

CIRCULAR 002-25

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2025 COMPLIANCE PRIORITIES AND REGULATORY DIVISION INITIATIVES

The Regulatory Division of Bourse de Montréal Inc. (the “Division”) is publishing its Compliance Priorities and the Regulatory Division Initiatives for 2025. This annual publication offers a review of some of the key highlights from 2024 in addition to sharing upcoming compliance priorities and the Division’s initiatives for 2025.

You may find the publication [annexed](#).

For more information or for any questions, please contact the Division:

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REGULATORY DIVISION, MONTRÉAL EXCHANGE

Compliance Priorities and Regulatory Division Initiatives

2025



Bourse de Montréal Inc. (the “Bourse”) is recognized by the Autorité des marchés financiers as an exchange and a self-regulatory organization. The Regulatory Division (the “Division”) is responsible for the regulatory functions and carries on its activities as an independent unit, separately from the other activities of the Bourse.

The purpose of this circular is to look back at highlights from 2024 and share, with Approved Participants (“Participants”), the 2025 compliance priorities of the Division, as well as ongoing initiatives.

2024 Highlights

- 1 Introduction of Regulatory Bulletins to enhance the communication channel with Participants and key stakeholders by sending frequent reminders, tips and best practices to help Participants stay informed about regulatory updates and maintain compliance;
- 2 Outreach and support to Approved Participants regarding the Client and Order Identifier initiative;
- 3 Launch of the Client and Order Identifiers [webpage](#) and publication of resource materials: Guidelines, FAQs, File Specifications for reporting and Short Code Scenarios;
- 4 Enhancements to the surveillance system with the introduction of new alerts and reports and calibration of existing alerts to help improve reporting and accuracy in the detection of suspicious or potentially manipulative activity;
- 5 Launch of a new application in the Participant Portal to help facilitate the submission of client information, prescribed under the Client and Order Identifiers requirements and the release of a new version of the order marker corrections application to include additional fields relevant to the new requirements;

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- 6 Improvements to the Participant Portal and the release of an improved version of the LOPR Notification application¹ for Participants to file reports of accumulated positions (LOPR);
- 7 Publication of the Division's first annual report for the year ending 2023;
- 8 New semi-annual publication illustrating the Division's policy initiatives with an update on the status of those currently underway and those that the Division is presently contemplating;
- 9 Publication of an updated list of fines for minor violations.

2025 Compliance Priorities

While conducting its regulatory activities last year, namely examinations, market analyses, investigations, enforcement and disciplinary procedures, as well as in light of questions, comments and complaints received, the Division has identified certain compliance issues that will be prioritized throughout 2025. The Division has also noted that certain regulatory matters identified in the past, remain a challenge for several Participants. The Division therefore invites Participants to pay particular attention to the following items (presented in no particular order) and to ensure that their practices comply with the regulatory requirements set out in the Rules of the Bourse ("Rules"):

- 1 **Manipulative and deceptive methods of trading** include but are not limited to layering, spoofing, and marking the close (Article [7.5](#) of the Rules). The Division reminds Participants that such practices are prohibited and that they may be found liable for the conduct of their Approved Persons or employees pursuant to the Rules. Since such practices impair the integrity of the market, activities that could constitute a prohibited trading method are therefore under strict surveillance by the Division and would be subject to the most severe sanctions;
- 2 **Supervision, surveillance and compliance** are core obligations of all Participants. The Division reminds Participants that they must ensure that all employees, Approved Persons and Designated Representatives comply with the provisions of the Regulations of the Bourse. As such, Participants must establish and maintain a system that is reasonably designed to fulfill such obligations;

¹ The application is reserved for exceptional situations where issues prevented the accurate and timely filing of reports through the LOPR Tools (see [LOPR Regulatory Requirements Guide](#))

3 **Notification of non-compliance** complements a Participant's supervision obligation. A Participant must conduct a review and notify the Division when it concludes to a possible violation of any of the obligations, prohibitions or requirements listed in Article [3.105](#) of the Rules;

4 **Position limits on Listed Products** is the maximum number of contracts a Person² may hold or control unless that Person has been granted a position limit exemption. A Participant must report immediately to the Division any situation in which the Participant has reason to believe that itself or a client has exceeded or is attempting to exceed one or more position limits established by the Bourse. The Division invites Participants to review the [Position Limits FAQ](#) for more information regarding compliance with regulatory requirements;

5 **Sponsored access (Direct electronic access)** allows clients of a Participant to transmit orders electronically to the Bourse through the system of the Participant (Article [3.5](#) of the Rules). The Division reminds Participants of the conditions which must be met and controls which must be in place, as well as their responsibility to ensure orders entered by such clients are in compliance with the Regulations of the Bourse. The Division invites Participants to review the related FAQs³ for further information;

6 **Prearranged transactions marker** is a requirement which was introduced in December 2022 and applies to all privately negotiated orders, except for committed orders, entered into the central limit order book (paragraph (b) of Article [6.115](#) of the Rules). The Division will continue to evaluate Participants' compliance with this obligation, and escalate for further analysis when applicable. The Division invites Participants to review the [Order identification FAQ](#) for further information.

² Article 1.101 of the Rules of the Bourse: Person (Personne) means an individual, a Partnership, a corporation, a government or any department or agency thereof, a court, a trustee, any unincorporated organization and the heirs, executors, administrators or other legal representatives of an individual.

³ [FAQ - Regulation respecting electronic trading and direct electronic access \(DEA\) to marketplaces](#) and [FAQ - Sponsored Access](#)

2025 Division Initiatives

The Division favours a culture of transparency and openness with its various stakeholders. Below are some initiatives that the Division intends to pursue during the course of 2025:

- 1 Continue to promote a better understanding of the Rules and/or obligations of Participants by reviewing existing requirements and publishing new or updated guidelines and FAQs;
- 2 Enhance the onboarding experience and process for new firms requesting to become a Participant by improving the online application;
- 3 Monitor compliance with the Client and Order Identification requirements;
- 4 Analyze opportunities for enhanced data integration into the surveillance system and the normalization of data received by the Division to optimize surveillance capabilities;
- 5 Review Participants' ongoing information requirements to clarify the obligation to disclose changes to key information previously communicated to the Division;
- 6 Review the disciplinary process to identify improvement opportunities;
- 7 Continue efforts to modernize the regulatory framework applicable to Approved Persons by streamlining the application process and revising the information requested from applicants.

These initiatives will be subject to a collaborative approach with the various stakeholders, particularly through exchanges, discussions during the Division's User Group meetings and potential working groups for specific initiatives.



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For more information

The Regulatory Outreach service of the Division remains available for any inquiries related to items on this circular or to discuss any regulatory questions.

Please contact the Division, at:

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