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CIRCULAR
June 22, 2005

REQUEST FOR COMMENTS

TWO-YEAR GOVERNMENT OF CANADA BOND FUTURES CONTRACT (CGZ)

AMENDMENTS TO THE CONTRACT SIZE ARTICLES 6801, 15003, 15603 AND 15606

Summary

Bourse de Montréal Inc. (the Bourse) evaluated the possibility of increasing the contract size of the CGZ contract from C\$100,000 to C\$200,000.

The purpose of the proposed amendments to articles 6801, 15603 and 15606 and the deletion of article 15003 of the Rules of the Bourse that relate to the contract size of the 2-year CGZ bond futures contract are as follows:

- 1) to adopt a larger sized CGZ contract for cost effectiveness considerations; and
- 2) to offer market participants that use the 2-year US Treasury Note futures contract whose size is \$US200,000.00, the same contract size of \$CA200,000.00 for the CGZ. The CBOT 2-yr US Treasury Note averaged daily volumes of 82,640 contracts (+174%) in 2005 compared to 30,144 contracts in 2004 which is an indication of the success of a larger sized contract.

Process for Changes to the Rules

Bourse de Montréal Inc. is recognized as a self-regulatory organization (SRO) by the Autorité des marchés financiers (the Autorité). In accordance with this recognition, the Bourse carries on activities as an exchange and as a SRO in Québec. In its SRO capacity, the Bourse assumes market regulation and supervision responsibilities of its approved participants. The responsibility for regulating the market and the approved participants of the Bourse comes under the Regulatory Division of the Bourse (the Division). The Division carries on its activities as a distinct business unit separate from the other activities of the Bourse.

Circular no.: 093-2005

The Board of Directors of the Bourse has the power to approve the adoption or amendment of various Rules and Policies of the Bourse. The Board of Directors has delegated to the Rules and Policies Committee of the Bourse its powers to approve or amend its Rules and Policies. These changes are submitted to the Autorité for approval.

Comments on the proposed amendments to articles 6801, 15603 and 15606 and deletion of article 15003 of the Rules of the Bourse must be submitted within 30 days following the date of publication of the present notice in the bulletin of the Autorité. Please submit your comments to:

*Ms. Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary
Bourse de Montréal Inc.
Tour de la Bourse
P.O. Box 61, 800 Victoria Square
Montréal, Quebec H4Z 1A9
E-mail: legal@m-x.ca*

A copy of these comments shall also be forwarded to the Autorité to:

*Ms. Anne-Marie Beaudoin
Director – Secretariat of L'Autorité
Autorité des marchés financiers
800 Victoria Square, 22nd Floor
P.O. Box 246, Tour de la Bourse
Montréal (Quebec) H4Z 1G3
E-mail: consultation-en-cours@lautorite.qc.ca*

Appendices

For your information, you will find in appendices an analysis document of the proposed rule amendments, amended characteristics of the product as well as the proposed regulatory text. The implementation date of the proposed amendments will be determined, if applicable, with the other Canadian self-regulatory organizations following approval by the "Autorité des marchés financiers".