



**Bourse  
de Montréal Inc.**

|                                     |  |                                     |                       |
|-------------------------------------|--|-------------------------------------|-----------------------|
| <input checked="" type="checkbox"/> | Trading – Interest Rate Derivatives    | <input checked="" type="checkbox"/> | Back-office - Options |
| <input checked="" type="checkbox"/> | Trading – Equity and Index Derivatives | <input checked="" type="checkbox"/> | Technology            |
| <input checked="" type="checkbox"/> | Back-office – Futures                  | <input checked="" type="checkbox"/> | Regulation            |

**CIRCULAR  
November 3, 2005**

**AMENDMENT TO THE MINIMUM QUANTITY THRESHOLDS  
FOR BLOCK TRANSACTIONS**

Bourse de Montréal Inc. (the Bourse) has decided to amend the minimum quantity thresholds for block transactions on the Options on the Three-Month Canadian Bankers' Acceptance Futures Contract (OBX), the Ten-Year Government of Canada Bond Futures Contract (CGB) and the Two-Year Government of Canada Bond Futures Contract (CGZ) as of November 7, 2005. The changes are as follows:

| <b>DERIVATIVE INSTRUMENTS</b>   | <b>CURRENT THRESHOLD</b> | <b>NEW THRESHOLD</b>          |
|---|--------------------------|-------------------------------|
| Ten-year Government of Canada Bond Futures Contract (CGB):                  | 1,000 contracts          | <b><i>1,500 contracts</i></b> |
| Two-year Government of Canada Bond Futures Contract (CGZ):                  | 3,000 contracts          | <b><i>1,000 contracts</i></b> |
| Options on Three-month Canadian Bankers' Acceptance Futures Contract (OBX): | 2,000 contracts          | <b><i>500 contracts</i></b>   |

These thresholds are determined by the Bourse on the basis of the market liquidity conditions. They represent the minimum quantity of an order beyond which a significant market disturbance could be observed if the order was directly sent to the central order book.

You will find enclosed the Procedures for execution of block trades as amended to reflect the changes to the minimum quantity thresholds.

For additional information, please contact Richard Bourbonnière, Vice-President, Market Operations, 1-888-693-6366 or (514) 871-3548.

Joëlle Saint-Arnault  
Vice-President, Legal Affairs and Secretary

Circular no. : 159-2005

**Tour de la Bourse**  
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## **PROCEDURES FOR THE EXECUTION OF BLOCK TRADES**

- a) Once a block trade has been arranged, in accordance with the predetermined minimum quantity threshold level as determined and published by the Bourse, details of the block trade must be reported to the Bourse by contacting a market official of the Bourse's Market Monitoring Department at 1-888-693-6366 or at (514) 871-7871 within the period of time prescribed by the Bourse.
- b) Approved participants for both the seller and buyer must complete and submit the Block Trade Reporting Form (Attachment I) or such other notification as prescribed by the Bourse to a market official of the Bourse's Market Monitoring Department for validation.
- c) A market official will check the validity of the block trade details submitted by the approved participant(s).
- d) Confirmation by a market official of a block trade transaction will not preclude the Bourse from initiating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the rules.
- e) Once the block trade has been validated, the following information with respect to the block trade will be disseminated by the Bourse:
  - i) security(ies) or derivative instrument(s) and contract month(s);
  - ii) price of each contract month(s) and strike price(s) (as applicable); and
  - iii) volume of each contract month.
- f) Upon request by the Bourse the approved participant who arranges a block trade must provide satisfactory evidence that the block trade has been arranged in accordance with the Rules of the Bourse. Failure to provide satisfactory evidence of compliance with these Rules may result in the initiation of disciplinary action.

In accordance with article 6380 of the Rules of Bourse de Montréal Inc. (the “Bourse”), the following are the eligible securities and derivative instruments, the relevant prescribed time delays and the minimum quantity thresholds for the execution of block trades.

| <b>ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS</b>                               | <b>PRESCRIBED TIME DELAY</b>  | <b>MINIMUM QUANTITY THRESHOLD</b> |
|---|---|-----------------------------------|
|   | (As soon as practicable and in any event within the following time delay) |                                   |
| <b>Three-month Canadian Bankers’ Acceptance Futures Contracts (BAX):</b>            | 15 minutes  | 5,000 contracts                   |
|   |   |                                   |
| <b>Thirty-day Overnight “Repo” Rate Futures Contracts (ONX):</b>                    | 15 minutes  | 1,000 contracts                   |
|   |   |                                   |
| <b>Ten-year Government of Canada Bond Futures Contracts (CGB):</b>                  | 15 minutes  | 1,500 contracts                   |
|   |   |                                   |
| <b>Two-year Government of Canada Bond Futures Contracts (CGZ):</b>                  | 15 minutes  | 1,000 contracts                   |
|   |   |                                   |
| <b>Options on Three-month Canadian Bankers’ Acceptance Futures Contracts (OBX):</b> | 15 minutes  | 500 contracts                     |
|   |   |                                   |

## Block Trade Reporting Form

Approved participants must complete all sections of this form legibly and accurately.

This form is to be completed and faxed to Market Monitoring at (514) 871-3592.

A market official can be reached at 1-888-693-6366 or at (514) 871-7871.

|  |  |
|--|--|
| <b>TIME AND DATE OF TRADE:</b>                           |  |
| <b>EXECUTING PARTICIPANT NAME AND TRADING ID (BUY):</b>  |  |
| <b>CLEARING FIRM NAME AND ID (BUY):</b>                  |  |
| <b>EXECUTING PARTICIPANT NAME AND TRADING ID (SELL):</b> |  |
| <b>CLEARING FIRM NAME AND ID (SELL):</b>                 |  |
| <b>CONTACT PHONE NUMBER:</b>                             |  |
| <b>CONTACT FAX NUMBER OR E-MAIL ADDRESS:</b>             |  |

| Derivative Instruments | Future Contract/<br>Call/<br>Put | Contract Month | Option Strike Price<br>(if applicable) | Number of Contracts | Price | Strategy Type*<br>(if applicable) |
|------------------------|----------------------------------|----------------|--|---------------------|-------|-----------------------------------|
|                        |                                  |                |  |                     |       |                                   |
|                        |                                  |                |  |                     |       |                                   |
|                        |                                  |                |  |                     |       |                                   |
|                        |                                  |                |  |                     |       |                                   |
|                        |                                  |                |  |                     |       |                                   |
|                        |                                  |                |  |                     |       |                                   |
|                        |                                  |                |  |                     |       |                                   |

For Montréal Exchange Staff Only:

**Time and Date of receipt:**

\_\_\_\_\_

**Montréal Exchange authorized signature:**

\_\_\_\_\_

The details on this form are accepted by the Montréal Exchange strictly on the understanding that the Montréal Exchange accepts no responsibility nor liability for the accuracy or completeness of the details as provided by the approved participant.

\* Each leg of a strategy trade should be listed separately.