAN
BANKERS’ ACCEPTANCE FUTURES (OBX)**

On May 9, 2012, Bourse de Montréal Inc. (the “**Bourse**”) self-certified, in circular [072-12](#), the implementation of procedures applicable to the execution of User-Defined Strategies (“**UDS**”) involving futures and options on futures. The UDS functionality allows participants to create strategies through their independent software vendors or proprietary applications. The following day, the Bourse also published, in circular [073-112](#), the acceptable strategy types for the UDS functionality.

Pursuant to the above, the Bourse hereby wishes to inform its Approved Participants (APs) and Foreign Approved Participants (FAPs) that the acceptance criteria for strategies to be executed through the UDS functionality will be enhanced. In addition to the currently offered strategies, the following six-legged OBX intra-group strategies and OBX-BAX inter-group strategies will be accepted via UDS.

Two-Legged Strategies	Call spread Put spread Straddle Strangle Synthetic position Synthetic position with split strikes 1:2 ratio call spread 1:2 ratio put spread 1:3 ratio call spread 1:3 ratio put spread 1:4 ratio call spread 1:4 ratio put spread
Three-Legged Strategies	Call Butterfly Put Butterfly Call Ladder Put Ladder
Four-Legged Strategies	Call Condor Put Condor Iron Condor Iron Butterfly Double Diagonal
Five-Legged Strategies	Futures vs. Call Condor Futures vs. Put Condor Futures vs. Call with Ratio Futures vs. Put with Ratio
Six-Legged Strategies	Futures Strip vs. Call Spread with Ratio Futures Strip vs. Put Spread with Ratio

Additionally, the Bourse's trading system will now support the execution of up to twelve-legged OBX and OBX-BAX customized strategies. Participants may contact the Market Operations Department to request their creation.

The aforementioned changes will be effective on January 27, 2017.

For additional information, please contact the Market Operations Department at 514-871-7877 or 1-866-576-8836.

Joanne Elkaim
Director, Fixed Income Derivatives
Financial Markets