



CIRCULAR 084-24

July 24, 2024

SELF-CERTIFICATION

**AMENDMENTS TO THE RULES OF THE BOURSE REGARDING
POSITION LIMITS ON CASH SETTLED INTEREST RATE LISTED PRODUCTS**

On December 1st, 2023, the Self-Regulatory Oversight Committee of Bourse de Montréal Inc. (the “**Bourse**”), on recommendation of the Advisory Committee on Self-Regulation, approved amendments to article 6.309B of the Rules of the Bourse regarding position limits on cash settled interest rate Listed Products. These amendments were self-certified in accordance with the self-certification process as established in the Derivatives Act (CQLR, Chapter I-14.01).

The amended version of the articles attached herewith will become effective on July 31, 2024, after market close. Please note that the revised articles will also be available on the Bourse’s website (www.m-x.ca).

The amendments described in the present circular were the subject of a request for comments published by the Regulatory Division of the Bourse on December 14, 2023 (see Circular [147-23](#)). Please find attached a summary of the comments received as well as responses from the Division.

For additional information, please contact the Legal Affairs of the Division by email at mxrlegal@tmx.com.

ANNEX 1 - BLACKLINED VERSION OF THE AMENDMENTS

Article 6.309B Position Limits for Futures Contracts

Except as otherwise indicated and except for Share Futures Contracts, the applicable position limits for Futures Contracts are as follows:

- (a) Cash Settled Interest Rate Futures:

There are no position limits on Cash Settled Interest Rate Futures.

~~The maximum net Long Position or net Short Position for the Settlement Month of a quarterly Cash Settled Interest Rate Futures Contract which a Person may own or control at the close of trading on the first business day of the first Settlement Month is equal to 25% of the average daily Open Interest for the Settlement Month of the designated Cash Settled Interest Rate Futures Contract during the three calendar months preceding the month before the Settlement Month. Same position limits are applicable to serial contracts, if any, of the two months following the Settlement Month. These position limits are established and published by the Bourse on a quarterly basis.~~

ANNEX 2 - CLEAN VERSION OF THE AMENDMENTS

Article 6.309B Position Limits for Futures Contracts

Except as otherwise indicated and except for Share Futures Contracts, the applicable position limits for Futures Contracts are as follows:

- (a) Cash Settled Interest Rate Futures:

There are no position limits on Cash Settled Interest Rate Futures.

ANNEX 3 - SUMMARY OF COMMENTS AND RESPONSES TO THE COMMENTS

No.	Category of Participant	Summary of comments	Summary of responses
1.	Approved Participant	<p>The Approved Participant supports the removal of position limits for cash settled interest rate Listed Products for the following reasons:</p> <p>a) The Division will remain able to monitor and ensure the integrity and fairness of the market.</p> <p>b) The proposed amendments will harmonize the Bourse’s position limit requirements for short-term interest rate futures with those of the CME/CBOT/EUREX/ICE.</p>	The Division acknowledges this comment.
	Approved Participant	<p>The Approved Participant has the following questions in connection with the proposed amendments:</p> <p>a) Will the position limits for BAX exist until the end of the BAX contracts, or will they be removed before the conversion?</p> <p>b) Will the Bourse implement monitoring to ensure initial open interest in the COA is not controlled by some Approved Participants?</p>	<p>The BAX contracts are no longer listed since June 17, 2024.</p> <p>The Division monitors and supervises activities on cash settled interest rate Listed Products, including on the COA contracts, and may intervene when deemed necessary.</p>