



Technical Notice **14-009**

TO: Montréal Exchange Participants & Vendors

FROM: Market Access Manager

SUBJECT: Amendment to the BAX Contract

DATE: July 11, 2014

On September 8, 2014, the minimum price fluctuation for the second, third and fourth quarterly BAX contract months will be reduced from 0.01 = \$25.00 per contract (a full tick), to 0.005 = \$12.50 (a half tick). From then on, the two BAX serials and the front four BAX quarterlies will all trade in half ticks. The new BAX contract specifications can be found on the following page.

The implementation of this modification is subject to compliance with the conditions set forth in the self-certification process as established in the Derivatives Act (R.S.Q. chapter I-14.01), and pursuant to obtaining the consent of regulatory authorities in other jurisdictions, where required.

TECHNICAL IMPACT

As this is only a contract modification, customers need to take proper measures to ensure the proper tick value is configured on the two BAX serial contracts and the front four BAX quarterly contracts. **There are no changes to the MX services that display the BAX contract.**

| SERVICE | | IMPACT |
|--------------------------|------|------------------|
| SAIL | FIX | NO CHANGE |
| STAMP | HSVF | |
| FTP server (EOD reports) | LOPR | |
| Drop Copy | ATR | |
| Clearing API | HSVF | |

GENERAL TEST ENVIRONMENT (GTE) and PREPARATION

The amended contract will be made available in the MX testing environment should clients require testing. Application testing and support is available Mondays through Fridays, from 8:00 AM (EST) to 16:30 PM (EST). After-hours testing is available without support on Mondays through Fridays, from 16:30 PM (EST) to 22:30 PM (EST).

CONTACT INFORMATION

For all business related questions or if you require technical assistance, please contact the Technical Help Desk.

| TECHNICAL HELP DESK | |
|---------------------|--|
| Toll-Free | 1- 877-588-8489 |
| Local | 514-871-7872 |
| E-mail | samsupport@m-x.ca |

NEW BAX CONTRACT SPECIFICATIONS

| THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES | | |
|---|-------------------------------------|--|
| SPECIFICATIONS | Underlying | C\$1,000,000 of Canadian bankers' acceptances with a three-month maturity. |
| | Expiry cycle | Quarterlies: March, June, September and December. Serials: two (2) nearest non-quarterly months. |
| | Price quotation | Index: 100 minus the annualized yield of Canadian bankers' acceptances with a three-month maturity. |
| | Minimum price fluctuation | 0.005 = C\$12.50 per contract for the six (6) nearest listed contract months, including serials. 0.01 = C\$25 per contract for all other contract months. |
| | Contract type | Cash-settled. |
| | Last trading day | Trading ceases at 10:00 a.m. (Montréal time) on the second London (Great Britain) banking day 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 | Expiration occurs on the last trading day. |
| | Final settlement price | Based on the average bid-rate of Canadian bankers' acceptance with a three-month maturity, as quoted on CDOR on the last trading day at 10:15 a.m., excluding the highest and the lowest values. |
| | Position reporting threshold | 300 contracts. |
| | Position limit | Information on position limits can be obtained from the Bourse as they are subject to periodic changes. |
| | Price limit | None. |
| | Minimum margin requirements | Information on minimum margin requirements can be obtained from the Bourse 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 | The Canadian Derivatives Clearing Corporation (CDCC). |
| Ticker symbol | BAX | |

We thank you for your cooperation.

Mark Bourcier
Market Access Manager