

<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

CIRCULAR 157-17
November 8, 2017

**LARGE OPEN POSITION REPORTING (LOPR)
AGGREGATION OF OPTIONS AND SHARE FUTURES POSITIONS**

On November 23, 2016, Bourse de Montréal Inc. (the “Bourse”) self-certified modifications to its Rules introducing the listing of share futures contracts (see circular [148-16](#)). That same day, the Regulatory Division of the Bourse (the “Division”) provided guidance to the approved participants with respect to position reporting (see circular [149-16](#)). In December 2016, the first share futures contracts were traded on the Bourse.

Given that some approved participants had informed the Division that their technological systems could not aggregate equity options and share futures positions on the same underlying security to assess whether they need to be reported, the Division had provided a temporary requirement which expires on December 1, 2017.

Understanding that not all approved participants currently have the technological or operational capacity to aggregate positions on stock options and share futures contracts, the Division is extending the temporary requirement until June 30, 2018. After that date, approved participants are expected to have a process or system in place enabling them to aggregate the equity options and share futures positions on the same underlying security.

Reminder

The Division would like to remind 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 equity options are prescribed under [Article 14102](#) – *Reports Pertaining to the Accumulation of Positions for Derivative Instruments*.

Options and share futures 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. However, positions in equity options and share futures contracts on the same underlying security must be reported separately via LOPR.

Approved participants that are still unable to aggregate equity options and share futures positions on the same underlying security to assess whether they meet the reporting threshold, **are required to report all share futures positions held**, regardless of their size, via the LOPR tool.

As mentioned above, this temporary requirement is **valid until June 30, 2018**.

Following June 30, 2018, the Division will require that all approved participants aggregate and report their share futures and equity options in the manner prescribed under article 14102.

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.

Julie Rochette
Vice President and Chief Regulatory Division

Tour de la Bourse

P.O. Box 61, 800 Victoria Square, Montreal, Quebec H4Z 1A9
Telephone: 514 871-2424

Toll free within Canada and the U.S.A.: 1 800 361-5353

Website: www.m-x.ca