



<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input type="checkbox"/>	Back-office - Options
<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**  
February 29, 2012

## **NEW PRODUCT**

### **LISTING OF FUTURES CONTRACTS ON CANADIAN SHARES MARGIN REQUIREMENTS AND POSITION LIMITS**

In connection with Bourse de Montréal Inc. (the Bourse) announcement that it will list Futures Contracts on Canadian Shares (“Share Futures Contracts”) at the opening of trading on **Friday, March 2, 2012** (see circular no. 021-2012 issued on February 21, 2012), you will find below the margin requirements, position limits and position reporting thresholds applicable to the Share Futures Contracts that will be listed.

#### **Margin Requirements**

Margin requirements applicable to Share Futures Contracts will be published on a daily basis by the Bourse and will be expressed as a percentage of the daily settlement price of the contract. These rates will be available on the Bourse’s Regulatory Division website at [http://reg.m-x.ca/en/regulation/futures\\_margins](http://reg.m-x.ca/en/regulation/futures_margins). Margin rates will be identical for hedge and speculative positions.

To determine the margin amount required on a Share Futures Contract the calculation shall be made as follows:

Published Margin Rate x Settlement Price x Trading Unit (100, unless specified otherwise).

In the cases where positions in Share Futures Contracts are held in conjunction with positions in the underlying shares and/or with positions in options or in other instruments related to the underlying shares, certain margin offsets are possible. These margin offsets and the applicable calculations are provided for in articles 9123 and 9124 of the Rules of the Bourse for clients’ positions and in articles 9223 and 9224 for approved participants’ proprietary positions.

Since some of these margin offsets require the use of a tracking error margin rate, the Bourse will also publish at the Web address mentioned above the applicable tracking error margin rates.

Circular no.: 028-2012

As of the date of publication of the present circular, the margin rates applicable to Share Futures Contracts that will be listed for trading are as per the following table:

<b>Underlying</b>	<b>Share Futures Contract Symbol</b>	<b>Applicable Margin Rate</b>
Bank of Montreal	FBO	9.75%
Bank of Nova Scotia	FNS	10.75%
Barrick Gold Corporation	FBA	13.50%
BCE Inc	FBC	9.00%
Canadian Imperial Bank of Commerce	FCB	10.25%
Canadian National Railway Company	FCN	10.75%
EnCana Corporation	FEA	14.25%
IAMGOLD Corporation	FIM	16.75%
Manulife Financial Corporation	FMF	14.00%
National Bank	FNB	10.00%
Royal Bank of Canada	FRY	11.00%
Suncor Energy Inc	FSU	14.75%
Sun Life Financial Inc	FLF	14.75%
Thomson Reuters Corporation	FRT	10.75%
TD Bank	FTD	10.50%

### **Position Limits and Position Reporting Thresholds**

For each of the above mentioned Share Futures Contracts, the position limit will be 75,000 contracts calculated on a net long or net short basis. Position limit exemptions will be available, upon request, for hedgers, provided all conditions imposed by the Bourse when applying for such an exemption are satisfied.

All positions held by a client or by an approved participant in a specific Share Futures Contract shall be reported to the Regulatory Division on a daily basis, before 8:00 a.m. (Montréal Time) when such positions in that futures contract equals or exceeds 250 contracts on a gross basis. For reporting purposes, approved participants must not net any of the reportable position and the position reports must include all expiries.

For any further information, please contact Mr. Santo Ferraiuolo, Market Analyst, Regulatory Division, at 514 871-4949, extension 413, or by email at [sferraiuolo@m-x.ca](mailto:sferraiuolo@m-x.ca).

Jacques Tanguay  
Vice-President, Regulatory Division