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<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 114-14

August 25, 2014

REMINDER TO APPROVED PARTICIPANTS OF THE BOURSE

**REGULATION RESPECTING ELECTRONIC TRADING AND
DIRECT ELECTRONIC ACCESS TO MARKETPLACES**

ARTICLE 6366 OF THE RULES OF BOURSE

On February 27, 2014, Bourse de Montréal Inc. (the Bourse) issued circular no. 028-14 and self-certified the proposed amendments to article 6366 (“Access to Electronic Trading”) of the Rules of the Bourse. These amendments, which became effective on March 1, 2014, pertained to the new applicable obligations and requirements regarding electronic access granted to clients by the approved participants of the Bourse, pursuant to the Regulation to amend Regulation 23-103 respecting Electronic Trading.

The Bourse had previously issued circular no. 184-13 on November 22, 2013 in order to request comments on these proposed amendments, pursuant to the self-certification process.

The Regulatory Division of the Bourse (the Division) wishes to remind all approved participants that, as per circular no. 028-14 and the analysis document attached to circular no. 184-13, a transition period of 180 days was granted from March 1, 2014 to allow approved participants to update the written agreements already entered into with their clients at this date, in order to comply with the new requirements listed under article 6366 of the Rules of the Bourse. On this subject, the Bourse had taken into consideration that the Investment Industry Regulatory Organization of Canada (IIROC) previously granted a similar transition period.

Approved participants of the Bourse must therefore ensure that any written agreement entered into with a client on or following at March 1, 2014, pursuant to article 6366 of the Rules of the Bourse, complies with the new applicable obligations and requirements. The transition period of 180 days, which ends on September 1, 2014, only applies to written agreements already entered into with a client before March 1, 2014.

Should an approved participant anticipate any issue with meeting the September 1, 2014 deadline for the completion of its update of the written agreements already entered into with a client before March 1, 2014, the Division may grant an extension of 60 days ending on October 30, 2014. In order to qualify for such extension, an approved participant must file with the Division, before September 1, 2014, a written extension request including, in particular, the number of pre-existing agreements which will not be compliant with the applicable obligations and requirements by September 1, 2014, the steps taken so far by the approved participant to meet the September 1, 2014 deadline, and detailing the additional steps which shall be undertaken to ensure these agreements comply with the applicable obligations and requirements by October 30, 2014.

In its assessment of these extension requests, the Division may consider an additional period exceeding 60 days, particularly for agreements entered into specifically for the Bourse's market or for those involving foreign approved participants.

For further information, please contact Mr. Francis Larin, Director and Legal Counsel, Regulatory Division, at 514 871-3516 or at flarin@m-x.ca.

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