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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 24, 2013

SELF-CERTIFICATION

STANDARD MONTHLY SATURDAY EXPIRY PROCESSING MOVE TO FRIDAY EVENING

MODIFICATIONS TO EQUITY OPTIONS CONTRACT SPECIFICATIONS AND OPTIONS ON EXCHANGE-TRADED FUND CONTRACT SPECIFICATIONS

AND

MODIFICATIONS TO ARTICLE 6637 OF RULE SIX OF THE RULES OF BOURSE DE MONTRÉAL INC.

The Rules and Policies Committee of Bourse de Montréal Inc. (the **Bourse**) has approved amendments to the Equity Options and Options on Exchange-Traded Fund contract specifications and to article 6637 of Rule Six of the Bourse in order to specify that expiry will occur on the last trading day, as opposed to the day following the last trading day. These changes are necessary so as to maintain consistency of expiration processing with the U.S. and European markets.

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). Amendments to Rule Six of the Bourse and to the Equity Options and Options on Exchange-Traded Fund contract specifications, which are enclosed, are effective on **May 24, 2013**.

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

Pauline Ascoli
Vice-President, Legal Affairs, Derivatives
Bourse de Montréal Inc.

Circular no.: 099-2013

Tour de la Bourse
P.O. Box 61, 800 Victoria Square, Montréal, Quebec H4Z 1A9
Telephone: 514 871-2424
Toll-free within Canada and the U.S.A.: 1 800 361-5353
Website: www.m-x.ca

Section 6621 - 6650
Trading - Options

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)

- 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 options on exchange-traded funds, index options and currency options~~index participation units, ~~the expiration will occur on date shall be the Saturday following the third Friday of the contract expiration month, provided it is a business day. If it is not a business day, expiration will occur on the first preceding business day. 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 or, if the Bank of Canada exchange rate fixing is not published 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.~~
- 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.

EQUITY OPTIONS

Specifications

Trading Unit

100 shares of companies eligible for option listing.

Contract Months

Listing under short cycle (the next three consecutive calendar months). Equity options classes will move from the short cycle to the regular cycle depending on a daily average volume.

Regular full cycle: two nearest months plus two quarterly months as defined in the expiry cycle: http://www.m-x.ca/f_publications_en/cycles_opt_en.pdf (-pdf).

Annual expiry of January for terms of one year or greater (long term).

Price Quotation

Quoted in Canadian currency.

Last Trading Day/Expiration

Equity options trading ceases on the 3rd Friday of the contract month, providing it be a business day; if not, the 1st preceding day. Options ~~will~~ expire on the ~~Saturday following the~~ last trading day.

Contract Type

American style. Exercise is carried out via the Canadian Derivatives Clearing Corporation (CDCC) and delivery is carried out via the CDS Clearing and Depository Services Inc., on the 3rd business day following the exercise date.

Price Fluctuation

- Minimum fluctuations of C\$0.01 for option price lower than C\$0.10.
- Minimum fluctuations of C\$0.05 for option price equal or higher than C\$0.10.

The premium per contract is obtained by multiplying the quote by 100 (e.g.: quote of C\$2.75 X 100 = C\$275).

Since July 27, 2007, certain options classes are subject to new minimum quotation spreads. For more information on penny trading refer, to [circular 031-12-circular 031-13](http://www.m-x.ca/f_circulaires_en/031-13_en.pdf): http://www.m-x.ca/f_circulaires_en/031-13_en.pdf

Strike Prices

5 exercise prices bracketing the current underlying market price.

Reporting Limit

250 option contracts.

Price Limits

A trading halt will be invoked in conjunction with the triggering of "circuit breakers" in the underlying.

Trading Hours (Montréal time)

9:30 a.m. to 4:00 p.m.

The regular session of the equity option market will open at 9:30am. Each option class will then open for trading when a trade occurs on its underlying security on a recognized Canadian exchange. If no such trade has yet occurred, the option class will open for trading at 9:35am.

Specifications - Trading
09.12.11, 04.02.12, [24.05.13](#)

OPTIONS ON ETFs

Specifications

Trading Unit	100 shares of one of the exchange-traded funds.
Contract Months	<p>Nearest three months plus the next two months in the designated quarterly cycle <u>of</u> March, June, September and December.</p> <p>Annual expiry of March (long term).</p>
Price Quotation	Quoted in Canadian currency.
Last Trading Day/Expiration	Trading ceases on the 3rd Friday of the contract month, providing it be a business day; if not, the 1st preceding day. Options <u>will</u> expire on the <u>Saturday following the</u> last trading day.
Contract Type	American style. Exercise is carried out via the Canadian Derivatives Clearing Corporation (CDCC) and delivery is carried out via the CDS Clearing and Depository Services Inc., on the 3rd business day following the exercise date.
Price Fluctuation	<ul style="list-style-type: none">• C\$0.01 for premiums of less than C\$0.10• C\$0.05 for premiums of C\$0.10 and up <p>For more information on penny trading refer, to ircular <u>031-12</u> ircular <u>031-13</u>: http://www.m-x.ca/f_circulaires_en/031-13_en.pdf.</p>
Strike Prices	<ul style="list-style-type: none">• Set at a minimum of C\$0.50 intervals• Set at a minimum of C\$1.00 intervals (long term)
Reporting Limit	500 contracts contracts on the same side of the market in all contract months combined.
Price Limits	A trading halt will be invoked in conjunction with the triggering of "circuit breakers" in the underlying stocks.
Trading Hours (Montréal time)	<p>9:30 a.m. to 4:00 p.m.</p> <p>The regular session of the equity option market will open at 9:30am. Each option class will then open for trading when a trade occurs on its underlying security on a recognized Canadian exchange. If no such trade has yet occurred, the option class will open for trading at 9:35am.</p>
Specifications - Trading 09.12.11, 02.04.12, 24.05.13	