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CIRCULAR 032-15

April 1st, 2015

REGULATORY DIVISION FUTURES CONTRACTS MARGIN RATES FILE LAYOUT MODIFICATION

Pursuant to the Canadian Derivatives Clearing Corporation (CDCC) modification of the margin methodology for the Three-Month Canadian Bankers’ Acceptance Futures contracts (BAX) (see CDCC [Notice to Members 043-15](#)), the Regulatory Division (the Division) of Bourse de Montréal Inc. (the Bourse) wishes to advise approved participants of the Bourse of the related changes to the Futures contracts margin rates file posted daily on the Division’s website (http://reg.m-x.ca/en/regulation/futures_margins).

CHANGES

BAX Outrights

The Division’s margin rate file will no longer contain one single hedger and speculator margin rate applicable to all BAX contract months. The file will now contain hedger and speculator margin rates for each of the BAX contract months individually. This will result in changes to the layout of the table containing the BAX margin rates.

Futures Products other than the BAX

All contract months for Futures Products other than the BAX will be listed in the file but a single speculator as well as hedger margin rate will be attributed to all contract months within a specific product class. This will result in changes to the layout of the table containing margin rates for Futures Products other than the BAX.

BAX Strategies

The availability of distinct margin rates for each of the BAX contract months will enable the establishment of distinct margin rates for multiple BAX strategies. The Division’s margin rates file will present BAX spread and butterfly margins rates for the following BAX strategies:

- Intra-Commodity Spread Charges – Quarterly Butterfly
- Intra-Commodity Spread Charges – Six Month Butterfly
- Intra-Commodity Spread Charges – Nine Month Butterfly
- Intra-Commodity Spread Charges – Yearly Butterfly
- Intra-Commodity Spread Charges – Inter-Month Strategy

The attached document contains an example of the Division's new margin rates file which encompasses the above-mentioned modifications. The margin changes and the new file format are scheduled for implementation on or about September 28, 2015.

For any comments, issues or concerns please contact Giancarlo Percio, Senior Market Analyst, Regulatory Division, at 514-787-6484, or by e-mail at gpercio@m-x.ca.

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