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CIRCULAR 076-14
June 9, 2014

**FTSE EMERGING MARKETS INDEX FUTURES
COMPETITIVE LIQUIDITY INCENTIVE PROGRAM**

Bourse de Montréal Inc (the Bourse) is pleased to announce the launch of a Competitive Liquidity Incentive Program (CLIP) which has been designed to enhance liquidity on the FTSE Emerging Markets Index Futures (EMF) contract.

ELIGIBILITY CRITERIA

All market participants, including clients, liquidity providers and approved participants (domestic and foreign), are eligible for participation in the CLIP.

EFFECTIVE DATES

The CLIP will run from June 13, 2014 to June 30, 2015. While no rankings or cash awards will be allocated for the month of June 2014, activity from June 13 to June 30, 2014 will count towards the rankings and cash awards for July 2014.

RANKINGS

Each month, CLIP participants will be ranked based on their monthly trading volumes.

CLIP participants will be notified by e-mail of the rankings they have attained, and CLIP rankings may be published on the Bourse’s website, along with the names of the CLIP participants who attained each of the rankings.

CASH AWARDS

CLIP participants who rank in the top three overall will earn the cash awards detailed below, to be calculated monthly and paid quarterly.

Rank	Cash Award
1 st Place	\$6,000
2 nd Place	\$4,000
3 rd Place	\$2,000

In the event of a tie between two or more participants, each will receive an equal share of the cash award allocated to the ranking that they have collectively attained, as well as the cash award for the following ranking. For example, should three participants tie for the first rank, they will share equally between them

the total cash awards of both the 1st, 2nd and 3rd ranks; thus each would receive a cash award of \$4,000 $((\$6,000 + \$4,000 + \$2,000)/3)$.

CLIP participants who also participate in the LPRP will receive any cash awards to which they are entitled in the same manner in which they receive their LPRP fee rebates.

CLIP participants must specify on their CLIP application form whether they wish to receive their cash awards by cheque, or by credit against future transaction fees.

CLIP participants must adhere to the Bourse's rules, procedures and regulations to be entitled to cash awards.

MODIFICATIONS

The Bourse reserves the right to modify or cancel the CLIP at any time. Thirty (30) days prior written notice will be provided in the event of any such modification or cancellation.

REGISTRATION

Those who meet the requirements of eligibility who wish to participate in the CLIP must complete the enclosed application form in full. The completed and signed application form should be scanned and emailed to:

Mr. Francois Vendette, Manager, Institutional Relations, Financial Markets

Email: fvendette@m-x.ca.

For further information, please contact Mr. François Vendette by email, or by telephone at 514 871-3515.

Thank you.

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



Competitive Liquidity Incentive Program Application Form

I/We, _____ (name of applicant), wish to participate in the Competitive Liquidity Incentive Program (the “Program”) for the FTSE Emerging Markets Index Futures (EMF) contract and certify that I/we agree to the Terms of the Program set out by Bourse de Montréal Inc. (the “Bourse”) in Schedule A.

Schedule A: Terms of the Program

- i) The Program will run from June 13, 2014 to June 30, 2015. No rankings or cash awards will be allocated for the month of June 2014. Rather, activity from June 13 to 30, 2014 will count towards the rankings and cash awards allocated for July 2014.
- ii) At the end of July 2014, registered Program participants will be ranked based on their trading volumes from June 13, 2014 to July 31, 2014. From August 2014 to June 2015, rankings will be based on trading volumes for the month in question. Those ranking in the top three will earn cash awards as detailed in Appendix 1.
- iii) All market participants, including clients, liquidity providers and approved participants (domestic and foreign), are eligible for participation in the Program.
- iv) Please provide either the subaccount number, account number or trader identification code by which your trading activity will be tracked for the purposes of the Program rankings.

Subaccount number: _____

Account number: _____

Trader identification code: _____

- v) Please indicate how you wish any cash awards to which you are entitled under the Program be paid (please complete only the section which applies):

Cheque

Name the cheque should be mailed to: _____

Address the cheque should be mailed to: _____

-OR-

Credit against future transaction fees on the account of:

Name of approved participant: _____

Identification number of approved participant: _____

- vi) Participation in the Program begins only for the month during which this form is completed in full, signed, remitted to the Bourse, approved by the Bourse and signed by an authorized person of the Bourse. Cash awards cannot be earned on a retroactive basis.
- vii) The Bourse reserves the right to withhold any cash awards should the Program participant to which they are due have an overdue account with the Bourse.
- viii) Program participants must adhere to the Rules, Policies and Procedures of the Bourse to be eligible for any cash awards.
- ix) Program participants will be notified by email of the rankings they have attained. Program rankings may be published on m-x.ca.
- x) The Bourse reserves the right to modify or cancel the Program at any time. Thirty (30) days prior written notice will be provided in the event of any such modification or cancellation.

- xi) The Rules, Policies and Procedures of the Bourse have precedence over this document and its appendices.

Program Applicant

Name of authorized person: _____

Title: _____

Email address: _____

Date: _____

Signature: _____

Bourse de Montréal Inc.

Name of authorized person: _____

Title: _____

Date: _____

Signature: _____

Appendix 1

Registered Program participants who rank in the top three for the month, in terms of trading volumes, will earn cash awards as detailed below, to be calculated monthly and paid quarterly.

Rank	Cash Award
1 st Place	\$6,000
2 nd Place	\$4,000
3 rd Place	\$2,000

In the event of a tie between two or more participants, each will receive an equal share of the cash award allocated to the ranking that they have collectively attained, as well as the cash award for the following ranking(s), in accordance with the number of tied participants.

For example, should three participants tie for the first rank, they will share equally between them the total cash awards of the 1st, 2nd and 3rd ranks; thus each would receive a cash award of \$4,000 $((\$6,000 + \$4,000 + \$2,000) / 3)$.

Appendix 2

FTSE EMERGING MARKETS INDEX FUTURES

Specifications

Underlying	The FTSE Emerging Markets Index.
Multiplier	US\$100 times the FTSE Emerging Markets Index Futures contract value.
Expiry cycle	March, June, September and December.
Price quotation	Quoted in index points, expressed to two decimals.
Minimum price fluctuation	<ul style="list-style-type: none">▪ 0.05 index points for outright positions.▪ 0.01 index points for calendar spreads and block trades.
Contract type	Cash-settled in US dollars.
Last trading day	Trading ceases at 4:15 p.m. (ET) on the third Friday of the contract month if the underlying index is published that day. If it is not published that day, trading will cease on the first preceding trading day for which the underlying index is scheduled to be published.
Expiration day	Expiration occurs on the last trading day.
Final settlement day	Final settlement occurs on the last trading day.
Final settlement price	The final settlement price shall be determined on the last trading day by multiplying the official closing level of the FTSE Emerging Markets Index by the multiplier as stipulated above.
Position reporting threshold	1,000 contracts, gross long and short, in all contract months combined.
Position limit	50,000 contracts.
Minimum margin requirements	Information on minimum margin requirements can be obtained from the Bourse as they are subject to periodic changes.
Trading hours	6:00 a.m. to 4:15 p.m.
Clearing corporation	Canadian Derivatives Clearing Corporation (CDCC).
Ticker symbol	EMF

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Appendix 3

FTSE Emerging Markets Index Futures Transaction Fee Waiver Program

In order to encourage quoting and trading activity on the FTSE Emerging Markets Index Futures contract, the Bourse is pleased to announce that all market participants will benefit from a full waiver of transaction fees and clearing fees. This transaction fee waiver program will take effect as of the launch of the contract and will run until December 31, 2014.

FTSE Emerging Markets Index Futures in the Liquidity Provider Rebate Program

In order to provide additional support for the contract, as of the listing of the contract, the Bourse will add a rebate threshold table for the FTSE Emerging Markets Index Futures contract under the Liquidity Provider Incentive Program, as detailed below, and will remain in effect until December 31, 2015.

Contract		Monthly Volume Threshold	Rebate	Transaction Fee post rebate
EMF	All contracts	First 500 contracts	\$0.00	\$0.21
		501 - 1,000 contracts	\$0.05	\$0.16
		1,001 - 1,500 contracts	\$0.10	\$0.11
		1,501 – 2000 contracts	\$0.13	\$0.08
		2,001 + contracts	\$0.16	\$0.05

FTSE Emerging Markets Index Futures Liquidity Provider Rebate Program Amendment

As of January 1, 2016, the monthly volume thresholds as specified for the FTSE Emerging Markets Futures contract rebates will be revised as detailed below.

Contract		Monthly Volume Threshold	Rebate	Transaction Fee post rebate
EMF	All contracts	First 1,000 contracts	\$0.00	\$0.21
		1,001 - 2,000 contracts	\$0.05	\$0.16
		2,001 – 3,000 contracts	\$0.10	\$0.11
		3,001 – 4000 contracts	\$0.13	\$0.08
		4,001 + contracts	\$0.16	\$0.05