



CIRCULAR
August 15, 2003

REPORTS OF POSITIONS HELD IN OPTION CONTRACTS

Article 6654 of the Rules of Bourse Montréal Inc. (the “Bourse”) requires from approved participants that they file with the Bourse, at the latest on the third business day following the last business day of each week, a report, in the prescribed form, identifying any client who held on the last business day of each week, a long or short position in option contracts. The said report is required only when the position held exceeds a certain threshold (the “reporting threshold”). This reporting threshold varies according to the type of option and subparagraphs i) to v) of paragraph 1 of article 6654 list the reporting levels for each type of option.

The Market Surveillance Department of the Regulatory Division of the Bourse has noticed, in the course of the analysis of the reports that are filed, that many approved participants were including in their reports only option positions held by their clients and were omitting to include positions held in inventory or market-maker accounts.

The purpose of this circular is therefore to remind all approved participants that the options positions reports that they file with the Bourse on a weekly basis must include not only clients’ positions which exceed the reporting level but also those that are held in inventory or market-maker accounts exceeding such reporting level. Article 6654 clearly specifies in paragraph c) that for the purpose of the application of this article and of the filing of the required position reports, the term “client” includes the approved participant itself, any limited or general partner of the approved participant, any officer or director of the approved participant or any participant to a joint group or syndicate account of the approved participant or of one of its partners, officers or directors.

For further information, please contact Philippe Denolf, Analyst, Market Surveillance, Regulatory Division, at (514) 871-4949, extension 413, or by e-mail at pdenolf@m-x.ca.

Jacques Tanguay
Vice-President, Regulatory Division

Circular No : 121-2003

Tour de la Bourse
C. P. 61, 800, square Victoria, Montréal (Québec) H4Z 1A9
Téléphone : (514) 871-2424
Sans frais au Canada et aux États-Unis : 1 800 361-5353
Site Internet : www.m-x.ca

Tour de la Bourse
P.O. Box 61, 800 Victoria Square, Montréal, Quebec H4Z 1A9
Telephone: (514) 871-2424
Toll-free within Canada and the U.S.A.: 1 800 361-5353
Website: www.m-x.ca