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CIRCULAR 088-16
June 22, 2016

REQUEST FOR COMMENTS

GENERAL UPDATES

INTRODUCTION OF ARTICLE 6663 AND AMENDMENTS TO ARTICLES 6121, 6369, 6369A, 6370, 6373, 6378 AND 6654 OF THE RULES OF BOURSE DE MONTRÉAL INC.

The Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) has approved the introduction of article 6663 and amendments to articles 6121, 6369, 6369A, 6370, 6373, 6378 and 6654 of the Rules of the Bourse in order to clarify the Rules and align the Rules with current Bourse practices.

Comments on the proposed amendments must be submitted at the latest on **September 2, 2016**. Please submit your comments to:

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A copy of these comments shall also be forwarded to the *Autorité des marchés financiers* (the “**Autorité**”) to:

M^c Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800 Victoria Square, 22nd Floor
P.O. Box 246, Tour de la Bourse
Montréal (Québec) H4Z 1G3
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Please note that comments received by one of these recipients will be transferred to the other recipient and that the Bourse may publish a summary of such comments as part of the self-certification process concerning this file.

Appendices

For your information, you will find in the appendices an analysis of the proposed amendments as well as the text of the proposed amendments. The implementation date of the proposed amendments will be determined by the Bourse, in accordance with the self-certification process as determined by the *Derivatives Act* (CQLR, chapter I-14.01).

Process for Changes to the Rules

The Bourse is authorized to carry on business as an exchange and is recognized as a self-regulatory organization (SRO) by the Autorité. The Board of Directors of the Bourse has delegated to the Rules and Policies Committee of the Bourse its powers to approve and amend the Rules and Procedures. The Rules of the Bourse are submitted to the Autorité in accordance to the self-certification process as determined by the *Derivatives Act* (CQLR, chapter I-14.01).



RULE MODERNIZATION- GENERAL UPDATES

INTRODUCTION OF ARTICLE 6663 AND AMENDMENTS TO ARTICLES 6121, 6369, 6369A, 6370, 6373, 6378 AND 6654 OF THE RULE OF BOURSE DE MONTREAL INC.

TABLE OF CONTENTS

I.	SUMMARY.....	2
II.	ANALYSIS.....	2
	a. Background.....	2
	b. Description and Analysis of Market Impacts.....	2
	c. Comparative Analysis	3
	d. Proposed Amendments.....	4
III.	AMENDMENT PROCESS	4
IV.	IMPACTS ON TECHNOLOGICAL SYSTEMS	4
V.	OBJECTIVES OF THE PROPOSED ADMENDMENTS.....	4
VI.	PUBLIC INTEREST	4
VII.	EFFICIENCY.....	4
VIII.	PROCESS.....	5
IX.	ATTACHED DOCUMENTS	5

I. SUMMARY

Bourse de Montréal Inc. (the “Bourse”) has undertaken a project to update and modernize its Rules. This project seeks to review the structure of the Rules, unify procedures into the Rules, remove outdated articles, align the Rules with current practices, and recommend substantive amendments as appropriate to adapt the Rules to the evolution of the market. The Bourse has identified a number of amendments which are intended either to update the Rules, align the Rules with current practices or to implement best practices.

The proposed amendments are based on benchmarking with the rules and practices of other exchanges. In addition, the Bourse has made available a summary of the recommended changes to industry stakeholders providing them with the opportunity to offer informal comments.

II. ANALYSIS

a. Background

The initial step of this project was to create an internal Working Group to discuss and issue recommendations on the scope of the project and to identify particular articles that needed to be amended or modernized. The substantive amendments to be addressed were divided in two phases. The Phase 1 group of rules have already been published for public comments. The Bourse is currently addressing the Phase 2 group of rules which were grouped for consideration in two categories: Trade Practices and Oversight and General Updates. This document discusses amendments relating to General Updates. Each of the proposed amendments is analyzed separately below, with additional detail included in the Appendixes.

b. Description and Analysis of Market Impacts

Article 6663 (Communications with the Market Operations Department)

The Bourse proposes the introduction of article 6663 to clarify that the Market Operations Department will act upon the oral communications of an Approved Participant’s Designated Representatives, and any person providing a valid trader ID and matching account number of an Approved Participant or authorized client as per article 6366.

This proposed change reflects the fact that many of the Bourse’s rules require or permit market participants to notify the Market Operations Department by telephone. This rule amendment makes clear that the Market Operations Department will rely upon the caller’s ability to provide a valid trader ID and matching account name to validate that the caller is authorized to provide instructions. This rule establishes an appropriate standard for such validation based upon the requirement in article 6366 that Approved Participants are required to safeguard access to the trading system (and accordingly Trader IDs).

Article 6121 (Standard Nomenclature)

Article 6369 (Regular Orders)

Article 6369A (Implied Orders)

Article 6370 (Order Duration)

The definitions of orders allowed on the electronic trading system are spread over these four articles. The proposed amendments seek to centralize the definitions of order types and order duration into a single article. The content of article 6121, 6369A and 6370 will be incorporated in article 6369 which will be divided in two sections to differentiate between order types and order duration qualifiers, thus making it easier to locate the definitions of orders allowed on the electronic trading system of the Bourse. In addition, the amended rule removes references to order that are no longer in use or supported on the electronic trading system: “fill or kill”, “all or none”, “minimum amount”, “open” and “session” order. The Bourse also proposes to introduce the “while connected order” duration qualifier as it is currently used but not defined.

Article 6373 (Time-stamping of Limit Orders)

Article 6378 (Receipt of Orders)

Current article 6373 requires the time-stamping of order tickets at the receipt and at the execution of the order. However, such requirements are already provided for in article 6377. In this analysis, the Bourse is proposing amendments to article 6377 in order to clarify the obligations of approved participants regarding records of orders, including the recording of the time of receipt and execution of an order. To avoid confusion and redundancy through the Rules, the Bourse proposes to abrogate article 6373.

The Bourse also proposes to abrogate article 6378 since it refers to articles 6373 and 6377 and its content isn't substantive.

Article 6654 (Reports Related to Positions in Options Traded on the Bourse and reports related to transactions in over-the-counter options)

The proposed amendments to article 6654 are purely clarifying in nature. Article 6654 currently requires the filing on two different reports, one on exchange-traded option positions and another one on OTC option transactions. The former is already required under article 14102 which makes article 6654 (1) redundant. The proposed amendments will remove all references to the report on exchange-traded option positions and article 6654 will only pertain to OTC options transactions reports.

c. Comparative Analysis

Please see Appendix 1 which provides further details on other exchange's practices and the benchmarking made by the Bourse.

d. Proposed Amendments

Please see Appendix 2 for the proposed amendments to the aforementioned articles.

III. AMENDMENT PROCESS

The Bourse undertook this project to align its Rules with international best practices and provide its clients with more certainty with regard to its regulations. Prior to undertaking these amendments, the Bourse made available the recommendations to market participants' associations in order to receive their preliminary comments on the proposed amendments.

IV. IMPACTS ON TECHNOLOGICAL SYSTEMS

None of the proposed amendments has an impact on the technological systems of the Bourse or those of its approved participants.

V. OBJECTIVES OF THE PROPOSED ADMENDMENTS

The proposed amendments seek to:

- Provide greater clarity for market participants;
- Align the Rules with current Bourse practices;
- Modernize the language of the Rules.

In striving to achieve these goals, the work of the Regulatory Division in enforcing current exchange rules was considered. Providing greater clarity as to trading requirements and ensuring that the Rules are in alignment with market practice also assists the Regulatory Division in its mission.

VI. PUBLIC INTEREST

It is in the public interest that the Rules of the Bourse be clear and provide certainty to market participants regarding its application. The proposed amendments aim at making the Rules more transparent and ensuring there is no ambiguity in their application. These amendments and updates will create greater clarity for market participants and assist in their compliance efforts.

VII. EFFICIENCY

The proposed amendments will enhance market efficiency by clarifying the Rules.

VIII. PROCESS

The proposed amendments must be approved by the Bourse's Rules and Policies Committee and submitted to the Autorité des marchés financiers, in accordance with the self-certification process, and to the Ontario Securities Commission for information purposes.

IX. ATTACHED DOCUMENTS

- Appendix 1: Recommendations and benchmarking;
- Appendix 2: Proposed amendments.

MX RULE ANALYSIS, BENCHMARK REVIEW AND RECOMMENDATION

Category 2- General Updates

Rule	Issue	Current Rule Text¹	Recommendation	Benchmarking
<p>6121- Standard Nomenclature</p> <p>6369- Regular Orders</p> <p>6369A- Implied Orders</p> <p>6370- Order Duration</p>	<p>Types of orders are defined in articles 6121, 6369, 6369A and 6370.</p> <p>Need to centralize and update definitions of orders.</p>	See below.	<p>We recommend removing all definitions from article 6121 and incorporating all definitions of orders in article 6369. The provisions of articles 6369A and 6370 will also be incorporated in article 6369.</p> <p>Article 6369 will specify Order Types and Order Duration.</p> <p>We also recommend the removal of the “fill or kill”, “all or none”, “minimum amount”, “not held” order types and the “open order” and “session order” since they are no longer in use.</p> <p>The “while connected order” duration qualifier should also be added in article 6369.</p>	N/A
<p>6373- Time-stamping of Limit Orders</p> <p>6378- Receipt of Orders</p>	<p>These two articles are redundant with other provisions of the Rules.</p>	See below.	<p>We recommend abrogating these articles since their content is already provided for in article 6377.</p>	N/A
<p>6654- Report related to Positions in Options traded on the Bourse and reports related to transactions</p>	<p>Clarify articles and delays to report such positions and transactions.</p>	<p>6654 Reports Related to Positions in Options Traded on the Bourse and reports related to transactions in over-the-counter options (05.08.75, 15.11.79, 24.04.84, 20.03.91, 10.11.92, 07.04.94, 07.09.99, 11.02.00, 28.01.02, 26.09.05, 25.06.12, 01.04.13, 14.01.16)</p>	<p>The first paragraph of article 6654 deals with the reporting of positions pursuant article 14102.</p> <p>The second paragraph requires approved participants to report transactions in over-the-counter options.</p> <p>To avoid confusion between both reports and the delays to file such reports, we</p>	N/A

¹ If not included in the table, the full text of each relevant current rule is set forth at the bottom of the respective table.

Rule	Issue	Current Rule Text ¹	Recommendation	Benchmarking
in over-the-counter options		<p>Each approved participant shall file with the Bourse, in the prescribed manner and frequency, a report related to positions in options traded on the Bourse prepared in compliance with article 14102.</p> <p>For all transactions executed in over-the-counter options, approved participants are required to report as of the close of business on the fifteenth and last days of each month or, when either of these days is not a trading day, on the preceding trading day, the total puts and calls written and issued or guaranteed during the period which has ended. This report must be transmitted to the Bourse within two (2) business days following the above-mentioned dates and this in the form prescribed by the Bourse.</p>	recommend removing the first paragraph of article 6654 since article 14102 already applies to both exchange-traded options and futures and to rename article 6654 to make clear that it relates only to over-the-counter options.	
New Rule (6663) – Communications with the Market Operation Department	Rule should clarify who can directly contact the Market Operation Department of the Bourse.	N/A	We recommend clarifying that any approved persons or authorized clients pursuant to the provisions of article 6366 who can provide a trader ID and account number will be considered to be authorized to contact the Market Operation Department with instructions relating to its trading. The designated representative of an approved participant will also be authorized to contact the Market Operation Department.	N/A

6121 Standard Nomenclature

(10.10.91, 20.04.98, 26.06.15, 17.07.15)

To be valid, an order must specify the name or symbol of the listed security, whether the order is to buy or sell and the number of units to be traded, as well as explicit instructions regarding the trading price and conditions which must be met prior to the order becoming effective. All orders are deemed to be day orders, unless otherwise specified.

Definitions:

a) Day order

An order to buy or sell valid only for the day it is given.

b) Open order

An order to buy or sell which remains effective until it is executed or cancelled.

c) Good 'til

An order that remains effective until it is executed or has reached the specified cancellation date.

d) Not held order

An order giving discretion as to the price or time at which it is to be executed.

e) Contingency orders

Orders to buy and sell that are contingent upon certain specifications being satisfied before their execution.

i) Fill or kill order

An order which, if it cannot be completely or partially executed immediately, is cancelled.

ii) All or none order

An order which is effective only if the total specified amount can be executed.

iii) Minimum amount order

An order which is effective only if a specified minimum amount can be executed.

f) Committed order

An order which is effective only if an approved participant enters the terms of an order, including the identification code of the approved participant that agreed to submit the opposing order during prenegotiation discussions, into the electronic trading system of the Bourse.

Committed orders will only be matched with an opposite committed order in order to be executed. Committed orders will not interact with any other order type.

6369 Regular Orders

(25.09.00, 24.09.01, 29.10.01, 24.04.09, 26.06.15, 22.01.16)

The orders routed by Approved Participants (regular orders) which can be executed are defined hereinafter:

a) Market order (best limit; bid/ask)

- A Market order is executed at the best limit that is available on the other side of the market at the moment the order is introduced into the electronic trading system, at the quantity available at this limit. If the order is partially filled, the unfilled quantity is posted at the price which the first part of the order was executed.
- A Market order can only be entered during the Market Session (Continuous Trading).
- A Market order is only accepted by the system if a price limit exists on the other side.

b) Limit order:

An order to buy or sell at a specified price, or better.

c) Stop limit order:

An order to buy or sell which becomes a limit order once the contract has traded at the stop-price or higher in the case of a buy order; at the stop-price or lower in the case of a sell order.

If more than one stop order has the same trigger price, then the first in, first out basis (FIFO) rule will apply. Once the stop order becomes a limit order, a new time priority is given to it.

- Stop limit orders can only be entered as day orders.

d) Opening / Closing price order (Market on Open and Market on Close):

Order by which a trader is the buyer or the seller of contracts at the opening / closing price defined by the electronic trading system at the pre-opening / pre-closing session. Therefore, this order must be input during the pre-opening / pre-closing session. If an order is not filled in full, the order is assigned the opening price Calculated Theoretical-Opening (CTO) as defined in article 6375 of the Rules, as its new limit.

e) Hidden quantity order:

A trader may hide a certain quantity of the order to the market :

- Disclosed quantity: quantity of contracts initially parameterized by the user to be seen by the market.
- Hidden quantity: difference between the whole order quantity (total quantity) and the disclosed quantity. The hidden quantity is only seen by the Bourse.
- Displayed quantity: Quantity of contracts effectively seen by the market.
- When the order is executed for the disclosed quantity, it is renewed for the same disclosed quantity and the order is positioned at the end of the queue at the same limit. It loops until the whole order quantity (total quantity) has been filled.

f) Fill and kill order

An order which is executed at the given price for the quantity which can be executed. Any portion of the order, which cannot be executed, will be cancelled.

g) A committed order must conform to the following criteria:

- Both the initial order and the opposing order must be entered at the same price.
- Both the initial order and the opposing order must be entered for the same quantity.
- The identification code provided on the initial order must match the identification code of the approved participant that agreed to enter the opposing order; and the identification code provided on the opposing order must match the identification code of the approved participant that entered the initial order.
- The initial order and the opposing order will only be matched at a better price, that is, between the best bid price and the best offer price.
- An opposing order meeting all criteria specified above must be entered before the close of the trading session during which the initial order was submitted or the initial order will be cancelled automatically.

h) All or none bids or offers and minimum amount orders are not allowed.

The Bourse may decide that certain types of orders are not available.

6369A Implied orders
(24.04.09)

The orders generated by the trading engine which can also be executed are defined hereinafter:

Implied orders:

Orders generated by the implied pricing algorithm using regular orders and registered in the order book by the trading engine.

6370 Order Duration
(25.09.00, 24.09.01)

Orders may be entered as:

- Day orders
- Session orders
- G.T.C. orders

(A Good until Cancel order, which is good until it is cancelled or until the end of expiry month)
- G.T.D. orders (good until a specified date)

The Bourse may decide that certain types of orders duration are not available.

6373 Time-Stamping of Limit Order

(25.09.00, 24.09.01)

The order ticket for a limit order must bear, in addition to that mention, a double time-stamping at the receipt and at the execution of the order.

6378 Receipt of Orders

(25.09.00, 24.09.01, 29.10.01)

Any order received or initiated by an approved participant or a restricted permit holder must be time-stamped in accordance with articles 6373 and 6377 of the Rules.

6663 Communications with the Market Operations Department

(00.00.00)

Whenever an article permits, or requires, an Approved Participant (or its authorized client under article 6366) to contact the Market Operations Department by telephone, the Market Operations Department will act upon, and treat as authorized and binding upon the Approved Participant (or authorized client), the oral communication of the Approved Participant's Designated Representative or of any Person providing a valid trader ID and matching account number of the Approved Participant or authorized client.

6663 Communications with the Market Operations Department
(00.00.00)

Whenever an article permits, or requires, an Approved Participant (or its authorized client under article 6366) to contact the Market Operations Department by telephone, the Market Operations Department will act upon, and treat as authorized and binding upon the Approved Participant (or authorized client), the oral communication of the Approved Participant's Designated Representative or of any Person providing a valid trader ID and matching account number of the Approved Participant or authorized client.

6121 Standard Nomenclature

(10.10.91, 20.04.98, 26.06.15, 17.07.15, abr. 00.00.00)

6369 Orders

(25.09.00, 24.09.01, 29.10.01, 24.04.09, 26.06.15, 22.01.16, 00.00.00)

1) To be considered valid, an order must specify the name or symbol of the ~~listed security~~Listed Product, whether ~~the order it is to~~ buy or sell ~~and order~~, the ~~number~~quantity of ~~units to be traded,~~ ~~as well as~~the order, explicit instructions regarding the trading price ~~and~~ ~~and~~ the conditions which must be met prior to the order becoming effective. ~~All and the type and duration qualifier of the order.~~

2) ~~The types of orders are deemed to be day orders, unless otherwise specified.~~

Definitions:

a) ~~Day order~~

~~— An order to buy or sell valid only for the day it is given.~~

b) ~~Open order~~

~~— An order to buy or sell which remains effective until it is executed or cancelled.~~

c) ~~Good 'til~~

~~— An order that remains effective until it is executed or has reached the specified cancellation date.~~

d) ~~Not held order~~

~~— An order giving discretion as to the price or time at which it is to be executed.~~

e) ~~Contingency orders~~

~~— Orders to buy and sell that are contingent upon certain specifications being satisfied before their execution.~~

i) ~~Fill or kill order~~

~~— An order which, if it cannot be completely or partially executed immediately, is cancelled.~~

ii) ~~All or none order~~

~~— An order which is effective only if the total specified amount can be executed.~~

iii) ~~Minimum amount order~~

~~— An order which is effective only if a specified minimum amount can be executed.~~

~~f) Committed order~~

~~An order which is effective only if an approved participant enters the terms of an order, including the identification code of the approved participant that agreed to submit the opposing order during prenegotiation discussions, entered into the electronic trading system of the Bourse.~~

~~Committed orders will only be matched with an opposite committed order in order to be executed. Committed orders will not interact with any other order type.~~

6369 Regular Orders

(25.09.00, 24.09.01, 29.10.01, 24.04.09, 26.06.15, 22.01.16)

~~The orders routed by Approved Participants (regular orders) which can be executed are defined hereinafter as follows:~~

a) Market order (best limit; bid/ask)

~~-i) A Market order is executed at the best limit that is available on the other side of the market at the moment the order is introduced into the electronic trading system, at the quantity available at this limit. If the order is partially filled, the unfilled quantity is posted becomes a limit order at the price which the first part of the order was executed.~~

~~—ii) A Market order can only be entered during the Market Session (Continuous Trading).~~

~~—iii) A Market order is only accepted by the system if a price limit exists on the other side.~~

b) Limit order:

An order to buy or sell at a specified price, or better.

c) Stop limit order:

i) An order to buy or sell which becomes a limit order once the contract has traded at the stop-price or higher in the case of a buy order; at the stop-price or lower in the case of a sell order.

ii) If more than one stop order has the same trigger price, then the first in, first out basis (FIFO) rule will apply. Once the stop order becomes a limit order, a new time priority is given to it.

— iii) Stop limit orders can only be entered as day orders.

d) Opening / Closing price order (Market on Open and Market on Close):

~~Order~~ An order which must be input during the pre-opening / pre-closing session by which a trader is the buyer or the seller of contracts at the opening / closing price as defined by the electronic trading system at the pre-opening / pre-closing session. ~~Therefore, this order must be input during the pre-opening / pre-closing session.~~

ii) If an opening price order is not filled in full, the order is assigned the opening price Calculated Theoretical-Opening (CTO) as defined in article 6375 of the Rules, as its new limit.

e) Hidden quantity order:

~~A~~ An order that enables a trader ~~may~~ to hide a certain quantity of the order to the market :

— ~~Disclosed quantity: quantity by displaying to the market only that portion of contracts~~ the total order which has been initially parameterized by the user to be seen by the market.

— ~~Hidden quantity: difference between the whole order quantity (total quantity) and the disclosed quantity.~~ The hidden quantity, which is ~~only the remainder of the order, is~~ seen only by the Bourse.

— ~~Displayed quantity: Quantity of contracts effectively seen by the market.~~

- When the order is executed for the disclosed quantity, it is renewed for the same disclosed quantity ~~and the order is~~ but positioned at the end of the queue at the same limit. It loops until the whole order quantity (total quantity) has been filled.

~~f) Fill and kill order~~

f) Committed Order

An order ~~which is executed at the given price for the quantity which~~ that can only be executed. ~~Any portion of the order, which cannot be executed, will be cancelled.~~

~~g) A~~ matched with another opposite committed order ~~must conform to that meet~~ the following ~~criteria: conditions:~~

— ~~Both the initial order and the opposing order must be entered at the same price.~~

— ~~Both the initial order and the opposing order must be entered for the same quantity.~~

— i) The identification code ~~provided~~ on the initial order ~~must match~~ matches the identification code of

~~_____ the approved participant that agreed to enter~~ Approved Participant entering the ~~opposing/opposite~~ order; ~~and the~~

~~_____ ii) The identification code provided on the opposing order must match/matches~~ the identification code ~~of the approved participant that entered the initial order.~~

~~— The initial order and the opposing order will only be matched at a better price, _____ of the Approved Participant that is, entered the initial order;~~

~~_____ iii) Both orders are entered with the same price and for the same quantity, provided _____ however, that such price is between the best bid price and the best offer price at the time of the~~

~~— An opposing order meeting all criteria specified above _____ transaction;~~

~~_____ iv) Both orders must be entered before/during the close of the same trading session during which the initial order was submitted or the. Otherwise, the _____ initial order will be cancelled/automatically; be cancelled.~~

~~h) — All or none bids or offers and minimum amount orders are not allowed.~~

~~— The Bourse may decide that certain types of orders are not available.~~

6369A _____ g) Implied orders
(24.04.09) Order

~~The orders generated by the trading engine which can also be executed are defined hereinafter:~~

Implied orders:

~~Orders~~An order generated by the implied pricing algorithm using ~~regular orders and order~~ registered in the order book by the trading engine.

6370 ~~Order Duration~~
(25.09.00, 24.09.01)

~~Orders may be entered as:~~

~~— Day orders~~

~~— Session orders~~

~~— G.T.C. orders~~

~~— (A~~

3) Each order must include a duration qualifier which determines the period during which the order remains in effect. All orders are deemed to be Day Orders, unless otherwise specified. The duration qualifiers are as follows:

a) Day order

An order to buy or sell valid only for the day it is given.

b) Good 'til date (G.T.D)

An order that remains effective until ~~Canceled~~ it is executed or has reached the specified cancellation date.

c) Good 'til cancel (G.T.C)

An order, ~~which is good~~ that remains effective until it is cancelled or until the end of expiry month).

d) While connected order

Unexecuted Day Order which is automatically withdrawn from the Bourse's central order book in the event that the Approved Participant's server through which the order was transmitted is disconnected from the Bourse.

~~— G.T.D.~~

6369A Implied orders ~~(good until a specified date~~
(24.04.09, abr.00.00.00)

~~— The Bourse may decide that certain types of orders duration are not available.~~

6370 Order Duration
(25.09.00, 24.09.01, abr.00.00.00)

6121 Standard Nomenclature

(10.10.91, 20.04.98, 26.06.15, 17.07.15, abr. 00.00.00)

6369 Orders

(25.09.00, 24.09.01, 29.10.01, 24.04.09, 26.06.15, 22.01.16, 00.00.00)

1) To be considered valid, an order must specify the name or symbol of the Listed Product, whether it is a buy or sell order, the quantity of the order, explicit instructions regarding the trading price and the conditions which must be met prior to the order becoming effective, and the type and duration qualifier of the order.

2) The types of orders which can be entered into the electronic trading system are as follows:

a) **Market order (best limit; bid/ask)**

i) A Market order is executed at the best limit that is available on the other side of the market at the moment the order is introduced into the electronic trading system, at the quantity available at this limit. If the order is partially filled, the unfilled quantity becomes a limit order at the price the first part of the order was executed.

ii) A Market order can only be entered during the Market Session (Continuous Trading).

iii) A Market order is only accepted by the system if a price limit exists on the other side.

b) **Limit order**

An order to buy or sell at a specified price, or better.

c) **Stop limit order**

i) An order to buy or sell which becomes a limit order once the contract has traded at the stop-price or higher in the case of a buy order; at the stop-price or lower in the case of a sell order.

ii) If more than one stop order has the same trigger price, then the first in, first out basis (FIFO) rule will apply. Once the stop order becomes a limit order, a new time priority is given to it.

iii) Stop limit orders can only be entered as day orders.

d) **Opening / Closing price order (Market on Open and Market on Close)**

i) An order which must be input during the pre-opening / pre-closing session by which a trader is the buyer or the seller of contracts at the opening / closing price as defined by the electronic trading system at the pre-opening / pre-closing session.

ii) If an opening price order is not filled in full, the order is assigned the opening price Calculated Theoretical-Opening (CTO) as defined in article 6375 of the Rules, as its new limit.

e) Hidden quantity order

An order that enables a trader to hide a certain quantity of the order to the market by displaying to the market only that portion of the total order which has been initially parameterized by the user to be seen by the market. The hidden quantity, which is the remainder of the order, is seen only by the Bourse. When the order is executed for the disclosed quantity, it is renewed for the same disclosed quantity but positioned at the end of the queue at the same limit. It loops until the whole order quantity (total quantity) has been filled.

f) Committed Order

An order that can only be matched with another opposite committed order that meet the following conditions:

- i) The identification code on the initial order matches the identification code of the Approved Participant entering the opposite order;
- ii) The identification code on the opposing order matches the identification code of the Approved Participant that entered the initial order;
- iii) Both orders are entered with the same price and for the same quantity, *provided however*, that such price is between the best bid and best offer at the time of the transaction;
- iv) Both orders must be entered during the same trading session. Otherwise, the initial order will automatically be cancelled.

g) Implied Order

An order generated by the implied pricing algorithm using order registered in the order book by the trading engine.

3) Each order must include a duration qualifier which determines the period during which the order remains in effect. All orders are deemed to be Day Orders, unless otherwise specified. The duration qualifiers are as follows:

a) Day order

An order to buy or sell valid only for the day it is given.

b) Good 'til date (G.T.D)

An order that remains effective until it is executed or has reached the specified cancellation date.

c) Good 'til cancel (G.T.C)

An order that remains effective until it is cancelled or until the end of expiry month.

d) While connected order

Unexecuted Day Order which is automatically withdrawn from the Bourse's central order book in the event that the Approved Participant's server through which the order was transmitted is disconnected from the Bourse.

6369A Implied orders
(24.04.09, abr.00.00.00)

6370 Order Duration
(25.09.00, 24.09.01, abr.00.00.00)

6373 Time-Stamping of Limit Order
(25.09.00, 24.09.01, abr.00.00.00)

~~The order ticket for a limit order must bear, in addition to that mention, a double time stamping at the receipt and at the execution of the order.~~

6378 Receipt of Orders
(25.09.00, 24.09.01, 29.10.01, abr.00.00.00)

~~Any order received or initiated by an approved participant or a restricted permit holder must be time stamped in accordance with articles 6373 and 6377 of the Rules.~~

6373 Time-Stamping of Limit Order
(25.09.00, 24.09.01, abr.00.00.00)

6378 Receipt of Orders
(25.09.00, 24.09.01, 29.10.01, abr.00.00.00)

6654 Reports ~~Related to Positions in Options Traded on the Bourse and reports~~ related to transactions in over-the-counter options

(05.08.75, 15.11.79, 24.04.84, 20.03.91, 10.11.92, 07.04.94, 07.09.99, 11.02.00, 28.01.02, 26.09.05, 25.06.12, 01.04.13, 14.01.16, 00.00.00)

~~Each approved participant shall file with the Bourse, in the prescribed manner and frequency, a report related to positions in options traded on the Bourse prepared in compliance with article 14102.~~

~~For all transactions executed in over the counter options, a~~ Approved pParticipants ~~must~~ are required to report, in the form prescribed by the Bourse, the total number of puts and calls written, issued or guaranteed in over-the-counter options during each- the period ending which has ended as of at the close of business on the fifteenth and last days of each month or, if not when either of these days is not a business trading day, on the preceding business trading day, ~~the total puts and calls written and issued or guaranteed during the period which has ended.~~ This rReports must be transmitted to and in the form prescribed by the Bourse within two (2) business days of following the end of the period. ~~above mentioned dates and this in the form prescribed by the Bourse.~~

6654 Reports related to transactions in over-the-counter options

(05.08.75, 15.11.79, 24.04.84, 20.03.91, 10.11.92, 07.04.94, 07.09.99, 11.02.00, 28.01.02, 26.09.05, 25.06.12, 01.04.13, 14.01.16, 00.00.00)

Approved Participants must report, in the form prescribed by the Bourse, the total number of puts and calls written, issued or guaranteed in over-the-counter options during each period ending at the close of business on the fifteenth and last days of each month or, if not a business day, the preceding business day. Reports must be transmitted to the Bourse within two (2) business days of the end of the period.