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CIRCULAR
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SPECIAL TERMS TRANSACTIONS (EXCHANGE FOR PHYSICAL (EFP), EXCHANGE FOR RISK (EFR) AND RISKLESS BASIS CROSS (RBC)) RECORD KEEPING REQUIREMENTS

The purpose of this circular is to remind Approved Participants of the Bourse de Montréal inc. (the Bourse) of the record keeping requirements associated to article 6815 (http://www.m-x.ca/f_regles_en/06_en.pdf) of the Rules of the Bourse and to the related procedures for the execution and reporting of EFP, EFR and RBC transactions (http://www.m-x.ca/f_en/procedure_execution_efpEFRsubs_en.pdf. & http://www.m-x.ca/f_en/procedure_OBSR_en.pdf). The documentary evidence and audit trail requirements as per the provisions of article 6815 and its related procedures must be authentic and comprehensible.

Before executing a special terms transaction, Approved Participants must obtain reasonable assurance from their “client” that the proposed special terms transaction is being entered into in accordance to the provisions and requirements of the aforementioned article and procedures. However, this reasonable assurance does not in any way absolve the Approved Participant from its responsibility to ensure that the complete records and documentary evidence be made readily available upon request to the Regulatory Division of the Bourse (the Division). The latter will accept that the requested information be provided by the Approved Participant or its “client” directly.

For further information, please contact Mr. Giancarlo Percio, Senior market analyst, Regulatory Division at 514 787-6484 or by e-mail at gpercio@m-x.ca.

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