

# ACCESSING THE **MONTRÉAL EXCHANGE**



*MONTRÉAL EXCHANGE*  
***HOME OF DERIVATIVES***  
*TRADING IN CANADA*



## DOMESTIC OR FOREIGN APPROVED PARTICIPANT AND MARKET ACCESS REQUIREMENTS

**Mark Bourcier**  
Account Manager,  
Market Access & Vendor Relations  
+1 514 871-3581  
[mark.bourcier@tmx.com](mailto:mark.bourcier@tmx.com)

**Giancarlo Percio**  
Manager, Client Onboarding  
and Market Technology  
+1 514-787-6484  
[giancarlo.percio@tmx.com](mailto:giancarlo.percio@tmx.com)

Toll-free within Canada and U.S.: 1 800 361-5353  
Toll-free from U.K or France: 00.800.36.15.35.35

[mxconnect@tmx.com](mailto:mxconnect@tmx.com)

## MONTRÉAL EXCHANGE

Montréal Exchange Inc. (MX), a wholly-owned subsidiary of TMX Group Limited and Canada's derivatives exchange, plays a leadership role in three areas of finance: financial derivatives markets, clearing services and IT business solutions.

MX first revolutionized Canada's financial environment in 1975 with the introduction of equity options, and then again in 1988 with the launch of Canada's first financial futures contract.

Today, in addition to being a shareholder in the Boston Options Exchange, MX also operates EDX London, Oslo Børs and IDEM (the Italian Derivatives Exchange Market) through our SOLA software products.

### CANADIAN DERIVATIVES MARKET

The MX electronic markets provide a level-playing field for all participants. MX operates two distinct markets, a futures market and an options market. Individual retail traders, small businesses and large institutions have access to the same central order book. MX offers individual and institutional investors, both in Canada and abroad, a wide range of risk management products for protecting their investments and ensuring growth.

MX currently lists:

- Equity options
- Weekly Options
- Options on Exchange-Traded Funds (ETFs)
- Share Futures
- Currency options (options on the U.S. dollar)
- Index derivatives
- Interest rate derivatives (bond and money markets)

The anonymity of traders and firms is protected for all bids, offers and trades. MX's market model comprises features including direct access, transparency, integrity and speed. The market model ensures execution of client orders on a price time priority basis, at the best possible price.

### CLEARING SERVICES

The MX clearing house, the Canadian Derivatives Clearing Corporation (CDCC) is a wholly-owned subsidiary of TMX Group Limited, providing central counterparty clearing services to participants. CDCC, who prioritizes managing risk exposures, continues to distinguish itself by upholding a top investment rating and a strong reputation.

CDCC also offers risk management services to partners in the Over-the-Counter (OTC) market.

### REGULATORY DIVISION

The MX is recognized as a self-regulatory organization by the Autorité des marchés financiers (AMF), and the regulatory oversight of MX markets is carried out by the Regulatory Division (MX-R).

MX has a major stake in maintaining the confidence of investors and financial institutions in global derivatives markets. Under the AMF oversight, the mission of MX-R is to ensure the integrity of MX derivative markets.

## ACCESSING THE MX

The MX electronic trading platform offers to customers:

- streamlined development efforts;
- a single source for test and production customer support;
- access to risk management tools;
- efficient access to real-time market data;
- five best limits for futures and options plus implied pricing; and
- improved options capabilities and a range of new products

Approved participants who are granted direct access to MX's markets and trading environment, benefit from significant cost savings in execution fees, can route client orders, and install terminals in client offices.

## REGULATORY OVERVIEW

### APPROVED PARTICIPANT – ELIGIBILITY REQUIREMENTS

Firms applying to become an approved participant must meet certain criteria including:

#### FOR CANADIAN FIRMS, THEY MUST BE

- incorporated under applicable Canadian provincial or federal laws;
- members of the Investment Industry Regulatory Organization of Canada (IIROC); and
- members of the Canadian Derivatives Clearing Corporation or conclude a clearing agreement with one of its members.

Employees of approved participants applying for approval granting them access to trade on SOLA<sup>®</sup>, must beforehand enroll in the course(s) offered by the Regulatory Division.

#### FOR FOREIGN FIRMS (UNITED STATES\*, UNITED KINGDOM, REPUBLIC OF IRELAND, ISRAEL AND FRANCE ONLY), THEY MUST

- be duly formed pursuant to the relevant laws of the country;
- be registered with a securities or derivative instruments regulator, or a recognized self-regulatory organization, unless it is exempted from such registration in its jurisdiction and subject to all other applicable restriction;
- have entered into a clearing agreement with a member of the Canadian Derivatives Clearing Corporation; and
- have a designated agent for service of process residing in Quebec.

\* U.S. participants may only access CFTC approved contracts: futures and options on futures other than security futures products.

Application forms to become an approved participant are available at [www.reg.m-x.ca/en/approval/approved\\_participant](http://www.reg.m-x.ca/en/approval/approved_participant).

A list of clearing members is available at: [www.cdcc.ca/members\\_en](http://www.cdcc.ca/members_en).

For more information on CDCC membership standards, or to apply for membership, contact Member Services at [memberservices@cdcc.ca](mailto:memberservices@cdcc.ca).

## ACCESSING THE **MONTRÉAL EXCHANGE**

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Regarding the submission of Reports Pertaining to the Accumulation of Positions for Derivative Instruments, all MX participants are required to develop a reporting solution, based on either the MX-SAIL Protocol, or implement the MX LOPR (Large Open Position Reporting) GUI, which was developed specifically for this purpose, unless, they have specifically been exempted from or have delegated this regulatory procedure. Information relevant to this tool and its implementation are in the LOPR section of the MX-R website <http://reg.m-x.ca/en/lopr/>.

### **MARKET ACCESS**

Canadian and foreign approved participants' employees must be approved as a Montreal Automated System (SAM) Approved Persons by MX-R before being authorized to trade on SAM.

Please contact MX-R directly to submit an application found at [www.reg.m-x.ca/en/approval/sam](http://www.reg.m-x.ca/en/approval/sam).

### **CLIENT ELECTRONIC ACCESS**

Approved participants can authorize clients to electronically route orders to MX. Certain conditions apply; see Rule 6, Section 6365-6399 Electronic Trading of Derivatives Instruments Traded on the Bourse.

- The document is available at [www.m-x.ca/f\\_regles\\_en/06\\_en.pdf](http://www.m-x.ca/f_regles_en/06_en.pdf).
- Electronic Trading Rules are available at [www.m-x.ca/f\\_circulaires\\_en/012-13\\_en.pdf](http://www.m-x.ca/f_circulaires_en/012-13_en.pdf).

## **SOLA PLATFORM**

SOLA is a highly robust, low-latency trading system for multiple financial products, namely standardized options and futures.

### **TRADING TECHNOLOGY AND SERVICES OVERVIEW**

#### **ORDER ENTRY**

MX supports two order entry protocols:

- **SOLA Access Information Language (SAIL):** is the native protocol for SOLA, offering functionalities required by both order-flow providers and market makers.
- **FIX Protocol version 4.2.**

The MX market model is built on a price/time priority (FIFO) algorithm.

#### **SOFTWARE SOLUTIONS**

The MX SOLA platform is designed with open architecture that accommodates a wide variety of trading and market data interfaces. Select from a variety of certified applications to execute electronic orders and receive market data which vary in type of functionality supported.

Customers that need a front-end trading system, may:

- develop their own;
- license one from an independent software vendor (ISV); or
- use an application provided by a Futures Commission Merchant (FCM), Introducing Broker (IB), data center, proprietary trading group, trading arcade, or clearing firm.

A wide variety of ISVs have written to the MX open SOLA platform, providing approved participants and their clients many options for front-end systems. A list of certified ISVs is available at: [www.m-x.ca/connect\\_fournisseurs\\_en.php](http://www.m-x.ca/connect_fournisseurs_en.php)

## MARKET DATA

The MX High Frequency Vendor Feed (HSVF) and MX Order Book Feed (OBF) are available in multicast format.

The HSVF multicast is a price aggregate feed, and the OBF, a binary, market-by-order feed are two separate feed products. Although they both share and accomplish a similar goal, which is to deliver accurate market data in real-time, the business need and technical delivery of each is not the same.

The HSVF UDP Multicast broadcasts real-time trading and statistical information. The feed is comprised of Trades, Quotes, Market Depth, Strategies, Bulletins, Summaries and other Statistics. Information is provided on all MX listings. HSVF customers can access both level one and level two real-time data for MX. Implied prices are disseminated through HSVF for feed handlers that have developed for this feature.

MX introduced a new Market Data service; the OBF. OBF is a “market by orders” protocol that includes full depth and is intended for any clients who wish to have the ability to fully analyze the trading activity of MX listings. OBF direct data-feed protocol makes it possible for subscribers to track the status of each order from the time it is first entered until the time it is either executed or canceled. Using this protocol allows subscribers to build their image of the full order book or of the market by price level.

## HISTORICAL DATA

MX offers historical daily summaries on its options and futures. The download function on the webpage allows downloading in an Excel spreadsheet up to six months (max) of historical data. Historical daily summaries can be found at [www.m-x.ca/nego\\_fin\\_jour\\_en.php](http://www.m-x.ca/nego_fin_jour_en.php).

Please contact TMX Datalinx Services for times and sales data on the futures market via email at [marketdata@tmx.com](mailto:marketdata@tmx.com).

## POST TRADE SERVICES

- **Automated Trade Reporting (ATR):** The ATR provides live confirmation of all transactions executed in the trading system. Market participants' back-offices can subscribe to this service to feed their risk position management applications in real time.
- **Trade Management System (TMS):** The TMS application provides real-time trade reporting and post-trade allocation functionalities for approved participants and clearing members. This application links the trading platform to CDCC. Thus, TMS facilitates clearing, back office and risk management operations. The TMS application installation package is a self-extracting file.
- **Clearing API:** The Clearing Gateway provides the same functionalities as the TMS application through an electronic API. Market participants can develop their own software to communicate with the MX Clearing Access Services Gateway for post-trade allocations.
- **End-of-Day Trade Reports:** The End-of-Day Trade Report is a .csv file accessible through a secure FTP server that contains, among other fields, the counterparty information of each trade. This service is available for approved participants (domestic and foreign) only.
- **Participant Activity Reports (PAR):** PAR is a series of comma-separated value (CSV) files containing pre-defined fields, simple to read and easy to import into any database. The PAR service is useful for compliance departments as it facilitates both the monitoring of trading activity and the creation of databases for surveillance functions. Participants may also use these files to reconcile their orders and trades made through various applications:

The five available reports include the following data:

1. Instrument List: all active instruments
2. Anonymous Trades: anonymous daily trading activity
3. Firm's Open Order: all firm's open orders
4. Firm's Order Activity: all firm's order entry modification and cancellation messages
5. Firm's Post Trading: trade, give-up and allocation information (with counterparty information)

## ACCESSING THE MONTRÉAL EXCHANGE

- **Large Open Position Reporting (LOPR) Graphical User Interface (GUI):** As stated in the Regulatory Overview section of this document the LOPR GUI is an application that was developed by MX in order to assist participants with the submission of reports pertaining to the accumulation of positions for derivative instruments.

## RISK MANAGEMENT SERVICES

- **Drop Copy:** Participants subscribing to the Drop Copy feed receive order and quote (optional) acknowledgments and trade notifications messages. Participants receive all confirmation messages from a single feed, irrespective of the multiple trading applications that they may use. Participants can thus recreate their order book and trades in quasi real-time. Participants also have the option of sending a cancellation message (see Global Cancel below) via the Drop Copy connection.
- **Pre-Trade Validation API (PTV API):** The PTV API is an exchange service hosted and processed within SOLA, the current trading infrastructure. The PTV API provides participants with the ability to set position limits, credit controls and maximum order quantity. It allows clearing members to set specific or global pre-trade controls for their AP/FAP clients, AP/FAPs who want to integrate risk controls or AP/FAPs using Exchange based Pre-Trade Validations. Triggers predefined actions and alerts when limits are reached. Development and certification are required for those who want to use PTV functions.
- **Global Cancel:** The Global Cancel functionality allows participants to send global order or quote cancellation messages. Global Cancel is available on a separate connection within each order entry channel. With a single message, participants can instruct the system to cancel their firm's orders or quotes, according to their pre-determined granularity level. As mentioned above, this function is available through the Drop Copy service.
- **While Connected for Day Orders:** With the While Connected functionality, day orders are automatically withdrawn from the central order book when a participant's server disconnects from MX. Upon reconnection, participants receive standard cancellation messages. These cancelled orders are not recoverable and must be resubmitted.

## TESTING AND CERTIFICATION

The test and certification documentation is designed to facilitate development and certification to MX's SOLA services.

- **Technical Specifications:** To obtain the technical specifications, customers must contact the technical help desk ( [samsupport@tmx.com](mailto:samsupport@tmx.com) ). The technical help desk will provide the required specifications and other documentation designed to assist customers with development, connectivity and testing.
- **Access to General Test Environment (GTE):** The testing environment is designed to improve the customer development and testing experience. Customers must complete the GTE Access Form for access to the test environment, and must email a scanned version of the completed form to [mxconnect@tmx.com](mailto:mxconnect@tmx.com).
- **Certification:** The certification environment mirrors production functionalities and customers can use it to perform:
  - › certification testing for the core SOLA functionality;
  - › maintenance testing;
  - › development testing for new system features or functionalities in production-like conditions.

External applications using the MX native SAIL or the FIX industry standard protocol for order routing, the High Speed Vendor Feed (HSVF) or the MX Order Book Feed (OBF) for market data dissemination, ATR, Drop Copy, LOPR or the Clearing API, require certification before gaining access to the production connection. The Market Access Manager will provide customers with required test cases and support during this phase. Contact the Market Access Manager to schedule an appointment when ready to certify.



## CONNECTIVITY OPTIONS

The range of connectivity options include, direct connections and several telecommunication hubs that provide reduced connectivity costs, increased accessibility and fast efficient trading. MX maintains a policy of carrier and vendor neutrality. Many domestic and international telecommunications carriers and financial networks are already onsite and ready to immediately deliver services.

Customers interested in connecting to the SOLA trading platform have several different options available:

- **MX Co-Location**  
The SOLA trading engine is located in Markham, Ontario (Greater Toronto Area). MX Co-Location services provide the opportunity for customers to optimize trading opportunities, achieve faster execution and maximize trading profits through low-latency trading and data access from within the colocation facility. It also provides customers with the opportunity to host equipment (collocate servers and other infrastructure) and have direct connectivity to the MX trading system.

Co-Location features include:

- › standard full cabinet Co-Location package includes a lockable cabinet that supports the racking standard components (19" wide, 42U high, 6 Kwatt of redundant power, and 2 x1 g copper connections to the MX);
- › additional services include cross connects and timing services;
- › secure and reliable data center managed and monitored 24/7;
- › operates your mission critical trading applications which includes physical and electronic security, smoke detection system, raised floor with grounding system, redundant power grids, UPS and diesel generators, air conditioning, fire alarm, sprinkler systems and environmental systems monitoring.
- › in addition to multiple generators, uninterruptable power supplies, and redundant power distribution systems, the site is also unique by having access to multiple utility grids.

Standard Co-Location pricing package:

- › \$8,000/month\* per rack
- › \$5,000/month\* half rack
- › One-time initial non-recurring set-up and activation fee of \$5000 per rack

### 10 Gb/s Connectivity to TMX Extranet Rates

- › First 10 Gb/s connection in a cabinet is \$1500.00 monthly.
- › Each additional 10 Gb/s connection in a cabinet is \$1000.00 monthly.

#### Notes:

1. Pricing is in Canadian dollars and does not include taxes.
2. There are no additional fees for power consumed.
3. Each full or half cabinet includes a redundant pair of 1 Gb/s connections to TMX's Extranet (i.e. gateway to TMX matching engines and market data feeds).
4. Each 10 Gb/s connection is a single fibre optic cable.
5. There is a maximum of one half cabinet per firm.
6. Fees for 10 Gb/s connectivity are effective as of February 1, 2013

## ACCESSING THE MONTRÉAL EXCHANGE

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- **MX Points of Presence (POP)**

A direct connection can be made to one or more of the MX POPs. Physical connectivity to the production network is provided by 10/100/1000 Mb/s Ethernet connection. Customers are responsible for supplying the appropriate telecommunications lines and router at the POP. POPs are currently located in Toronto, Secaucus (NY2), Chicago (CH1) and London (LD5). POP features include:

- › Each POP location is connected to the MX Data centers via a carrier diverse network.
- › POP locations provide customers the opportunity to set up direct connections to MX via an Ethernet handoff. Fibre is supported in NY2, CH1 and LD5.
- › They represent a cost-effective option for primary and/or redundant connections to MX via customer's selected provider(s).
- › Customers are responsible for acquiring/extending connectivity to the "meet me room" (MMR) at the MX POP location.
- › Customers with facilities in the same building may be connected via an Ethernet cross connect. Fibre is supported in NY2, CH1 and LD5.

**Pursuant to [Technical Notice 17-004](#) note that Hosting services at the POPs in Secaucus (NY2), London (LD5) and Chicago (CH1) will be decommissioned on January 31, 2018. Access to our primary and backup data centers in Markham and Toronto respectively will not change.**

Standard POP pricing package:

- › Customer contracts directly with their preferred data circuit provider.
- › Customer is responsible for all telecom installation and monthly recurring fees with the provider of their choice.
- › There is \$750/month MX trading system access POP hosting fee.
- › A one-time MX hosting installation setup and activation fee of \$1,500 per physical connection in each POP applies.

**Extranet Access:**

7TICKS, Born Technologies, BT Radianz, SFTI, CenturyLink Technology Solutions, and Transaction Network Services.

**Service Bureaus:**

Bloomberg Tradebook, IRESS Market Technology Canada, FIDESSA, CQG, WEX, GL NET, and TTNET.

**PRODUCTION BANDWIDTH REQUIREMENTS**

It is important that client infrastructure is properly sized in order to avoid dropping messages. In order for clients to receive the MX multicast feeds with the least possibility of dropping messages, it is recommended that clients have a minimum of 100 megabits of bandwidth. Though average per second peak rates are expected to be much lower, it is important to take microburst activity into account. Due to the bursty nature of the MX feeds, it is possible that clients with insufficient bandwidth could experience message loss during microbursts of activity.

Based on analysis of the feed's infrastructure and behaviour, the following table provides an overview of what clients should expect at varying bandwidth rates.

CLIENT BANDWIDTH	FUTURES FEEDS	OPTIONS FEEDS
< 100 megabits	Frequent message loss during peak periods and during microbursts	Frequent message loss during peak periods and during microbursts
100 megabits	Rare, if any, message loss	Infrequent message loss
500 megabits or greater	Rare, if any, message loss	Rare, if any, message loss

**Note:** The client's results will depend on their infrastructure design.

## TRADING ON MX

### TRADING HOURS AND STAGES

MX futures and options contracts trade in three sessions:

Early trading session

Regular trading session

Extended trading session

The MX trading day consists of various stages for each product, and are detailed here:  
[www.m-x.ca/f\\_publications\\_en/tradinghoursphases\\_en.pdf](http://www.m-x.ca/f_publications_en/tradinghoursphases_en.pdf).

### ORDER FEATURES

Clients can trade an array of order types and durations on the SOLA trading platform. Order types and duration qualifiers vary by product and trading application.

#### ORDER TYPES

Committed Order  
Iceberg order (hidden quantity)  
Limit order  
Market-on-open order  
Market order  
Stop-limit order (supported on the S&P/TSX 60™  
Index Standard (SXF) and Mini (SXM) Futures contracts only)

#### DURATION

Day order  
Fill or kill order  
Good 'til cancelled (GTC)  
Good 'til date (GTD)  
While Connected for Day Orders  
User Defined Strategies (UDS) and  
Inter-Group Strategies (IGS)\*

Additional information on order features is available at [www.m-x.ca/connect\\_sola\\_en.php](http://www.m-x.ca/connect_sola_en.php)

\* Participants can create their own UDS (on a specific product), or their own IGS, and have it disseminated through HSVF in real-time, via participants, independent software vendors and data vendors who have developed for the functionality.

Additional information on UDS and IGS is available at [www.m-x.ca/f\\_publications\\_en/igs\\_en.pdf](http://www.m-x.ca/f_publications_en/igs_en.pdf).

### EXECUTING A WHOLESALE TRANSACTION ON MX

- Block Trading
- Exchange for Physical Transactions (EFPs)
- Exchange for Risk Transactions (EFRs)
- Riskless Basis Cross Transactions

Refer to the following link for more information on wholesale transactions.  
[www.m-x.ca/marc\\_terme\\_echange\\_contrat\\_en.php](http://www.m-x.ca/marc_terme_echange_contrat_en.php)

These trades are all privately negotiated and executed outside the central limit order book, yet cleared by the Canadian Derivatives Clearing Corporation. They provide efficiency in terms of costs, margins and risk management – all without disrupting or displacing the market.

As for **Cross and Prearranged transactions**; these trades are all privately negotiated but must respect and trade within the central limit order book.

## GENERAL MARKET ACCESS FEES

### CONNECTIVITY & SERVICES

<b>COLOCATION</b>	
Full Cabinet (42U, 6 kw maximum)	\$8,000 per month
Half cabinet (21U, 3 kw maximum)	\$5,000 per month
Initial set-up fee	\$5,000 (one-time fee)
<b>FULL CABINETS FEE REDUCTION FOR MULTI-YEAR COMMITMENT</b>	
3-year term	\$500 monthly
4-year term	\$1,000 monthly
5-year term	\$1,500 monthly
<b>HOSTING</b>	
Hosting installation set-up (one-time fee)	\$1,500
Hosting fees via points of presence (POP)	\$750 per month
Disconnection	\$250
<b>OTHER SERVICES</b>	
API support fee	\$500 per month, for proprietary software only
Trade Management System	\$522 per month
Drop Copy service	\$500 per month
PAR service	Individual reports \$200 per month All 5 reports \$700 per month
LOPR – Graphical User Interface (GUI) License Fee	\$200 – First License \$100 – Each Additional License
<b>APPLICATION &amp; REGULATION</b>	
Domestic or foreign approved participant - annual assessment	\$5,000 per year
SAM approved person application - annual assessment	\$125
Course fee per SAM approved person	\$250
Designated representative (domestic or foreign)	\$150
Surveillance Fee	\$0.03 (all contracts except SXM)
	\$0.01 (SXM)

## ACCESSING THE **MONTRÉAL EXCHANGE**

### TRANSACTION FEES FOR EQUITY DERIVATIVES

<b>OPTIONS</b>	
Client and approved participant (domestic & foreign)	\$0.50
Volume Rebate Program	\$0.16
Market Maker	\$0.16

  

<b>INDEX OPTIONS</b>	
Client and approved participant (domestic & foreign)	\$0.25
Volume Rebate Program	\$0.16
Market Maker	\$0.16

  

<b>OPTIONS ON EXCHANGE TRADED FUNDS (ETFs)</b>	
Client and approved participant (domestic & foreign)	\$0.25
Volume Rebate Program	\$0.16
Market Maker	\$0.16

**TRANSACTION FEES FOR FUTURES AND OPTIONS ON FUTURES**

<b>FUTURES</b>	
Client (except SXF)	\$0.82
Client (SXF)	\$0.92
Approved Participant (domestic & foreign)	\$0.33
Volume Rebate Program	\$0.21
<b>OPTIONS ON FUTURES</b>	
Client	\$0.50
Approved Participant (domestic & foreign)	\$0.30
Volume Rebate Program	\$0.20
<b>SHARE FUTURES</b>	
Client and approved participant (domestic & foreign)	\$0.25
Volume Rebate Program	\$0.16
Market Maker	\$0.16
<b>FUTURES-SXM</b>	
Client	\$0.21
Approved Participant (domestic & foreign)	\$0.09
Volume Rebate Program	\$0.06

## ACCESSING THE **MONTRÉAL EXCHANGE**

### MARKET DATA

<b>REAL-TIME</b>	
External Transmission - Monthly fee	\$2,100
Internal Transmission - Monthly fee	\$900
Order Book Feed (OBF) premium per month *	\$500
Order Router Distribution - Monthly fee	

  

<b>DELAYED MARKET DATA</b>	
Monthly Fee (external transmission)	\$525
Monthly Fee (internal transmission)	\$525

  

<b>DATA LICENSE FEE</b>	
Monthly Fee - For the creation of analytics and automated trading applications	\$730

Fees are subject to changes. The official list of fees is available at [www.m-x.ca/f\\_publications\\_en/bourse\\_list\\_fees\\_2017.pdf](http://www.m-x.ca/f_publications_en/bourse_list_fees_2017.pdf)

#### Notes:

1. Customers within Canada are billed in Canadian dollars. All others are billed in U.S. dollars.
2. The analytics and automated trading application license fee is for the use of the real-time MX Market Data feed in analysis programs whereby MX Market Data is used in proprietary programs leading to purchase, sale or other trading decisions such as options analysis, arbitrage and program trading, which generate quotations or execute transactions in an automatic manner.

\* The OBF \$500 premium fee is in addition to the internal or external transmission monthly vendor fee for real-time market data.



## FREQUENTLY ASKED QUESTIONS

### **DOES MX ALLOW DIRECT MARKET ACCESS FOR (DMA) CLIENTS OF AN APPROVED PARTICIPANT OR FOREIGN APPROVED PARTICIPANT?**

DMA access is not allowed for such participants. MX only recognizes approved participants (domestic or foreign) for direct connections. Requests for trader IDs, firm IDs or alternate connections must come from the approved participant. The approved participant must have a risk filtering mechanism in place before orders can arrive at any connection point. The approved participant is responsible for this as a condition of their approved status. MX trading rules require that the approved participant has an order routing agreement in place with their clients. Such routing agreements do not have to be submitted but must be in force before order routing for clients can be permitted.

### **CAN SOMEONE CONNECT VIA VPN?**

VPN access is permitted through the MX General Test Environment.

In Production, VPN ACCESS is permitted to the MX LOPR service and CDCC.

### **LAN-TO-LAN VPN CONNECTIONS:**

Typically the VPN connections are set up in tunnel mode between the client's router/firewall and MX VPN routers. Traffic between the client's internal hosts and MX hosts will then pass over the established VPN tunnel.

#### **Does MX offer any incentive programs?**

The MX offers an incentive program for proprietary traders: the Volume Rebate Program. Additional incentives are available to proprietary traders registering for the Volume Rebate Program for the first time.

MX Volume Rebate Program – Terms and Conditions and Application Form

[http://www.m-x.ca/f\\_publications\\_en/mx\\_rebate\\_volume\\_form\\_en.pdf](http://www.m-x.ca/f_publications_en/mx_rebate_volume_form_en.pdf)

MX Volume Rebate Program – Trader Identification Form

[http://www.m-x.ca/f\\_publications\\_en/mx\\_rebate\\_volume\\_ident\\_form\\_en.pdf](http://www.m-x.ca/f_publications_en/mx_rebate_volume_ident_form_en.pdf)

MX Volume Rebate Program Table

[http://www.m-x.ca/f\\_publications\\_en/mx\\_rebate\\_volume\\_program\\_table\\_en.pdf](http://www.m-x.ca/f_publications_en/mx_rebate_volume_program_table_en.pdf)

#### **Does the MX have a Disaster Recovery Plan (DRP)?**

Yes, MX has a DRP. In addition, the MX participates in the Futures Industry Association's (FIA), Securities Industry and Financial Markets Association (SIFMA) and the Investment Industry Regulatory Organization of Canada (IIROC) industry-wide test of dealers' business continuity plans.

### GLOSSARY

**Committed Order:** The Committed Order facilitates the execution of prearranged transactions (by one approved participant against another) and cross transactions (by one approved participant against themselves) which may be executed with a zero-second time delay between the input of two matching orders. Committed Orders must contain the SOLA-configured code of the designated counterparty and can only be matched against corresponding counter orders also entered into the functionality. Orders are held in a dedicated private archive until matched, or until the end of the trading day, whichever comes first.

**Iceberg order (hidden quantity):** Order that facilitates the sequential display of pre-determined portions of a single order. The minimum quantity required to be displayed is 25 contracts for all futures contracts, except for Ten-Year Government of Canada Bond Futures (CGB), which has a minimum of 50 contracts. This facility allows for the efficient execution of large size orders without disrupting supply and demand in the market.

**Limit order:** Order for which a limit price is specified.

**Market order:** Order for execution at the best price available in the market for the total quantity available from a bid or offer. Any residual volume remaining following the partial fill of a market order is automatically converted to a limit order at the price at which it was initially executed.

**Market-on-open order:** Order for execution at the CTO (Calculated Theoretical Opening) price at the market open. Any residual quantity of a partially filled market-on-open order automatically becomes a limit order at the price at which the original order was executed. Market-on-open orders have priority over limit orders.

**Stop-limit order (supported on the S&P/TSX 60™ Index Standard (SXF) and Mini (SXM) Futures contracts only):** Order that is meant to limit a loss, or lock in a gain. A participant specifies a “trigger” price and, should the price of the contract drop (or rise) so that it trades at or below (or above) the trigger price, a limit order to sell (or buy) will be created and sent to the market. Stop orders that do not specify a trigger price will be rejected. To change a trigger price a participant must cancel the original order and send a new one.

# ACCESSING THE **MONTRÉAL EXCHANGE**





[m-x.ca](http://m-x.ca)

## MONTRÉAL EXCHANGE

### Head Office

Tour de la Bourse  
P.O. Box 61 - 800 Victoria Square  
Montréal, Quebec H4Z 1A9  
Canada

Toll free: 1 800 361-5353

[mxconnect@tmx.com](mailto:mxconnect@tmx.com)

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