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**CIRCULAR 083-14**

June 13, 2014

**SELF-CERTIFICATION**

**PILOT PROJECT:  
LISTING OF NEW OPTION EXPIRATIONS:  
WEEKLY OPTIONS**

**AMENDMENT TO ARTICLE 6637 OF RULE SIX  
OF BOURSE DE MONTRÉAL INC.**

The Rules and Policies Committee of Bourse de Montréal Inc. (the Bourse) has approved the amendments to article 6637 of Rule Six of the Bourse in order to list weekly options and to meet the needs of retail and institutional clients. Weekly options will be listed on ten (10) classes of equity and exchange-traded fund (ETF) options. 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), in the form of a six-month pilot project, pursuant to Autorité des marchés financiers requirements. The pilot project will begin on **June 19, 2014** and the Bourse fully intends for the weekly options offering to be made permanent at the end of the pilot project. The criteria outlining this pilot project as well as the obligations undertaken by the Bourse in respect of this pilot project are presented below.

The 10 weekly option classes selected as part of this pilot project met the following eligibility criteria:

- 1) the shares must meet CDCC's eligibility criteria, which are updated quarterly and based on the market capitalization of the underlying and the average daily volume of the past 20 business days;
- 2) the weekly options are selected from among the option classes already listed on the Exchange;
- 3) candidates must also meet the following criteria:
  - their volume constitutes at least 0.75% of the total options volume of the past 3 months.
  - their average open interest is equal to or greater than 15,000 options for the past 3 months;
- 4) to be listed, an option must have at least two market makers;
- 5) the names selected represent the most active sectors of the Canadian economy and their ordinary options are among the most actively traded at the Exchange;
- 6) the option is interlisted with the U.S. market. In the case of the 10 names selected, 5 of them have weekly options in the U.S. (ABX, G, SU, POT and BB);

- 7) the specific requests of market participants regarding the listing of weekly options on certain stocks are also considered. These requests must meet the first 4 criteria listed above in order to be considered by the Exchange.

Following approval by the Authority, the Exchange will list weeklies on the following 10 option classes:

<b>Names of Selected Companies</b>	<b>Symbols</b>	<b>Criteria Applied</b>
Barrick Gold Corporation	ABX	Criteria 1 to 7
BlackBerry Limited	BB	Criteria 1 to 7
Encana Corporation	ECA	Criteria 1 to 5 and 7
Goldcorp Inc.	G	Criteria 1 to 7
Potash Corporation of Saskatchewan Inc.	POT	Criteria 1 to 7
<i>Royal Bank of Canada</i>	<i>RY</i>	<i>Criteria 1 to 5 and 7</i>
<i>Suncor Energy Inc.</i>	<i>SU</i>	<i>Criteria 1 to 7</i>
<i>Toronto-Dominion Bank</i>	<i>TD</i>	<i>Criteria 1 to 5 and 7</i>
<i>Yamana Gold Inc.</i>	<i>YRI</i>	<i>Criteria 1 to 5 and 7</i>
<i>iShares S&amp;P/TSX 60 Index Fund</i>	<i>XIU</i>	<i>Criteria 1 to 5 and 7</i>

The Exchange will be able to remove from this pilot project weekly options that no longer meet the listing criteria provided in articles 6394 and 6605 of the Rules of the Exchange. The classes identified in this way would be removed only after the expiration of the weekly options already issued. These classes may be removed despite the fact that monthly or long-term options on the same security may still be listed on the Exchange, due mainly to the open interest existing on the latter at that time.

The Exchange will also have the flexibility to replace, while complying with the aforementioned selection criteria and the number of authorized classes, certain weekly option classes that are trading poorly with other weekly option classes on securities likely to generate more volume.

The Exchange reserves the right to not list any weekly options for a particular week, due mainly to statutory holidays.

At the end of this pilot project, the Exchange agrees to provide the Authority with the requested impact analyses on the Exchange's and CDCC's systems, as well as the operational impacts reported by its clients. In addition, the Exchange shall advise the Authority immediately of any problem encountered, and the impact analysis report on the Exchange, approved participants and CDCC shall be submitted to the Authority within fifteen days following the end of the project. The Exchange would then ask the Authority to make this project permanent.

The amendments to article 6637 of Rule Six, as attached, will take effect on **June 19, 2014**. Please note that the amendments will also be available on the Bourse's website ([www.m-x.ca](http://www.m-x.ca)).

For additional information, please contact Ms. Gladys Karam, Director, Equity Derivatives, Financial Markets, at 514 871-7880 or at [gkaram@m-x.ca](mailto:gkaram@m-x.ca).

M<sup>e</sup> Pauline Ascoli  
Vice-President, Legal Affairs, Derivatives

**6637 Expiration Date**

(06.08.86, 20.03.91, 17.12.91, 10.11.92, 07.04.94, 07.09.99, 11.02.00, 28.01.02, 26.09.05, 24.05.13, 19.06.14)

- a) No transaction of options contracts in expiring series shall be made after the close of trading on the last day of trading.
- b) In the case of equity options, bond options, ~~options on and~~ exchange-traded ~~funds, index fund~~ options ~~and currency other than weekly~~ options, the expiration will occur on date shall be the Saturday following the third Friday of the expiration month.

In the case of index options, the expiration date shall be the third Friday of the contract month, provided it is a business day. If it is not a business day, expiration will occur on or, if the index is not published on that day, the first preceding business day, trading day for which the index is scheduled to be published.

In the case of futures options, the expiration date shall be the last trading day.

In the case of currency options, the expiration date shall be the third Friday of the expiration month. However, if the Bank of Canada exchange rate fixing is not published on that day, the expiration date shall be the first preceding trading day for which the Bank of Canada exchange rate fixing is scheduled to be published.

In the case of weekly equity and exchange traded fund options, the expiration date shall correspond to the last trading day, which is the Friday of the week following the listing or, if it is not a business day, the first preceding business day.

In the case of weekly index options, the expiration date shall correspond to the day following the last trading day, which is the Thursday of the week following the listing or, if it is not a business day, the first preceding business day.

- c) In the case of sponsored options, the expiration date is determined by the sponsor as per the information provided to investors and the Bourse or as provided in the product documentation and set out in article 6643 of the Rules of the Bourse.

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(06.08.86, 20.03.91, 17.12.91, 10.11.92, 07.04.94, 07.09.99, 11.02.00, 28.01.02, 26.09.05, 24.05.13, 19.06.14)

- a) No transaction of options contracts in expiring series shall be made after the close of trading on the last day of trading.
- b) In the case of equity options, bond options and exchange-traded fund options other than weekly options, the expiration date shall be the Saturday following the third Friday of the expiration month.

In the case of index options, the expiration date shall be the third Friday of the contract month or, if the index is not published on that day, the first preceding trading day for which the index is scheduled to be published.

In the case of futures options, the expiration date shall be the last trading day.

In the case of currency options, the expiration date shall be the third Friday of the expiration month. However, if the Bank of Canada exchange rate fixing is not published on that day, the expiration date shall be the first preceding trading day for which the Bank of Canada exchange rate fixing is scheduled to be published.

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