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<input 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**  
May 13, 2013

**SELF-CERTIFICATION**

**AMENDMENTS TO INTEREST RATE FUTURES, OPTIONS ON INTEREST RATE FUTURES,  
BOND FUTURES AND OPTIONS ON BOND FUTURES CONTRACT SPECIFICATIONS**

**AMENDMENTS TO THE DAILY SETTLEMENT PRICE PROCEDURES FOR  
FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS**

The Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) has approved the amendments to the contract specifications for Interest Rate Futures, Options on Interest Rate Futures, Bond Futures and Options on Bond Futures (the “**Continuous Trading Products**”) and to the Daily Settlement Price Procedures for Futures Contracts and Options on Futures Contracts (the “**Procedures**”) of the Bourse in order to eliminate both the early session and the extended session for the Continuous Trading Products. The regular session for Continuous Trading Products will open at 6:00am Eastern Standard Time (EST) and will close at 4:00 pm EST.

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). The amendments to the Continuous Trading Products’ contract specifications and to the Procedures, as can be found enclosed, will be effective as of **May 31, 2013**.

In light of the comments received during the 30-day request for comment period, the Bourse has decided to proceed with self-certifying the amendments to Interest Rate Futures, Options on Interest Rate Futures, Bond Futures and Options on Bond Futures contract specifications, and not to proceed with self-certifying the proposed amendments to Sector Index Futures (SXA, SXB, SXH, SXY), S&P/TSX Composite Index Mini Futures (SCF), S&P/TSX 60 Index Mini Futures (SXM) and S&P/TSX 60 Standard Index Futures (SXF) contract specifications.

Should the Bourse decide to move forward with the proposed amendments to Sector Index, S&P/TSX Composite Index Mini Futures, S&P/TSX 60 Index Mini Futures and S&P/TSX 60 Standard Index Futures contract specifications at a later date, a new request for comments circular will be issued and another 30-day publication for comment period will be held.

For further information, please contact Brian Gelfand, Vice-President, Institutional Relations and Market Operations, Financial Markets by telephone at (514) 871-7884 or by email at [bgelfand@m-x.ca](mailto:bgelfand@m-x.ca).

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Circular no.: 089-2013

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## BAX – Three-Month Canadian Bankers' Acceptance Futures

<b>Trading Unit</b>	C\$1,000,000 of Canadian bankers' acceptances with a three-month maturity.
<b>Contract Months</b>	Quarterly: March, June, September and December. Serials: two (2) nearest non-quarterly months.
<b>Price Quotation</b>	Index: 100 minus the annualized yield of Three-month Canadian Bankers' Acceptances.
<b>Last Day of Trading</b>	Trading ceases at 10:00 a.m. (Montréal time) on the 2 <sup>nd</sup> London (Great Britain) banking day prior to the 3 <sup>rd</sup> Wednesday of the contract month. If the determined day is an exchange or banking holiday in Montréal or Toronto, the last trading day shall be the previous bank business day.
<b>Contract Type</b>	Cash settlement.
<b>Minimum Price Fluctuation</b>	0.005 = C\$12.50 per contract for the three (3) nearest listed contract months, including serials. 0.01 = C\$25 per contract for all other contract months.
<b>Reporting Limit</b>	300 contracts.
<b>Position Limits</b>	Information on position limits can be obtained from the Exchange as they are subject to periodical changes.
<b>Final Settlement Price</b>	Based on the average of Three-month Canadian bankers' acceptance bid rates as quoted on CDOR page of Reuters' Monitor Service on the last trading day at 10:15 a.m. (Montréal time), excluding the highest and the lowest values.
<b>Minimum Margin Requirements</b>	Information on minimum margin requirements can be obtained from the Exchange as they are subject to periodical changes.
<b>Daily Price Limits</b>	None.
<b>Trading Hours</b> (Montréal time)	<p><del>Early session: 6:00 a.m. to 7:45 a.m.</del>  <del>Regular session: 6:00 a.m. to 4:00 p.m. 8:00 a.m. to 3:00 p.m.</del>  <del>Extended session*: 3:09 p.m. to 4:00 p.m.</del>  <del>*The regular session closes at 3:00 p.m. on the last trading day of the expiring contract month.</del></p> <p>Note: During early closing days, the <del>regular</del> regular session closes at 4:00 p.m., time at which the daily settlement price is established. In these circumstances, the extended session is from 1:09 p.m. to 1:30 p.m.</p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	BAX

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## Options on Three-Month Canadian Bankers' Acceptance Futures

### Trading Unit

One Three-Month Canadian Bankers' Acceptance Futures (BAX).

### Underlying Futures Contract

- For standard OBX options, the underlying BAX futures contract is the futures contract that expires in the month in which the option expires.
- For Serial Mid-Curve Options (OBW), the underlying BAX futures contract is the futures contract that expires one-year from the next quarterly month that is nearest to the expiration of the option. For example, the underlying futures contract for the One-year Mid-Curve option that expires in January or February is the March futures contract in the next calendar year.
- For 1-Year (OBY) and 2-year (OBZ) Quarterly Mid-Curve Options, the underlying BAX futures contract is the corresponding quarterly futures contract that expires one or two years after the option expires, respectively. For example, the underlying futures contract for the One-year Quarterly Mid-Curve option that expires in June is the June futures contract in the next calendar year.

### Contract Months

- For standard OBX options and for 1-Year (OBY) and 2-year (OBZ) Quarterly Mid-Curve Options: Four nearest months of the quarterly cycle: March, June, September and December.
- For Serial Mid-Curve Options (OBW): Two nearest non quarterly months (serials): January, February, April, May, July, August, October and November.

### Price Quotation

Quoted in points where each 0.01 point (1 basis point) represents C\$25. For example, a quote of 0.465 represents a total option premium of C\$1,162.50 (i.e. 46.5 basis points x C\$25).

### Cabinet trades

Cabinet trades (defined as options with a premium less than 0.01) are quoted in 0.001 point (0.1 basis point) where each 0.001 point represents C\$2.50.

### Last Trading Day/Expiration

- For standard OBX Options: Trading ceases at 10:00 a.m. (Montréal time) on the 2nd London (Great Britain) banking day prior to the 3rd Wednesday of the contract month. If the fixed day is a Bourse or bank holiday in Montréal or Toronto, the last trading day shall be the previous bank business day.
- For all Mid-Curve Options: Trading ceases at 10:00 a.m. (Montréal time) on the Friday immediately preceding the 3rd Wednesday of the contract month. If the fixed day is an exchange or banking holiday in Montreal or Toronto, the last trading day shall be the previous bank business day.

### Contract Type

American style.

### Price Fluctuation

- 0.005 = C\$12.50 per contract.
- 0.001 = C\$2.50 per contract for cabinet trades.

### Strike Prices

Set at a minimum 0.125 point intervals.

### Reporting Limit

300 options or futures equivalent contracts. For the purpose of calculating this limit, positions in the options contracts are aggregated with positions in the underlying futures contracts. For aggregation purposes, one option contract is equivalent to one futures contract.

## Daily Price Limit

None

## Trading Hours (Montréal time)

~~—Early session: 6:00 a.m. to 7:45 a.m.~~

~~—Regular session: 6:00 a.m. to 4:00 p.m. 8:00 a.m. to 3:00 p.m.~~

~~•Extended session\*: 3:09 p.m. to 4:00 p.m.~~

~~\* The regular session closes at 3:00 p.m. There is no extended session on the last trading day of the expiring contract month.~~

Note: During early closing days, the ~~regular~~ regular session closes at 4:00 p.m., time at which the daily settlement price is established. In these circumstances, the extended session is from 1:09 p.m. to 1:30 p.m.

## Ticker Symbol

- For standard OBX Options: OBX
- For Serial Mid-Curve Options : OBW
- For 1-Year Quarterly Mid-Curve Options : OBY
- For 2-Year Quarterly Mid-Curve Options : OBZ

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**ONX – 30-Day Overnight Repo Rate Futures**

<b>Trading Unit</b>	Each contract shall be for a nominal value of C\$5,000,000.
<b>Contract Months</b>	March, June, September and December plus three nearest non-quarterly months (serials).
<b>Price Quotation</b>	Index: 100 minus the monthly average overnight repo rate for the contract month.
<b>Last Day of Trading</b>	Last business day of the contract month.
<b>Contract Type</b>	Cash settlement.
<b>Minimum Price Fluctuation</b>	0.005 = C\$20.55 (one-half of 1/100 of one percent of C\$5,000,000 on a 30-day basis).
<b>Reporting Limit</b>	300 contracts.
<b>Position Limits</b>	Information on position limits can be obtained from the Exchange as they are subject to periodical changes.
<b>Final Settlement Price</b>	The contract is cash settled against the monthly average of the daily overnight repo rate for the contract month. The daily overnight repo rate (CORRA) is calculated and reported by the Bank of Canada. The monthly average is a simple arithmetic average corresponding to the sum of the daily overnight repo rates divided by the number of calendar days in the month. Weekend and holiday rates are considered to be the rate applicable on the previous business day for which a rate was reported. For example, Friday’s rate is used for Saturday and Sunday rates. The final settlement price is determined on the first business day following the last day of trading.
<b>Minimum Margin Requirements</b>	Information on minimum margin requirements can be obtained from the Exchange as they are subject to periodical changes.
<b>Daily Price Limits</b>	None
<b>Trading Hours</b> (Montréal time)	<p><del>Early session: 6:00 a.m. to 7:45 a.m.</del>            Regular session: 6:00 a.m. to 4:00 p.m. 8:00 a.m. to 3:00 p.m.            Extended session*: 3:09 p.m. to 4:00 p.m.            * The regular session closes at 3:00 p.m. There is no extended session on the last trading day of the expiring contract month.</p> <p>Note: During early closing days, the <del>regular</del>regular session closes at <del>4:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:09 p.m. to 1:30 p.m.</del></p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	ONX.

## CGB – Ten-year Government of Canada Bond Futures

<b>Trading Unit</b>	Each contract represents C\$100,000 nominal value Government of Canada bond with 6% notional coupon.
<b>Contract Months</b>	March, June, September and December.
<b>Price Quotation</b>	Per C\$100 nominal value.
<b>Last Day of Trading</b>	Trading ceases at 1:00 p.m. (Montréal time) on the 7 <sup>th</sup> business day preceding the last business day of the delivery month.
<b>Contract Type</b>	Delivery of eligible Government of Canada bonds.
<b>Minimum Price Fluctuation</b>	0.01 = C\$10 per contract.
<b>Reporting Limit</b>	250 contracts.
<b>Position Limits</b>	Information on position limits can be obtained from the Exchange as they are subject to periodical changes.
<b>Delivery Notices</b>	Delivery notices should be submitted before 5:30 p.m. or before such time set by the clearing corporation on any business day, between the 3 <sup>rd</sup> business day preceding the first business day of the delivery month and the 3 <sup>rd</sup> business day preceding the last business day of the delivery month, inclusively.
<b>Delivery Day</b>	Delivery should be made on the 3 <sup>rd</sup> business day following the submission of the delivery notice by the member holding a seller's position or on any other day as determined by the clearing corporation. Delivery shall be completed no later than the last business day of the delivery month.
<b>Delivery Standards</b>	Government of Canada bonds which: <ul style="list-style-type: none"> <li>i) have a remaining time to maturity of between 8 years and 10½ years as of the first day of the delivery month, calculated by rounding down to the nearest whole three-month period;</li> <li>ii) have an outstanding amount of at least C\$3.5 billion nominal value;</li> <li>iii) are originally issued at ten-year auctions;</li> <li>iv) are issued and delivered on or before the 15<sup>th</sup> day preceding the first delivery notice day of the contract.</li> </ul>
<b>Minimum Margin Requirements</b>	Information on minimum margin requirements can be obtained from the Exchange as they are subject to periodical changes.
<b>Daily Price Limits</b>	None.
<b>Trading Hours</b> (Montréal time)	<p><del>—Early session: 6:00 a.m. to 8:05 a.m.</del></p> <p><del>—Regular session: 6:00 a.m. to 4:00 p.m. 8:20 a.m. to 3:00 p.m.</del></p> <p><del>—Extended session*: 3:06 p.m. to 4:00 p.m.</del></p> <p><del>* There is no regular extended session closes at 3:00pm on the last trading day of the expiring contract month.</del></p> <p>Note: During early closing days, the <del>regular</del> <b>regular</b> session closes at <del>1:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:06 p.m. to</del> 1:30 p.m.</p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	CGB

## CGF – Five-Year Government of Canada Bond Futures

<b>Trading Unit</b>	Each contract represents C\$100,000 nominal value Government of Canada bond with 6% notional coupon.
<b>Contract Months</b>	March, June, September and December.
<b>Price Quotation</b>	Par is on the basis of 100 points, with one point equal to C\$1,000.
<b>Last Day of Trading</b>	Trading ceases at 1:00 p.m. (Montréal time) on the 7 <sup>th</sup> business day preceding the last business day of the delivery month.
<b>Contract Type</b>	Delivery of eligible Government of Canada bonds.
<b>Minimum Price Fluctuation</b>	0.01 = C\$10 per contract.
<b>Reporting Limit</b>	250 contracts.
<b>Position Limits</b>	Information on position limits can be obtained from the Exchange as they are subject to periodical changes.
<b>Delivery Notices</b>	Delivery notices should be submitted before 5:30 p.m. or before such time set by the clearing corporation on any business day, between the 3 <sup>rd</sup> business day preceding the first business day of the delivery month and the 3 <sup>rd</sup> business day preceding the last business day of the delivery month, inclusively.
<b>Delivery Day</b>	Delivery should be made on the 3 <sup>rd</sup> business day following the submission of the delivery notice by the member holding a seller's position or on any other day as determined by the clearing corporation. Delivery shall be completed no later than the last business day of the delivery month.
<b>Delivery Standards</b>	Government of Canada bonds which: <ul style="list-style-type: none"> <li>i) have a remaining time to maturity of between 4¼ years and 5¼ years as of the first day of the delivery month, calculated by rounding down to the nearest whole month period;</li> <li>ii) have an outstanding amount of at least C\$3.5 billion nominal value;</li> <li>iii) are originally issued at five-year Government of Canada bond auctions;</li> <li>iv) are issued and delivered on or before the 15<sup>th</sup> day preceding the first delivery notice day of the contract.</li> </ul>
<b>Minimum Margin Requirements</b>	Information on minimum margin requirements can be obtained from the Exchange as they are subject to periodical changes.
<b>Daily Price Limits</b>	None
<b>Trading Hours</b> (Montréal time)	<p><del>—Early session: 6:00 a.m. to 8:05 a.m.</del>  <del>—Regular session: 6:00 a.m. to 4:00 p.m. 8:20 a.m. to 3:00 p.m.</del>  <del>—Extended session*: 3:06 p.m. to 4:00 p.m.*</del>  * <del>The regular session closes at 3:00pm There is no extended session</del> on the last trading day of the expiring contract month.</p> <p>Note: During early closing days, the <del>regular-regular</del> session closes at <del>1:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:06 p.m. to 1:30 p.m.</del></p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	CGF

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## CGZ – Two-Year Government of Canada Bond Futures

<b>Trading Unit</b>	C\$200,000 nominal value Government of Canada Bond with 6% notional coupon
<b>Contract Months</b>	March, June, September and December.
<b>Price Quotation</b>	Par is on the basis of 100 points, with one point equal to C\$2,000.
<b>Last Trading Day</b>	Trading ceases at 1:00 p.m. (Montréal time) on the seventh business day preceding the last business day of the delivery month.
<b>Contract Type</b>	Physical delivery of eligible Government of Canada Bonds.
<b>Delivery Notices</b>	Delivery notices should be submitted before 5:30 p.m. or before such time set by the clearing corporation on any business day, between the second business day preceding the first business day of the delivery month, and the second business day preceding the last business day of the delivery month inclusively.
<b>Delivery Date</b>	Delivery shall be made on the second business day following the submission of the delivery notice by the member holding a seller's position or on any other day as determined by the clearing corporation. Delivery shall be completed no later than the last business day of the delivery month.
<b>Minimum Price Fluctuation</b>	0.005 = C\$10 per contract.
<b>Reporting Level</b>	250 contracts.
<b>Position Limits</b>	Information on position limits can be obtained from Exchange as they are subject to periodic changes.
<b>Minimum Margin Requirements</b>	Information on minimum margin requirements can be obtained from the Exchange as they are subject to periodic changes.
<b>Delivery Standards</b>	Government of Canada Bonds which: <ul style="list-style-type: none"> <li>i) have a remaining time to maturity of between 1½ year and 2½ years as of the first day of the delivery month, calculated by rounding down to the nearest whole month period;</li> <li>ii) have an outstanding amount of at least C\$2.4 billion nominal value;</li> <li>iii) are originally issued at two-year Government of Canada bond auctions;</li> <li>iv) are issued and delivered on or before the 15th day preceding the first delivery notice day month of the contract.</li> </ul>
<b>Daily Price Limit</b>	None.
<b>Trading Hours</b> (Montréal time)	<p><del>Early session: 6:00 a.m. to 8:05 a.m.</del>  Regular session: <u>6:00 a.m. to 4:00 p.m.</u> <del>8:20 a.m. to 3:00 p.m.</del>  Extended session*: <del>3:06 p.m. to 4:00 p.m.</del>  * The regular session closes at 3:00 p.m. There is no extended session on the last trading day of the expiring contract month.</p> <p>Note: During early closing days, the <del>regular</del> <u>regular</u> session closes at <del>1:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:06 p.m. to 1:30 p.m.</del></p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	CGZ



## LGB – 30-Year Government of Canada Bond Futures

# Specifications

<b>Trading Unit</b>	C\$100,000 nominal value Government of Canada Bond with 6% notional coupon
<b>Contract Months</b>	March, June, September and December.
<b>Price Quotation</b>	Per C\$100 nominal value.
<b>Last Trading Day</b>	Trading ceases at 1:00 p.m. (Montréal time) on the seventh business day preceding the last business day of the contract month.
<b>Contract Type</b>	Physical delivery of eligible Government of Canada Bonds.
<b>Delivery Notices</b>	Delivery notices must be submitted before 5:30 p.m. or before such time set by the clearing corporation on any business day, between the third business day preceding the first business day of the delivery month and the third business day preceding the last business day of the delivery month inclusively.
<b>Delivery Date</b>	Delivery must be made on the third business day following the submission of the delivery notice by the member holding a seller's position or on any other day as determined by the clearing corporation. Delivery shall be completed no later than the last business day of the delivery month.
<b>Minimum Price Fluctuation</b>	0.01 = C\$10 per contract.
<b>Reporting Level</b>	250 contracts.
<b>Position Limits</b>	Information on position limits can be obtained from the Exchange as they are subject to periodic changes.
<b>Minimum Margin Requirements</b>	Information on minimum margin requirements can be obtained from the Exchange as they are subject to periodic changes.
<b>Delivery Standards</b>	Government of Canada Bonds which: <ul style="list-style-type: none"> <li>i) have a remaining time to maturity of not less than 25 years, as of the first day of the delivery month, calculated by rounding down to the nearest entire three-month period;</li> <li>ii) have an outstanding amount of at least C\$3.5 billion nominal value;</li> <li>iii) are originally issued at thirty-year Government of Canada Bond auctions;</li> <li>iv) are issued and delivered on or before the 15th day preceding the first delivery notice day of the contract month.</li> </ul>
<b>Daily Price Limit</b>	None.
<b>Trading Hours</b> (Montreal time)	<p><del>Early session: 6:00 a.m. to 8:05 a.m.</del>  Regular session: <del>6:00 a.m. to 4:00 p.m.</del> <del>8:20 a.m. to 3:00 p.m.</del>  <del>Extended session*: 3:06 p.m. to 4:00 p.m.*</del>  * <del>The regular</del> <del>There is no extended</del> session <del>closes at 3:00 p.m.</del> on the last trading day of the expiring contract month.</p> <p>Note: During early closing days, the <del>regular</del> <del>regular</del> session closes at <del>1:00 p.m.</del>, <del>time at which the daily settlement price is established.</del> In those <del>circumstances, the extended session is from 1:06 p.m. to</del> 1:30 p.m.</p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	LGB



# Specifications

## OGB – Options on Ten-Year Government of Canada Bond Futures

<b>Trading Unit</b>	One Ten-Year Government of Canada Bond Futures (CGB)
<b>Contract Months</b>	March, June, September and December, plus monthly options contracts based on the next quarterly futures contract that is nearest to the options contract.
<b>Price Quotation</b>	Quoted in points where each 0.005 point (0.5 basis point) represents C\$5.
<b>Last Trading Day / Expiration</b>	Trading ceases on the 3 <sup>rd</sup> Friday of the month preceding the options contract month, provided however, that such Friday is a business day and precedes at least 2 business days the 1 <sup>st</sup> notice day of the underlying futures contract.
<b>Contract Type</b>	American Style
<b>Minimum Price Fluctuation</b>	0.005 = C\$5
<b>Reporting Limits</b>	250 options or futures equivalent contracts. For the purpose of calculating the reporting limit, positions in the options contracts are aggregated with positions in the underlying futures contracts. For aggregation purposes, the futures equivalent of one in-the-money option contract is one futures contract and the futures equivalent of one out-of-the-money option contract is half a futures contract.
<b>Strike Prices</b>	Set at a minimum of 0.5 points intervals per Ten-Year Government Bond Futures
<b>Position Limits</b>	Information on position limits can be obtained from the Exchange as they are subject to periodical changes.
<b>Minimum Margin Requirements</b>	Information on minimum margin limits can be obtained from the Exchange as they are subject to periodical changes.
<b>Daily Price Limits</b>	None
<b>Trading Hours</b> (Montréal time)	<p><del>Early session: 6:00 a.m. to 8:05 a.m.</del>  <del>Regular session: 6:00 a.m. to 4:00 p.m. 8:00 a.m. to 3:00 p.m.</del>  <del>Extended session*: 3:06 p.m. to 4:00 p.m.</del>  <del>* The regular There is no extended session closes at 3:00 p.m. on the last trading day of the expiring contract month.</del></p> <p>Note: During early closing days, the <del>regular</del>regular session closes at <del>1:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:06 to</del> 1:30 p.m.</p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	OGB

## OIS – Overnight Index Swap Futures

<b>Trading Unit</b>	Each contract shall be for a nominal value of C\$5,000,000.
<b>Underlying</b>	The compounded daily overnight repo rate (CORRA) quoted in terms of an overnight repo rate index.
<b>Fixed Rate and Floating Rate of the Swap</b>	Fixed for floating interest rate swap where a fixed rate is swapped against a floating rate. The floating rate is the compounded daily overnight repo rate (CORRA) over the period of the contract month.
<b>Contract Months</b>	Contract months will be listed to match the Bank of Canada's schedule of Fixed Announcement Dates.
<b>Price Quotation</b>	<p>Index: 100 – R</p> <p>R = the compounded daily overnight repo rate (CORRA) for the contract month. It is calculated in accordance with the following formula:</p> $R = \left[ \prod_{i=1}^{d_o} \left( 1 + \frac{ORR_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$ <p>where:</p> <p>“<math>d_o</math>”, the number of Business Days in the calculation period;</p> <p>“<math>i</math>” is a series of whole numbers from one to <math>d_o</math>, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Calculation Period;</p> <p><math>ORR_i</math> = Overnight Repo Rate (CORRA) on the <math>i^{th}</math> day of the calculation period (if the <math>i^{th}</math> day is not a business day, the previous available CORRA is used);</p> <p>“<math>n_i</math>” is the number of calendar days in the relevant Calculation Period on which the rate is <math>ORR_i</math>;</p> <p>“<math>d</math>” is the number of calendar days in the relevant Calculation Period.</p>
<b>Last Trading Day</b>	The day of a Bank of Canada Fixed Announcement Date.
<b>Contract Type</b>	Cash settlement.
<b>Minimum Price Fluctuation</b>	0.001 = C\$6.25 (one-tenth of 1/100 of one percent of C\$5,000,000 on a 45.625/365 day basis).
<b>Reporting Limit</b>	300 contracts.

<b>Position Limits</b>	Information on position limits can be obtained from the Exchange as they are subject to periodical changes.
<b>Final Settlement Price</b>	<p>The final settlement price shall be 100 minus the compounded daily overnight repo rate (CORRA) over the period of the contract month that begins the day following the last Bank of Canada Fixed Announcement Date to the day of the next Bank of Canada Fixed Announcement Date. Weekend and holiday rates are considered to be the rate applicable on the previous business day for which a rate was reported. For example, Friday's rate is used for Saturday and Sunday rates.</p> <p>The daily overnight repo rate (CORRA) is calculated and reported by the Bank of Canada.</p> <p>The final settlement price is rounded to the nearest 1/10th of one basis point (0.001). In the case a decimal fraction ends with 0.0005 or higher, the final settlement price shall be rounded up</p> <p>The final settlement price is determined on the first business day following the last day of trading.</p>
<b>Minimum Margin Requirements</b>	Information on minimum margin requirements can be obtained from the Exchange as they are subject to periodical changes.
<b>Daily Price Limit</b>	None
<b>Trading Hours</b> (Montréal time)	<p><del>Early session: 6:00 a.m. to 7:45 a.m.</del>  Regular session: <del>8:00 a.m. to 4:30 p.m.</del>  <del>Extended session*: 3:09 p.m. to 4:00 p.m.</del>  * <del>The regular session closes at 3:00 p.m. on the last trading day of the expiring contract month there is no extended session on the last trading day of the expiring contract month.</del></p> <p>Note: During early closing days, the regular session closes at <del>1:00 p.m., time at which the daily settlement price is established. In those circumstances, the extended session is from 1:09 p.m. to 1:30 p.m.</del></p>
<b>Clearing Corporation</b>	Canadian Derivatives Clearing Corporation (CDCC).
<b>Ticker Symbol</b>	OIS

## DAILY SETTLEMENT PRICE PROCEDURES FOR FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS

### 1. RULE

Article 6390 of the Rules of Bourse de Montréal Inc. (the Bourse) stipulates that:

“The daily settlement price or the closing quotation are determined according to the procedures established by the Bourse for each derivative instrument.”

### 2. SUMMARY

#### FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS DAILY SETTLEMENT PRICES

- These markets use the average price during the last minutes of trading, as specified for each instrument in the following procedures, so as to establish a single settlement price. These calculations are executed manually by market officials or, as the case may be, by an automated algorithm using pre-established guidelines for each product.
- The prices at which block trades, Exchange for Physical (EFP), Exchange for Risk (EFR) or Substitution transactions are arranged shall not be used to establish the open, high, low or daily settlement price.

### 3. OBJECTIVES

The objectives of establishing daily settlement prices are to:

- Ensure a fair and orderly market close and pricing for approved participants so that they can properly mark-to-market their positions for margin calculations and back office processing, including the clearing and settlement of their transactions ;
- Ensure that the Canadian Derivatives Clearing Corporation (CDCC) and all market participants are informed of the settlement prices.

### 4. DESCRIPTION

#### 4.1 THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS (BAX)

The daily settlement price procedure for the Three-Month Canadian Bankers' Acceptance Futures contract (BAX) is executed by a fully automated pricing algorithm which utilizes the parameters described in sections 4.1.1, 4.1.2 and 4.1.3 to ensure accuracy in the process.

## **DEFINITIONS:**

**“Regular orders”:** Orders routed by approved participants to the Montréal Exchange trading system.

**“Implied orders”:** Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

### **4.1.1 IDENTIFICATION OF THE FRONT QUARTERLY CONTRACT MONTH**

The automated daily settlement pricing algorithm identifies the front quarterly contract month from the first two quarterly contract months. The front quarterly contract month is the one, among the first two quarterly contract months, that has the largest open interest and the required market information. In the absence of both these criteria together, then the front quarterly contract month shall be determined by market officials based on available market information.

### **4.1.2 ALGORITHM UTILIZED FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE FRONT QUARTERLY CONTRACT MONTH**

Once the front quarterly contract month has been identified, the automated daily settlement price algorithm will determine the settlement price of the front quarterly contract month according to the following priorities: first, it will use the last three minute weighted average price of cumulated trades [prior to 3:00pm, or prior to 1:00pm on early closing days,](#) amounting to at least 50 contracts on that contract month; if no such average price is available, it will then use the last 30 minute weighted average price of cumulated trades [prior to 3:00pm, or prior to 1:00pm on early closing days,](#) amounting to at least 50 contracts on that contract month. Trades resulting from both regular and implied orders will be used in the process. If no such average price is yet available, then the least variation between the bid or offer price that is not as a result of implied orders and the previous day settlement price will be used.

Once the daily settlement price for the front quarterly contract month has been established, it will be verified against the booked orders and if there is a better outright bid or offer that is not as a result of implied orders, the latter will take precedence over the daily settlement price calculated as described in the paragraph above.

#### **4.1.3 PROCEDURE FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE REMAINING BAX CONTRACT MONTHS**

Upon completion of the aforementioned steps, the automated daily pricing algorithm will then establish the settlement prices for all other BAX contract months sequentially. The daily settlement prices of all other BAX contract months will be based first on the last three minute outright market (resulting from regular and implied orders) prior to 3:00pm, or prior to 1:00pm on early closing days, and strategy combination traded weighted average or, if no weighted average price can be determined in this manner, the least variation between the bid or offer for booked orders.

#### **4.1.4 ANCILLARY PROCEDURE**

In the absence of any required items to apply the aforementioned procedure, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to ~~near 3:00pm, or close to 1:00pm on early closing days,~~ the end of the regular trading session and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

### **4.2 FUTURES CONTRACTS ON S&P/TSX INDICES**

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of the trading session for all contract months. In the case of mini futures contracts on S&P/TSX indices, the settlement price shall be the same as the standard futures contracts on S&P/TSX indices when such standard futures contracts exist.

#### **4.2.1 MAIN PROCEDURE**

- **Booked orders**

If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. The order must have been posted for 20 seconds or longer prior to the close and its size must be for a total of 10 contracts or more.

- **Last trades**

If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

#### **4.2.2 FIRST ANCILLARY PROCEDURE**

When two contract months and the spread are trading (quarterly calendar roll), the ancillary procedure of this section will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the last minute average trading price and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

#### **4.2.3 SECOND ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.2.1 and the ancillary procedure in 4.2.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous day settlement. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

#### **4.2.4 THIRD ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.2.1 and the ancillary procedures in 4.2.2 and in 4.2.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs near the end of the regular trading session and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

### **4.3 GOVERNMENT OF CANADA BOND FUTURES CONTRACTS**

#### **4.3.1 MAIN PROCEDURE**

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of ~~the~~ trading prior to 3:00pm, or prior to 1:00pm on early closing days, ~~session~~ for all contract months.



- **Booked orders**

If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 20 seconds or longer prior to [3:00pm, or prior to 1:00pm on early closing days](#),~~the close~~ and its size must be for 10 contracts or more.

- **Last trades**

If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

#### **4.3.2 FIRST ANCILLARY PROCEDURE**

When two contract months and the spread are trading (quarterly calendar roll), the following ancillary procedure will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the last minute average trading price [prior to 3:00pm, or prior to 1:00pm on early closing days](#), and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

#### **4.3.3 SECOND ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.3.1 and the ancillary procedure in 4.3.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous business day. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

#### 4.3.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.3.1 and the ancillary procedures in 4.3.2 and 4.3.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs ~~near the end of the regular trading session~~ close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

#### 4.4 OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS

##### 4.4.1 MAIN PROCEDURE

###### 4.4.1.1 Weighted average

The settlement price shall be the weighted average of the prices traded in the closing range (last minute of trading prior to 3:00pm, or prior to 1:00pm on early closing days). If there is, at the close, a higher bid or lower offer than the settlement price so obtained, that bid or offer shall be the settlement price.

###### 4.4.1.2 Last trades

If no trade occurs during the closing range, the market officials will consider transactions executed during the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days. Also, to be considered, the bids and offers shall be for a minimum of 25 contracts and shall have been posted at least one minute before ~~the 3:00pm close, or before 1:00pm on early closing days~~, to be considered.

If no trade occurs in the closing range (or in the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days), the settlement price shall be the theoretical price calculated by the Bourse (as described in section 4.4.2). If there is, at the close, a higher bid or lower offer than the settlement price so obtained, that bid or offer shall be the settlement price.

##### 4.4.2 ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.4.1, the following ancillary procedure will apply.

The settlement price shall be determined by inserting the following parameters into a standard option pricing model (Black & Scholes):

**Price of the underlying:**

- The Bourse will capture the settlement price of the underlying BAX futures contract. This will be the price of the underlying.

**Interest rate:**

- The interest rate used will be the rate implied by the settlement price of the BAX futures contract nearest to expiration.

**Volatility:**

- The Bourse will use the implied volatility (per contract month, for puts and calls) obtained from the acting Market Maker. The same volatility will be applied for both calls and puts.

The strike price of the options' series and the time to expiration are the other parameters that will be inserted into the model.

In determining the closing price, the Bourse shall take into account the information provided by the posted strategy, for example; if the SEP 9200 straddle is 98 bid, the total of the closing prices of these two series should not be inferior to 98.

**4.5 30-DAY OVERNIGHT REPO RATE FUTURES CONTRACTS (ONX)****4.5.1 MAIN PROCEDURE**

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last three minutes of ~~the~~ trading ~~session~~ prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

**4.5.1.1 Weighted average of closing range trades**

The weighted average will be derived from trades that occurred in the outright months during the closing range. The total volume traded in each outright month must be for 25 or more contracts.

**4.5.1.2 Booked orders**

If there is an unfilled order with a higher bid price or lower offer price in a month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 15 seconds or longer prior to ~~the~~ 3:00pm, or prior to 1:00pm on early closing days, ~~else~~ and its size must be for a total of 25 or more contracts in each of the months.

#### **4.5.1.3 Remaining balances of booked orders partially executed at the close**

In the case of a booked order as stipulated in paragraph 4.5.1.2 above, which would be only partially executed, the trades during the closing period as well as the remaining balance of booked orders will be considered to establish the settlement price.

Example 1: If there is a booked order for 25 ONX contracts at 97.92 and 15 of those contracts are executed, the 10 remaining contracts, if they are still present on the market at the same price, will be considered to establish the required minimum of 25 contracts.

Example 2: If there is a trade of 15 ONX contracts during the closing period at 97.92 and there is a booked order bid for 10 ONX contracts at 97.91 (respecting the required time limit), the bid will be considered in addition to the trades in the closing period to establish a settlement price.

#### **4.5.1.4 Strips and spreads**

All trades and unfilled booked orders for strips and spreads related to any expiry months will be ignored.

### **4.5.2 FIRST ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.5.1, the following ancillary procedure will apply.

#### **4.5.2.1 Weighted average of trades on strategies**

The settlement price shall be the weighted average of the trades on the strategies traded during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, provided the volume for the strategy taken into account was of 25 or more contracts.

#### **4.5.2.2 Booked orders**

If there is an unfilled order with a higher bid or lower offer, this bid or offer will override the settlement obtained from the weighted average described in 4.5.2.1. It has to have been posted for three minutes or longer prior to 3:00pm, or prior to 1:00pm on early closing days,~~the close~~ and the size must be for 25 or more contracts.

### **4.5.3 SECOND ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.5.1 and the ancillary procedure in 4.5.2, the following ancillary procedure will apply.

#### 4.5.3.1 Differential with the previous contract month's settlement price

The settlement price will be defined by a price that reflects an appropriate differential with the settlement price of the previous contract month always starting with the contract month closest to expiry.

#### 4.5.3.2 Conflicts between spreads

If two spreads are in conflict, the calendar spread closest to expiry will have priority.

#### 4.5.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.5.1 and the ancillary procedures in 4.5.2 and 4.5.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on the available market information. They may also disregard any event (trade, bid or offer) which occurs [close to 3:00pm, or close to 1:00pm on early closing days, near the end of the regular trading session](#) and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

### 4.6 FUTURES CONTRACTS ON CARBON DIOXIDE EQUIVALENT (CO<sub>2</sub>e) UNITS

#### 4.6.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all traded prices during the closing range. The closing range is defined as the last fifteen minutes of ~~the trading~~ [prior to 3:00pm, or prior to 1:00pm on early closing days, session](#) for all contract expiries.

- **Booked orders**

If there is an unfilled order with a higher bid or lower offer in a particular contract expiry, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 20 seconds or longer prior to [3:00pm, or prior to 1:00pm on early closing days, the close](#) and its size must be for 10 contracts or more.

- **Last trades**

If there are no trades in the last fifteen minutes of trading [prior to 3:00pm, or prior to 1:00pm on early closing days](#), then the last trade will be taken into account while still respecting posted bids and offers in the market.

#### 4.6.2 FIRST ANCILLARY PROCEDURE

When two contracts expiries and the spread are trading (calendar roll), the following ancillary procedure will apply.

- The contract having the earliest expiry must be settled first.
- The spread between the two contracts must be settled next by taking into account the last fifteen minutes average trading price [prior to 3:00pm, or prior to 1:00pm on early closing days.](#) and by examining the trades executed during the previous 30 minutes.
- The settlement price for the far-dated contracts corresponds to the difference between the settlement price of the contract having the earliest expiry and the value of the spread.

#### **4.6.3 SECOND ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.6.1 and the ancillary procedure in 4.6.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous trading day. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

#### **4.6.4 THIRD ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.6.1 and the ancillary procedures in 4.6.2 and 4.6.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (a trade, a bid or an offer) which occurs [close to 3:00pm, or close to 1:00pm on early closing days, near the end of the regular trading session](#) and which is not compatible with a given settlement price.

Market officials will register in the “daily settlement price record” the criteria considered for determining the settlement price.

### **4.7 FUTURES CONTRACTS ON CANADIAN CRUDE OIL**

The daily settlement price procedure for Futures contracts on Canadian Crude Oil is executed by a fully automated pricing algorithm which utilizes the parameters described in sections 4.7.1, 4.7.2 and 4.7.3 to ensure accuracy in the process.

#### **DEFINITIONS:**

“**Regular orders**”: Orders routed by approved participants to the Bourse’s trading system.

**“Implied orders”**: Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

#### **4.7.1 IDENTIFICATION OF THE FRONT CONTRACT MONTH**

The automated daily settlement pricing algorithm identifies the front contract month from the first two contract months. The front contract month is the one, among the first two contract months, that has the largest open interest and the required market information. In the absence of both these combined criteria, the front contract month shall be determined by market officials based on available market information.

#### **4.7.2 ALGORITHM UTILIZED FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE FRONT CONTRACT MONTH**

##### **4.7.2.1 Main Procedure**

- A.** Once the front contract month has been identified, the automated daily settlement price algorithm will determine the settlement price of the front contract month according to the following priorities:
  - 1)** first, it will use a weighted average price of cumulated trades executed during the last five minutes of ~~the regular~~ trading prior to 3:00pm, or prior to 1:00pm on early closing days, session and amounting to at least 10 contracts on that contract month;
  - 2)** if no such average price is available, it will then use the weighted average price of cumulated trades executed during the last 30 minutes of ~~the regular~~ trading prior to 3:00pm, or prior to 1:00pm on early closing days, session and amounting to at least 10 contracts on that contract month.
- B.** Trades resulting from both regular and implied orders will be used in the process.
- C.** If no such average price is yet available, the bid price or offer price, that is not the result of implied orders and representing the smallest variation compared to the previous day settlement price will be used.

Once the daily settlement price for the front contract month has been established, it will be verified against the booked orders and if there is a better outright bid or offer that is not resulting from implied orders, the latter will take precedence over the daily settlement price calculated as described in paragraphs 4.7.2.1 A), B) and C) above.

#### **4.7.3 PROCEDURE FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE REMAINING CONTRACT MONTHS**

Upon completion of the aforementioned steps, the automated daily pricing algorithm will then establish the settlement prices for all other contract months sequentially. The daily settlement prices of all other contract months will be established as follows:

- A. first it will use the weighted average price of transactions (resulting from regular and implied orders) and strategies executed during the last five minutes of ~~the regular trading session~~ prior to 3:00pm, or prior to 1:00pm on early closing days, or,
- B. if no weighted average price can be determined in this manner, then the same variation from the previous day's settlement price as calculated for the preceding contract expiry will be applied while respecting the posted market;

#### **4.7.4 ANCILLARY PROCEDURE**

- A. In the absence of the required items to apply the aforementioned procedure, market officials will establish the daily settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, ~~near the end of the regular trading session~~ and which is not compatible with a given settlement price.
- B. In this situation, market officials will keep a record of the criteria used to establish the settlement price.

### **4.8 OVERNIGHT INDEX SWAP FUTURES CONTRACTS (OIS)**

#### **4.8.1 MAIN PROCEDURE**

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last three minutes of ~~the trading session~~ prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

##### **4.8.1.1 Weighted average of closing range trades**

The weighted average will be derived from trades that occurred in the outright months during the closing range. The total volume traded in each outright month must be for 25 or more contracts.

##### **4.8.1.2 Booked orders**

If there is an unfilled order with a higher bid price or lower offer price in a month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 15 seconds or longer prior to ~~the 3:00pm, or prior to 1:00pm on early~~



[closing days, else](#) and its size must be for a total of 25 or more contracts in each of the months.

#### **4.8.1.3 Remaining balances of booked orders partially executed at the close**

In the case of a booked order as stipulated in paragraph 4.8.1.2 above, which would be only partially executed, the trades during the closing period as well as the remaining balance of booked orders will be considered to establish the settlement price.

Example 1: If there is a booked order for 25 OIS contracts at 97.92 and 15 of those contracts are executed, the 10 remaining contracts, if they are still present on the market at the same price, will be considered to establish the required minimum of 25 contracts.

Example 2: If there is a trade of 15 OIS contracts during the closing period at 97.92 and there is a booked order bid for 10 OIS contracts at 97.91 (respecting the required time limit), the bid will be considered in addition to the trades in the closing period to establish a settlement price.

#### **4.8.1.4 Strips and spreads**

All trades and unfilled booked orders for strips and spreads related to any expiry months will be ignored.

### **4.8.2 FIRST ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.8.1, the following ancillary procedure will apply.

#### **4.8.2.1 Weighted average of trades on strategies**

The settlement price shall be the weighted average of the trades on the strategies traded during the last five minutes [of trading prior to 3:00pm, or prior to 1:00pm on early closing days,](#) provided the volume for the strategy taken into account was of 25 or more contracts.

#### **4.8.2.2 Booked orders**

If there is an unfilled order with a higher bid or lower offer, this bid or offer will override the settlement obtained from the weighted average described in 4.8.2.1. It has to have been posted for three minutes or longer prior to [3:00pm, or prior to 1:00pm on early closing days, the else](#) and the size must be for 25 or more contracts.

### **4.8.3 SECOND ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.8.1 and the ancillary procedure in 4.8.2, the following ancillary procedure will apply.

#### **4.8.3.1 Differential with the previous contract month's settlement price**

The settlement price will be defined by a price that reflects an appropriate differential with the settlement price of the previous contract month always starting with the contract month closest to expiry.

#### **4.8.3.2 Conflicts between spreads**

If two spreads are in conflict, the calendar spread closest to expiry will have priority.

### **4.8.4 THIRD ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.8.1 and the ancillary procedures in 4.8.2 and 4.8.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on the available market information. They may also disregard any event (trade, bid or offer) which occurs [close to 3:00pm, or close to 1:00pm on early closing days, near the end of the regular trading session](#) and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

## **4.9 CANADIAN SHARE FUTURES CONTRACTS**

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of the trading session for all contract months.

#### **4.9.1 MAIN PROCEDURE**

- **Booked orders**

If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. The order must have been posted for 20 seconds or longer prior to the close and its size must be for a total of 10 contracts or more.

- **Last trades**

If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

#### **4.9.2 FIRST ANCILLARY PROCEDURE**

When two contract months and the spread are trading (quarterly calendar roll), the ancillary procedure of this section will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the average trading price of the last minute and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

#### **4.9.3 SECOND ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.9.1 and the ancillary procedure in 4.9.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous day settlement. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

#### **4.9.4 THIRD ANCILLARY PROCEDURE**

In the absence of the items required to apply the main procedure in 4.9.1 and the ancillary procedures in 4.9.2 and in 4.9.3, market officials will establish the daily settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs near the end of the regular trading session and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.