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CIRCULAR
September 13, 2013

AMENDMENTS TO THE COMPETITIVE LIQUIDITY INCENTIVE PROGRAM FOR TWO-YEAR GOVERNMENT OF CANADA BOND FUTURES AND FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURES

Further to [Circular 172-12](#) and [Circular 137-13](#), Bourse de Montréal Inc (the Bourse) hereby announces an amendment to the Competitive Liquidity Incentive Program (CLIP) for Two-Year Government of Canada Bond Futures (CGZ) and Five-Year Government of Canada Bond Futures (CGF). The CLIP was designed to enhance liquidity on these key products represented in the Bourse's Yield Curve Project.

The amendment is as detailed below and becomes effective immediately.

Trades executed under a firm's identification number which are tagged firm will henceforth count towards the firm's ranking under the CLIP program.

The Bourse has decided to incorporate "firm-tagged" trades in an effort to encourage firms to establish more positions, so as to increase open interest for the applicable contracts. Open interest refers to the total number of outstanding futures contracts held by approved participants and it is significant because it measures the flow of money into the market. An increase in open interest denotes an increase of the flow of money into the market, which is beneficial for all market participants. Furthermore, higher open interest figures in the applicable contracts will encourage other approved participants to enter the market, thereby diversifying the participant pool.

To apply for participation in the CLIP, please complete the application form appended to this Circular and send the signed and scanned form to Joanne Elkaim, Director, Fixed Income Derivatives, by email at jelkaim@m-x.ca.

For further information, please contact Ms. Elkaim by email as above, or by telephone at 514-871-7891.

Claude Cyr
Senior Vice-President, Financial Markets
TMX Group - Bourse de Montréal Inc.

Circular no. : XXX-2013



Competitive Liquidity Incentive Program

Application Form for Brokerage Firms & Futures Commission Merchants

We, _____ (name of Brokerage Firm or Futures Commission Merchant), wish to participate in the Competitive Liquidity Incentive Program (the “Program”) for the Two-Year Government of Canada Bond Futures (CGZ) and the Five-Year Government of Canada Bond Futures (CGF) as detailed in Circular 156-13.

We certify that we conform to the Requirements of Eligibility set out by Bourse de Montréal Inc. (the “Bourse”) in Schedule A, and we agree to the Terms of the Program set out in Schedule B.

Schedule A: Requirements of Eligibility

i) We hereby confirm that we meet both requirements for eligibility as follows:

- We are registered as an approved participant (domestic or foreign) of the Bourse
- We are registered as a Brokerage Firm or Futures Commission Merchant

Schedule B: Terms of the Program

i) Those who meet the requirements of eligibility detailed in Schedule A, Part i, and whose eligible trading volumes for the calendar month rank them in the top ten against all other participants in the Program, will earn cash stipends to be calculated monthly and paid quarterly.

Cash stipends will be paid out as per the participant’s selection made under Schedule B, Part ii. Eligible trades are those executed through the participant’s firm identification number which are neither executed nor allocated market maker, nor subject to the Liquidity Provider Rebate Program.

ii) For any cash stipends to which we may be entitled under the Program, we wish to receive a (please check that which applies):

- Cheque
- Credit against future transaction fees

iii) Rankings for the Program may be published on m-x.ca each month.

iv) In the event of a tie, each eligible participant will receive an equal share of the cash stipends allocated to the ranking that they have collectively attained, as well as the cash stipend(s) for the following ranking(s), in accordance with the number of participants tied for that position. For example, should there be a three-way tie for the sixth rank (which represents a stipend of \$1,000), the three eligible participants will share equally between them the total stipend amounts of the 6th, 7th, and 8th ranks. Therefore, they would each receive \$766.67 $((\$1,000 + \$800 + \$500) / 3)$.

v) The Bourse reserves the right to withhold any cash stipends should the participant have an overdue account with the Bourse.

vi) The Bourse reserves the right to audit participant statements at any time in order to verify the accuracy of reported trading volumes. Failure to provide accurate statements detailing trading activity on the Bourse's products may result in removal from the Program and forfeiture of any cash stipends earned under the Program.

vii) Cash stipends are detailed in Appendix 1 of this document. In the event of conflicting information between Appendix 1 and documentation provided elsewhere on m-x.ca, the latter has precedence over the former.

viii) Participants must adhere to the rules, regulations and procedures of the Bourse to be eligible for any cash stipends.

ix) An applicant's participation under the Program begins only for the month during which this form is completed in full, provided to the Bourse, approved by the Bourse and signed by an authorised person of the Bourse. Cash stipends cannot be earned on a retroactive basis.

Approved participant (domestic or foreign)

Name of authorised person: _____

Title: _____

Date: _____

Signature: _____

Bourse de Montréal Inc.

Name of authorised person: _____

Title: _____

Date: _____

Signature: _____

Appendix 1

Monthly cash stipends which can be earned under the Program are as detailed below.

CLIP: CGZ & CGF	
Rank	Cash Stipend
1st Place	\$2,000
2nd Place	\$1,500
3rd Place	\$1,200
4th Place	\$1,000
5th Place	\$1,000
6th Place	\$1,000
7th Place	\$800
8th Place	\$500
9th Place	\$500
10th Place	\$500