



CIRCULAR 100-20

June 1st, 2020

SELF-CERTIFICATION

AMENDMENTS TO THE RULES OF BOURSE DE MONTRÉAL INC. TO MODIFY THE CONTRACT SPECIFICATIONS OF THE THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES (BAX) AND OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES (OBX)

On March 17, 2020, the Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) approved amendments to articles 12.0, 12.2, 13.102, 13.202, 13.302, and 13.402 of the Rules of the Bourse in order to modify the definition of *trading unit* and certain contract specifications of the Three-Month Canadian Bankers' Acceptance futures contracts and related options contracts. 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 **June 16, 2020**, before the market open. Please note that the revised articles will also be available on the Bourse's website (www.m-x.ca).

For additional information, please contact Alexandre Normandeau, Legal Counsel, at 514-787-6623 or by email at alexandre.normandeau@tmx.com.

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PART 12 – PRODUCT SPECIFICATIONS FOR FUTURES

Chapter A—Canadian Bankers' Acceptance Futures

Article 12.0 Underlying

~~The Underlying Interest for a Three-month Canadian Bankers' Acceptance Futures is \$1,000,000 nominal value of Canadian Bankers' Acceptance with a three-month maturity. The Underlying for One-month and Three-month Canadian Bankers' Acceptance Futures are respectively the Reference One-month and Reference Three-month Canadian Bankers' Acceptance Rate. The Reference Canadian Bankers' Acceptance Rate means the daily "Canadian Dollar Offered Rate" (CDOR) as determined by the appointed CDOR benchmark administrator, expressed as an interest rate per annum.~~

[...]

Article 12.2 Trading Unit

- ~~(a) The trading unit for One-month Canadian Bankers' Acceptance Futures shall be a bankers' acceptance having a nominal value of \$3,000,000 with a one-month maturity.~~(a) One-month Canadian Bankers' Acceptance: For a futures contract for a given contract month, the trading unit shall be an Index, where the Index is equivalent to 100 minus the yield of a One-month Canadian Bankers' Acceptance on an annual basis for a 365-day year, expressed as an interest rate per annum for which each basis point per annum of such interest rate shall be worth \$25 per futures contract. (For example, a rate of 1.75% percent shall be quoted as 98.25). For a futures contract for a given contract month, the size of the trading unit shall be the Index * \$2,500.
- ~~(a) The trading unit for the Three-month Canadian Bankers' Acceptance Futures shall be a bankers' acceptance having a nominal value of \$1,000,000 with a three-month maturity.~~
- ~~(a)~~
- (b) Three-month Canadian Bankers' Acceptance: For a futures contract for a given contract month, the trading unit shall be an Index, where the Index is equivalent to 100 minus the yield of a Three-month Canadian Bankers' Acceptance on an annual basis for a 365-day year, expressed as an interest rate per annum for which each basis point per annum of such interest rate shall be worth \$25 per futures contract. (For example, a rate of 1.75% percent shall be quoted as 98.25). For a

futures contract for a given contract month, the size of the trading unit shall be the Index * \$2,500.

[...]

PART 13 - PRODUCT SPECIFICATIONS FOR OPTIONS ON FUTURES

[...]

Article 13.102 Trading Unit

The trading unit for one regular Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future ~~representing \$1,000,000 nominal value of Three month Canadian Bankers' Acceptances.~~

[...]

Article 13.202 Trading Unit

The trading unit for one Serial Mid-Curve Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future ~~representing \$1,000,000 nominal value of Three month Canadian Bankers' Acceptances.~~

[...]

Article 13.302 Trading Unit

The trading unit for one One-year Quarterly Mid-Curve Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future ~~representing \$1,000,000 nominal value of Three month Canadian Bankers' Acceptances.~~

[...]

Article 13.402 Trading Unit

The trading unit for one Two-year Quarterly Mid-Curve Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future ~~representing \$1,000,000 nominal value of Three month Canadian Bankers' Acceptances.~~

[...]

PART 12 – PRODUCT SPECIFICATIONS FOR FUTURES

Chapter A—Canadian Bankers' Acceptance Futures

Article 12.0 Underlying

The Underlying for One-month and Three-month Canadian Bankers' Acceptance Futures are respectively the Reference One-month and Reference Three-month Canadian Bankers' Acceptance Rate. The Reference Canadian Bankers' Acceptance Rate means the daily "Canadian Dollar Offered Rate" (CDOR) as determined by the appointed CDOR benchmark administrator, expressed as an interest rate per annum.

Article 12.1 Expiry Cycle

- (a) The expiry months for One-month Canadian Bankers' Acceptance Futures are the first six (6) consecutive months.
- (b) The expiry months for Three-month Canadian Bankers' Acceptance Futures are as follows:
 - (i) Quarterlies: March, June, September and December.
 - (ii) Serials: two (2) nearest non-quarterly months.

Article 12.2 Trading Unit

- (a) One-month Canadian Bankers' Acceptance: For a futures contract for a given contract month, the trading unit shall be an Index, where the Index is equivalent to 100 minus the yield of a One-month Canadian Bankers' Acceptance on an annual basis for a 365-day year, expressed as an interest rate per annum for which each basis point per annum of such interest rate shall be worth \$25 per futures contract. (For example, a rate of 1.75% percent shall be quoted as 98.25). For a futures contract for a given contract month, the size of the trading unit shall be the Index * \$2,500.
- (b) Three-month Canadian Bankers' Acceptance: For a futures contract for a given contract month, the trading unit shall be an Index, where the Index is equivalent to 100 minus the yield of a Three-month Canadian Bankers' Acceptance on an annual basis for a 365-day year, expressed as an interest rate per annum for which each basis point per annum of such interest rate shall be worth \$25 per futures contract. (For example, a rate of 1.75% percent shall be quoted as 98.25). For a futures contract for a given contract month, the size of the trading unit shall be the Index * \$2,500.

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PART 13 - PRODUCT SPECIFICATIONS FOR OPTIONS ON FUTURES

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The trading unit for one regular Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future.

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The trading unit for one Serial Mid-Curve Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future.

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Article 13.302 Trading Unit

The trading unit for one One-year Quarterly Mid-Curve Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future.

[...]

Article 13.402 Trading Unit

The trading unit for one Two-year Quarterly Mid-Curve Option on Three-month Canadian Bankers' Acceptance Futures is one Three-month Canadian Bankers' Acceptance future.

[...]