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**CIRCULAR**  
February 12, 2013

**SELF-CERTIFICATION**

**MODIFICATION TO THE DELIVERY STANDARDS**

**FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURES CONTRACT (CGF)**

**AMENDMENT TO ARTICLE 15613 OF RULE FIFTEEN  
OF BOURSE DE MONTRÉAL INC.**

The Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) has approved the modifications to the delivery standards of the Five-Year Government of Canada Bond Futures Contract (CGF) and the amendments to Article 15613 of Rule Fifteen of the Bourse, in order to change the basket of deliverable bonds from a maturity range of 3.5-5.25 years to a maturity range of 4.25-5.25 years. The amendments will apply to the June 2013 CGF contract and all subsequent contract months. The Bourse wishes to advise Approved Participants that such amendments were self-certified in accordance with the self-certification process as established in the *Derivatives Act* (R.S.Q., chapter I-14.01). Amendments to Rule Fifteen of the Bourse, which you will find enclosed, will be effective on **February 12, 2013**. No orders will be accepted on the CGF contract until the amendments are effective. Please note that amended versions of the Rules of the Bourse will be available on the Bourse’s website ([www.m-x.ca](http://www.m-x.ca)).

Below is the list of deliverable bond issues with respect to the CGF Futures contracts for March 2013 and subsequent contract months. This list replaces the one distributed on February 6, 2013 (Circular 022-2013).

Government of Canada Bonds		Outstanding	March 2013	June 2013	September 2013	December 2013
<b>Coupon</b>	<b>Maturity</b>	<b>(CAN \$ million)</b>				
2¾%	September 1, 2016	10,500	0.8988	N/A	N/A	N/A
1½%	March 1, 2017	10,500	0.8421	N/A	N/A	N/A
1½%	September 1, 2017	10,200	0.8248	0.8333	N/A	N/A
1 ¼%	March 1, 2018	6,800	0.7974	0.8062	0.8151	0.8241
TOTAL OUTSTANDING DELIVERABLE BONDS (CAN \$ million)			38,000	17,000	6,800	6,800

Conversion factors computed with a yield equal to 6%.

**Note:** This list is produced in accordance with the Rules of the Bourse de Montréal Inc. and of the Canadian Derivatives Clearing Corporation (CDCC).

Circular no.: 025-2013

For additional information please contact Brian Gelfand, Vice-President, Institutional Relations and Market Operations, Financial Markets at 514 871-7884 or at [bgelfand@m-x.ca](mailto:bgelfand@m-x.ca).

Pauline Ascoli  
Vice-President, Legal Affairs, Derivatives  
Bourse de Montréal Inc.

Circular no.: 025-2013

**Tour de la Bourse**  
P.O. Box 61, 800 Victoria Square, Montréal, Quebec H4Z 1A9  
Telephone: 514 871-2424  
Toll-free within Canada and the U.S.A.: 1 800 361-5353  
Website: [www.m-x.ca](http://www.m-x.ca)

**RULE FIFTEEN**  
**FUTURES CONTRACTS SPECIFICATIONS**  
**GOVERNMENT OF CANADA BOND FUTURES**

**Section 15601 - 15700**  
**Specific Trading Provisions**

**15613 Delivery Standards**

(08.09.89, 20.11.89, 05.03.90, 01.07.92, 01.10.92, 12.07.94, 19.01.95, 05.08.97, 06.11.97, 22.12.99, 03.05.04, 17.11.04, 24.07.06, 16.11.07, 01.09.10, 05.11.10, 18.12.12, 12.02.13)

- a) For the 10-year Government of Canada Bond Futures contract shall be deliverable only those Government of Canada bond issues which:
- i) have a remaining maturity of between 8 and 10½ years, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete periods of three months, by rounding down to the nearest entire three-month period, e.g. 10 years and seven months shall be considered 10½ years from the first day of the delivery month);
  - ii) have an outstanding amount of \$3.5 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
  - iii) are originally issued at 10-year auctions (a bond not issued at a 10-year auction which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$3.5 billion);
  - iv) are issued and delivered on or before the 15th day preceding the first Delivery Notice Day corresponding to the delivery month of the contract;
  - v) have a face value at maturity in multiples of CAN \$100,000; and
  - vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.
- b) For the 5-year Government of Canada Bond Futures contracts expiring before June 2013, shall be deliverable only those Government of Canada bond issues which:
- i) have a remaining maturity of between 3 years 6 months and 5 years 3 months, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete one month increments, by rounding down to the nearest entire one month period. e.g. 4 years 5 months and 14 days shall be considered 4 years and 5 months from the first day of the delivery month);

- ii) have an outstanding amount of \$3.5 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
  - iii) are originally issued at 5-year Government of Canada bond auctions (an issue which has an original maturity of more than 5 years and 9 months and which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$3.5 billion);
  - iv) are issued and delivered on or before the 15th day preceding the first Delivery Notice Day corresponding to the delivery month of the contract;
  - v) have a face value at maturity in multiples of CAN \$100,000; and
  - vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.
- c) For the June 2013 5-year Government of Canada Bond Futures contract and for subsequent contract months, shall be deliverable only those Government of Canada bond issues which:
- i) have a remaining maturity of between 4 years 3 months and 5 years 3 months, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete one month increments, by rounding down to the nearest entire one month period. e.g. 4 years 5 months and 14 days shall be considered 4 years and 5 months from the first day of the delivery month);
  - ii) have an outstanding amount of \$3.5 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
  - iii) are originally issued at 5-year Government of Canada bond auctions (an issue which has an original maturity of more than 5 years and 9 months and which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$3.5 billion);
  - iv) are issued and delivered on or before the 15th day preceding the first Delivery Notice Day corresponding to the delivery month of the contract;
  - v) have a face value at maturity in multiples of CAN \$100,000; and
  - vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.

- d) For the 2-year Government of Canada Bond Futures contract, shall be deliverable only those Government of Canada bond issues which:
- i) have a remaining maturity of between 1 year 6 months and 2 years 6 months, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete one month increments, by rounding down to the nearest entire one month period. e.g. 2 years 1 month and 14 days shall be considered 2 years and 1 month from the first day of the delivery month);
  - ii) have an outstanding amount of \$2.4 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
  - iii) are originally issued at 2-year Government of Canada bond auctions (a bond which has not been originally issued at a 2-year Government of Canada bond auction and which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$2.4 billion);
  - iv) are issued and delivered on or before the 15th day preceding the first Delivery Notice Day corresponding to the delivery month of the contract;
  - v) have a face value at maturity in multiples of CAN \$200,000; and
  - vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.
- e) For the 30-year Government of Canada Bond Futures contract shall be deliverable only those Government of Canada Bond issues which:
- i) have a remaining maturity of between 21 and 33 years, as of the first day of the delivery month (for the purpose of determining the maturity of a bond eligible for delivery and for settlement, the time to maturity of a given issue shall be calculated in complete periods of three months, by rounding down to the nearest entire three-month period, e.g. 30 years and seven months shall be considered 30½ years from the first day of the delivery month);
  - ii) have an outstanding amount of \$3.5 billion nominal value (net of all potential purchases by the Government of Canada up until the end of the period during which the bond issue is deliverable);
  - iii) are originally issued at 30-year auctions (a bond not issued at a 30-year auction which would otherwise meet the standards of this rule, is also deemed to be deliverable, if during the last 12-month period preceding the first Delivery Notice Day of the contract month, its reopenings total a minimum nominal amount of \$3.5 billion);
  - iv) are issued and delivered on or before the 15th day preceding the first delivery notice day corresponding to the delivery month of the contract;

- v) have a face value at maturity in multiples of CAN \$100,000; and
- vi) have a coupon of 6%. However, at the seller's choice, a Government of Canada Bond having a coupon other than 6% can be substituted. The amount of premium or discount for each deliverable issue shall be calculated on the basis of a yield equivalent to a Government of Canada Bond bearing a 6% coupon and selling at par.
- f) The price of a deliverable Government of Canada Bond shall be determined according to the conversion factors tables published by the Bourse.

The conversion factor of a deliverable issue is the actualized value of the deliverable issue to the notional yield of the futures contract considered on the first day of the delivery month, minus the interest accrued until delivery day.

- g) The amount to be paid at delivery is equal to \$1,000 (\$2,000 for the 2-year Government of Canada Bond Futures contract) multiplied by the conversion factor of the deliverable issue and multiplied by the settlement price of the futures contract being delivered, plus accrued interests to the delivery day. Accrued interest is charged to the approved participant taking delivery.
- h) All Government of Canada Bonds being delivered in respect of a futures contract must be of the same issue.
- i) Before a contract is listed for trading, the Bourse shall have the right to exclude any deliverable Government of Canada bond issue, even if it meets all the standards specified in this Rule.

# Specifications

## CGF - Five-Year Government of Canada Bond Futures Contract

<b>Trading Unit</b>	C\$100,000 nominal value Government of Canada Bond with 6% notional coupon
<b>Contract Months</b>	March, June, September and December.
<b>Price Quotation</b>	Par is on the basis of 100 points, with one point equal to C\$1,000.
<b>Last Trading Day</b>	Trading ceases at 1:00 p.m. (ET) on the seventh business day preceding the last business day of the delivery month.
<b>Contract Type</b>	Physical delivery of eligible Government of Canada Bonds.
<b>Delivery Notices</b>	Delivery notices should be submitted before 5:30 p.m. or before such time set by the clearing corporation on any business day, between the third business day preceding the first business day of the delivery month, and the third business day preceding the last business day of the delivery month inclusively.
<b>Delivery Date</b>	Delivery shall be made on the third business day following the submission of the delivery notice by the member holding a seller's position or on any other day as determined by the clearing corporation. Delivery shall be completed no later than the last business day of the delivery month.
<b>Minimum Price Fluctuation</b>	0.01 = C\$ 10 per contract.
<b>Reporting Level</b>	250 contracts.
<b>Position Limits</b>	Information on position limits can be obtained from Bourse de Montréal Inc. as they are subject to periodic changes.
<b>Minimum Margin Requirements</b>	Information on Minimum Margin Requirements can be obtained from the Bourse as they are subject to periodic changes.
<b>Delivery Standards</b>	Government of Canada Bonds which: <ul style="list-style-type: none"><li>i) have a remaining time to maturity of between 4 years 3 months and 5 years 3 months as of the first day of the delivery month, calculated by rounding down to the nearest whole month period;</li><li>ii) have an outstanding amount of at least C\$3.5 billion nominal value;</li><li>iii) are originally issued at five-year Government of Canada bond auctions;</li><li>iv) are issued and delivered on or before the 15th day preceding the first delivery notice day month of the contract.</li></ul>
<b>Daily Price Limit</b>	None
<b>Trading Hours</b>	<ul style="list-style-type: none"><li>• Early session: 6:00 a.m. to 8:05 a.m. (ET)</li><li>• Regular session: 8:20 a.m. to 3:00 p.m. (ET)</li><li>• Extended session* : 3:06 p.m. to 4:00 p.m. (ET)</li></ul> * There is no extended session on the last trading day of the expiring contract month.  Note: During early closing days, the regular session closes at 1:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:06 to 1:30 p.m.
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	CGF

17.04.09, 12.02.13