



**CIRCULAR 014-20**

February 3, 2020

**SELF-CERTIFICATION**

**HOUSEKEEPING AMENDMENTS TO THE RULES OF BOURSE DE MONTREAL INC.**

On November 7, 2019, the Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) approved housekeeping amendments to the Rules of the Bourse. These amendments were self-certified in accordance with the self-certification process as established in the *Derivatives Act* (CQLR, Chapter I-14.01).

These amendments attached herewith will become effective on **February 7, 2020**, after market close. Please note that the revised articles will also be available on the Bourse’s website ([www.m-x.ca](http://www.m-x.ca)).

For additional information, please contact Martin Jannelle, Senior Legal Counsel, at 514-787-6578 or by email at [martin.jannelle@tmx.com](mailto:martin.jannelle@tmx.com).

Martin Jannelle  
Senior Legal Counsel  
Bourse de Montréal Inc.

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**Tour Deloitte**

1800-1190 avenue des Canadiens-de-Montréal, P.O. Box 37, Montreal, Quebec H3B 0G7  
Telephone: 514 871-2424

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

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

### Article 1.101 Definitions

The meanings of terms, and the corresponding term in French, are as follows:

[...]

**Electronic Trading Rules** (Règles sur la Négociation Électronique) ~~means Regulation 23-103 respecting Electronic Trading and Direct Electronic Access to Marketplaces (V-1.1, r. 7.1) as well as any applicable policy statement or notice.~~ has the meaning given to that term in the definitions of Article 3.5 of the Rules.

[...]

### Article 3.5 Sponsored Access

(a) Definitions. For the purposes of this Article:

(i) “client” means:

- (1) a Person, other than those registered as an investment dealer with a securities regulatory authority or approved as a Foreign Approved Participant by the Bourse, having entered into a written agreement with an Approved Participant which permits to transmit electronically orders to the Bourse through the systems of an Approved Participant, using the Approved Participant’s identifier; or
- (2) an investment dealer registered with a securities regulatory authority, or a Foreign Approved Participant, having entered into a written agreement with an Approved Participant which permits the investment dealer or Foreign Approved Participant to transmit electronically orders to the Bourse, through the systems of the Approved Participant, using the Approved Participant’s identifier.

(ii) “Bourse and regulatory requirements” means and refers to the Regulations of the Bourse, or to any condition imposed by the Bourse for the purpose of the electronic access provided to a client by an Approved Participant, as well as to applicable securities or derivatives legislation.

- (iii) “Electronic Trading Rules” means Regulation 23-103 respecting Electronic Trading and Direct Electronic Access to Marketplaces (V-1.1, r. 7.1) as well as any applicable policy statement or notice.

[...]

## **Article 6.2 Trading Restricted to the Bourse**

Subject to the exceptions set out in Article 6.12, Article 6.204 and Article 6.200, all Transactions in Listed Products made by Approved Participants, an affiliated corporation or a Person must take place on the Bourse during a trading session thereof.

[...]

### **Article 6.12 Trading OTC Options**

(a) Notwithstanding Article 6.2, an Approved Participant or an Approved Person may make or participate in an Over-the-counter Trade in any Put or Call Option, provided that such Option:

- (i) does not relate to underlying Securities which are the object of Options issued by the Canadian Derivatives Clearing Corporation; or
- (ii) does relate to underlying Securities which are the object of Options issued by the Canadian Derivatives Clearing Corporation, but whose terms are materially different from those of any series of options issued by the Canadian Derivatives Clearing Corporation.

(b) Writing OTC Options means the distribution of Securities for which a prospectus may be required or for which specific or blanket exemptions may be necessary under the applicable securities legislation. The writer of OTC Options may, in effect, be an issuer distributing Securities and so must, accordingly, ensure that such distribution complies with applicable securities legislation.

(c) Approved Participants must file with the Bourse such reports as may be prescribed pursuant to Article 6.501.

[...]

## **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:

[...]

- (xi) The details of a block Trade must be reported by Approved Participants for both the buyer and seller to the Market Operations Department by telephone at 1-888-~~696693~~-6366 or at 514-871-7871 and on a block Trade Reporting Form, available on the Bourse's web site at <https://sttrf-frots.m-x.ca>, within the time prescribed in 6.206 (a) (ii).

[...]

#### **Article 6.500 Reports of Accumulated Positions**

- (a) Each Approved Participant must file daily with the Bourse, in the prescribed manner, a report detailing all gross positions held for its own account or for an account or group of accounts which are all owned by the same beneficial owner in Derivative Instruments listed on the Bourse when these gross positions exceed the reporting thresholds prescribed by the Bourse for each of these Derivative Instruments or a report confirming that there are no positions to be reported when none of the reporting thresholds prescribed by the Bourse have been exceeded for each of these Derivative Instruments.
- (b) Any report transmitted to the Bourse pursuant to this Article must be transmitted within the reporting hours prescribed by the Bourse and not later than 9:00 a.m. (ET) on the business day following the one for which positions must be reported.
- (c) For each account subject to a positions report to the Bourse, each Approved Participant must provide to the Bourse all the information necessary to the Bourse to allow it to adequately identify and classify this account. The information that must be provided to the Bourse is the following:
- (i) the name and complete coordinates of the account beneficial owner;
  - (ii) the full account number as it appears in the Approved Participant records;
  - (iii) the account type (Client Account, Firm Account, Market Maker Account, Professional Account or Omnibus Account);
  - (iv) the beneficial account owner classification according to the typology established by the Bourse; and
  - (v) the identification of the nature of Transactions made by the account (speculation or hedging). If it is impossible to clearly determine if the account is used for speculative or hedging purposes, it must then, by default, be identified as being a speculative account.

- (d) In addition to providing the above-mentioned information to the Bourse, each Approved Participant must provide, for each account being reported, a unique identifier complying with the following requirements:
- (i) for any account opened in the name of a natural person or of a corporation or other type of commercial entity wholly-owned by this natural **p**Person:
    - (1) a unique identifier allowing to link together all the accounts having the same beneficial owner. The unique identifier used in such a case must be created by the Approved Participant in a format that it deems to be appropriate. This unique identifier, once created and used, must not be modified or replaced by a new identifier without having provided prior notice to the Bourse.
  - (ii) for any account owned by **many** natural **p**Persons such as a joint account, an Investment club account, Partnership or Holding Company:
    - (1) if one of the natural **p**Persons owning this account has an ownership interest of more than 50% in the account, the unique identifier used must be the identifier of this Person and must be set as specified in subparagraph (c)(1) above;
    - (2) if none of the persons owning the account has an ownership interest of more than 50%, the unique identifier must be the account name.
  - (iii) for any account opened in the name of a corporation other than a corporation wholly-owned by a natural person:
    - (1) if one of the natural persons owning shares of this corporation holds an ownership interest of more than 50% in the account, the unique identifier used must be the identifier of this person and must be set as specified in subparagraph (c)(i) above;
    - (2) if more than 50% of the corporation shares are owned by another corporation, the unique identifier must be the Legal entity identifier of this other corporation as attributed by the organization responsible for the attribution of such an identifier;
    - (3) in all other cases, the unique identifier must be the legal entity identifier of the corporation in whose name the account has been opened;

- (4) if, for corporations mentioned in subparagraphs (d)(iii)(2) and (3), no legal entity identifier is available, the identifier to be used shall be the incorporation number of the corporation as attributed by the government authority having issued the incorporation certificate of such corporation.

## **Article 6.501 Reports of Transactions in OTC Options**

Approved Participants must, [pursuant to Article 6.12](#), report in the form prescribed by the Bourse, the total number of Over-The-Counter puts and calls written, issued or guaranteed during each period ending at the close of business on the fifteenth and last days of each month or, if not a business day, the preceding business day. Reports must be transmitted to the Bourse within two (2) business days of the end of the period.

[...]

## **PARTIE 6—RÈGLES DE NÉGOCIATION**

[Changes in the French version only]

Annexe [6A](#)- Procédures applicables à l'exécution de stratégies impliquant des Contrats à Terme et des Options sur Contrats à Terme

[Annexe 6A-1- Objectif](#)

[Annexe 6A-2- Description](#)

Annexe [6B](#)- Procédures applicables à l'exécution de stratégies impliquant des Options

[Annexe 6B-1- Objectif](#)

[Annexe 6B-2- Description](#)

Annexe [6C](#)- Procédures applicables à l'exécution de stratégies impliquant des Contrats à Terme sur actions

[Annexe 6C-1- Objectif](#)

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Annexe [6D](#) – Politique C-1 : Demande de dispense à une limite de positions

[Annexe 6D-1- Demande](#)

[Annexe 6D-2- Traitement des demandes de dispense de limites de positions](#)

[Annexe 6D-3- Facteurs pris en considération dans le cadre d'une demande de dispense de limites de positions](#)

[Annexe 6D-4- Communication et effets de la décision](#)

[Annexe 6D-5- Renouvellement, augmentation, modification ou révocation de dispense](#)

ANNEXE [6E](#)- PROCÉDURES APPLICABLES AUX PRIX DE RÈGLEMENT QUOTIDIEN DES CONTRATS À TERME ET DES OPTIONS SUR CONTRATS À TERME

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Annexe 6E-4.1- Contrats à Terme sur acceptations bancaires canadiennes de trois mois (BAX)

Annexe 6E-4.2- Contrats à Terme sur indices S&P/TSX et sur l'indice FTSE marchés émergents

Annexe 6E-4.3- Contrats à Terme sur Obligations du gouvernement du Canada

Annexe 6E-4.4- Options sur Contrats à Terme sur acceptations bancaires canadiennes de trois mois

Annexe 6E-4.5- Contrats à Terme 30 jours sur taux « Repo » à un jour (ONX)

Annexe 6E-4.6- Contrats à Terme sur swap indexé à un jour (OIS)

Annexe 6E-4.7- Contrats à Terme sur actions canadiennes

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(2) an investment dealer registered with a securities regulatory authority, or a Foreign Approved Participant, having entered into a written agreement with an Approved Participant which permits the investment dealer or Foreign Approved Participant to transmit electronically orders to the Bourse, through the systems of the Approved Participant, using the Approved Participant’s identifier.

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Annexe 6B-2- Description

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