

**RULE THREE  
APPROVED PARTICIPANTS**

**I. General Provisions**

**3001 Bourse Approval**

(16.06.87, 02.10.92, 15.03.05, 30.03.10)

- a) Each approved participant must be approved as such by the Special Committee at the time of admission, and must thereafter comply with the conditions required to remain an approved participant as set forth in the regulations of the Bourse in general. Approved participants may be partnerships (referred to as "partnership approved participants") or corporations (referred to as "corporate approved participants");
- b) Anyone seeking and obtaining the Bourse's approval thereby undertakes to be bound by the regulations of the Bourse;
- c) The Bourse shall give its approval where in its opinion, the approved participant or approved person, has the necessary competence and integrity. In the case of an approved participant, the Bourse must be satisfied that it has available adequate financial resources.
- d) For the purpose of this Rule, the term "approved person" refers to employees of an approved participant who are approved by the Bourse pursuant to article 6366 or to designated representatives who are approved pursuant to article 3501.

**3002 Foreign Approved Participants**

(08.07.02, 30.03.10)

The Bourse can exempt a foreign approved participant from complying with certain requirements of the Rules of the Bourse when it judges that this foreign approved participant is already required to comply with similar or equivalent requirements pursuant to its registration with the competent securities or derivative instruments regulator or, if applicable, pursuant to its registration with the self-regulatory organization that is recognized by the said competent regulator.

**3003 Criteria of Admission**

(02.10.92, 01.10.00, 15.03.05, 30.03.10)

No one may be admitted as an approved participant unless:

- a) the applicant complies with all the conditions required under articles 3301, 3401 and 3421;
- b) the applicant has signed a declaration in the form prescribed by the Bourse binding the applicant to abide by the regulations of the Bourse and acknowledging that the approved participant's rights shall at all times remain subject to revocation.

**3004 Obligation of the Foreign Approved Participant**

(08.07.02, 30.03.10)

In addition to the requirements referred to in article 3003, a foreign approved participant cannot be admitted as an approved participant unless:

- a) it has appointed a person who is a resident of Québec as agent for the service of process;
- b) it has entered into an agreement with a member of the clearing corporation.

**3005 Form of Application**

(02.10.92, 01.04.99, 20.09.02)

Application for admission must be made on the form prescribed by the Bourse and must be signed by the applicant.

**3006 Special Committee Decision**

(02.10.92, 15.03.05)

In considering whether it should approve an application for admission as an approved participant, the Special Committee may require whatever information it deems appropriate. It may, in its discretion, require the applicant appears before it. However, before rendering a decision that unfavourably affects the applicant, the Special Committee must give the applicant an opportunity to be heard.

**3007 Re-Application or Review of Decision**

(02.10.92, 15.03.05)

If the Special Committee rejects an application for admission as an approved participant, at least six months must elapse thereafter before the applicant may again submit an application.

However, if presented with a new fact during this six month period, the Special Committee may review its decision and the provisions of article 3006 shall apply, mutatis mutandis, to the decision to review the application for admission and the review process itself.

**3008 Voiding of Application**

(02.10.92, abr. 15.03.05)

**3008 Suspension or revocation of Bourse Approval**

(02.10.92, 15.03.05)

An approved participant who no longer complies with the conditions to be an approved participant provided in the regulations of the Bourse may be suspended or expelled by the Special Committee.

The Bourse's approval of any of the persons referred to in article 3001 may similarly be suspended or revoked by either the Special Committee or the person or persons authorized to give such approval.

**3009 Assessments, Fees and Charges**

(02.10.92, 15.03.05, 30.03.10)

Each approved participant must pay such assessments, fees and charges, whether special or general, as fixed by the Bourse and which become due and payable to the Bourse at such time or times and in such manner as the Bourse directs. Liability hereunder shall not be affected by the dissolution, winding-up, suspension, revocation of any permit or of any approval or expulsion of the approved participant.

The Bourse may levy fees and charges as determined from time to time by the Board of Directors in respect of services or facilities provided by the Bourse.

The Bourse may require, in exceptional circumstances, reimbursement of the professional fees incurred by it for the services of its lawyers and accountants in accordance with their normal hourly rates.

**3010 Registration**

(02.10.92, 15.03.05)

No one may claim to be an approved participant of the Bourse without being registered as such in the register kept for that purpose by the Bourse. Registration as an approved participant shall not occur until all the other conditions of approval have been fulfilled, and such approval shall be deemed to commence upon such registration.

**3011 Surveillance and Compliance**

(18.02.03, 30.03.10)

- A) Each approved participant at the time of its approval and so long as it remains approved, must establish and maintain a system to supervise the activities of each employee and agent of the approved participant, that is reasonably designed to achieve compliance with the Rules and Policies of the Bourse and with any legislation and regulations applicable to securities and derivative instruments activities. Such a supervisory system must provide, at a minimum, the following:
- i) the establishment, maintenance and enforcement of written policies and procedures acceptable to the Bourse regarding the conduct of the type of business in which it engages and the supervision of each employee and agent of the approved participant that are reasonably designed to achieve compliance with the applicable legislation and regulation;
  - ii) procedures reasonably designed to ensure that each employee and agent of the approved participant understand their responsibilities under the written policies and procedures in subparagraph (i);
  - iii) procedures to ensure that the written policies and procedures of the approved participant are amended as appropriate within a reasonable time after changes in applicable laws, regulations, rules and policies and that such changes are communicated to all relevant personnel;
  - iv) sufficient personnel and resources to fully and properly enforce the written policies and procedures in subparagraph I);
  - v) the designation of supervisory personnel with the necessary qualifications and authority to carry out the supervisory responsibilities assigned to them;
  - vi) procedures for follow-up and review to ensure that supervisory personnel are properly executing their supervisory functions;
  - vii) the maintenance of adequate records of supervisory activity, compliance issues identified and the resolution of those issues.

**3012 Business Continuity Plan**  
(31.07.06)

Each approved participant must establish and maintain a business continuity plan identifying the necessary procedures to be undertaken during an emergency or significant business disruption. Such procedures must be reasonably designed to enable the approved participant to stay in business in the event of a future significant business disruption in order to meet obligations to its clients and capital markets counterparts and must be derived from the approved participant's assessment of its critical business functions and required levels of operation during and following a disruption.

Each approved participant must update its plan in the event of any material change to its operations, structure, business or location. Each approved participant must also conduct an annual review and test of its business continuity plan to determine whether any modifications are necessary in light of changes to the approved participant's operations, structure, business or location. The Bourse, in its discretion, may require this annual review to be performed by a qualified third party.

**II. Individual Members**  
(abr. 15.03.05)**3201 Qualifications of Individual Members**  
(abr. 15.03.05)**3202 Estate of Deceased Individual Member**  
(abr. 15.03.05)**3203 Activity of Individual Members**  
(abr. 15.03.05)**3204 Membership**  
(02.10.92, abr. 15.03.05)**II. Partnership Approved Participants****3301 Business and Constitution of Partnership Approved Participants**  
(24.10.94, 15.03.05, 30.03.10)

As long as a partnership remains an approved participant:

- a) it must be formed under a partnership agreement governed by the laws of one of the Provinces of Canada, unless it is a foreign approved participant;
- b) it must be registered with a securities or derivative instruments regulator, or a recognized self-regulatory organization, unless it is a foreign approved participant exempted from such registration in its jurisdiction and subject to all other applicable restriction;
- c) it must not be dissolved, liquidate its assets or change its name, nor permit any partner to retire, or effect or permit any change of major position in the partners' interests in the partnership without prior notification to the Bourse;

- d) its principal business must be that of a broker or dealer in securities or derivative instruments and it must trade the products listed on the Bourse to an extent acceptable to the Bourse;
- e) it must not own any major position in any partnership or any corporation without prior notification to the Bourse;
- f) it must be a member of the clearing corporation or have entered into an agreement with a member of the clearing corporation.

**3302 Partners of Approved Participant Partnership**  
(08.07.02, 21.08.02, abr. 30.03.10)

**3303 Officers of Partnership Approved Participants**  
(15.03.05, 17.06.05, abr. 30.03.10)

**3304 Notice to Be Given by a Partnership Approved Participant**  
(03.11.04, 30.03.10)

Each partnership approved participant must give to the Bourse, within a delay of ten (10) business days, written notice:

- a) of the termination of employment of a person approved by the Bourse. The ten (10) business days delay starts on the first business day following the date of such termination of employment and the written notice must be made, as the case may be, in the form prescribed by the Bourse;
- b) of any non-compliance with any of the provisions of article 3301, except for matters where a specific prior notification obligation is provided for;
- c) of any proposed change in or amendment to any document relating to the partnership agreement or constitution of the partnership or its partners which has been filed with the Bourse or which the Bourse requires to be filed with it;
- d) of all positions taken in a person or entity that is not an approved participant.

### **III. Corporate Approved Participants**

**3401 Business and Constitution of Corporate Approved Participants**  
(06.08.90, 24.10.94, 08.07.02, 15.03.05, 30.03.10)

As long as a corporation remains an approved participant:

- a) it must be a corporate entity having as its principal business that of a broker or dealer in securities or derivative instruments and it must trade the products listed on the Bourse to an extent acceptable to the Bourse;
- b) it must not be engaged in any business disapproved by the Bourse;
- c) it must be incorporated under the laws of Canada or one of its provinces or territories thereof, unless it is a foreign approved participant;

- d) it must be registered with a securities or derivative instruments regulator or a recognized self-regulatory organization, unless it is a foreign approved participant exempted from such registration in its jurisdiction and subject to all other applicable restriction;
- e) it must not, without prior notification to the Bourse, change its name, effect or permit any change in its constitution affecting voting rights, dissolve, wind-up, surrender its charter, liquidate its assets or take any step authorizing or with a view to such action, or effect or permit any alteration in its capital structure, including allotment, issue, transfer, re-purchase, redemption, cancellation, subdivision or consolidation of any shares in its capital stock;
- f) it must not issue, incur or become obligated in respect of any option, warrant or agreement creating any obligation to allot, issue or transfer any share of its capital stock without prior notification to the Bourse; but agreements entered into by a corporate approved participant to ensure transferability of its shares to a transferee for whom the approval of the Bourse is not required under this Rule, and whose ownership is permitted under this Rule, do not require approval under this paragraph;
- g) it must be a member of the clearing corporation or have entered into an agreement with a member of the clearing corporation.

**3402 Directors of Corporate Approved Participants**

(08.07.02, 21.08.02, abr. 30.03.10)

**3403 Officers of Corporate Approved Participants**

(15.03.05, 17.06.05, abr. 30.03.10)

**3404 Notice to Be Given by a Corporate Approved Participant**

(03.11.04, 30.03.10)

Each corporate approved participant must give to the Bourse, within a delay of ten (10) business days, written notice of:

- a) the termination of employment of a person approved by the Bourse. The ten (10) business days delay starts on the first business day following the date of such termination of employment and the written notice must be made, as the case may be, in the form prescribed by the Bourse;
- b) any non-compliance with the provisions of article 3401, except for matters where a specific prior notification obligation is provided for;
- c) any proposed change in or amendment to any document relating to the constitution, capital or shares of the corporate approved participant or the rights of its shareholders which has been filed with the Bourse or which the Bourse requires to be filed with it;
- d) all positions taken in a person or an entity that is not an approved participant of the Bourse.

### **III.A Ownership of Approved Participants**

#### **3421 Major Position**

(29.04.86, 16.06.87, 11.11.92, 20.09.02, 15.03.05, 30.03.10)

At the time of approval and throughout the term of approval as an approved participant:

- 1) no person may hold a major position without prior notification to the Bourse, except when the holding of such a major position is part of the ordinary course of activities of the securities business or derivative instruments;
- 2) the prior approval of the Special Committee is required where the taking of a major position results in a change of control of the approved participant which is likely to materially affect its operations.

#### **3422 Public Ownership**

(22.04.86, 29.04.86, 09.05.86, 08.07.02, 15.03.05, abr. 30.03.10)

#### **3423 Ordinary Debt**

(15.03.05, abr. 30.03.10)

#### **3424 Lenders**

(15.03.05, abr. 30.03.10)

### **III.B Procedures of Public Distribution (abr. 30.03.10)**

#### **3451 Techniques for Distribution**

(08.07.02, 15.03.05, abr. 30.03.10)

#### **3452 Valuations Required**

(15.03.05, abr. 30.03.10)

#### **3453 Private Sale**

(15.03.05, abr. 30.03.10)

#### **3454 Other Distribution Procedures**

(15.03.05, abr. 30.03.10)

#### **3455 Secondary Distributions**

(15.03.05, abr. 30.03.10)

#### **3456 Audit Committee**

(15.03.05, abr. 30.03.10)

#### **3457 Investments by Discretionary Accounts**

(15.03.05, abr. 30.03.10)

**3458 Solicitation by Issuer**  
(15.03.05, abr. 30.03.10)

**3459 Research Report and Opinion Letters**  
(15.03.05, abr. 30.03.10)

#### **IV. Designated Representatives**

**3501 Appointment of Designated Representatives**  
(15.03.05, 30.03.10)

Each partnership approved participant must appoint one of its partners or officer as its designated representative. Each corporate approved participant must appoint one of its directors, one of the directors of its parent company or an officer, where applicable, as its designated representative. Each designated representative at the time of his or her appointment and so long as he or she is a designated representative must be approved as such by the Special Committee. Such approval may be revoked at any time by the Special Committee without any formality whatsoever and shall terminate automatically if the designated representative ceases to be a partner, a director, as the case may be, of the approved participant or its parent company or an officer. Any vacancy in such appointment must be filled promptly.

**3502 The Designated Representative Represents the Approved Participant**  
(25.03.94, 21.11.03, 30.03.10)

The appointment of a designated representative must be filed in writing with the Bourse on the form prescribed by the Bourse and must constitute each designated representative as the representative of the approved participant for all dealings with the Bourse with full authority to act for and bind the approved participant.

#### **V. Approved Participants and Their Related Firms** (abr. 30.03.10)

**3601 Subsidiaries**  
(15.03.05, abr. 30.03.10)

**3602 Audit Requirements**  
(15.03.05, abr. 30.03.10)

**3603 Cross Guarantees**  
(06.08.90, 30.05.97, 15.03.05, abr. 30.03.10)

**3604 Compliance with the Regulations of the Bourse**  
(13.07.92, 15.03.05, abr. 30.03.10)

## **VI. Resignation, Suspension, Termination and Revocation**

### **3701 Application for Resignation Approval**

(15.03.05, 30.03.10)

No approved participant of the Bourse may resign without the prior approval of the Special Committee.

An approved participant wishing to resign must file with the Vice-President of the Regulatory Division of the Bourse a written application signed by a partner, a director or an officer of the approved participant to obtain the Special Committee's approval of the resignation. This application must be accompanied, as the case may be, with the payment of fees that may be requested by the Bourse in such a case.

### **3702 Information Required for Resignation**

(15.03.05, 30.03.10)

An approved participant who tenders its resignation, must, in its application, state its reasons for resigning and must file with the Vice-President of the Regulatory Division of the Bourse all financial or other information deemed relevant by the Vice-President of the Regulatory Division of the Bourse, or required by the Special Committee.

### **3703 Responsibility for Assessments and Fees in Event of Resignation**

(15.03.05, 30.03.10)

The approved participant shall continue to be liable for all assessments or fees falling due prior to the date of resignation approval or applicable to the period terminating on such date, and shall make timely payment thereof in the normal manner. After the effective date of resignation, the former approved participant shall no longer be required to pay assessments or fees as they become due.

### **3704 Effective date of Resignation**

(15.03.05, 30.03.10)

An approved participant who has tendered its resignation shall cease to be an approved participant of the Bourse on the date of its resignation approval by the Special Committee or on any other date designated by the Special Committee.

### **3705 Mergers**

(15.03.05)

The procedure outlined in articles 3701 to 3704 must be followed where appropriate in cases of merger and similar agreements between approved participants of the Bourse.

### **3706 Effects of Suspension and Expulsion**

(15.03.05, 30.03.10)

Suspension from approved participant status shall automatically entail suspension of all the approved participant's rights and privileges as an approved participant.

Expulsion shall automatically terminate all the rights and privileges related to the approved participant's status.

Suspension or expulsion of an approved participant shall automatically create a vacancy in any position or office at the Bourse held by a director, partner, officer or employee of this approved participant. The reinstatement or lifting of the suspension of the approved participant will not allow such director, partner, officer or employee to resume his functions at the Bourse.

An approved participant that is suspended shall remain subject to the jurisdiction of the Bourse. An approved participant that is expelled shall remain subject to the jurisdiction of the Bourse, in accordance with paragraph b) of article 4101.

An approved participant suspended or expelled shall remain liable to the Bourse for assessments, fees, charges, fines, costs and other debts imposed or which became payable during the time it was an approved participant or in respect of any matter over which the Bourse retains jurisdiction.

**3707 Revocation of Approved Participant Status**  
(15.03.05)

The expulsion of an approved participant results in the immediate revocation and without any other formality of all the rights related to its approved participant status.

**3708 Effects of Suspension and Revocation of Bourse Approval of Persons other than Approved Participants**  
(15.03.05, 30.03.10)

Suspension or revocation of the Bourse approval of any person other than approved participants shall automatically preclude such person from acting in the capacity for which such Bourse approval was required. An approved participant shall not allow any person to continue to act in the capacity, nor hold the position, for which the Bourse approval has been suspended or revoked.

An approved person whose approval is suspended by the Bourse shall remain subject to the jurisdiction of the Bourse. An approved person whose approval is revoked shall remain subject to the jurisdiction of the Bourse, in accordance with paragraph b) of article 4101.

**3714 Resignation of Multiple Memberships**  
(abr. 15.03.05)

**VII. Trading Permits**  
(abr. 30.03.10)

**3801 Issuance of Trading Permits**  
(15.03.05, abr. 30.03.10)

**3802 Trading Permit Required**  
(15.03.05, abr. 30.03.10)

**3803 Trading Privileges**  
(15.03.05, abr. 30.03.10)

- 3804 Additional Trading Permits**  
(15.03.05, abr. 30.03.10)
- 3805 Assessments, Fees and Charges**  
(15.03.05, abr. 30.03.10)
- 3806 Registration**  
(15.03.05, abr. 30.03.10)
- 3807 Revocation – Suspension**  
(15.03.05, abr. 30.03.10)

**IX. SPECIAL CLASSES OF MEMBERSHIP**

(abr. 15.03.05)

- 3901 Honorary Members - Election, Qualifications and Rights**  
(11.03.85, abr. 15.03.05)
- 3902 Associate Membership**  
(11.03.85, 01.05.89, abr. 15.03.05)
- 3903 Associate Membership for TCO Options**  
(11.03.85, abr. 15.03.05)
- 3904 Correspondant Membership for IOCC Options**  
(11.03.85, abr. 15.03.05)

**ELECTRONIC ACCESS MEMBERSHIP**

(abr. 15.03.05)

- 3905 Electronic Access Member**  
(11.03.85, abr. 15.03.05)
- 3906 Electronic Access Membership Obligations**  
(11.03.85, abr. 15.03.05)

**TRANSITORY PROVISION**

(abr. 15.03.05)

- 3910 Transitory Provision**  
(01.05.89, abr. 15.03.05)

**INTERNATIONAL OPTIONS  
MARKET (MIO)**

(abr. 15.03.05)

- 3913 MIO Associate Membership Rights and Privileges**  
(11.03.85, 01.05.89, abr. 15.03.05)

- 3914 MIO Associate Membership Obligations**  
(11.03.85, abr. 15.03.05)
- 3916 Termination of MIO Associate Membership**  
(11.03.85, 01.05.89, abr. 15.03.05)
- 3917 Revocation of MIO Associate Membership**  
(11.03.85, abr. 15.03.05)

**THE MERCANTILE DIVISION  
OF THE EXCHANGE**  
(abr. 15.03.05)

- 3923 Mercantile Associate Membership Rights and Privileges**  
(11.03.85, 22.04.88, 01.05.89, abr. 15.03.05)
- 3924 Mercantile Associate Membership Obligations**  
(11.03.85, 22.04.88, 01.05.89, abr. 15.03.05)
- 3926 Termination of Mercantile Associate Membership**  
(11.03.85, 01.05.89, abr. 15.03.05)
- 3927 Revocation of the Mercantile Associate Membership**  
(11.03.85, abr. 15.03.05)

**INTERNATIONAL DIVISION**  
(abr. 15.03.05)

- 3943 International Division Associate Membership Rights and Privileges**  
(11.03.85, 01.05.89, abr. 15.03.05)
- 3944 International Division Associate Membership Obligations**  
(11.03.85, abr. 15.03.05)
- 3946 Termination of International Division Associate Membership**  
(11.03.85, 01.05.89, abr. 15.03.05)
- 3947 Revocation of International Division Associate Membership**  
(11.03.85, 01.05.89, abr. 15.03.05)

**VIII. RESTRICTED TRADING PERMITS**

- 3951 General**  
(11.03.85, 01.05.89, 15.03.05, abr. 30.03.10)

**3952 Requirements pertaining to the status of a restricted trading permit holder**

(01.05.89, 25.07.91, 01.08.95, 15.03.05, 30.03.10)

A restricted trading permit holder must meet the following conditions:

- i) being an individual of at least 18 years of age;
- ii) complying with the applicable immigration rules, if not a Canadian citizen;
- iii) demonstrating, in a way satisfactory to the Bourse, good character, reputation, credit and financial situation;
- iv) in the opinion of the Bourse, being able to perform conscientiously the functions needed to promote market development for the Bourse products for which a restricted trading permit was issued and being able to assume the responsibilities and privileges of a restricted trading permit holder;
- v) being properly registered with the Autorité des marchés financiers;
- vi) having entered into an agreement with an approved participant for the clearing of trades, in the course of which this clearing approved participant guarantees without conditions all the trades of the restricted trading permit holder;
- vii) either alone or considering the joint account agreement entered into with a partner in accordance with article 7008, having the net worth provided by article 7007, or any higher amount as may be required by the clearing approved participant with whom the applicant has entered into a clearing agreement;
- viii) having passed the examinations required by the Bourse or having been exempted therefrom;
- ix) having submitted an application to the Bourse in the prescribed form and having filed all required documents;
- x) having provided all information required by the Bourse including, without limiting the generality of the foregoing, sources of financing, profit sharing and joint accounts;
- xi) having signed a consent, in a prescribed form, authorizing the Bourse, to obtain from the applicant or any other person, all information regarding the applicant's trades on other exchanges or other markets while the trading permit is in force; and
- xii) having payed the applicable fees.

**3953 Rights and Obligations of Restricted Trading Permit Holders**

(01.05.89, 15.03.05)

Holders of restricted trading permits have the following rights and obligations:

- i) the right to have a direct access to the trading system of the Bourse, but only as principal to trade the Bourse products for which the permit has been issued;

- ii) the right to communicate during business hours with any approved participant in the same manner as approved participants may do so, but only with respect to the Bourse listed products specified by his permit; and
- iii) the obligation to, as long as he is a restricted trading permit holder, not hold other positions or have any other occupation in relation to the financial markets or the securities market.

Restricted trading permits are not transferable.

#### **3954 Additional Rules**

(11.03.85, 01.05.89, 15.03.05, 30.03.10)

Each restricted trading permit holder is subjected to the jurisdiction of the Bourse during the term of the permit and thereafter, in accordance with paragraph b) of article 4101.

Each restricted trading permit holder is bound by all the obligations imposed upon approved participants or approved persons under the regulations of the Bourse. However, the Special Committee may exempt restricted trading permit holders from any such duty or obligation which is incompatible or in conflict with, or is unrelated to, the activities performed by them.

#### **3955 Fees**

(11.03.85, 25.07.91, 15.03.05)

Restricted trading permit holders must pay the entrance fees and other fees as determined by the Special Committee.

The Bourse may suspend the permit if such fees have not been paid.

#### **3956 Surrender of Restricted Trading Permits**

(11.03.85, 01.05.89, 25.07.91, 01.04.99, 15.03.05)

A restricted trading permit holder may terminate the permit by surrendering it to the Bourse or by giving the Bourse a written notice. A restricted trading permit holder is deemed to have surrendered the permit when he or she has ceased activities for more than three months without the approval of the Bourse.

#### **3957 Arbitration**

(11.03.85, 15.03.05)

Each restricted trading permit holder agrees by filing the application for a restricted trading permit, to the arbitration of any monetary claim made against him or her by any other restricted trading permit holder, or by any approved participant, arising out of his or her activities on the Bourse while a restricted trading permit holder, irrespective of whether the restricted trading permit has expired at the time the claim is asserted.

**3958 Revocation of Restricted Trading Permits**

(11.03.85, 01.05.89, 15.03.05, 30.03.10)

Without prejudice to the disciplinary powers of the Special Committee or the Disciplinary Committee pursuant to the regulations of the Bourse, the Special Committee may suspend or revoke the permit of any restricted trading permit holder under the following conditions:

- a) Upon finding, after notice and opportunity for hearing, that the restricted trading permit holder:
  - i) at the time of filing of the application, did not provide the Bourse with all relevant information or has provided information which was untrue, inaccurate or incomplete;
  - ii) has ceased to meet the requirements provided in article 3952 of the Rules of the Bourse;
  - iii) contravenes to or refuses to cooperate with the Bourse in relation to any of his or her undertakings;
  - iv) has violated any regulations of the Bourse;
  - v) has not performed conscientiously the activities authorized by his restricted trading permit;
  - vi) has executed transactions in any Bourse listed product other than those specified by his restricted trading permit;
  - vii) has ceased trading or has a level of activity on the Bourse which is unsatisfactory; or
  - viii) has made statements or acted in such a way which could reasonably lead others to believe that he or she is an approved participant of the Bourse, an employee of an approved participant or an employee or representative of the Bourse;
- b) Upon a final determination in an administrative or judicial proceeding that the restricted trading permit holder has violated the Securities Act, the Derivatives Act or any other similar act and that such a proceeding impairs the ability of the restricted trading permit holder, either temporarily or permanently, to perform any of the activities contemplated in the permit, such permit may be suspended or revoked after notice and opportunity for hearing;
- c) Upon the insolvency or bankruptcy of the restricted trading permit holder, whether voluntary or involuntary and whether or not a full discharge of obligations is sought.

**3959 Restricted Trading Permit - Option Category**

(01.05.89, 25.07.91, 02.04.93, 15.03.05, 30.03.10)

The Bourse establishes a restricted trading permits - options category, which entitles the holder to trade the option products, other than options on futures contracts, listed on the Bourse.

The provisions of articles 3952 to 3958 apply to such permits.

**3960 Transitory Provision**  
(01.05.89, abr. 15.03.05)

**3960 Restricted Trading Permit - Financial Derivatives Category**  
(01.05.89, 25.07.91, 04.05.95, 03.11.97, 15.03.05, 30.03.10)

The Bourse establishes a restricted trading permits - financial derivatives category, which entitles the holder to trade futures contracts and futures contracts options.

The provisions of articles 3952 to 3958 apply to such permits.