

**CIRCULAR 076-26**

June 3, 2026

**REQUEST FOR PROPOSAL: MARKET MAKING PROGRAM FOR 30-YEAR GOVERNMENT OF CANADA BOND FUTURES (LGB)**

Montréal Exchange Inc. ("MX") is issuing a Request for Proposal ("RFP") for a market making program on 30-Year Government of Canada Bond Futures (LGB). This RFP is intended for Approved Participants and Foreign Approved Participants, as well as their eligible clients, interested in submitting proposals outlining their abilities and commitment towards trading and market-making activities for the Designated Contracts.

At the end of the RFP submission period, MX may proceed with the selection of up to three (3) participants.

**Key dates:**

Implementation Timeline*	Event
June 3, 2026	Distribution of RFP
June 26, 2026	Deadline for delivery of business cases and Proposals to MX
July 22, 2026	Notification of selected Market Makers
August 21, 2026	Deadline for signature of the Market Making Agreement
September 1, 2026	Launch of the Market Making Program

\* The proposed timeline is subject to change at MX's discretion.

You will find more information about the Market Making Program, as well as the Request for Proposal and Application in the appendix.

For additional information, please contact:

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Phone: 1 (514) 871-3501 | Email: [Robert.tasca@tmx.com](mailto:Robert.tasca@tmx.com), or

**Alexandre Prince**, Executive Director, Interest Rate Derivatives  
Phone: 1 (514) 244-4813 | Email: [alexandre.prince@tmx.com](mailto:alexandre.prince@tmx.com)

Robert Tasca  
Managing Director, Derivatives Products & Services

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**MONTRÉAL EXCHANGE**

# Request for Proposal

**MARKET MAKING OF 30Y GOVERNMENT OF  
CANADA BOND FUTURES (LGB®)**



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## Introduction and Purpose of the Request for Proposal

The Montréal Exchange (“**MX**”) is inviting all approved participants/foreign approved participants or clients of approved participants/foreign approved participants, with direct electronic access to MX, who are interested in the new market making program described herein (the “**Market Making Program**” or the “**Program**”) to submit a proposal outlining their abilities and commitment towards the market making of MX’s 30-Year Government of Canada Bond Futures (“**LGB**”) (a “**Proposal**”).

## Background

MX’s goal to develop a sovereign yield curve dates to 1989 when the Ten-Year Government of Canada Bond Futures (CGB) was first listed. MX subsequently listed its Five-Year Government of Canada Bond Futures (CGF) in 1995, Two-Year Government of Canada Bond Futures (CGZ) in 2004 and 30-Year Government of Canada Bond Futures (LGB) in 2007. Since the LGB’s initial listing, subsequent relaunch efforts in 2021 along with the specification change in 2023 to address the ‘wildcard option’, limited activity was observed in the product despite market interest.

Market feedback consistently indicates that the product remains viable and that an active long-bond contract would significantly benefit the Canadian bond market. Consequently, MX is renewing its efforts to enhance the product through updated specifications derived from a comprehensive market survey and direct engagement with key stakeholders. As part of its continued efforts to promote and foster market liquidity, MX will implement a new Market Making Program on 30-Year Government of Canada Bond Futures (LGB) during the regular trading hours period.

## Program

### Description of the Market Making Program

As part of its efforts, MX will proceed, if the responses submitted are satisfactory, with the selection of **two (2) to three (3) market makers** (the “**Market Makers**”) who will quote the Designated Contracts (as defined below). This wider selection pool aims to ensure deeper distribution, stickier pricing, and structural diversification across extended and regular trading hours.

### Qualifying Criteria

MX is seeking up to three Market Makers with ease of access to the underlying cash market in order to stimulate growth and product development. MX will consider candidates that can demonstrate their capabilities to provide the necessary market liquidity and product promotion to institutional clients, and that can achieve open interest thresholds, amongst other factors and obligations, in order to encourage product success in a way that meets the needs of the domestic and global investment community. The MX is also looking for candidates who can provide liquidity and engage in the block and basis markets, as well as quote the calendar spread during roll periods.

Firms interested in applying for Market Maker status must submit a short business case with this Request for Proposal outlining the reasons for which they are best qualified to fulfill the objectives described above. The business case should also address the applicant’s ability to effectively market the product to

end users and attract new business. The applicant shall explain how its business model complements the efforts and the objective to develop the Designated Contracts and unlock their full potential.

### Eligibility and Selection Criteria

All approved participants/foreign approved participants or clients of approved participants/foreign approved participants of the MX are eligible to be appointed as a Market Maker.

MX will consider the criteria listed in article 3.112 of its Rules in selecting Market Makers, including:

- Technology: Automation capabilities which can be deployed to support efficient market making activities.
- Knowledge: Market Makers will be required to have the necessary skills and experience for the market making of interest rate products.
- Compliance with rules: Only approved participants/foreign approved participants or clients of approved participants/foreign approved participants in good standing and in compliance with MX Rules will be considered.

### Incentives

In exchange for meeting the market making obligations on the Designated Contracts, MX shall grant incentives to the Market Makers.

Full or partial incentives shall be paid monthly, subject to the Market Maker fulfilling the obligations contained in the Market Making Agreement signed with MX.

### *Transaction and Clearing Fee Waivers*

The Market Makers shall be eligible for fee waivers on the Designated Contracts, comprising transaction fees and clearing fees. The fee waivers shall remain in effect for the duration of the Market Making Program.

### *Variable Compensation*

MX will distribute a portion of its net transaction revenues (net of rebates) for the Designated Contracts between the selected Market Makers on a monthly basis, for the length of the term.

### *Fixed Compensation*

MX will grant a fixed compensation, referred to as the stipend, to the selected Market Makers, paid on a monthly basis.

### Duration of the Program

The duration of the Program will be for up to five (5) years. Market Makers will be required to sign a standard Market Making Agreement with MX.

## Designated Interest Rate Futures Contracts

30-Year Government of Canada Bond Futures (LGB) (the “**Designated Contracts**”).

## Market Making Requirements

Market Makers will be required to post markets at the contracted minimum size and maximum spread (or better), for a predefined percentage of time. The Agreement may also include other requirements related to the daily settlement of markets, the quarterly roll period and/or other quantitative and/or qualitative requirements.

## Monitoring of Performance

MX will monitor the Market Makers’ order book activity to determine compliance with the obligations set forth in the Market Making Agreement. MX shall be solely responsible for the monitoring of Market Makers’ compliance with the Market Making Program obligations and the calculation of the corresponding incentives in accordance with the terms of the Market Making Agreement.

## Application Process

To respond to this Request for Proposals (“**RFP**”), please provide MX with a short business case addressing how the applying firm meets the criteria outlined in the Qualifying Criteria section, in addition to a Proposal using the Market Maker Application form below, addressing the requirements and selection criteria outlined herein. All Proposals should be submitted to the contact person indicated below by no later than 5:00 pm Eastern Time (ET) on **June 26th, 2026**.

## Contact Information

For any questions or information, including confidential details regarding the market making requirements and/or incentives, please contact:

**Robert Tasca**, Managing Director, Derivatives Products and Services

Phone: 1 (514) 871-3501 | Email: [Robert.tasca@tmx.com](mailto:Robert.tasca@tmx.com), or

**Alexandre Prince**, Executive Director, Interest Rate Derivatives

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## Timeframe\*

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### Market Maker Application

MX will evaluate business cases and Proposals based on the criteria mentioned herein. All Proposals should include a completed Market Maker Application attached (page 8).

### Confidentiality

All documents submitted by respondents and the information contained in the Proposals shall be treated as confidential by MX.

### Evaluation

The objective of the evaluation process is to identify the business cases and Proposals that, in MX's discretion and assessment, most effectively meet the requirements and selection criteria provided for in this RFP. Any additional information provided by the respondents will also be considered if it is deemed to be the most beneficial to MX's market participants.

## General Terms and Conditions

1. The Market Making Program is subject to the MX Rules and in the event of an inconsistency between the Market Making Program and the MX Rules, the latter shall prevail. However, where a term of the Market Making Program is more specific than or supplement the Rules, such more specific or supplementary term will apply.
2. The issuance of this RFP shall not cause any express or implied commitment or undertaking on the part of MX and MX is under no obligation or commitment, whatsoever, to accept any Proposal, select Market Maker(s) or implement the Program. MX may cancel, amend or withdraw this RFP, at its own discretion, without prior notice.
3. All decisions will be made by MX at its sole discretion, including regarding the selection of Market Maker(s), and shall be final and binding.
4. MX shall not be liable for any fees, costs or expenses incurred by the respondent resulting from this RFP or any other request.
5. Proposals received after the deadline for Proposal submissions will only be accepted at MX's discretion of MX.
6. All Proposals shall be binding for a period of 30 days following the deadline for Proposal submissions. Should a respondent wish to alter or amend a Proposal, it shall withdraw its original Proposal by delivering written notice via email to the contact person listed above, and submit a new Proposal prior to the deadline for Proposal submissions. The respondent may revoke its Proposal at any time prior to the deadline for Proposal submissions by delivering written notice via email to the contact person listed above.
7. The selected Market Maker(s) will be required to sign the same standard Market Making Agreement with MX prior to being admitted into the Program. No incentives may be earned before the binding standard Market Making Agreement has been signed by MX and the selected Market Maker(s).
8. The selected Market Maker(s) will be required to, directly or through their clearing member (responsible for the allocation process), set up a sub-account that can be recognized by MX, and will also set up a Multi-Purpose sub-account (i.e. client netted account) at the Canadian Derivatives Clearing Corporation (CDCC).
9. If selected, the Market Maker consents to the disclosure of their status as a market maker on the Designated Contracts in any marketing efforts MX deems appropriate, including, but are not limited to, MX's website.
10. MX reserves the right to terminate the Market Making Agreement or modify the Market Making Program upon 30-day written notice to the Market Maker(s).
11. MX reserves the right to replace or appoint additional Market Maker(s) in instances including, but not limited to, where a Market Maker fails to fulfil the obligations set forth in the Market Making Agreement. The replacement or addition of a new Market Maker is at the sole discretion of MX, and can be completed by selecting a Market Maker that originally submitted a Proposal or by re-opening this RFP. MX reserves the right to change the terms of this RFP or to reopen it after the deadline for Proposal submissions without prior notice.

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## Market Maker Application

Conditions for Applying for Market Maker Status
<p>Applicants shall meet the criteria listed in article 3.112 of the MX Rules, including:</p> <ol style="list-style-type: none"><li>1. Have adequate financial capital to support Market Making obligations;</li><li>2. A history of compliance with MX regulations;</li><li>3. A reliable trading infrastructure, risk management system and technology to support electronic trading, as well as adequate operational capacity;</li><li>4. Experience with trading similar derivative instruments;</li><li>5. Willingness to promote MX as a marketplace;</li><li>6. Willingness to sign a Market Making Agreement;</li><li>7. Any other factors deemed relevant by MX.</li></ol> <p>Additional criteria for client market makers:</p> <ol style="list-style-type: none"><li>1. Client agrees to be subject to the jurisdiction of MX's Regulatory Division with respect to its trading activity and conduct as a market maker during the term of the market making assignment;</li><li>2. Client must obtain the acknowledgement of the approved participant providing it with electronic access.</li></ol>
General Information
<p>Firm name:</p> <p>Address:</p> <p>Firm Division:</p> <p>Authorized Contact name:</p> <p>Title:</p> <p>Phone:</p> <p>Email:</p>
Market Making status

AP/FAP

Client of an AP/FAP

Designated Contracts (specify category & name contracts)

Equity and ETF Options  \_\_\_\_\_

Index Options  \_\_\_\_\_

Currency Options  \_\_\_\_\_

Index Futures  \_\_\_\_\_

Share Futures  \_\_\_\_\_

STIR Futures  \_\_\_\_\_

Bond Futures  \_\_\_\_\_

Options on STIR Futures  \_\_\_\_\_

Options on Bond Futures  \_\_\_\_\_

Market Making Capital

Equal or greater than C\$250,000?  YES  NO As of Date: \_\_\_\_\_

Other Exchange Memberships

Information on Technology

Description of technology supporting electronic trading, trading tools and infrastructure:	
Adequate personnel in place to support:	
On-screen quoting functions:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Trading functions:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Name of Independent Software Vendors (ISVs):	
Description of Access to Contract's Underlying Market :	
Description of Risk Management Tools:	
Additional Safeguards (if applicable):	N/A <input type="checkbox"/>
Operational Capacity	
Description of ability to manage operational tasks (trade allocation, reconciliation, administration of rebates, etc.):	
Adequate personnel in place to support:	
Operational functions:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Name of Clearing Member: _____	
In the case of client market makers, established relationship with an active execution broker?	
<input type="checkbox"/> YES	<input type="checkbox"/> NO

Market Making & Trading Experience
<p>Number of years market making similar contracts:</p>
<p>Number of years trading similar contracts :</p>
<p>Description of general experience (products, venues):</p>
<p>Description of experience trading Montréal Exchange (MX) products and participation in MX market making or other commercial programs:</p>

COMMITMENT TO DESIGNATED CONTRACTS		
Contracts	Size	Spread
	Committed	Committed
30-Year Government of Canada Bond Futures (LGB)  Outright contracts:  Roll market:		
Best efforts to post a continuous basis market (if applicable):	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> N/A
Best efforts to provide block markets upon request:	<input type="checkbox"/> Yes <input type="checkbox"/> No	

What are the advantages of your market making abilities over other firms?

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Acknowledgment and Signature
<p>The Applicant attests the information provided herein is complete and accurate.</p> <p>Signature of Authorized Contact:</p> <p>Date:</p>