



CIRCULAR 008-24

January 18, 2024

SELF-CERTIFICATION

**PROPOSED AMENDMENTS TO THE RULES OF THE BOURSE TO INTRODUCE
OPTIONS ON THREE-MONTH CORRA FUTURES (OCR)**

On October 24, 2023, the President and Chief Executive Officer of Bourse de Montréal Inc. (the “**Bourse**”) approved proposed amendments to the Rules of the Bourse to introduce options on three-month CORRA futures (OCR). These amendments were self-certified in accordance with the self-certification process as established in the *Derivatives Act* (CQLR, Chapter I-14.01).

The amendments attached hereto will become effective on **February 9, 2024**, after market close. Please note that the revised articles will also be available on the Bourse’s website (www.m-x.ca).

For additional information, please contact Dima Ghozaiel, Legal Counsel, by email at dima.ghozaiel@tmx.com.

Dima Ghozaiel
Legal Counsel
Bourse de Montréal Inc.

APPENDIX A: THE AMENDMENTS**BLACKLINE VERSION****Article 6.205 Prearranged Transactions**

[...]

(b) The parties to a Transaction may engage in communications to prearrange a Transaction on the Electronic Trading System in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the following conditions:

(i) A customer consent to the Approved Participant engaging in prearranging communications on the customer's behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;

(ii) After the first order for the prearranged Transaction is entered into the Electronic Trading System the parties may not enter the second order for the prearranged Transaction until the following specified time period has elapsed as follows:

{Section to be added in the table under point (b)}

[...]

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Options on Three-Month CORRA Futures Contracts:		
All expiry months and related strategies	0 seconds	≥ 250 contracts
All expiry months and related strategies	5 seconds	< 250 contracts

[...]

(c) Committed Orders. Committed orders may not be used to execute any Transaction under this Article or Article 6.202 having a prescribed time delay longer than zero seconds, and may be used for such Transactions only for the following products subject to the minimum volume threshold:

{Section to be added in the table under point (c)}

[...]

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	MINIMUM VOLUME THRESHOLD
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All expiry months and strategies	
Options on Three-Month CORRA Futures	250 contracts

Article 6.206 Block Trades

(a) In general. Approved Participants may negotiate and execute a Transaction off of the Electronic Trading System pursuant to the following conditions:

(i) A block trade Transaction may be arranged and executed only during trading hours on the Bourse for the eligible derivative.

(ii) Block trades are only permitted in the Derivative Instruments and for a quantity which meets or exceeds the minimum volume thresholds as follows (only to the extent the eligible security or derivative instrument is available for trading):

{Section to be added in the table under point (a)}

[...]

Eligible Derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 8PM (t-1) until 5h59m59s)	Block - Minimum volume threshold (from 8PM (t-1) until 5h59m59s)
Options on Three-Month CORRA Futures Contracts	15 minutes	500 contracts	1 hour	100 contracts
Three-Month CORRA Futures Contracts (CRA) / Options on Three-Month CORRA Futures Contracts Strategy Instruments	15 minutes	Sum of the strategy legs: 500 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs	1 hour	Sum of the strategy legs: 100 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs

(iii) For strategies and combinations, block trades are permitted for quantities which meet or exceed the volume thresholds as follows:

{Clarification to be added in the table under point (a) (iii)}

[...]

Futures/options combinations strategy Derivative Instruments	The applicable minimum volume thresholds are defined in subparagraph 6.206(a)(ii). If each leg of the strategy meets its respective applicable minimum threshold, the options leg(s) volume criteria of at least 50% of the total strategy volume does not apply.
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[...]

Article 6.210 Trade Cancellation and or Price Adjustment

[...]

(h) No-Review Range. The Bourse will determine the limits of the No-Review Range by determining what was the acceptable market price for the Derivative Instrument before the Trade under review occurred based upon all relevant information, including the last Trade price, a better bid or offer, a more recent price for a related Derivative Instrument (for example a different expiry month) and the prices of similar Derivative Instruments trading on other markets once the acceptable market price is established, the Bourse applies the following increments to determine the limits of the No-Review Range;

{Section to be added in the table under point (h)}

[...]

DERIVATIVE INSTRUMENT	INCREMENT
Options on Three-Month CORRA Futures	0.05 (5 cents)

Appendix 6E - Daily and month-end Settlement Price Procedures for Futures Contracts and Options on Futures Contracts

Appendix 6E -4.4 - Options on THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS

[...]

(b) Ancillary procedure. In the absence of the items required to apply the main procedure in paragraph (a), the following ancillary procedure will apply.

(i) The Settlement Price shall be determined by inserting the following parameters into a standard Option pricing model (Black & Scholes):

(1) Price of the Underlying. The Bourse will capture the Settlement Price of the underlying BAX Futures Contract. This will be the price of the underlying.

(2) Interest rate. The interest rate used will be the rate implied by the Settlement Price of the BAX Futures Contract nearest to expiration.

(3) Volatility: The Bourse will use the implied volatility (per contract month, for Puts and calls) obtained from ~~the acting Market Maker.~~ **relevant market sources and deemed appropriate for the product.** The same volatility will be applied for both Calls and Puts.

[...]

Appendix 6E -4.10 - Options on Three-Month CORRA Futures

(a) Main Procedure.

Weighted average. The Settlement Price shall be the weighted average of the prices traded in the closing range (last minute of trading prior to (and including) 3:00 p.m., or prior to (and including) 1:00 p.m. on early closing days). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(i) Last Trades.

(1) If no Trade occurs during the closing range, the Market Supervisors will consider Transactions executed during the last 30 minutes of trading prior to (and including) 3:00 p.m., or prior to (and including) 1:00 p.m. on early closing days. Also, to be considered, the bids and offers shall be for a minimum of 25 contracts and shall have been posted at least one minute before (and including) 3:00 p.m., or before (and including) 1:00 p.m. on early closing days, to be considered.

(2) If no Trade occurs in the closing range (or in the last 30 minutes of trading prior to (and including) 3:00 p.m., or prior to (and including) 1:00 p.m. on early closing days), the Settlement Price shall be the theoretical price calculated by the Bourse (as described in paragraph (b)). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(b) Ancillary procedure. In the absence of the items required to apply the main procedure in paragraph (a), the following ancillary procedure will apply.

(i) The Settlement Price shall be determined by inserting the following parameters into a standard Option pricing model (Black & Scholes):

(1) Price of the Underlying. The Bourse will capture the Settlement Price of the underlying CRA Futures Contract. This will be the price of the underlying.

(2) Interest rate. The interest rate used will be the rate implied by the Settlement Price of the CRA Futures Contract nearest to expiration.

(3) Volatility: The Bourse will use the implied volatility (per contract month, for Puts and calls) obtained from relevant market sources and deemed appropriate for the product. The same volatility will be applied for both Calls and Puts.

(4) The Exercise Price of the Options' series and the time to expiration are the other parameters that will be inserted into the model.

(ii) In determining the closing price, the Bourse shall take into account the information provided by the posted strategy, for example; if the SEP 9200 straddle is 98 bid, the total of the closing prices of these two series should not be inferior to 98.

Article 6.500 Reports of Accumulated Positions

(i) The reporting thresholds established by the Bourse are as follows:

[...]

(ii) For Futures Contracts and the Related Options on Futures Contracts:

(1) 300 contracts, in the case of Futures Contracts and Options on Futures Contracts on Three-Month Canadian Bankers' Acceptance Futures or **Three-Month CORRA Futures**, by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. In this case, one Options contract is equal to one Futures Contract;

[...]

Part 13 - Product specifications for options on futures

Chapter H — Options on Three-Month CORRA Futures

Article 13.700 Underlying

For Regular Options on Three-Month CORRA Futures - The Underlying Interest is a Three-month CORRA Futures for which the contract Reference Quarter begins on the third Wednesday of the month in which such options expire.

Example: For a given year, the underlying futures contract for an option that expires in March is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

For Serial Options on Three-Month CORRA Futures - The Underlying Interest is a Three-month CORRA Futures for which the contract Reference Quarter begins on the third Wednesday of the next quarterly month following such options' expiries.

Example: For a given year, the underlying futures contract for a serial option that expires in either January or February is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

For One-Year and Two-year Mid-Curve Options on Three-Month CORRA Futures - The Underlying Interest is a Three-month CORRA Futures for which the contract Reference Quarter begins respectively on the third Wednesday of the 12th or 24th calendar month following the month in which such options expire.

Example: For a given year, the underlying futures contract for a one-year mid-curve option that expires in September is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of September one year away and ends on (and does not include) the third Wednesday of December one year away.

Article 13.701 Expiry Cycle

For Regular Options on Three-Month CORRA Futures - the Delivery Months are the seven (7) nearest months in the March, June, September, December quarterly Cycle.

For Serial Options on Three-Month CORRA Futures - the Delivery Months are the two (2) nearest non-quarterly months (serials) in the the January, February, April, May, July, August, October, November Cycle.

For One-Year and Two-year Mid-Curve Options on Three-Month CORRA Futures - The Delivery Months are the four (4) nearest months in the March, June, September, December quarterly Cycle.

Article 13.702 Trading Unit

The trading unit for one Option on Three-month CORRA Futures is one Three-month CORRA future.

Article 13.703 Premium Quotation

- (a) Bids and offers are quoted in points where each 0.01 point (1 basis point) represents \$25.
- (b) Cabinet Trades on deep Out-of-the-money Options (Options with a Premium below 0.01) are quoted in 0.001 point (one-tenth of a basis point) where each 0.001 point represents \$2.50.

Article 13.704 Reserved

Article 13.705 Exercise Prices

- (a) Exercise Prices are set at minimum intervals of 0.125 points per Three-month CORRA Futures.
- (b) One Exercise Price as close as possible to the Settlement Price of the underlying Futures on the previous business day, plus two In-the-money and two Out-of-the-money Exercise Prices will generally be available.
- (c) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market conditions.

Article 13.706 Minimum Fluctuation of the Option Premium

- (a) Unless otherwise determined by the Bourse, the minimum fluctuation of the Premium is 0.005 point representing \$12.50 per contract.
- (b) In the case of cabinet Trades on deep Out-of-the-money Options, the minimum price fluctuation of the Premium is 0.001 point representing \$2.50 per contract.
- (c) For the purpose of this Chapter, a cabinet Trade is a Trade that allows liquidating a deep Out-of-the-money Option at a Premium that is lesser than 0.01 point. Options with a Premium lesser than 0.01 point shall automatically be considered deep Out-of the-money Options consequently being able to be quoted and traded at a Premium ranging between 0.001 and 0.009 point.

Article 13.707 Maximum Price Variation Thresholds

Options on Three-month CORRA Futures are not subject to a maximum price variation thresholds.

Article 13.708 Position Limits

The position limit for Options on Three-Month CORRA Futures, if any, is set pursuant to Article 6.309A.

Article 13.709 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.710 Nature of Option/ Settlement Type

- (a) A buyer of one Three-month CORRA futures option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Three-month CORRA future (Long Position, if the Option is a Call and Short Position, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price;
- (b) The seller of one Three-month CORRA futures option incurs, if the option is Exercised, the obligation of assuming a position in one Three-month CORRA future (Short Position, if the Option is a Call and Long Position, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.711 Currency

Trading, clearing and settlement of Options on Three-month CORRA Futures are in Canadian dollars.

Article 13.712 Last Trading Day

- (a) Trading ceases on the Friday preceding the third Wednesday of the Delivery Month or, if it is not a business day, on the first preceding business day.
- (b) Options with an expiry that does not coincide with the expiry of the underlying futures shall cease trading at the date and at the time referred to in the options contract. Otherwise, options shall cease trading on the same day and time as the underlying futures.

Article 13.713 Trading Hours

Trading hours will be determined and published by the Bourse.

Article 13.714 Expiration Day

Expiration occurs on the last Trading Day on the Delivery Month.

CLEAN VERSION**Article 6.205 Prearranged Transactions**

[...]

(b) The parties to a Transaction may engage in communications to prearrange a Transaction on the Electronic Trading System in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the Transaction, in accordance with the following conditions:

(i) A customer consent to the Approved Participant engaging in prearranging communications on the customer's behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;

(ii) After the first order for the prearranged Transaction is entered into the Electronic Trading System the parties may not enter the second order for the prearranged Transaction until the following specified time period has elapsed as follows:

{Section to be added in the table under point (b)}

[...]

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Options on Three-Month CORRA Futures Contracts:		
All expiry months and related strategies	0 seconds	≥ 250 contracts
All expiry months and related strategies	5 seconds	< 250 contracts

[...]

(c) Committed Orders. Committed orders may not be used to execute any Transaction under this Article or Article 6.202 having a prescribed time delay longer than zero seconds, and may be used for such Transactions only for the following products subject to the minimum volume threshold:

{Section to be added in the table under point (c)}

[...]

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	MINIMUM VOLUME THRESHOLD
All expiry months and strategies	
Options on Three-Month CORRA Futures	250 contracts

Article 6.206 Block Trades

(a) In general. Approved Participants may negotiate and execute a Transaction off of the Electronic Trading System pursuant to the following conditions:

(i) A block trade Transaction may be arranged and executed only during trading hours on the Bourse for the eligible derivative.

(ii) Block trades are only permitted in the Derivative Instruments and for a quantity which meets or exceeds the minimum volume thresholds as follows (only to the extent the eligible security or derivative instrument is available for trading):

{Section to be added in the table under point (a)}

[...]

Eligible Derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 8PM (t-1) until 5h59m59s)	Block - Minimum volume threshold (from 8PM (t-1) until 5h59m59s)
Options on Three-Month CORRA Futures Contracts	15 minutes	500 contracts	1 hour	100 contracts
Three-Month CORRA Futures Contracts (CRA) / Options on Three-Month CORRA Futures Contracts Strategy Instruments	15 minutes	Sum of the strategy legs: 500 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs	1 hour	Sum of the strategy legs: 100 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs

(iii) For strategies and combinations, block trades are permitted for quantities which meet or exceed the volume thresholds as follows:

{Clarification to be added in the table under point (a) (iii)}

[...]

Futures/options combinations strategy Derivative Instruments	The applicable minimum volume thresholds are defined in subparagraph 6.206(a)(ii). If each leg of the strategy meets its respective applicable minimum threshold, the options leg(s) volume criteria of at least 50% of the total strategy volume does not apply.
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[...]

Article 6.210 Trade Cancellation and or Price Adjustment

[...]

(h) No-Review Range. The Bourse will determine the limits of the No-Review Range by determining what was the acceptable market price for the Derivative Instrument before the Trade under review occurred based upon all relevant information, including the last Trade price, a better bid or offer, a more recent price for a related Derivative Instrument (for example a different expiry month) and the prices of similar Derivative Instruments trading on other markets once the acceptable market price is established, the Bourse applies the following increments to determine the limits of the No-Review Range;

{Section to be added in the table under point (h)}

[...]

DERIVATIVE INSTRUMENT	INCREMENT
Options on Three-Month CORRA Futures	0.05 (5 cents)

Appendix 6E - Daily and month-end Settlement Price Procedures for Futures Contracts and Options on Futures Contracts

Appendix 6E -4.4 - Options on THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS

[...]

(b) Ancillary procedure. In the absence of the items required to apply the main procedure in paragraph (a), the following ancillary procedure will apply.

(i) The Settlement Price shall be determined by inserting the following parameters into a standard Option pricing model (Black & Scholes):

(1) Price of the Underlying. The Bourse will capture the Settlement Price of the underlying BAX Futures Contract. This will be the price of the underlying.

(2) Interest rate. The interest rate used will be the rate implied by the Settlement Price of the BAX Futures Contract nearest to expiration.

(3) Volatility: The Bourse will use the implied volatility (per contract month, for Puts and calls) obtained from relevant market sources and deemed appropriate for the product. The same volatility will be applied for both Calls and Puts.

[...]

Appendix 6E -4.10 - Options on Three-Month CORRA Futures

(a) Main Procedure.

Weighted average. The Settlement Price shall be the weighted average of the prices traded in the closing range (last minute of trading prior to (and including) 3:00 p.m., or prior to (and including) 1:00 p.m. on early closing days). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(i) Last Trades.

(1) If no Trade occurs during the closing range, the Market Supervisors will consider Transactions executed during the last 30 minutes of trading prior to (and including) 3:00 p.m., or prior to (and including) 1:00 p.m. on early closing days. Also, to be considered, the bids and offers shall be for a minimum of 25 contracts and shall have been posted at least one minute before (and including) 3:00 p.m., or before (and including) 1:00 p.m. on early closing days, to be considered.

(2) If no Trade occurs in the closing range (or in the last 30 minutes of trading prior to (and including) 3:00 p.m., or prior to (and including) 1:00 p.m. on early closing days), the Settlement Price shall be the theoretical price calculated by the Bourse (as described in paragraph (b)). If there is, at the close, a higher bid or lower offer than the Settlement Price so obtained, that bid or offer shall be the Settlement Price.

(b) Ancillary procedure. In the absence of the items required to apply the main procedure in paragraph (a), the following ancillary procedure will apply.

(i) The Settlement Price shall be determined by inserting the following parameters into a standard Option pricing model (Black & Scholes):

(1) Price of the Underlying. The Bourse will capture the Settlement Price of the underlying CRA Futures Contract. This will be the price of the underlying.

(2) Interest rate. The interest rate used will be the rate implied by the Settlement Price of the CRA Futures Contract nearest to expiration.

(3) Volatility: The Bourse will use the implied volatility (per contract month, for Puts and calls) obtained from relevant market sources and deemed appropriate for the

product. The same volatility will be applied for both Calls and Puts.

(4) The Exercise Price of the Options' series and the time to expiration are the other parameters that will be inserted into the model.

(ii) In determining the closing price, the Bourse shall take into account the information provided by the posted strategy, for example; if the SEP 9200 straddle is 98 bid, the total of the closing prices of these two series should not be inferior to 98.

Article 6.500 Reports of Accumulated Positions

(i) The reporting thresholds established by the Bourse are as follows:

[...]

(ii) For Futures Contracts and the Related Options on Futures Contracts:

(1) 300 contracts, in the case of Futures Contracts and Options on Futures Contracts on Three-Month Canadian Bankers' Acceptance Futures or Three-Month CORRA Futures, by aggregating positions on Options on Futures Contracts and positions in the underlying Futures Contract. In this case, one Options contract is equal to one Futures Contract;

[...]

Part 13 - Product specifications for options on futures

Chapter H — Options on Three-Month CORRA Futures

Article 13.700 Underlying

For Regular Options on Three-Month CORRA Futures - The Underlying Interest is a Three-month CORRA Futures for which the contract Reference Quarter begins on the third Wednesday of the month in which such options expire.

Example: For a given year, the underlying futures contract for an option that expires in March is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

For Serial Options on Three-Month CORRA Futures - The Underlying Interest is a Three-month CORRA Futures for which the contract Reference Quarter begins on the third Wednesday of the next quarterly month following such options' expiries.

Example: For a given year, the underlying futures contract for a serial option that expires in either January or February is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

For One-Year and Two-year Mid-Curve Options on Three-Month CORRA Futures - The Underlying Interest is a Three-month CORRA Futures for which the contract Reference Quarter begins respectively on the third Wednesday of the 12th or 24th calendar month following the month in which such options expire.

Example: For a given year, the underlying futures contract for a one-year mid-curve option that expires in September is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of September one year away and ends on (and does not include) the third Wednesday of December one year away.

Article 13.701 Expiry Cycle

For Regular Options on Three-Month CORRA Futures - the Delivery Months are the seven (7) nearest months in the March, June, September, December quarterly Cycle.

For Serial Options on Three-Month CORRA Futures - the Delivery Months are the two (2) nearest non-quarterly months (serials) in the the January, February, April, May, July, August, October, November Cycle.

For One-Year and Two-year Mid-Curve Options on Three-Month CORRA Futures - The Delivery Months are the four (4) nearest months in the March, June, September, December quarterly Cycle.

Article 13.702 Trading Unit

The trading unit for one Option on Three-month CORRA Futures is one Three-month CORRA future.

Article 13.703 Premium Quotation

- (a) Bids and offers are quoted in points where each 0.01 point (1 basis point) represents \$25.
- (b) Cabinet Trades on deep Out-of-the-money Options (Options with a Premium below 0.01) are quoted in 0.001 point (one-tenth of a basis point) where each 0.001 point represents \$2.50.

Article 13.704 Reserved

Article 13.705 Exercise Prices

- (a) Exercise Prices are set at minimum intervals of 0.125 points per Three-month CORRA Futures.
- (b) One Exercise Price as close as possible to the Settlement Price of the underlying Futures on the previous business day, plus two In-the-money and two Out-of-the-money Exercise Prices will generally be available.
- (c) The Bourse may, at its discretion, modify the procedure for the introduction of Exercise Prices as it deems appropriate in order to respond to market conditions.

Article 13.706 Minimum Fluctuation of the Option Premium

- (a) Unless otherwise determined by the Bourse, the minimum fluctuation of the Premium is 0.005 point representing \$12.50 per contract.

(b) In the case of cabinet Trades on deep Out-of-the-money Options, the minimum price fluctuation of the Premium is 0.001 point representing \$2.50 per contract.

(c) For the purpose of this Chapter, a cabinet Trade is a Trade that allows liquidating a deep Out-of-the-money Option at a Premium that is lesser than 0.01 point. Options with a Premium lesser than 0.01 point shall automatically be considered deep Out-of-the-money Options consequently being able to be quoted and traded at a Premium ranging between 0.001 and 0.009 point.

Article 13.707 Maximum Price Variation Thresholds

Options on Three-month CORRA Futures are not subject to a maximum price variation thresholds.

Article 13.708 Position Limits

The position limit for Options on Three-Month CORRA Futures, if any, is set pursuant to Article 6.309A.

Article 13.709 Position Reporting Threshold

The position reporting threshold is set pursuant Article 6.500.

Article 13.710 Nature of Option/ Settlement Type

(a) A buyer of one Three-month CORRA futures option may Exercise his Option on any business day up to and including the last Trading Day to assume a position in one Three-month CORRA future (Long Position, if the Option is a Call and Short Position, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price;

(b) The seller of one Three-month CORRA futures option incurs, if the option is Exercised, the obligation of assuming a position in one Three-month CORRA future (Short Position, if the Option is a Call and Long Position, if the Option is a Put) of a specified Delivery Month at a specified Exercise Price.

Article 13.711 Currency

Trading, clearing and settlement of Options on Three-month CORRA Futures are in Canadian dollars.

Article 13.712 Last Trading Day

(a) Trading ceases on the Friday preceding the third Wednesday of the Delivery Month or, if it is not a business day, on the first preceding business day.

(b) Options with an expiry that does not coincide with the expiry of the underlying futures shall cease trading at the date and at the time referred to in the options contract. Otherwise, options shall cease trading on the same day and time as the underlying futures.

Article 13.713 Trading Hours

Trading hours will be determined and published by the Bourse.

Article 13.714 Expiration Day

Expiration occurs on the last Trading Day on the Delivery Month.