

<input checked="" type="checkbox"/>	Trading – Interest Rate Derivatives	<input checked="" 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
		<input checked="" type="checkbox"/>	MCeX

**CIRCULAR**  
April 22, 2010

**AUTOMATION PROJECT FOR LARGE OPEN POSITION REPORTING  
(LOPR PROJECT)**

Bourse de Montréal Inc. (the Bourse), hereby informs approved participants that in an effort to automate as well as increase confidentiality and security to the reporting process for large open positions in derivative instruments listed on the Bourse, the Regulatory Division of the Bourse (the Division) is planning, in collaboration with the Information Technology Solutions Department of the Bourse (the ITS Department), to develop and implement in the coming months an automated and secure reporting application that will replace the current position reporting method.

The implementation of this new application will require from approved participants that specific modifications be made to their systems and process with respect to the frequency, content and method of submission of large open position reports for both options and futures contracts.

Currently, approved participants transmit to the Division their futures contracts position reports (Report A) twice a week and their options position reports (Report B) on a weekly basis. These reports are sent by e-mail in the format prescribed by the Division.

The project consists of putting in place a new format and method of submission in order to process the confidential information provided by approved participants through secured protocols. The main objective of automating the process is to significantly reduce a very time-consuming manual process which will result in increased accuracy of the reports produced. The new application will also provide more timely reporting as it will allow to increase the frequency of position reports filings by generating them on a daily basis. It will also considerably reduce the manual manipulation of the data by the approved participants. Use of this new reporting application will be mandatory for all approved participants and the current reporting method will be gradually phased out as soon as the new application will become operational or shortly thereafter.

In connection with this project, the Bourse will review its current Rules that regard position reporting requirements in order to identify any regulatory amendments that may be necessary to reflect the implementation of the new reporting application. It is not expected that any change will be made to the current reporting thresholds (number of gross open positions in a derivative instrument above which positions must be reported).

However, it is possible that approved participants will be required to provide some additional identification information regarding reported accounts in order to facilitate the identification by the Division of accounts that are related or that belong to a same beneficial owner (e.g. providing Social Insurance Number for accounts opened in the name of an individual or a Tax Identification number for accounts opened in the name of a corporation). Further details, regarding specific identification information that will be required, will be provided later on.

As the development of the chosen technical solution progresses, each approved participant firm will be contacted by staff of the ITS Department of the Bourse or, as the case may be, by staff of the Division of the Bourse for the purpose of the project. Approved participant firms' representatives concerned by the LOPR initiative will be contacted to plan and coordinate the installation and deployment of the new position reporting application and will be provided further information regarding the required frequency, content and method of submission of large open position reports. Please make sure that all the staff of your firm that will be concerned by or involved in this project is informed of this planned initiative and circular.

For further information regarding the regulatory aspects of this circular, please contact Frank Barillaro, Manager, Market Analysis and Project Management, Regulatory Division, at 514 871-3595 or by e-mail at [fbarillaro@m-x.ca](mailto:fbarillaro@m-x.ca).

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