



SPECIAL TERMS TRANSACTION REPORTING FORM USER GUIDE

Regulatory Division
Bourse de Montréal Inc.

Version 1.0



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1. Purpose of the Special Terms Transaction Reporting Form

The Special Terms Transaction Reporting Form is to be used by approved participants of the Bourse to report Exchange for Physical (EFP), Exchange for Risk (EFR) and Riskless Basis Cross (RBC) transactions to the Market Operations Department (MOD) of the Bourse. The reporting form, located at (<http://sttrf-frots.m-x.ca/>), includes the use of login credentials, drop down menus, reference numbers, and mandatory/conditional fields. The “smart form” is interactive and self-explanatory and serves to minimize the amount of potential erroneous or rejected submissions. This document is to be used as a guide for users of the “smart form”.

2. Special Term Transaction Submission Process

The submission process will involve the entering of transaction details by an initiating party. The user will have to indicate if the transaction is a “Cross Transaction” or a “Trade against another firm”. If the submission is indicated as being a cross transaction its details will be sent to the Market Operations Department (MOD) of the Bourse for approval. Conversely, if the submission is marked as a “Trade against another firm” the details of the submission will be transmitted to the designated counterparty firm and SAM authorized person for review and approval. If the details of the transaction are approved, by the said counterparty, the details will subsequently be transmitted to the MOD for final approval. However, if disapproved by the counterparty the submission will be returned to the initiator with comments from the former. The initiator of the submission will then be required to either amend or cancel the submission. Kindly refer to Annex A for a detailed flowchart of the submission process.

3. Getting Started

Firstly, the Special Terms Transaction Reporting Form is restricted to SAM Authorized Persons of Canadian and Foreign approved participants of the Bourse. Secondly, in order to gain entry to the Special Terms Transaction Reporting Form portal, Administrator login credentials must be obtained from the Regulatory Division of the Bourse. The latter will transmit Administrator login credentials to the Chief Compliance Officers (CCO) of approved participants. The CCO may delegate his Administrator privileges to whom he/she deems appropriate. SAM Authorized Persons must request login credentials from their respective CCO/Administrator. Users possessing Administrator privileges will be able to create login particulars for members of their firm that are SAM Authorized Persons. Any questions pertaining to the functioning of the Special Term Transaction Reporting Form and the submitting of Special Term Transactions should be directed to the Market Operations Department of the Bourse (1-866-576-8836 or 514-871-7877).

4. Special Terms Transaction Reporting Form Functionality

4.1. Login Screen

Designated users will log into the Special Term Transaction Reporting Form (STTRF), using their unique credentials, via the following URL: (<http://sttrf-frots.m-x.ca/>)

4.2. Create a New User

The functionality to create a new user is restricted to the Administrator of the approved participant. The login ID must be the SAM Authorized Person's e-mail address and their password will be that which was chosen by the Administrator at the time at which the new user was created.

If desired, the new user can subsequently reset their password once logged into the portal by selecting "Change Password" on the right hand side of the screen.



4.3. Edit or Deactivate Users

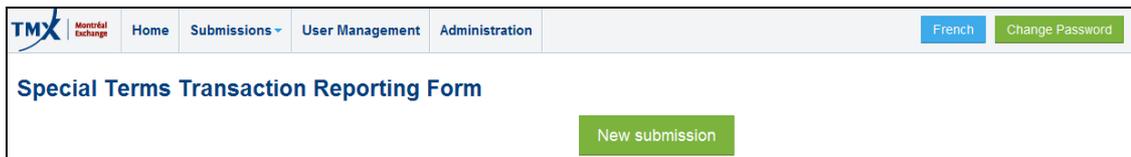
If desired, a user's registration information may be edited by the Administrator. Also note that an Administrator has the ability to deactivate a login ID (a Login ID must be deactivated by the Administrator if a SAM Authorized Person ceases to be employed by the Participant).

Users will have three login attempts. The login ID will be locked after three failed attempts, the password may only be reset by the Administrator.

4.4. Making a New Submission

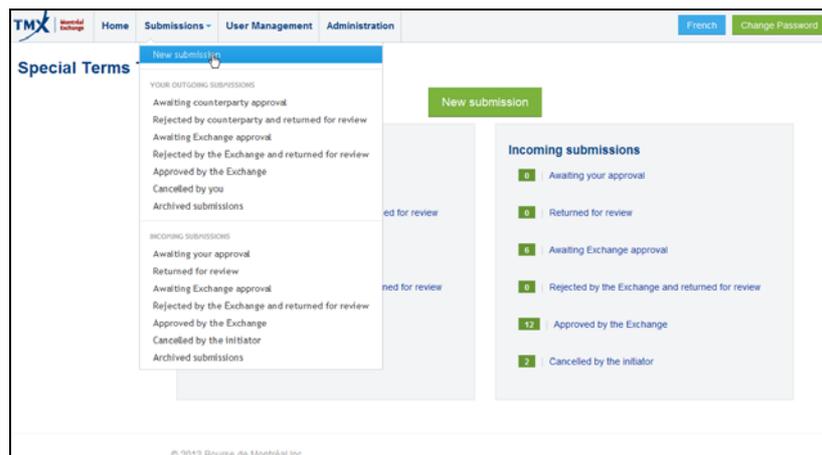
Once inside the Special Terms Transaction Reporting Form users will have access to submitting a new special terms transaction by:

- Selecting the “New Submission” icon



“or”

- Selecting the “Submissions” tab on the left hand of the screen, which will cause a drop down menu to appear, and subsequently selecting the “New Submission” Icon that appears.



4.5. New Submission Process

The New Submission must be initiated by a single party. In cases where the transaction is not a cross, the parties must decide on an initiator (the party that will submit the transaction details). The initiator of the transaction must complete the details found in the form and once submitted the system will automatically prompt the counterparty to validate the information submitted by the initiator.

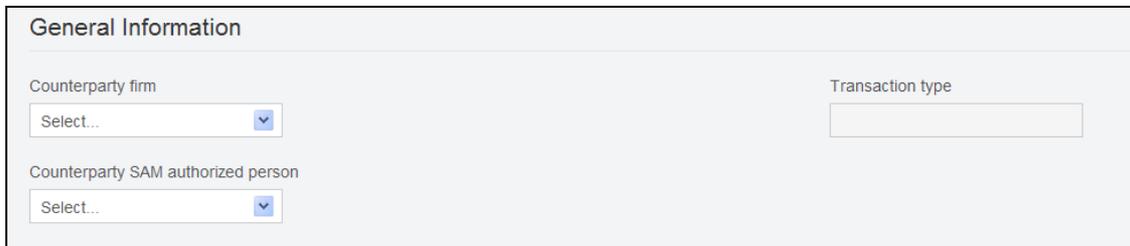
The following steps are required by the initiator:

Step 1: Selecting the type of special term transaction from the drop down menu as well as selecting the Trade Date and Trade Time “Montreal Time”.



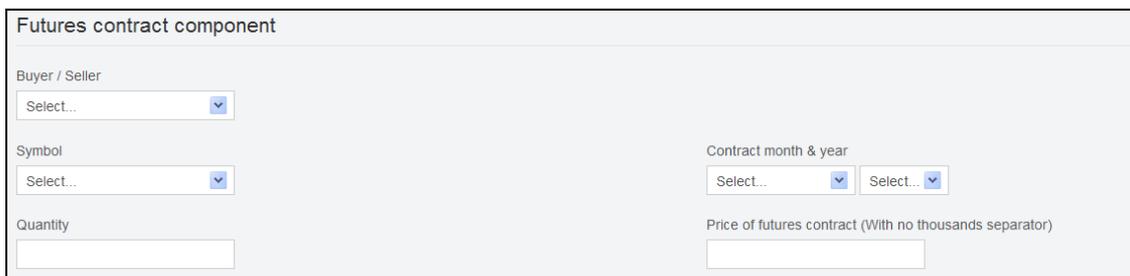
The screenshot shows the top navigation bar of the TMX Montreal Exchange website with links for Home, Submissions, User Management, and Administration. On the right, there are buttons for 'French' and 'Change Password'. Below the navigation is a section titled 'Add a new submission'. It contains a 'Special Term Transaction type' dropdown menu with 'Select...' as the current value. To the right, there is a 'Trade Date and "Montreal time"' section with a date field set to '2013-05-01', an 'at' label, and two time dropdown menus set to '13' and '15'.

Step 2: Providing “General Information” pertaining to the special terms transaction by selecting an option from the respective drop down menus. Note that the “Transaction type” box will automatically be populated by the system once the “Counterparty firm” has been selected.



The screenshot shows a form titled 'General Information'. It has two dropdown menus: 'Counterparty firm' and 'Counterparty SAM authorized person', both with 'Select...' as the current value. To the right of these is a text input field for 'Transaction type'.

Step 3: Providing details pertaining to the “Futures contract component” by selecting an option from the respective drop down menu and entering the appropriate details. Note that additional details will be requested once the “Symbol” is selected.



The screenshot shows a form titled 'Futures contract component'. It has three dropdown menus: 'Buyer / Seller', 'Symbol', and 'Contract month & year', all with 'Select...' as the current value. There are also two text input fields: 'Quantity' and 'Price of futures contract (With no thousands separator)'.

Step 4: Providing details pertaining to the “Cash Component or OTC Derivative Instrument” by selecting an option from the respective drop down menus and entering the appropriate details. Note that different details, pertaining to the Cash Component or OTC Derivative Instrument, will be requested depending on the Cash Component or OTC Derivative Instrument that is selected. Users will be expected to provide the maximum amount of details pertaining to Cash Component or OTC Derivative Instrument (Examples: in the instance of an EFP where the cash component is a bond the user would be expected to provide the issuer, the coupon as well as the maturity date of the bond or in the case of an EFR where the OTC derivative instrument is an interest rate swap (IRS) the user would be expected to provide the term and currency of the swap).

Cash Component or OTC Derivative Instrument

Buyer / Seller

Trade date and "Montréal time"
 at :

The cash component or OTC derivative instrument was executed by

Type

Nominal value (with no thousands separator)
 CAN \$

Price of bond (Must be 4 decimals, eg: 123.0123)
 CAN \$

Correlation coefficient (From -1 to 1. Two decimals, eg: -0.67)

Correlation matrix attachment (Mandatory for all EFRs)

Market value

Description of cash component or OTC derivative instrument

If users wish to provide additional details pertaining to the "Special Terms Transaction" they can do so by utilizing the "Additional Details" box that has been provided below the "Cash Component or OTC derivative instrument" section that has been provided. Note that users are encouraged to provide maximum details as submissions lacking information may be selected for auditing purposes.

Additional details

The transmission of the above information to the Bourse and the subsequent validation and dissemination of the transaction by the Market Monitoring Department will not preclude the Bourse from initiating any analysis and/or investigation to ensure that the transaction has been made in accordance with the applicable requirements of the Bourse (Rules of the Bourse). If, following such analysis or investigation, it appears that the transaction was not in full compliance with applicable regulatory requirements, the Bourse has the discretion to initiate a disciplinary process.

Step 5: Confirmation or cancellation is achieved by selecting one of the two following options:

- Save and Send
- "Or"
- Cancel
 -

Note: If the "Transaction type" is a "Cross transaction" the submission will be sent directly to the Montreal Exchange "Market Operations Department" (MOD) for approval. MOD personnel will provide comments if the Special Terms Transaction is rejected, after which, the user will have to enter the portal and amend the submission in order to

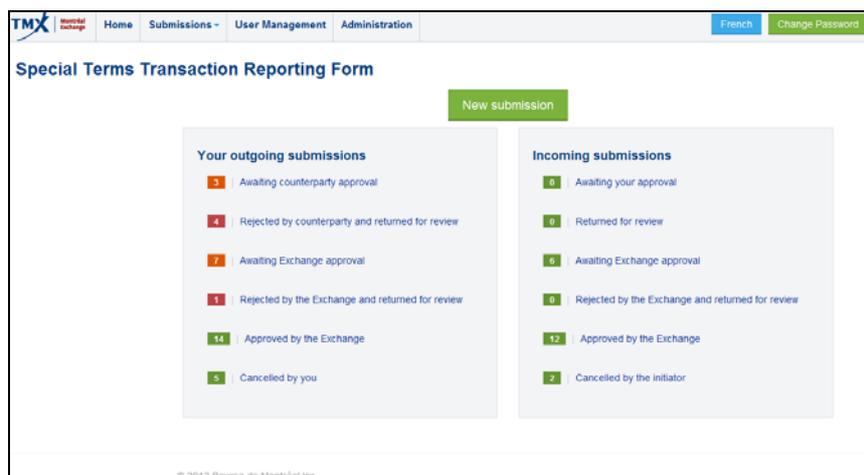
address the issue(s); users may also choose to cancel the submission if they choose not to proceed.

4.5.1. Required approval by the counterparty (when transaction is not a cross)

If the transaction type is "Trade against another firm" the counterparty will automatically be alerted by e-mail and will be prompted to access the Special Terms Transaction portal in order to review the details of the transaction and provide approval. If the counterparty approves the "Special Terms Transaction" it will automatically be transmitted to the MOD for approval. If the counterparty rejects the "Special Term Transaction" they will have to provide comments relative to the reasons for the rejection. The rejected submission will then be re-sent to the initiating party in order to address the issues raised by the counterparty. At which point the initiator will have the choice to either cancel the submission or amend it. If the initiator chooses to amend the submission the approval process recommences and goes on until both parties are in agreement and the submission is transmitted to the MOD for approval. If the MOD rejects the submission the initiator will have to re-enter the transaction and address the issues raised; after which the approval process recommences. Please note that the "smart form" has been designed with the objective of increasing the efficiency of the approval process by minimizing the possibilities of erroneous detail entries.

4.6. Submission Summary Table

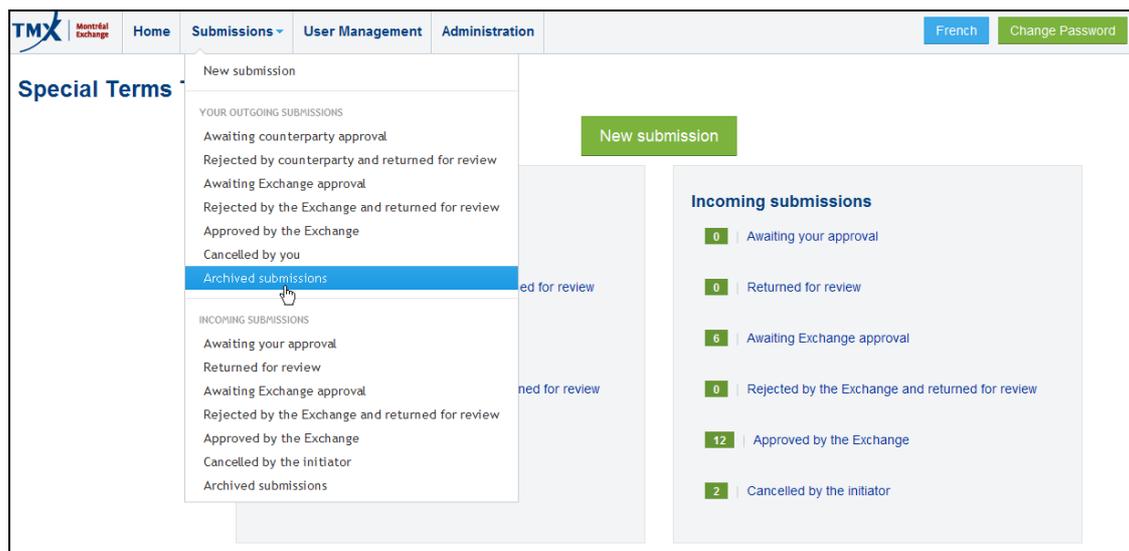
The "Submission Summary Table", which is viewable upon entry into the Special Terms Transaction Reporting Form", outlines the status of submissions. The fields under the heading "Your outgoing submissions" outline submissions that were entered by the user and the fields under the heading "Incoming submissions" outline submissions where the user was a recipient, (or counterparty), of a special term transaction.



Field descriptions for "Your outgoing submissions":

- Awaiting counterparty approval: Submissions with a "Transaction type" = "Trade against another firm" that were entered by the user and sent to counterparty for approval.
- Rejected by counterparty and returned for review: Submissions with a "Transaction type" = "Trade against another firm" that were entered by the user and sent to counterparty for approval but rejected by the counterparty
- Awaiting Exchange Approval: Submissions that are awaiting the Exchange's approval
- Rejected by the Exchange and returned for review: Submissions that were rejected by the Exchange and returned for review
- Approved by the Exchange: Submissions that were approved by the Exchange
- Cancelled by you: Submissions that were rejected by the user

Note that users may view the archived submissions that were approved by the Exchange by selecting the "Submissions" tab on the top left hand of the screen and selecting "Archived submissions" under the heading "Your outgoing submissions"

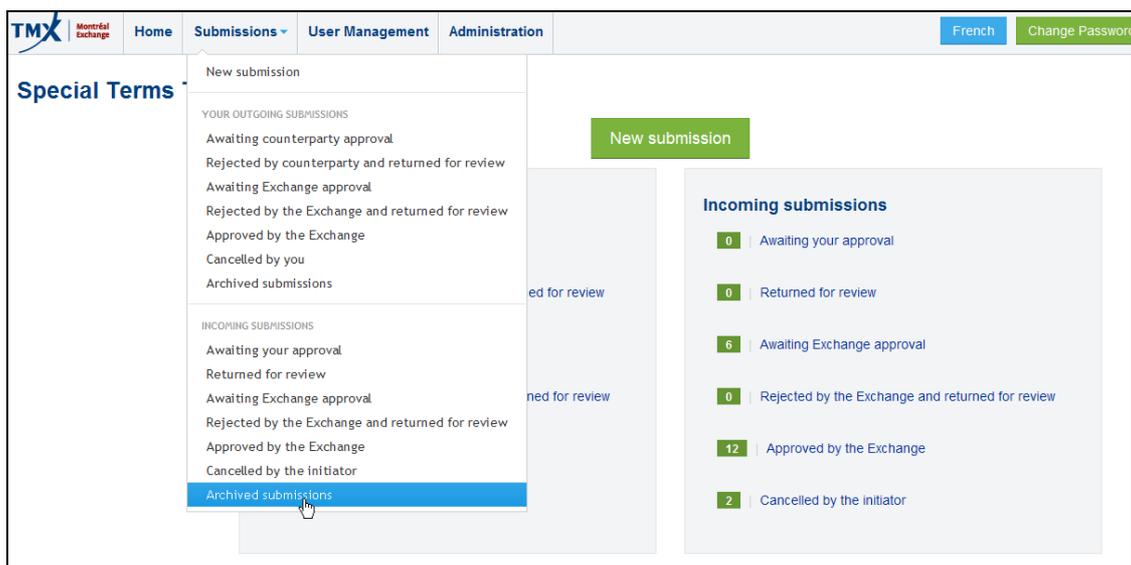


Field description for "Incoming submissions":

- Awaiting your approval: Submissions with a "Transaction type" = "Trade against another firm" that were sent to the user for approval; note that the recipient will not be able to amend the submission details but will have the ability to select the account type.
- Returned for review: Submissions with a "Transaction type" = "Trade against another firm" that were rejected by the user and sent back to the initiator to address issues.
- Awaiting Exchange Approval: Submissions that are awaiting the exchange's approval

- Rejected by the Exchange and returned for review: Submissions that were rejected by the Exchange and returned for review
- Approved by the Exchange: Submissions that were approved by the exchange
- Cancelled by initiator: Submissions with a “Transaction type” = “Trade against another firm” that were rejected by the initiator

*Note that users may view the archived submissions that were approved by the exchange by selecting the “Submissions” tab on the top left hand of the screen and selecting “Archived submissions” under the heading “Incoming submissions”



Once the users have selected any of the items from the “Your outgoing submissions” or the “Incoming submissions” sections, they will subsequently have the ability to view the details of the submission by selecting “view details”. In cases where they were an initiator of the special term transaction and the transaction was rejected by either the counterparty or the MOD, they will have the ability to either amend the submission or cancel it. Note that users will be able to view comments from the MOD as well as from the counterparty by selecting “view details” or “Edit”. Furthermore, the users will also be able to view an historic progression of the submission via the “comments” screen.

Outgoing, Rejected and Returned for Review						
Reference Number	Recipient	Transaction Type	Symbol	Buyer / Seller	-	Actions
		EFP	CGB	Buyer & Seller	View details	Edit Cancel

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