



CIRCULAR 036-23

March 1, 2023

CHANGES TO THE MARKET REGULATION ASSESSMENT FEES

ERRATUM

The mission of the Regulatory Division (the “Division”) of Bourse de Montréal inc. (the “Bourse”) is to ensure the integrity of the derivatives markets and promote a culture of compliance. In order to adequately and effectively execute this public interest mandate, there must be changes to the regulatory fee structure.

Over the last 10 years, the Division’s regulatory responsibilities have grown significantly, driven by the proliferation of new products and extended trading hours, the increase in the number of messages, orders and trading volumes, the adoption of new rules, and other regulatory mandates and technological developments. Despite these additional duties, the Division has not changed participants’ core regulatory fees since 2004,¹ has not imposed any other significant fee increases, and in fact introduced fee caps in 2016.² The Division has been successful in deferring fee increases by strategically reducing reserves and carefully managing expenses, but these measures are no longer sufficient to sustainably support the Division’s mission.

To help support this expanding regulatory mission and manage recent budgetary deficits, the Division has relied on operating reserves, or accumulated surplus, when appropriate. Leveraging these funds, while useful in the short term, was not sustainable in the long term.

While the Division continues to carefully manage costs, adjustments to the Division’s fee structure are warranted as part of a long-term sustainable financial strategy and respect for the Bourse’s Recognition Order. Accordingly, after a lengthy and careful analysis, the Division’s Special Committee has approved a schedule of fee increases designed to address the budget deficit and provide sustainable funding.

The new List of Fees in blackline and clean version is attached. The changes to the regulatory fees will go into effect **April 1, 2023** and are detailed below. Note that these assessments are subject to further review and may necessitate another increase in 2024.

D.1 Assessments for Approved Participants (APs), Foreign Approved Participants (FAPs), and Approved Persons

D.1.2 Fixed annual assessment

¹ In fact, the regulatory variable assessment went from 0.05/contract to 0.03/contract. Circular https://www.m-x.ca/f_circulaires_en/163-03_en.pdf

² https://www.m-x.ca/f_circulaires_en/085-16_en.pdf

APs and FAPs	\$20,000
Approved Persons	\$125

D.1.3 Variable assessments, per contract per side, with fee caps for pre-arranged transactions with size above 250

	Fee	Fee cap
SXM	\$0.01	
Share futures*	\$0.02	
Equity options	\$0.04	\$200/leg
ETF options	\$0.04	\$200/leg
SXO	\$0.04	
Other index options	\$0.04	\$400/leg
Currency options	\$0.04	\$400/leg
All others	\$0.04	

* The \$0.02 variable assessment for share futures will be assumed by the Bourse until further notice.

D.2 Fees arising from documentation

D.2.1 Application fees

New application per Approved Participant	\$5,000
Approved Person (per Approved Person)	\$125
Course fee per Approved Person	\$250

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