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CIRCULAR 025-18

February 12, 2018

REQUEST FOR COMMENTS

AMENDMENTS TO THE RULES OF BOURSE DE MONTREAL INC. TO HARMONIZE AND CLARIFY THE RULES PERTAINING TO COMMITTED ORDERS AND PREARRANGED TRANSACTIONS

The Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) has approved amendments to article 6380 of the Rules of the Bourse in order to allow the execution of cross and prearranged transactions on strategy instruments executed on futures contracts through the use of the committed order functionality where such transactions are allowed to be performed with no prescribed time delay (i.e. zero second), and to clarify the rules pertaining to the minimum volume thresholds applicable to the execution of prearranged transactions and committed orders on strategy instruments.

Comments on the proposed amendments must be submitted on March 16, 2018 at the latest. Please submit your comments to:

M^c Alexandre Normandeau
Legal Counsel, Montréal Exchange & CDCC
Office of the General Counsel
Bourse de Montréal Inc.
Tour de la Bourse
800 Victoria Square, P.O. Box 61
Montréal, Québec H4Z 1A9
Email: legal@tmx.ca

A copy of these comments must 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
E-mail: consultation-en-cours@lautorite.qc.ca

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

You will find in the appendices an analysis 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 established by the *Derivatives Act* (CQLR, chapter I-14.01).

Regulatory Amendment Process

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, the Policies and the Procedures, which are thereafter submitted to the Autorité in accordance with the self-certification process as determined by the *Derivatives Act* (CQLR, chapter I-14.01).



**AMENDMENTS TO THE RULES OF BOURSE DE MONTREAL INC. TO HARMONIZE AND CLARIFY
THE RULES PERTAINING TO COMMITTED ORDERS AND PREARRANGED TRANSACTIONS**

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I. SUMMARY

Bourse de Montreal Inc. (the “Bourse”) intends harmonize its Rules to allow the execution of cross and prearranged transactions on strategy instruments executed on futures contracts through the use of the “committed order functionality” (hereinafter the “COF”) where such transactions are allowed to be performed with no prescribed time delay (i.e. zero second). The Bourse is also adding clarification to its Rules pertaining to the minimum volume thresholds applicable to the execution of prearranged transactions and committed orders on strategy instruments.

II. ANALYSIS

a. Background

The Bourse’s Rules¹ specify the conditions under which cross and prearranged transactions can be executed:

- a) the products on which such types of transactions (“cross transactions” and “prearranged transactions”) are allowed;
- b) the type of instruments (“outright” or “strategy”) for each eligible product;
- c) the minimum volume threshold for each eligible product and instrument under and over which a prescribed time delay is specified;
- d) the prescribed time delays for the execution of the said transactions on each eligible product and instrument per relevant volume thresholds.

The Rules also list the eligible products and the minimum quantity thresholds for the execution of cross transactions and prearranged transactions using the COF.

b. Description and Analysis of Market Impacts

Types of transactions

A cross transaction is a transaction in which orders of opposite sides (buy and sell orders) originating from the same approved participant but from different accounts are intentionally executed against each other, in the context of the market, in whole or in part as a result of pre-trade discussions.

A prearranged transaction is a transaction in which orders of opposite sides (buy and sell orders) originating from one or more approved participants are intentionally executed against each other, in the context of the market, as a result of pre-trade discussions.

Participants to a cross or a prearranged transaction must comply with the rules prescribed by the Bourse regarding, among other requirements, time delays and chronology of orders. For each

¹ Article 6380 of the Rules of the Bourse

product, the Rules specify the prescribed time delay between the input of the orders (the buy and the sell orders) representing a cross or a prearranged transaction. While for some products the time delay is the same, regardless the size of the transaction, for other products the time delay can take two values, depending on whether the size of a transaction is below or above a specified volume threshold.

Types of instruments involved in “cross” and “prearranged” transactions

Cross transactions and prearranged transactions can be executed on outright instruments or on strategy instruments. An “outright instrument” is represented by one single futures contract. In such case, a cross transaction will refer to a buy order sent by one counterparty and a matching sell order sent by the other counterparty. A “strategy instrument” is a type of transaction whereby the participant executes transactions on two or more instruments simultaneously. One example of a strategy instrument is a “calendar spread” whereby a market participant simultaneously buys a futures contract of a given maturity and simultaneously sells a futures contract on the same underlying with a different maturity. The aforementioned calendar spread is listed by the Bourse as a tradeable instrument so as to permit market participants to execute the two legs of the strategy instrument simultaneously eliminating the execution risk associated with trying to buy each of the legs individually. As a result, strategy instruments permit market participants to roll their existing long or short positions from contracts that are about to expire to a longer dated contract efficiently and seamlessly as per their risk management needs.

Types of orders used in cross and prearranged transactions

Cross transactions and prearranged transactions can be executed through various types of orders. In cases where cross or prearranged transactions are allowed to be executed with a zero-second time delay, such transactions can be executed through the COF.

A “committed order” is defined under article 6121, paragraph f) of the Rules of the Bourse as:

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 pre-negotiation 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.

A committed order must also conform to the criteria under article 6369, paragraph g) of the Rules of the Bourse.

c. Comparative Analysis

From 2005 to 2015, in conjunction with evolutions in market conditions and in response to its participants' needs, the Bourse has proceeded to multiple changes in its Rules and procedures which resulted in changes in the time delays prescribed for cross and prearranged transactions of various products and types of instruments (outright and strategy). Since 2008, this iterative approach resulted in several products and instruments having zero-second time delays for crosses and prearranged transactions, which is one of the conditions for the introduction of committed orders.

Effective June 26, 2015², the Bourse amended its Rules and procedures to introduce the COF only on outright instruments on selected products. The specifications currently comprised in the Bourse's Rules are summarized in Table 1.

Table 1 : MX Rules - time delays for cross and prearranged transactions (seconds) – starting from June 26, 2015	Outright		Strategies	
	Below threshold	Above threshold	Below threshold	Above threshold
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX): 1st four quarterly months - not including serial months	5	5	15	15
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX): Remaining Expiry months and strategies	15	15	15	15
Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX): Front month	5	5	15	15
Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX): Remaining Expiry months and strategies	15	15	15	15
Overnight Index Swap (OIS): Front month	5	5	15	15
Overnight Index Swap (OIS): Remaining Expiry months and strategies	15	15	15	15
Government of Canada Bond Futures Contracts:	5	5	5	5
Futures Contracts on S&P/TSX Indices:	5	0	5	0
Futures Contracts on the FTSE Emerging Markets Index:	5	0	5	0
Futures Contracts on Canada Carbon Dioxide Equivalent (CO2e) Units:	5	5	5	5

² See Circular 043-15, at https://www.m-x.ca/f_circulaires_en/043-15_en.pdf

Futures Contracts on Canadian Crude oil:	5	5	5	5
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:	5	0	5	0
Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):	5	0	5	0
Equity, ETF and Currency Options:	5	0	5	5
Index Options:	5	0	5	5
Canadian Share Futures Contracts:	5	0	5	0
Legend				
Red figure: time delay is longer than zero-second				
Green "0": time delay is zero-second				
Committed orders are allowed by MX rules				
Committed orders are not allowed by MX rules				

d. Proposed Amendments

The current proposed amendments to article 6380 are intended to:

- a) allow the use of committed orders to execute transactions on strategies instruments given that committed orders are permitted on outright futures contracts of which the aforementioned strategy instruments are comprised; and
- b) clarify the minimum volume thresholds applicable to the execution of prearranged transactions and committed orders on strategy instruments.

III. AMENDMENT PROCESS

Following the introduction in 2015 of the COF on eligible outright instruments, the Bourse has monitored its usage by participants and service providers.

As participants have grown accustomed to the functionality, they have noticed the operational burden tied to the execution of multiple outright instruments and have requested the extension of the COF to strategy instruments.

IV. IMPACTS ON TECHNOLOGICAL SYSTEMS

Based on a review of the technological requirements related to existing committed orders, the Bourse has concluded that this initiative will not require any internal development work. A survey of certain independent software vendors (ISVs) and participants' system indicated that their systems already support the expansion of this functionality. The Bourse requests comments on this assumption specifically and in any event, will work closely with independent software vendors

and participants to ensure a seamless technological expansion of the functionality to strategy instruments.

V. OBJECTIVES OF THE PROPOSED AMENDMENTS

The amendments are aimed at harmonizing the trading functionalities of the Bourse and responding to client demand. The market has adopted the COF introduced by the Bourse in 2015 and the Bourse believes the amendments will operationally facilitate cross transactions.

VI. PUBLIC INTEREST

Within the current Rules of the Bourse, committed orders are not allowed on strategies that can be entered with a zero-second time delay even if committed orders and zero-second cross transactions are allowed on outright instruments on the same product. As a result, the participant wishing to execute a strategy instrument through a committed order is currently obliged to execute it through separate committed orders on a series of outright instruments, thereby incurring additional transaction costs and operational efforts, as well as exposing itself to execution risks.

It is also in the interest of market participants that article 6380 be clarified with regards to minimum volume thresholds applicable to the execution of prearranged transactions and committed orders on strategy instruments.

As a result, the Bourse believes that the proposed amendments are in the interest of the public.

VII. EFFICIENCY

The proposed amendment is expected to enhance the financial efficiency of the market participants and leave unchanged the efficiency of the market as a whole.

Financial efficiency

Under the current Rules, the execution of a strategy through committed orders can be obtained only by transacting through committed orders on multiple outright instruments, which submits the participant to additional costs as well as to increased execution risks. By permitting participants to use committed orders on strategy instruments, the Bourse allows them to reduce the number of transactions and, as a result, their costs and execution risks.

Market efficiency

The market efficiency is expected to remain unchanged, as such transactions can be (and are) executed also under the current crossing rules (previously procedures), but as a series of cross or prearranged transactions on outright positions (only with increased operational efforts).

VIII. PROCESS

The proposed amendments, including this analysis, 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

Proposed amendments to the Bourse's Rules.

RULE SIX

TRADING

A. GENERAL FRAMEWORK AND PROCEDURES

[...]

Section 6365- 6401

Electronic Trading of Derivatives Instruments Traded on the Bourse

[...]

6380 Transactions Required on Bourse Facilities

(25.09.00, 24.09.01, 29.10.01, 31.01.05, 10.11.08, 29.01.10, 09.06.14, 21.01.16, 17.01.18, 00.00.00)

All trading in Listed Products must occur on or through the electronic trading system or in accordance with the rules of the Bourse.

6380a. Prearranged Transactions Prohibited.

No Person shall prearrange or execute noncompetitively any transaction on or through the electronic trading system of the Bourse, except as permitted by, and in accordance with article 6380b.

6380b. Exceptions to Prohibition on Prearranged Transactions.

The prohibition in article 6380a shall not apply to prearranged transactions pursuant to article 6380c; Block Trades pursuant to article 6380d; Riskless Basis Cross Trades pursuant to article 6380e; Exchange For Related Positions pursuant to articles 6815; and transfers of open positions under article 6816; *provided however*, no transaction under any of the exceptions included in this article may be executed using a hidden volume functionality.

6380c. Prearranged transactions.

1) **In general.**

For the purpose of this article, “communication” means any communication for the purpose of discerning interest in the execution of a transaction prior to the exposure of the order to the market. Any communication that relates to the size, side of market or price of an order, or a potentially forthcoming order, constitutes a communication to prearrange a transaction.

The parties to a transaction may engage in communications to prearrange a transaction on the electronic trading system in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

- i) A customer must consent to the Approved Participant engaging in prearranging communications on the customer’s behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;

- ii) After the first order for the prearranged transaction is entered into the electronic trading system the parties may not enter the second order for the prearranged transaction until the following specified time period has elapsed as follows:

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Overnight Index Swap Futures Contracts (OIS):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Government of Canada Bond Futures		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on Canada Carbon Dioxide Equivalent (CO₂e) Units:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on Canadian Crude Oil		
All expiry months and strategies	5 seconds	No threshold
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):		
All expiry months and strategies	0 second	≥ 250 contracts

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
All expiry months and strategies	5 seconds	< 250 contracts
Equity, ETF and Currency Options:		
All expiry months	0 second	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts
All UDS Strategies	5 seconds	No Threshold
Index Options:		
All expiry months	0 second	≥ 50 contracts
All expiry months	5 seconds	< 50 contracts
All UDS Strategies	5 seconds	No Threshold
Canadian Share Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures and Options on Futures Inter-Group Strategies		
All strategies	5 seconds	No threshold

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

- iii) The party that initiates communication regarding a prearranged transaction shall have his or her order entered into the electronic trading system first, unless the parties as part of their negotiation agree otherwise. The consent of the client, in whatever form, must be communicated to the Bourse upon request; provided however, that in a prearranged transaction between an Approved Participant and a customer for an equity, ETF or index option, the customer's order shall always be entered into the electronic trading system first, regardless of which party initiated the communication.
 - iv) Limit orders resting in the electronic trading system at the time that the first order of the prearranged transaction is entered at or better than the price of the first order shall be matched with the first order entered. Any residual, unfilled amount of the first order may be matched against the second order of the prearranged transaction when the second order is entered.
 - iii) Parties may not aggregate unrelated orders to meet the minimum threshold for a prearranged transaction.
 - iv) The parties to the prearranging communications shall not disclose to any other party details of the negotiation or otherwise enter an order to take advantage of the negotiation during such communications except as permitted in this article.
- 2) **Committed Orders.** Committed orders may not be used to execute any transaction under article 6380c or article 6380f having a prescribed time delay, ~~or to execute strategies longer than zero second~~, and may be used for such transactions only for the following products subject to the minimum quantity-volume threshold:

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	MINIMUM VOLUME THRESHOLD
<u>All expiry months and strategies</u>	
Futures Contracts on S&P/TSX <u>and FTSE Emerging Markets</u> Indices	100 contracts
Options on Three-Month Canadian Bankers Acceptance Futures Contracts	250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts	250 contracts
Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts
Canadian Share Futures Contracts	100 contracts
<u>All expiry months and excluding UDS strategies</u>	
Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

[...]

6380f. Trading Against Customer Orders (Cross-Trades).

An Approved Participant may not knowingly, directly or indirectly, take the opposite side of a customer order for the Approved Participant's own account, an account in which the Approved Participant has a direct or indirect financial interest or an account over which the Approved Participant has discretionary trading authority, unless:

- a) the customer order has first been entered on the electronic trading system and exposed to the market for a minimum period of 5 seconds for futures and options; or
- b) the transaction is otherwise, and explicitly permitted by, and carried out in accordance with, a rule of the Bourse; including, but not limited to prearranged transactions pursuant to article 6380c.

[...]

RULE SIX

TRADING

A. GENERAL FRAMEWORK AND PROCEDURES

[...]

Section 6365- 6401 Electronic Trading of Derivatives Instruments Traded on the Bourse

[...]

6380 Transactions Required on Bourse Facilities

(25.09.00, 24.09.01, 29.10.01, 31.01.05, 10.11.08, 29.01.10, 09.06.14, 21.01.16, 17.01.18, 00.00.00)

All trading in Listed Products must occur on or through the electronic trading system or in accordance with the rules of the Bourse.

6380a. Prearranged Transactions Prohibited.

No Person shall prearrange or execute noncompetitively any transaction on or through the electronic trading system of the Bourse, except as permitted by, and in accordance with article 6380b.

6380b. Exceptions to Prohibition on Prearranged Transactions.

The prohibition in article 6380a shall not apply to prearranged transactions pursuant to article 6380c; Block Trades pursuant to article 6380d; Riskless Basis Cross Trades pursuant to article 6380e; Exchange For Related Positions pursuant to articles 6815; and transfers of open positions under article 6816; *provided however*, no transaction under any of the exceptions included in this article may be executed using a hidden volume functionality.

6380c. Prearranged transactions.

3) **In general.**

For the purpose of this article, “communication” means any communication for the purpose of discerning interest in the execution of a transaction prior to the exposure of the order to the market. Any communication that relates to the size, side of market or price of an order, or a potentially forthcoming order, constitutes a communication to prearrange a transaction.

The parties to a transaction may engage in communications to prearrange a transaction on the electronic trading system in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

- ii) A customer must consent to the Approved Participant engaging in prearranging communications on the customer’s behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;
- ii) After the first order for the prearranged transaction is entered into the electronic trading system the parties may not enter the second order for the prearranged transaction until the following specified time period has elapsed as follows:

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Three-Month Canadian Bankers’ Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Thirty-Day Overnight “Repo” Rate Futures Contracts (ONX):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Overnight Index Swap Futures Contracts (OIS):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Government of Canada Bond Futures		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on Canada Carbon Dioxide Equivalent (CO2e) Units:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on Canadian Crude Oil		
All expiry months and strategies	5 seconds	No threshold
Options on Three-Month Canadian Bankers’ Acceptance Futures Contracts:		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Equity, ETF and Currency Options:		
All expiry months	0 second	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts
All UDS Strategies	5 seconds	No Threshold
Index Options:		
All expiry months	0 second	≥ 50 contracts
All expiry months	5 seconds	< 50 contracts
All UDS Strategies	5 seconds	No Threshold

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Canadian Share Futures Contracts:		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures and Options on Futures Inter-Group Strategies		
All strategies	5 seconds	No threshold

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

- iv) The party that initiates communication regarding a prearranged transaction shall have his or her order entered into the electronic trading system first, unless the parties as part of their negotiation agree otherwise. The consent of the client, in whatever form, must be communicated to the Bourse upon request; provided however, that in a prearranged transaction between an Approved Participant and a customer for an equity, ETF or index option, the customer's order shall always be entered into the electronic trading system first, regardless of which party initiated the communication.
 - iv) Limit orders resting in the electronic trading system at the time that the first order of the prearranged transaction is entered at or better than the price of the first order shall be matched with the first order entered. Any residual, unfilled amount of the first order may be matched against the second order of the prearranged transaction when the second order is entered.
 - v) Parties may not aggregate unrelated orders to meet the minimum threshold for a prearranged transaction.
 - vi) The parties to the prearranging communications shall not disclose to any other party details of the negotiation or otherwise enter an order to take advantage of the negotiation during such communications except as permitted in this article.
- 4) **Committed Orders.** Committed orders may not be used to execute any transaction under article 6380c or article 6380f having a prescribed time delay longer than zero second, and may be used for such transactions only for the following products subject to the minimum volume threshold:

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	MINIMUM VOLUME THRESHOLD
All expiry months and strategies	
Futures Contracts on S&P/TSX and FTSE Emerging Markets Indices	100 contracts
Options on Three-Month Canadian Bankers Acceptance Futures Contracts	250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts	250 contracts
Canadian Share Futures Contracts	100 contracts
All expiry months and excluding UDS strategies	

Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

[...]

6380f. Trading Against Customer Orders (Cross-Trades).

An Approved Participant may not knowingly, directly or indirectly, take the opposite side of a customer order for the Approved Participant's own account, an account in which the Approved Participant has a direct or indirect financial interest or an account over which the Approved Participant has discretionary trading authority, unless:

- a) the customer order has first been entered on the electronic trading system and exposed to the market for a minimum period of 5 seconds for futures and options;
or
- b) the transaction is otherwise, and explicitly permitted by, and carried out in accordance with, a rule of the Bourse; including, but not limited to prearranged transactions pursuant to article 6380c.

[...]