



<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input type="checkbox"/>	Back-office - Options
<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/>	Technology
<input type="checkbox"/>	Back-office – Futures	<input checked="" type="checkbox"/>	Regulation

CIRCULAR
April 2, 2004

OFFICIAL CAPACITY ALLOCATION PRACTICE FOR MARKET MAKERS ON EQUITY OR BOND OPTIONS

Following the announcement on June 5, 2003 by circular of the global capacity allocation practice at the Montréal Exchange, the latter wants to remind its approved participants and foreign approved participants that, in regards to the market making activities on Equity and Bond options, the “grandfather” clause will cease to exist on June 30, 2004.

Beyond this date, all firms maintaining markets on Equity and/or Bond options will have to conform to current official practices, that is :

- Rely on a single logical connection to SAM dedicated to market making on Equity and Bond options, for all traders assigned within a firm to carry out these activities.
- Solely use “Bulk Quotes” (multiple quote messages) to maintain these markets.

The official capacity allocation practice allocates 1 message per second for every 2 market making assignments given to an approved participant or foreign approved participant.

The Exchange will enforce this practice as of July 1st, 2004.

For assistance and support, please contact the Technical Help Desk team at 1-877-588-8489.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary General

Circular no.: 034-2004