CIRCULAR 116-18
July 9, 2018

SELF-CERTIFICATION

AMENDMENTS TO THE RULES AND PROCEDURES OF BOURSE DE MONTRÉAL INC. TO ACCOMMODATE THE EXTENSION OF ITS TRADING HOURS

On November 9, 2017, the Rules and Policies Committee of Bourse de Montréal Inc. (the "**Bourse**") has approved amendments to the Rules and Procedures of the Bourse in order to accommodate the extension of the Bourse's trading hours. In fact, the Bourse will extend its trading hours by opening its market at 2:00 am ET rather than the current 6:00 am ET open. These amendments were self-certified in accordance with the self-certification process as established in the *Derivatives Act* (CQLR, Chapter I-14.01).

These amendments, as attached, will become effective on **Friday October 5, 2018**, after market close. Therefore, the first trading day with the extended hours schedule will be **Tuesday October 9, 2018**. Please note that the revised rules and procedures will also be available on the Bourse's website (www.m-x.ca).
The amendments described in the present circular were published for public comment by the Bourse on November 14, 2017 (see Circular 165-17). Further to the publication of this circular, the Bourse has received comments. A summary of the comments received as well as responses from the Bourse to these comments is attached hereto. In addition, at the request of the Investment Industry Association of Canada ("**IIAC**"), the Bourse has attached to this circular IIAC's comment letter dated January 30, 2018 and the Bourse's response letter dated April 13, 2018.

Participants, users and prospective participants and users of the Bourse and their respective representatives are responsible for ensuring that they are acting in compliance with the applicable laws and regulatory requirements, in their home jurisdiction and in Canada, and should therefore seek their own legal advice when considering entering orders on the Bourse from Canada or outside of Canada. Among other considerations, Approved Participants seeking to register employees of their affiliated corporations or subsidiaries as their own Approved Persons with the Bourse (see Circular 111-18) should be mindful of the registration requirements this could trigger either in their home jurisdiction, in Canada and in other applicable jurisdictions. Registration requirements for finance professionals in Canada are determined by each province or territory's securities authority and the Investment Industry Regulatory Organization of Canada (IIROC). Approved Person status granted by the Bourse does not supersede or provide an exemption from other applicable registration requirements.

For additional information, please contact Martin Jannelle, Legal Counsel, at 514-787-6578 or by email at martin.jannelle@tmx.com.

Martin Jannelle
Legal Counsel
Bourse de Montréal Inc.

RULE ONE
REGULATIONS OF THE BOURSE

1101 General
(17.12.81, 21.11.85, 02.09.03)

The Regulations of the Bourse as defined herein shall be binding on all approved participants, partners, shareholders, directors, officers, employees, registered representatives, investment representatives and other approved persons of approved participants and on all permit holders. They shall apply without any territorial restrictions whatsoever.

1102 Definitions
(07.09.99, 31.01.01, 08.07.02, 02.09.03, 17.06.05, 30.07.13, 17.07.15, 01.12.17, 15.06.18, 11.07.18, 00.00.00)

The following is an alphabetical index of each term defined in English in this article with the corresponding French term in brackets.

Approved Lenders (Prêteurs autorisés)
Approved Participant (Participant agréé)
Approved Persons (Personnes approuvées)
Bankruptcy Act (Loi sur la faillite)
Board of Directors of the Bourse (Conseil d'administration de la Bourse)
Bond (Obligation)
Bourse Approval (Approbation de la Bourse)
Bourse or The Bourse (Bourse)
Call (Option d'achat)
CDCC (CCCPD)
CDCC Option (Option CCCPD)
Chartered Bank (Banque à charte)
Class of Options (Classe d'options)
Clearing Approved Participant (Participant agréé compensateur)
Clearing Corporation (Corporation de compensation)
Client Account (Compte client)
Closing Trade (Options and futures contracts) (Opération de liquidation-Options et contrats à terme)
Corporate Approved Participant (Participant agréé corporatif)
Current Index Value (Valeur courante de l'indice)
Cycle (Cycle)
Dealer (Négociant)
Debt (Dette)
Defaulter (Défaillant)
Delivery (Livraison)
Delivery or Settlement Month (Mois de livraison ou de règlement)
Derivative Instrument (Instrument dérivé)
Designated Representative (Représentant attitré)
Director (Administrateur)
Disciplinary Committee (Comité de discipline)
Escrow Receipt (Récépissé d'entiercement)
Exchange Contract (Contrat de bourse)

Exercise (Lever)
Exercise Price (Prix de levée)
Financial Institution (Institution financière)
Firm Account or **Approved Participant Account** (Compte de firme ou compte de participant agréé)
Foreign Approved Participant (Participant agréé étranger)
Futures Contract (Contrat à terme)
Futures Contract on Index (Contrat à terme sur indice)
Guaranteeing (Garantissant)
Hedger (Contrepartiste)
Holding Company (Société de portefeuille)
In-the-money (En jeu)
Index Option (Option sur indice)
Index Participation Unit (IPU) (Unité de participation indicielle (UPI))
Industry Investor (Investisseur de l'industrie)
Industry Member (Membre de l'industrie)
Intercommodity Spread (futures contracts) (Position mixte inter-marchandise – contrats à terme)
Intermarket Spread (futures contracts) (Position mixte inter-marché – contrats à terme)
Introducing Broker (Courtier remisier)
Investment (Investissement)
Jitney (Jitney)
Listed Product (Produit inscrit)
Long Position (futures contracts) (Position acheteur - contrats à terme)
Long Position (options) (Position acheteur - options)
Major Position (Position importante)
Margin (Marge)
Market Maker (Mainteneur de marché)
Market Maker Account (Compte de mainteneur de marché)
Market Maker Agreement (Convention de mainteneur de marché)
Market Maker Assignment (Assignation à titre de mainteneur de marché)
Officer (Dirigeant)
Omnibus Account (Compte omnibus)
Open Interest (Intérêt en cours)
Open Position (Position en cours)
Opening Purchase Transaction - (options and futures contracts)
(Achat initial – options et contrats à terme)
Opening Trade (Opération initiale)
Opening Writing Transaction - options and futures contracts
(Vente initiale – options et contrats à terme)
Option Contract (Contrat d'option)
Out-of-the-money (Hors jeu)
Outside Investor (Investisseur externe)
Outstanding (En cours)
Over-the-counter Trade (Opération hors bourse)
Parent Company (Société-mère)
Participating Securities (Valeurs participantes)
Partnership (Société de personnes)
Partnership Approved Participant (Participant agréé en société)
Permit Holder (Détenteur de permis)
Person (Personne)
Premium (Prime)
Professional Account (Compte professionnel)

Put (Option de vente)
Recognized Exchange (Bourse reconnue)
Regulations of the Bourse (Réglementation de la Bourse)
Related Firm (Entreprise liée)
Rules (Règles)
Rulings (Ordonnances)
Securities (Valeurs mobilières)
Securities Act (Loi sur les valeurs mobilières)
Security Deposit (Dépôt de garantie)
Series of Options (Série d'options)
Settlement Price (Prix de règlement)
Share Futures Contract (Contrat à terme sur actions)
Short Position (futures contracts) (Position vendeur - contrats à terme)
Short Position (options) (Position vendeur - options)
Special Committee (Comité spécial)
Spread Position (futures contracts) (Position mixte – contrats à terme)
Trade (Opération)
Trader (Négociateur)
Trading Day (Jour de négociation)
Trading Permit (Permis de négociation)
Uncovered (À découvert)
Underlying Index (Indice sous-jacent)
Underlying Interest (Valeur sous-jacente)
Unit of Trading (Quotité de négociation)
Voting Securities (Valeurs mobilières avec droit de vote)

Throughout the Regulations of the Bourse, unless the subject matter or context otherwise requires:

[…]

Trading Day means, with respect to each Listed Product, a business day during which trading of the Listed Product is permitted on the electronic trading systems of the Bourse, during hours determined by the Bourse from time to time, and may be composed of one or more trading sessions, as the case may be.

RULE ONE
REGULATIONS OF THE BOURSE

1101 General
(17.12.81, 21.11.85, 02.09.03)

The Regulations of the Bourse as defined herein shall be binding on all approved participants, partners, shareholders, directors, officers, employees, registered representatives, investment representatives and other approved persons of approved participants and on all permit holders. They shall apply without any territorial restrictions whatsoever.

1102 Definitions
(07.09.99, 31.01.01, 08.07.02, 02.09.03, 17.06.05, 30.07.13, 17.07.15, 01.12.17, 15.06.18, 11.07.18, 00.00.00)

The following is an alphabetical index of each term defined in English in this article with the corresponding French term in brackets.

Approved Lenders (Prêteurs autorisés)
Approved Participant (Participant agréé)
Approved Persons (Personnes approuvées)
Bankruptcy Act (Loi sur la faillite)
Board of Directors of the Bourse (Conseil d'administration de la Bourse)
Bond (Obligation)
Bourse Approval (Approbation de la Bourse)
Bourse or The Bourse (Bourse)
Call (Option d'achat)
CDCC (CCCPD)
CDCC Option (Option CCCPD)
Chartered Bank (Banque à charte)
Class of Options (Classe d'options)
Clearing Approved Participant (Participant agréé compensateur)
Clearing Corporation (Corporation de compensation)
Client Account (Compte client)
Closing Trade (Options and futures contracts) (Opération de liquidation-Options et contrats à terme)
Corporate Approved Participant (Participant agréé corporatif)
Current Index Value (Valeur courante de l'indice)
Cycle (Cycle)
Dealer (Négociant)
Debt (Dette)
Defaulter (Défaillant)
Delivery (Livraison)
Delivery or Settlement Month (Mois de livraison ou de règlement)
Derivative Instrument (Instrument dérivé)
Designated Representative (Représentant attitré)
Director (Administrateur)
Disciplinary Committee (Comité de discipline)
Escrow Receipt (Récépissé d'entiercement)
Exchange Contract (Contrat de bourse)

Exercise (Lever)
Exercise Price (Prix de levée)
Financial Institution (Institution financière)
Firm Account or **Approved Participant Account** (Compte de firme ou compte de participant agréé)
Foreign Approved Participant (Participant agréé étranger)
Futures Contract (Contrat à terme)
Futures Contract on Index (Contrat à terme sur indice)
Guaranteeing (Garantissant)
Hedger (Contrepartiste)
Holding Company (Société de portefeuille)
In-the-money (En jeu)
Index Option (Option sur indice)
Index Participation Unit (IPU) (Unité de participation indicielle (UPI))
Industry Investor (Investisseur de l'industrie)
Industry Member (Membre de l'industrie)
Intercommodity Spread (futures contracts) (Position mixte inter-marchandise – contrats à terme)
Intermarket Spread (futures contracts) (Position mixte inter-marché – contrats à terme)
Introducing Broker (Courtier remisier)
Investment (Investissement)
Jitney (Jitney)
Listed Product (Produit inscrit)
Long Position (futures contracts) (Position acheteur - contrats à terme)
Long Position (options) (Position acheteur - options)
Major Position (Position importante)
Margin (Marge)
Market Maker (Mainteneur de marché)
Market Maker Account (Compte de mainteneur de marché)
Market Maker Agreement (Convention de mainteneur de marché)
Market Maker Assignment (Assignation à titre de mainteneur de marché)
Officer (Dirigeant)
Omnibus Account (Compte omnibus)
Open Interest (Intérêt en cours)
Open Position (Position en cours)
Opening Purchase Transaction - (options and futures contracts)
(Achat initial – options et contrats à terme)
Opening Trade (Opération initiale)
Opening Writing Transaction - options and futures contracts
(Vente initiale – options et contrats à terme)
Option Contract (Contrat d'option)
Out-of-the-money (Hors jeu)
Outside Investor (Investisseur externe)
Outstanding (En cours)
Over-the-counter Trade (Opération hors bourse)
Parent Company (Société-mère)
Participating Securities (Valeurs participantes)
Partnership (Société de personnes)
Partnership Approved Participant (Participant agréé en société)
Permit Holder (Détenteur de permis)
Person (Personne)
Premium (Prime)
Professional Account (Compte professionnel)

Put (Option de vente)
Recognized Exchange (Bourse reconnue)
Regulations of the Bourse (Réglementation de la Bourse)
Related Firm (Entreprise liée)
Rules (Règles)
Rulings (Ordonnances)
Securities (Valeurs mobilières)
Securities Act (Loi sur les valeurs mobilières)
Security Deposit (Dépôt de garantie)
Series of Options (Série d'options)
Settlement Price (Prix de règlement)
Share Futures Contract (Contrat à terme sur actions)
Short Position (futures contracts) (Position vendeur - contrats à terme)
Short Position (options) (Position vendeur - options)
Special Committee (Comité spécial)
Spread Position (futures contracts) (Position mixte – contrats à terme)
Trade (Opération)
Trader (Négociateur)
Trading Day (Jour de négociation)
Trading Permit (Permis de négociation)
Uncovered (À découvert)
Underlying Index (Indice sous-jacent)
Underlying Interest (Valeur sous-jacente)
Unit of Trading (Quotité de négociation)
Voting Securities (Valeurs mobilières avec droit de vote)

Throughout the Regulations of the Bourse, unless the subject matter or context otherwise requires:

[…]

Trading Day means, with respect to each Listed Product, a business day during which trading of the Listed Product is permitted on the electronic trading systems of the Bourse, during hours determined by the Bourse from time to time, and may be composed of one or more trading sessions, as the case may be.

RULE SIX

TRADING

A. GENERAL FRAMEWORK AND PROCEDURES

[…]

Section 6201 - 6210
Trading Sessions of The Exchange

6201 Daily Trading Sessions
(03.07.87, 10.10.91, 05.12.97, 02.10.98, 22.11.99, 28.07.14, 00.00.00)

a) Except as may be otherwise determined by the Bourse, trading sessions shall be held on the Bourse every day except Saturdays, Sundays and holidays.

b) If certain urgent events require it, market opening and closing times are established by the Bourse.

These times may be different for each category of L~~l~~isted P~~p~~roducts. An advance notice must be given to approved participants of any changes.

[…]

6203 Suspension of Trading Sessions
(10.10.91, 28.07.14, 00.00.00)

When urgent circumstances warrant it, the Bourse may suspend trading for one trading session or more, or any part of a trading session.

[…]

Section 6211 - 6240
Bids, Offers, Transactions

6211 Validity of Bids and Offers
(10.10.91, 22.11.99)

To be valid, bids and offers must be made :

a) during a trading session, or a Trading Day, as the case may be;

b) made to all members generally and without discrimination ;

c) in the manner prescribed by the Rules and Procedures established by the Exchange .

[…]

Section 6301 - 6320
Restrictions on Trading

6301 Bids, Asks and Trades at the Close of a Trading Day~~Session~~
(10.10.91, 00.00.00)

At the close of a T~~t~~rading Day~~session~~, no person shall enter or accept to enter a bid or an ask, nor execute a trade for the purpose of establishing an artificial price or effecting a high or low closing price in a listed security.

6302 Unreasonable Quotations May Be Disallowed
(10.10.91, 00.00.00)

At the close of any T~~t~~rading Day~~session~~ of the Exchange, if the buying and selling quotations are at the same price, or are more than five per cent apart, a Floor Official may refuse to allow either or both of them to be recorded; he may also refuse to allow any unreasonable quotations to be recorded at any time.

[…]

Section 6365- 6401
Electronic Trading of Derivatives Instruments Traded on the Bourse

[…]

6368 Trading Stages
(25.09.00, 24.09.01, 12.09.14, 02.10.17, 00.00.00)

The following is a list of trading stages:

- Pre-opening

  No-cancellation stage – Lasting for a time period as prescribed by the Bourse not exceeding the last 2 minutes of the Pre-opening stage , orders cannot be cancelled or CFO'ed (Modification of an order). Orders can only be entered.

- Opening/ Closing

- Market Session (Continuous Trading)

  Depending on the product, trading stages and no-cancellation stage may vary, as determined by the products specifications.

Intra-session Auction Period

Intra-session auction periods will be determined and scheduled by the Bourse from time to time. The Bourse will determine and publish the list of derivative instruments subject to intra-session auctions, the number of intra-session auctions for each selected derivative instrument during one T~~t~~rading Day~~session~~, and the trading hours of such intra-session auctions including, without limitation, the time periods for:

- the pre-auction stage;

- the no-cancellation stage; and
- when applicable, the random opening of the intra-session auctions;

the whole customized for each derivative instrument and reassessed by the Bourse from time to time.

6369 Orders
(25.09.00, 24.09.01, 29.10.01, 24.04.09, 26.06.15, 22.01.16, 15.06.18, 00.00.00)

1) To be considered valid, an order must specify the name or symbol of the Listed Product, whether it is a buy or sell order, the quantity of units, explicit instructions regarding the trading price and the conditions which must be met prior to the order becoming effective, and the type and duration qualifier of the order.

2) The types of orders which can be entered into the electronic trading system are as follows:

a) Market order (best limit; bid/ask)

i) A Market order is executed at the best limit that is available on the other side of the market at the moment the order is introduced into the electronic trading system, at the quantity available at this limit. If the order is partially filled, the unfilled quantity becomes a limit order at the price the first part of the order was executed.

ii) A Market order can only be entered during the Market Session (Continuous Trading).

iii) A Market order is only accepted by the system if a price limit exists on the other side.

b) Limit order

An order to buy or sell at a specified price, or better.

c) Stop limit order

i) An order to buy or sell which becomes a limit order once the contract has traded at the stop-price or higher in the case of a buy order; at the stop-price or lower in the case of a sell order.

ii) If more than one stop order has the same trigger price, then the first in, first out basis (FIFO) rule will apply. Once the stop order becomes a limit order, a new time priority is given to it.

iii) Stop limit orders can only be entered as day orders.

d) Opening / Closing price order (Market on Open and Market on Close)

i) An order which must be input during the pre-opening / pre-closing session by which a trader is the buyer or the seller of contracts at the opening / closing price as defined by the electronic trading system at the pre-opening / pre-closing session. Therefore, this order must be input during the pre-opening / pre-closing session.

ii) If an opening price order is not filled in full, the order is assigned the opening price Calculated Theoretical-Opening (CTO) as defined in article 6375 of the Rules, as its new limit.

e) Hidden quantity order

An order that enables a trader to hide a certain quantity of the order to the market by displaying to the market only that portion of the total order which has been initially parameterized by the user to be seen by the market. The hidden quantity, which is the remainder of the order, is seen only by the Bourse. When the order is executed for the disclosed quantity, it is renewed for the same disclosed quantity but positioned at the end of the queue at the same limit. It loops until the whole order quantity (total quantity) has been filled.

f) Committed order

An order that can only be matched with another opposite committed order that meet the following conditions:

i) The identification code on the initial order matches the identification code of the Approved Participant entering the opposite order;
ii) The identification code on the opposing order matches the identification code of the Approved Participant that entered the initial order;
iii) Both orders are entered with the same price and for the same quantity, *provided however*, that such price is between the best bid and the best offer at the time of the transaction;
iv) Both orders must be entered during the same trading session. Otherwise, the initial order will automatically be cancelled.

g) Implied order

An order generated by the implied pricing algorithm using order registered in the order book by the the electronic trading system.

3) Each order must include a duration qualifier which determines the period during which the order remains in effect. All orders are deemed to be Day Orders, unless otherwise specified. The duration qualifiers are as follows:

a) Day order

An order to buy or sell valid only for the Trading D~~d~~ay it is given.

b) Good 'til date (G.T.D)

An order that remains effective until it is executed or has reached the specified date.

c) Good 'til cancel (G.T.C)

An order that remains effective until it is cancelled or until the end of expiry month.

d) While connected order

Unexecuted Day Order which is automatically withdrawn from the Bourse’s central order book in the event that the Approved Participant’s server through which the order was transmitted is disconnected from the Bourse.

4) The Bourse may decide that certain types of orders are not available.

[…]

6371 Cancel of orders (CXL)
(25.09.00, 24.09.01, 02.10.17, 00.00.00)

An order can be cancelled at any time during the Trading D~~d~~ay except if it has been filled, if trading is in the no-cancellation stage of the pre-opening or pre-closing stages, or if trading is in the no-cancellation stage of an intra-session auction.

6372 Modification of orders (CFO)
(25.09.00, 24.09.01, 02.10.17, 00.00.00)

An order can be CFO’ed at any time during the Trading D~~d~~ay except if it has been filled if trading is in the no-cancellation stage of the pre-opening or pre-closing stages, or if trading is in the no-cancellation stage of an intra-session auction.

Furthermore:

a) when the quantity of the order is decreased, it retains its priority in the system;

b) when the quantity of the order is increased or its price modified, it is treated as a new order;

c) upon the modification of any order's characteristic, a new ticket must be completed and time-stamped. If not, the original ticket will be time-stamped again;

d) upon a quantity's reduction, the new ticket retains the initial priority. However, upon a quantity's increase, the new ticket acquires a new priority;

e) for any other modification to the initial ticket, the new ticket is considered as a new order.

[…]

6375 Allocation of tradeable orders
(25.09.00, 24.09.01, 29.10.01, 22.01.16, 02.10.17, 17.01.18)

a) Pre-opening, Pre-closing and Intra-session Auctions

During the pre-opening stage and the pre-closing stage of the T~~t~~rading D~~d~~ay, and during the pre-auction stage of an intra-session auction period, orders are entered but no trades are generated until the end of the stage. The electronic trading system will calculate the opening price, the closing price or the auction price, as the case may be, using the Calculated Theoretical-Opening price methodology (CTO).

The CTO price represents the overlapping bid/ask price range that results in the maximum possible trade volume.

When there is more than one possible CTO at which the maximum volume is reached, the price with the lowest residual is used. Furthermore under the following conditions:

- if there is an imbalance on the buy side, the highest price is taken;
- if there is an imbalance on the sell side, the lowest price is taken; and
- where the residuals are the same, the price which is closest to the previous settlement is taken.

Stop limit orders do not enter into the CTO calculation.

b) Market Session (Continuous Trading)

The electronic trading system allocates the tradeable orders first on a price basis, and then on a first in, first out basis (FIFO) except when part of the allocation is subject to an execution guarantee as defined by the Bourse. Stop limit orders in the electronic trading system shall be presented to the market as soon as their triggering limit is reached.

[…]

6380 Transactions Required on Bourse Facilities
(25.09.00, 24.09.01, 29.10.01, 31.01.05, 10.11.08, 29.01.10, 09.06.14, 21.01.16, 17.01.18, 09.02.18, 07.06.18, 15.06.18, 29.06.18, 00.00.00)

All trading in Listed Products must occur on or through the electronic trading system or in accordance with the rules of the Bourse.

6380a. Prearranged Transactions Prohibited.

No Person shall prearrange or execute noncompetitively any transaction on or through the electronic trading system of the Bourse, except as permitted by, and in accordance with article 6380b.

6380b. Exceptions to Prohibition on Prearranged Transactions.

The prohibition in article 6380a shall not apply to prearranged transactions pursuant to article 6380c; Block Trades pursuant to article 6380d; Riskless Basis Cross Trades pursuant to article 6380e; Exchange For Related Positions pursuant to articles 6815; and transfers of open positions under article 6816; *provided however,* no transaction under any of the exceptions included in this article may be executed using a hidden volume functionality.

6380c. Prearranged transactions.

1) **In general.**

For the purpose of this article, “communication” means any communication for the purpose of discerning interest in the execution of a transaction prior to the exposure of the order to the market. Any communication that relates to the size, side of market or price of an order, or a potentially forthcoming order, constitutes a communication to prearrange a transaction.

The parties to a transaction may engage in communications to prearrange a transaction on the electronic trading system in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

i) A customer must consent to the Approved Participant engaging in prearranging communications on the customer's behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;

ii) After the first order for the prearranged transaction is entered into the electronic trading system the parties may not enter the second order for the prearranged transaction until the following specified time period has elapsed as follows:

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Overnight Index Swap Futures Contracts (OIS):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Government of Canada Bond Futures		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 second	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on Canada Carbon Dioxide Equivalent (CO2e) Units:		
All expiry months and strategies	5 seconds	No threshold

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
Futures Contracts on Canadian Crude Oil		
All expiry months and strategies	5 seconds	No threshold
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Equity, ETF and Currency Options:		
All expiry months	0 second	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts
All UDS Strategies	5 seconds	No Threshold
Index Options:		
All expiry months	0 second	≥ 50 contracts
All expiry months	5 seconds	< 50 contracts
All UDS Strategies	5 seconds	No Threshold
Canadian Share Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 second	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures and Options on Futures Inter-Group Strategies		
All strategies	5 seconds	No threshold

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

iii) The party that initiates communication regarding a prearranged transaction shall have his or her order entered into the electronic trading system first, unless the parties as part of their negotiation agree otherwise. The consent of the client, in whatever form, must be communicated to the Bourse upon request; provided however, that in a prearranged transaction between an Approved Participant and a customer for an equity, ETF or index option, the customer's order shall always be entered into the electronic trading system first, regardless of which party initiated the communication.

iv) Limit orders resting in the electronic trading system at the time that the first order of the prearranged transaction is entered at or better than the price of the first order shall be matched with the first order entered. Any residual, unfilled amount of the first order may be matched against the second order of the prearranged transaction when the second order is entered.

iv) Parties may not aggregate unrelated orders to meet the minimum threshold for a prearranged transaction.

v) The parties to the prearranging communications shall not disclose to any other party details of the negotiation or otherwise enter an order to take advantage of the negotiation during such communications except as permitted in this article.

2) **Committed Orders.** Committed orders may not be used to execute any transaction under article 6380c or article 6380f having a prescribed time delay longer than zero second, and may be used for such transactions only for the following products subject to the minimum volume threshold:

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	**MINIMUM VOLUME THRESHOLD**
All expiry months and strategies	
Futures Contracts on S&P/TSX and FTSE Emerging Markets Indices	100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts	250 contracts
Canadian Share Futures Contracts	100 contracts
All expiry months and excluding UDS strategies	
Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

3) **Transactions on eligible products with a prescribed time delay.** The parties may engage in communications to prearrange a transaction on the electronic trading system or via the User Defined Strategy Facility (UDS) where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the conditions in paragraph 1 of this article 6380c; *provided however*:

i) in the case of a prearranged transaction that is between the bid and ask on the electronic trading system and for an amount at or greater than the minimum threshold, the parties in their discretion may enter the prearranged transaction as a committed order with no delay, subject to the conditions in paragraph 2 of article 6380c; or

ii) in the case of a prearranged transaction that is on or between the bid and ask on the electronic trading system and for an amount at or greater than the minimum threshold, the parties enter the first and second orders of the prearranged transaction with no delay between the two, but nevertheless subject to execution risk (including the priority given resting limit orders at or better than the prearranged price).

4) **Equity, ETF, Index and Currency Option Transactions With 50% Guaranteed Minimum**

The parties to an option strategy transaction may engage in communications to prearrange the transaction where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

i) market makers are permitted to participate on the transaction up to a total maximum of 50% of the volume of the intended transaction;

ii) each Approved Participant must contact a Market Supervisor and provide details of the intended transaction including total quantity, price, side(s) of the transaction, a description of the legs comprising the strategy and identification of the agreed counterparty; and

iii) the Approved Participant will be permitted to execute the transaction for the remaining volume (a minimum of 50% plus any volume not taken of the 50% that had been offered to the market makers).

6380d. Block Trades

1) **In general.** Approved Participants of the Bourse may negotiate and execute a transaction off of the electronic trading system pursuant to the following conditions:

i) A block trade transaction may be arranged and executed only during trading hours on the Bourse for the eligible derivative.

ii) Block trades are only permitted in the derivative instruments and for a quantity which meets or exceeds the minimum volume thresholds as follows (only to the extent the eligible security or derivative instrument is available for trading):

Eligible derivatives instruments	Prescribed time delay (from 6AM until the end of the Trading Day)	Block - Minimum volume threshold (from 6AM until the end of the Trading Day)	Prescribed time delay (from 2AM until 5h59m59s)	Block - Minimum volume threshold (from 2AM until 5h59m59s)
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
30-Day Overnight Repo Rate Futures Contracts (ONX)	15 minutes	1,000 contracts	1 hour	250 contracts
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts	1 hour	50 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes	1,500 contracts	1 hour	350 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	500 contracts	1 hour	100 contracts
30-Year Government of Canada Bond Futures Contracts (LGB)	15 minutes	500 contracts	1 hour	100 contracts
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts	1 hour	100 contracts

Options on Three-Month Canadian Bankers Acceptance Futures Contracts	15 minutes	2,000 contracts	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies one through four (BAX Whites)	15 minutes	-	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight (BAX Reds)	15 minutes	1,000 contracts	1 hour	250 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies nine through twelve (BAX Greens)	15 minutes	500 contracts	1 hour	100 contracts

~~**ELIGIBLE DERIVATIVES**~~	~~**MINIMUM VOLUME THRESHOLD**~~
~~**30-Day Overnight Repo Rate Futures Contracts (ONX)**~~	~~1,000 contracts~~
~~**Overnight Index Swap Futures Contracts (OIS)**~~	~~200 contracts~~
~~**Ten-Year Government of Canada Bond Futures Contracts (CGB)**~~	~~1,500 contracts~~
~~**Two-Year Government of Canada Bond Futures Contracts (CGZ)**~~	~~500 contracts~~
~~**30-Year Government of Canada Bond Futures Contracts (LGB)**~~	~~500 contracts~~
~~**Five-Year Government of Canada Bond Futures Contracts (CGF)**~~	~~500 contracts~~
~~**Options on Three-Month Canadian Bankers' Acceptance Futures Contracts**~~	~~2,000 contracts~~
~~**Canadian Crude Oil Futures Contracts**~~	~~100 contracts~~
~~**Futures contracts on the FTSE Emerging Markets Index**~~	~~100 contracts~~
~~**Bankers' Acceptance Futures Contracts quarterlies five through eight (BAX Reds)**~~	~~1,000 contracts~~
~~**Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies nine through twelve (BAX Greens)**~~	~~500 contracts~~

iii) Where a block strategy involves the trading of different derivative instruments, or different contract months or premiums of the same instrument, each of derivatives of the strategy need meet only the lowest applicable threshold.

iv) Approved Participants may not aggregate separate orders in order to meet the minimum volume thresholds.

v) Each party to a block trade must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.

vi) The price at which a block trade is arranged must be "fair and reasonable" in light of (a) the size of the block trade; (b) currently traded prices and bid and ask prices in the same derivative instrument; (c) the underlying markets; and (d) general market conditions, all at the relevant time. The fairness and reasonableness of the price of a block trade priced at a basis to an index as permitted under paragraph 2 of this article may also take into account the following additional considerations: (e) financing rates, (f) expected dividend income, and (g) time remaining until the index futures contract expiration, all at the relevant time. Although there is no requirement for a block trade to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.

vii) Block trades shall not trigger special terms orders or otherwise affect orders on the electronic trading system.

viii) A block trade on a contract roll strategy is not permitted, except for the FTSE Emerging Markets Index futures contract.

ix) The details of a block trade must be reported by Approved Participants for both the buyer and seller to the Market Operations Department by telephone at 1-888-696-6366 or at 514-871-7871 and on a Block Trade Reporting Form, available on the Bourse's web site at http://www.m-x.ca/rob_formulaire_en.php, within 15 minutes of the Block Trade's execution.

x) Following validation of the trade details by the Bourse (which is not a confirmation by the Bourse that the block trade has been effected in accordance with this Article), the Bourse shall disseminate the trade and price information relating to the block trade.

xi) Upon request, the Approved Participant shall provide evidence that the block trade transaction has been effected in accordance with these Rules.

2) **Block Trades Priced at a Basis to Index Close.** Approved Participants may mutually agree to price a block trade at a positive or negative increment ("basis") to the price at which the index underlying an eligible contract will close ("BIC"), for any trading day except the last trading day of an expiring contract month, subject to the conditions in paragraph (1) of article 6380d and the following additional condition:

i) The Approved Participants shall report the basis along with other trade details in accordance with the requirements of paragraph 1) ix) of this article, and shall submit to the Bourse's Market Operations Department a second Block Trade Reporting Form which includes the agreed-upon basis, the closing level of the underlying index and the price of the block trade to the nearest 0.01 index point increment within the time required as follows:

ELIGIBLE DERIVATIVES	**MINIMUM VOLUME THRESHOLD**	**PRESCRIBED TIME BY WHICH TO FILE BLOCK TRADE REPORTING FORM**	**PRESCRIBED TIME BY WHICH TO FILE SECOND BLOCK TRADE REPORTING FORM** No sooner than
Futures contracts on the FTSE Emerging Markets Index	100 contracts	Within 15 minutes	9:30 p.m. GMT on the next trading day
Futures contracts on S&P/TSX indices and sectorial indices	100 contracts	Within 15 minutes	4:00 p.m. ET on the same trading day

6380e. Riskless Basis Cross Trades

1) **In general.** An Approved Participant and the customer may prearrange a transaction outside of the electronic trading system in which the price of a stock index futures contract or a share futures contract to the customer is determined to be the average price of cash market transactions entered into by and for the account of the Approved Participant in the components of the underlying index or the underlying security, respectively, plus a spread (basis) as mutually agreed between the Approved Participant and the customer, in accordance with the following conditions:

   a) Each party to a Riskless Basis Cross Trade must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.

   b) The parties may agree to either a fixed basis or to a guaranteed execution price of the cash component with the basis adjusted accordingly.

   c) To initiate the Riskless Basis Cross Transaction, the Approved Participant for its own account must first acquire positions (long or short exposure) in securities, baskets of securities, index participation units, or exchange-traded funds which, for an index, comprise no less than 80% of the underlying components of the applicable index and being reasonably correlated to the underlying index with a correlation coefficient (R) of 90% or greater, calculated using any generally accepted methodology. Although Approved Participants generally should purchase or sell all of the components of the index, an Approved Participant need not obtain any component security due to restrictions on the purchase or sale of the commodity by the Approved Participant or the customer, the unavailability of the component in the market due to a trading halt, illiquidity or other market conditions.

   d) The transaction shall be executed at the time agreed by the counterparties, which must be during the regular trading hours of the underlying index components or underlying interest until the end of the extended trading session at the Toronto Stock Exchange (TSX) and the same day that the cash position is completed by the Approved Participant, provided however, if obtaining the cash components of the underlying index cannot be competed in a single day, execution of the futures portion of the transaction shall be proportionate with the proportion of the cash market transactions completed during that day.

e) The Riskless Basis Cross transaction is executed by the Approved Participant reporting details of the transaction to the Market Operations Department on a “Special Terms Transaction Reporting Form” through the Bourse’s web page at http://sttrf-frots.m-x.ca, and allocating the agreed upon quantity of stock index futures contracts to the customer’s account.

f) There is no minimum size requirement to enter into a riskless basis cross transaction nor is there any time period following execution of the riskless basis cross transaction that the Approved Participant must maintain the cash market position.

g) The price at which the futures contract leg of the transaction is arranged must be “fair and reasonable” in light of (i) the size of the transaction (ii) traded prices and bid and ask prices in the same contract (iii) the volatility and liquidity of the relevant market and (iv) general market conditions all at the relevant time. Although there is no requirement for the futures contract leg of a riskless basis cross transaction to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.

h) Each riskless basis cross transaction must be reported to the Bourse in accordance with the procedures set by the Bourse. Such report must be in the form prescribed by the Bourse and must contain all the information required on such prescribed form.

i) Each party to a riskless basis cross transaction must keep full and complete records relating to the riskless basis cross transaction and must provide to the Bourse upon request complete records and documentary evidence relating to such transaction demonstrating that the transaction is a bona fide transaction and that it has been carried out in accordance with the conditions of this article.

i) The Bourse shall exclude riskless basis cross transactions from the daily settlement price procedures but not from daily volume figures. A record of each riskless basis cross shall appear in the “Transaction Report” maintained on the Bourse’s Web page http://www.m-x.ca/dailycrosses_en.php following it being registered by the Market Operations Department in the trading system and shall be specially marked and displayed in the systems (trading platform and data vendors) in the Bourse’s post trade recap.

6380f. Trading Against Customer Orders (Cross-Trades).

An Approved Participant may not knowingly, directly or indirectly, take the opposite side of a customer order for the Approved Participant’s own account, an account in which the Approved Participant has a direct or indirect financial interest or an account over which the Approved Participant has discretionary trading authority, unless:

a) the customer order has first been entered on the electronic trading system and exposed to the market for a minimum period of 5 seconds for futures and options; or

b) the transaction is otherwise, and explicitly permitted by, and carried out in accordance with, a rule of the Bourse; including, but not limited to prearranged transactions pursuant to article 6380c.

6381 Trade Cancellations and or Price Adjustments of Trades
(25.09.00, 24.09.01, 29.10.01, 24.04.09, 17.01.18, 23.02.18, 07.06.18, 00.00.00)

a) **General.** The Bourse may adjust trade prices or cancel trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the trading system. Notwithstanding any other provision of this article, the Bourse may adjust trade prices or cancel any trade executed through the trading system if the Bourse determines in its sole discretion that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market or the market's orderly operation. The decision of the Bourse in such matters shall be final.

b) **Review of Trades, Requests for Review.** The Bourse may review a trade or trades based upon its analysis of market conditions, including but not limited to market volatility, prices in related markets, or in response to a request for review of a specific trade by an Approved Participant. An Approved Participant must request review of a trade by calling the Market Operations Department of the Bourse at 514 871-7871 or 1-888-693-6366 within 15 minutes of execution; provided however, the Bourse, in its sole discretion, may extend the period in which an Approved Participant may request review of a trade up to one hour following execution in extraordinary circumstances.

c) **Notice to the Parties to the Transaction.** Where the Bourse on its own analysis determines to review a trade or trades for adjustment or cancellation, or where an Approved Participant has requested review of a specific trade and that trade is outside of the No Review Range provided under paragraph g) of this article, the Bourse will notify the parties to the trade that the trade or trades are under review by the Bourse**.**

d) **Price Adjustments and Cancellations Procedures.** Upon making a determination to review a trade, the Bourse shall (1) determine, in its sole discretion, the acceptable marker price, and (2) apply the increments provided under paragraph g) in order to determine the limits of the No Review Range.

i) **Trade Price Inside the No-Review Range**. If the Bourse determines that the trade price is inside the No Review Range, the Bourse will notify the two Approved Participant counterparties to the trade that the trade shall stand as executed; provided however, the Bourse may cancel such a trade within 15 minutes of the trade's execution and within the trading session during which the trade was executed (early, regular or extended), if both Approved Participant counterparties to the trade voluntarily consent to cancellation of the trade.

ii) **Trade Price Outside the No Review Range**. If the Bourse determines that the trade price is outside of the No-Review Range, the Bourse, after endeavoring to contact the Approved Participant counterparties, shall adjust the price to the limit of the No Review Range. The policy of the Bourse is to favor price adjustment as a remedy over trade cancellation and to adjust trades in order to minimize the impact for all market participants involved in the erroneous trades and particularly those who had a regular order in the order book. However, the Bourse, in its discretion, may cancel a trade rather than adjust the price if:

A) Both parties to the trade can be contacted within a reasonable delay and agree to the cancellation of the trade; and

B) Neither party to the trade is either an Approved Participant or the registered holder of a SAM ID.

iii) **Implied Orders, Implied Strategy Orders**.

A) An order generated by the implied pricing algorithm (using regular orders) and registered in the order book by the electronic trading system will be considered by the Bourse as though it were a regular order entered into the trading system by an Approved Participant.

B) An implied or regular strategy trade is considered by the Bourse, as being composed of two regular orders, one for each leg of the strategy trade. If the erroneous trade involves a linked implied order(s) and is priced outside the No Review Range, the initiator of the original error trade will be responsible for the trade resulting from the linked implied order(s).

C) The adjustment relating to an erroneous strategy trade will equal at least the increment between the No Review Range and the traded price on one of the individual legs, and no more than the sum of each individual legs' increments.

iv) **Stop Orders.** Trades that have occurred as a result of "stop orders" in the Trading System being triggered by an erroneous trade are also subject to cancellation by the Bourse acting in its sole discretion. The determination of the Bourse shall be final.

e) **Decision of the Bourse.** The Bourse shall endeavor to determine to adjust or cancel a trade within 30 minutes following a request to review the trade, or, as applicable, notice to the market that a trade or trades were being reviewed.

i) If the decision is to cancel the trade, the Bourse will remove the transaction as an executed trade from the records of the Bourse.

ii) Upon cancelation of a trade, the parties, if they choose, may reenter new orders into the trading system.

f) If the Bourse determines that a trade should not be adjusted or cancelled, the parties to the trade shall not themselves decide to cancel it by making a position transfer through the Canadian Derivatives Clearing Corporation.

g) **No Review Range.** The Bourse will determine the limits of the No Review Range by determining what was the acceptable market price for the derivative instrument before the trade under review occurred based upon all relevant information, including the last trade price, a better bid or offer, a more recent price for a related derivative instrument (for example a different expiry month) and the prices of similar derivative instruments trading on other markets Once the acceptable market price is established, the Bourse applies the following increments to determine the limits of the No Review Range.

DERIVATIVE INSTRUMENT	INCREMENT
Three-Month Canadian Banker's Acceptance Futures – BAX (all quarterly and serial months)	5 basis points
Three-Month Canadian Banker's Acceptance Futures – BAX Strategies: - Regular strategy orders - Implied strategy orders	 5 basis points Sum of the strategy's individual legs' increments.
Options on Three-Month Canadian Banker's Acceptance Futures	5 basis points
Two-Year Government of Canada Bond Futures (CGZ) - Regular strategy orders - Implied Strategy orders	20 basis points 20 basis points Sum of strategy's individual legs' increments
Five-Year Government of Canada Bond Futures (CGF) - Regular strategy orders - Implied Strategy orders	20 basis points 20 basis points Sum of strategy's individual legs' increments
Ten-Year Government of Canada Bond Futures (CGB) - Regular strategy orders	40 basis points 20 basis points
30-Year Government of Canada Bond Futures (LGB) - Regular strategy orders - Implied Strategy orders	40 basis points 40 basis points Sum of strategy's individual legs' increments
Options on Government of Canada Bond Futures	40 basis points
Futures Contracts on S&P/TSX Indices and on the FTSE Emerging Markets Index - Regular strategy orders and Basis Trade on Close	1% of the acceptable market price of these futures contracts 5% of the increments for the outright month

30-Day Overnight Repo Rate Futures Regular strategy orders	5 basis points 5 basis points
Overnight Index Swap Futures	5 basis points
Overnight Index Swap Futures – OIS Strategies: - Regular strategy orders - Implied strategy orders	5 basis points Sum of the strategy's individual legs' increments.
Futures and Options on Futures Inter-Group Strategies: - Regular strategy orders - Implied Strategy orders	Sum of strategy's individual legs' increments
Equity, Currency, ETF and Index Options Price ranges: Below $2.00 $2.00 to $5.00 Above $5.00 to $10.00 Above $10.00 to $20.00 Above $20.00 to $50.00 Above $50.00 to $100.00 Above $100.00	 $0.25 $0.40 $0.50 $0.80 $1.00 $1.50 $2.00
Equity, Currency, ETF and Index Options Strategies: - Regular strategy orders - Implied strategy orders	Sum of the strategy's individual legs' increments
Sponsored Options Price ranges: $0.001 to $0.99 $1.00 and up	 $0.25 $0.50
Canadian Share Futures Contracts; and Canadian Share Futures Contracts: Basis Trade on Close	1. 0.50$, if the acceptable market price of these futures contracts is less than 25$; 2. 1.00$, if the acceptable market price of these futures contracts is equal to or higher than 25$ but less than 100$; 3. 1% of the acceptable market price of these futures contracts if the acceptable market price of these futures contracts is equal to or higher than 100$.

Canadian Share Futures Contracts - Regular strategy orders	1. 0.12$, if the acceptable market price of these futures contracts is less than 25$; 2. 0.25$, if the acceptable market price of these futures contracts is equal to or higher than 25$ but less than 100$; 3. 0.25% of the acceptable market price of these futures contracts if the acceptable market price of these futures contracts is equal to or higher than 100$.
Futures Contracts on Canadian Crude Oil	5% of the acceptable market price of these futures contracts.

[…]

6393 Order Price Filter
(25.09.00, 24.09.01, 29.10.01, 17.01.18, 02.03.18, 00.00.00)

In order to minimize errors during order entry in the electronic trading system that may affect orderly trading, the Bourse establishes an order price filter for each Listed Product.

Any order exceeding the order price filter automatically will be rejected by the electronic trading system and the Person entering the rejected order will be notified. Unless otherwise specified in the Rules, the order price filter is determined by the Bourse before the start of the Ttrading Day ~~on every business day~~ based upon the previous day's settlement price and may be adjusted at any time by the Market Supervisor acting in his or her discretion, upon his or her own initiative or upon request. Any changes in the level of the order price filter shall be broadcast to the market.

The order price filter will not be re-adjusted intra-session for trading sessions during which the underlying exchange-traded products are not open for trading.

[…]

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, 07.05.15, 03.09.15, 00.00.00)

a) No transaction of options contracts in expiring series shall be made after the close of trading on the last Trading Dday ~~of trading~~.

b) In the case of equity options, bond options, exchange-traded fund options, index options and currency options other than weekly 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, the expiration date shall be the preceding business day.

In the case of futures options, the expiration date shall be the last Trading D~~trading d~~ay.

In the case of weekly index, equity and exchange-traded fund options, the expiration date shall be any of the five Fridays following the listing week which is a business day, but which is not an expiration day for any other options already listed on the same underlying. If any such Friday is not a business day, then the expiration date will be the first preceding business day that is not an expiration day for any other options already listed on the same underlying.

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.

[…]

OPTIONS ON TEN-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

6707 Last Trading Day ~~of Trading~~
(20.03.91, 17.12.91, 18.01.16, 00.00.00)

Trading ceases on the third Friday of the month preceding the option contract month provided that it is a business day and precedes by at least two business days the first notice day of the underlying futures.

If it is not a business day, the last Trading D~~d~~ay ~~of trading~~ of the option is the business day prior to such Friday and preceding by at least two business days the first notice day of the underlying futures.

6707.1 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last Trading D~~d~~ay ~~of trading~~.

[…]

REGULAR OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6752 Contract Type
(07.04.94, 18.01.16, 00.00.00)

A buyer of one regular Three-month Canadian Bankers' Acceptance futures option may exercise his option on any business day up to and including the last T~~t~~rading D~~d~~ay to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one regular Three-month Canadian Bankers' Acceptance futures option incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6757.1 Expiration Day
(18.01.16)

Expiration occurs on the last T~~t~~rading D~~d~~ay of the contract month.

[…]

SERIAL MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6763.2 Contract Type
(18.01.16, 00.00.00)

A buyer of one Serial Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last T~~t~~rading D~~d~~ay to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one Serial Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance futures (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6763.10 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last T~~t~~rading D~~d~~ay of the contract month.

[…]

ONE-YEAR QUARTERLY MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6764.2 Contract Type
(18.01.16, 00.00.00)

A buyer of one One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last T~~t~~rading D~~d~~ay to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6764.10 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last T~~t~~rading D~~d~~ay of the contract month.

[…]

TWO-YEAR QUARTERLY MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6765.2 Contract Type
(18.01.16, 00.00.00)

A buyer of one Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last T~~t~~rading D~~d~~ay to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6765.10 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last T~~t~~rading D~~d~~ay of the contract month.

[…]

OPTIONS ON THE S&P/TSX COMPOSITE INDEX BANKS (INDUSTRY GROUP)

[…]

6767.7 Last Trading Day
(18.01.16, 00.00.00)

Options on the S&P/TSX Composite Index Banks (Industry Group) cease trading on the T~~t~~rading D~~d~~ay prior to the expiration day.

[…]

EQUITY OPTIONS

[…]

6789.7 Last Trading Day
(18.01.16, 00.00.00)

Equity options cease trading on the third Friday of the contract month, provided it is a business day. If it is not a business day, the first preceding business day is the last T~~t~~rading S~~d~~ay.

6789.8 Expiration Day
(18.01.16, 00.00.00)

The expiration day for an equity option contract is the last T~~t~~rading D~~d~~ay of the contract month.

[…]

CURRENCY OPTIONS

[…]

6795.1 Expiration Day
(18.01.16)

The expiration day for currency options is the last T~~t~~rading D~~d~~ay of the contract month.

[…]

OPTIONS ON EXCHANGE-TRADED FUNDS

[…]

6796.8 Expiration Day
(18.01.16, 00.00.00)

The expiration day of an exchange-traded fund option is the last T~~t~~rading D~~d~~ay of the contract month.

[…]

D. SPECIAL RULES FOR TRADING FUTURES CONTRACTS

Section 6801 - 6820
Terms of Trade Futures

[…]

6812 Last Trading Day ~~of Trading~~
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 13.07.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 18.01.16, 00.00.00)

The last trading day for each futures contract is set forth in Rule 15 in the section specific to a futures
[…]

6815 Exchanges for Related Products (EFRP)
(08.09.89, 17.10.91, 05.01.94, 19.01.95, 01.05.95, 07.09.99, 31.01.01, 03.05.04, 21.04.08,17.04.09, 12.02.16, 17.01.18, 15.06.18, 00.00.00)

1) EFRP transactions in general. Exchanges for Related Product ("EFRP") transactions involving futures contracts listed and traded on the Bourse are permitted if such transactions are executed in accordance with the requirements of this article. An EFRP transaction is composed of the privately negotiated execution of a Bourse futures contract and the opposite, simultaneous execution of an approximately equivalent quantity or value of cash product, by-product, related product, or over-the-counter ("OTC") derivative instrument underlying the futures contract.

a) An EFRP transaction is permitted to be executed off of the Bourse's trading system pursuant to article 6380b if such transaction is conducted in accordance with each of the requirements and conditions of this article.

b) The following separate types of transactions are referred to collectively as EFRP transaction under this article, and are included under, and subject to, its provisions:

i) **Exchange for Physical ("EFP"**) – the simultaneous execution of a Bourse futures contract and a corresponding spot or forward transaction.

ii) **Exchange for Risk ("EFR")** – the simultaneous execution of a Bourse futures contract and a corresponding OTC swap or other OTC derivative transaction.

iii) **Substitution for OTC Transaction ("Substitution")** – the substitution of an OTC derivative instrument for futures contract.

c) Each party to an EFRP transaction must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.

d) The accounts involved on each side of an EFRP transaction must:

i) have different beneficial ownership;

ii) have the same beneficial ownership, but are under separate control;

iii) have accounts that are commonly controlled, but involve separate legal entities which may or may not have the same beneficial ownership; or

(iv) when the parties to an EFRP transaction involve the same legal entity, same beneficial ownership, or separate legal entities under common control, the parties must be able to demonstrate that the exchange transaction was a legitimate arms-length transaction.

e) The cash market instrument leg of the EFRP transaction must provide for, and result in, the transfer of ownership of the cash market instrument within the time customary in the applicable cash market or in OTC practice. If the seller does not have actual possession of the cash market or OTC derivative instrument before execution of the EFRP, the seller must be able to demonstrate an ability to satisfy the delivery requirement.

f) With regard to the futures leg of an EFRP, if the minimum price fluctuation of transactions in the futures contract vary by strategy or otherwise, such as variation in the minimum price fluctuation for equity index futures contracts between outright and calendar spread transactions, the minimum price fluctuation of the EFRP futures component shall be the lowest minimum price fluctuation provided for in the Rules with regard to the futures contract.

g) The Approved Participants involved in an EFRP, upon request by the Bourse, must be able to demonstrate that:

i) the related futures and cash or OTC position are reasonably correlated, with a correlation of R=0.70 or greater, calculated using any generally accepted methodology, for all EFRP transactions except as otherwise specifically provided, each such correlation based on daily price data for a period of at least six (6) months or weekly price data for a period of at least one (1) year; and

ii) the quantity or value of the cash or OTC component of the EFRP transaction must be approximately equivalent to the quantity or value of the futures contract.

h) The price at which an EFRP transaction is arranged must be "fair and reasonable" in light of (i) the size of the transaction; (ii) currently traded prices and bid and ask prices in the same contract (iii) the underlying markets; and (iv) general market conditions, all at the relevant time. Although there is no requirement for an EFRP to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.

i) It is prohibited to effect an EFRP transaction for the purpose of reporting, registering or recording a non-bona fide price or entering into a transaction which is a "wash sale"," an accommodation trade or a fictitious sale.

j) Neither party to an EFRP transaction may enter into the transaction to circumvent the contract month roll in the corresponding security or derivative instrument.

k) **Reporting EFRP transactions**. Approved Participants for both the seller and buyer must report within one hour upon determination of all the relevant terms of the transaction to the Market Operations Department on the Special Terms Transaction Reporting Form available at http://sttrf-frots.m-x.ca/ each EFRP transaction executed during the trading hours of the applicable futures contract. For those EFRP transactions executed after such trading hours, the transaction shall be reported to the Bourse no later than 10:00 a.m. (Montréal time) on the T~~t~~rading D~~d~~ay following execution. The Market Operations Department will validate the details of the report before accepting the transaction (which is not a confirmation by the Bourse that the EFRP transaction has been effected in accordance with this article).

l) **Books and records**. Each party to an EFRP transaction must maintain full and complete records and documentary evidence relating to the EFRP, including but not limited to all records relating to the purchase or sale of the cash market or OTC derivative component of the transaction and to any transfer of funds or ownership made in connection with such transaction. Such records include, but are not limited to, documentation customarily generated in accordance with market practice, such as cash account statements, trade confirmation statements, ISDA® Master Agreements or other documents of title; third party documentation supporting proof of payment or transfer of title, such as canceled checks, bank statements; cash account statements and cash instruments clearing corporation documents. In addition, futures contracts order tickets (which must clearly indicate the time of execution of the EFRP transaction) must be maintained. Records related to the transaction must be provided to the Bourse upon request and it is the responsibility of the Approved Participant to obtain and provide on a timely basis records of their clients as requested by the Bourse.

2) EFPs

a) EFP transactions on the following futures contracts and the related physical or cash instrument are recognized by the Bourse:

Types of Futures Contracts	Acceptable physical or cash instrument
Interest rates Futures Contracts	Fixed income instruments with a correlation coefficient (R) of 0.70 or more, calculated using any generally accepted methodology, maturities and risk characteristics that parallel the underlying instrument of the futures contracts or the futures contract itself where the use of the underlying instrument is not practical due to a lack of available market data, including but not limited to: • Money market instruments including asset backed commercial paper, • Government of Canada and Federal Crown Corporation fixed income instruments • Provincials fixed income instruments, • Investment grade corporates including Maple Bonds and mortgage instruments including collateralized mortgage obligations (CMOs), or • Fixed income instruments denominated in the currency of a G7 member country
Futures Contracts on S&P/TSX indices Futures Contracts on the FTSE Emerging Markets index	• Stock baskets reasonably correlated with the underlying index with a correlation coefficient (R) of 0.90 or more, calculated using any generally accepted methodology, having a weight of at least 50% of the underlying index or including at least 50% of the securities of the underlying index. The notional value of the basket must be fairly equal to the value of the futures contract component of the exchange transaction, or • Exchange-traded funds that mirror the index futures contract
Futures Contracts on Carbon dioxide equivalent (CO_2e) units	• Regulated emitters' credits, and / or offset credits in eligible Canadian CO_2e units

Futures Contracts on Canadian crude oil	• Domestic crude oil streams with not less than 2.5% nor more than 3.5% sulfur by weight, not less than 19° API gravity nor more than 22° API gravity, such as. Western Canadian Select, Western Canadian Blend, Lloyd Blend, Bow River, Cold Lake Blend and Wabasca.
Share Futures Contracts	• Underlying interest of the futures contract

3) EFRs

a) EFR transactions on the following futures contracts and the related OTC derivative instrument are recognized by the Bourse:

Types of Futures Contracts	Acceptable Over-the-Counter Derivative Instrument
Bonds Futures Contracts	i) Interest Rate Swaps with the following characteristics: • Plain vanilla; • Written under the terms of an ISDA® Master Agreement, • Regular fixed against floating rate payments, • Denominated in currency of G7 country, and • Correlation R= 0.70 or greater, calculated using any generally accepted methodology. Or ii) Any individual or combination of OTC bond, interest rate swap or FRA options (e.g. caps, floors, collars).
Short-term interest rate Futures Contracts	i) Any OTC swap or options with characteristics noted above with respect to EFR for bonds; Or ii) Forward Rate Agreements (FRAs) with the following characteristics: • Conventional FRA,

	• Written under the terms of an ISDA® MasterAgreement, • Predetermined interest rate, • Agreed start/end date, and • Defined interest (repo) rate.
Stock index Futures Contracts	i) Index Swaps with the following characteristics: • Plain vanilla swap, • Written under the terms of an ISDA® Master Agreement, • Regular fixed against floating rate payments against the positive or negative performance of a stock, exchange-traded fund (ETF), basket of securities or a stock index, • Denominated in currency of G7 country, and • Correlation R= 0.90 or greater, using a generally accepted methodology; Or ii) Any individual or combination of OTC stock index option positions; Or iii) Index Forwards: Standard equity forward contract between two counterparties to buy a specific quantity of a stock, exchange-traded fund (ETF), basket of securities or stock index at a predetermined price for settlement at a future date.
Shares Futures Contracts	i) Equity Swaps with the following characteristics: • Plain vanilla swap, • Written under the terms of an ISDA® Master Agreement, • Regular fixed against floating rate payments against the positive or negative performance of a stock, exchange-traded fund (ETF), trust unit, basket of securities or a stock index, • Denominated in currency of G7 country;

	Or ii) Any individual or combination of OTC equity option positions; Or iii) Equity Forwards: Standard equity forward contract between two counterparties to buy a specific quantity of a stock, exchange-traded fund (ETF), trust unit, basket of securities or stock index at a predetermined price for settlement at a future date.
Commodities Futures Contracts	i) Commodities Swaps or Forwards with the following characteristics: • Written under the terms of an ISDA® Master Agreement, • Correlation R = 0.80 or greater, calculated using any generally accepted methodology.

4) Substitution for OTC

a) Substitution transactions on the following futures contracts and the related OTC derivative instrument are recognized by the Bourse:

Futures Contracts on:	Acceptable Over-the-Counter Derivative Instrument:
Carbon dioxide equivalent (CO2e)	Any swap on Carbon dioxide equivalent (CO2e) units, and Correlation R=0.80.

RULE SIX

TRADING

A. GENERAL FRAMEWORK AND PROCEDURES

[…]

Section 6201 - 6210
Trading Sessions of The Exchange

6201 Daily Trading Sessions
(03.07.87, 10.10.91, 05.12.97, 02.10.98, 22.11.99, 28.07.14, 00.00.00)

a) Except as may be otherwise determined by the Bourse, trading sessions shall be held on the Bourse every day except Saturdays, Sundays and holidays.

b) If certain urgent events require it, market opening and closing times are established by the Bourse.

These times may be different for each category of Listed Products. An advance notice must be given to approved participants of any changes.

[…]

6203 Suspension of Trading Sessions
(10.10.91, 28.07.14, 00.00.00)

When urgent circumstances warrant it, the Bourse may suspend trading for one trading session or more, or any part of a trading session.

[…]

Section 6211 - 6240
Bids, Offers, Transactions

6211 Validity of Bids and Offers
(10.10.91, 22.11.99)

To be valid, bids and offers must be made :

a) during a trading session, or a Trading Day, as the case may be;

b) made to all members generally and without discrimination ;

c) in the manner prescribed by the Rules and Procedures established by the Exchange .

[…]

Section 6301 - 6320
Restrictions on Trading

6301 Bids, Asks and Trades at the Close of a Trading Day
(10.10.91, 00.00.00)

At the close of a Trading Day, no person shall enter or accept to enter a bid or an ask, nor execute a trade for the purpose of establishing an artificial price or effecting a high or low closing price in a listed security.

6302 Unreasonable Quotations May Be Disallowed
(10.10.91, 00.00.00)

At the close of any Trading Day of the Exchange, if the buying and selling quotations are at the same price, or are more than five per cent apart, a Floor Official may refuse to allow either or both of them to be recorded; he may also refuse to allow any unreasonable quotations to be recorded at any time.

[…]

Section 6365- 6401
Electronic Trading of Derivatives Instruments Traded on the Bourse

[…]

6368 Trading Stages
(25.09.00, 24.09.01, 12.09.14, 02.10.17, 00.00.00)

The following is a list of trading stages:

- Pre-opening

  No-cancellation stage – Lasting for a time period as prescribed by the Bourse not exceeding the last 2 minutes of the Pre-opening stage , orders cannot be cancelled or CFO'ed (Modification of an order). Orders can only be entered.

- Opening/ Closing

- Market Session (Continuous Trading)

  Depending on the product, trading stages and no-cancellation stage may vary, as determined by the products specifications.

Intra-session Auction Period

Intra-session auction periods will be determined and scheduled by the Bourse from time to time. The Bourse will determine and publish the list of derivative instruments subject to intra-session auctions, the number of intra-session auctions for each selected derivative instrument during one Trading Day, and the trading hours of such intra-session auctions including, without limitation, the time periods for:

- the pre-auction stage;
- the no-cancellation stage; and

- when applicable, the random opening of the intra-session auctions;

the whole customized for each derivative instrument and reassessed by the Bourse from time to time.

6369 Orders
(25.09.00, 24.09.01, 29.10.01, 24.04.09, 26.06.15, 22.01.16, 15.06.18, 00.00.00)

1) To be considered valid, an order must specify the name or symbol of the Listed Product, whether it is a buy or sell order, the quantity of units, explicit instructions regarding the trading price and the conditions which must be met prior to the order becoming effective, and the type and duration qualifier of the order.

2) The types of orders which can be entered into the electronic trading system are as follows:

a) Market order (best limit; bid/ask)

i) A Market order is executed at the best limit that is available on the other side of the market at the moment the order is introduced into the electronic trading system, at the quantity available at this limit. If the order is partially filled, the unfilled quantity becomes a limit order at the price the first part of the order was executed.

ii) A Market order can only be entered during the Market Session (Continuous Trading).

iii) A Market order is only accepted by the system if a price limit exists on the other side.

b) Limit order

An order to buy or sell at a specified price, or better.

c) Stop limit order

i) An order to buy or sell which becomes a limit order once the contract has traded at the stop-price or higher in the case of a buy order; at the stop-price or lower in the case of a sell order.

ii) If more than one stop order has the same trigger price, then the first in, first out basis (FIFO) rule will apply. Once the stop order becomes a limit order, a new time priority is given to it.

iii) Stop limit orders can only be entered as day orders.

d) Opening / Closing price order (Market on Open and Market on Close)

i) An order which must be input during the pre-opening / pre-closing session by which a trader is the buyer or the seller of contracts at the opening / closing price as defined by the electronic trading system at the pre-opening / pre-closing session. Therefore, this order must be input during the pre-opening / pre-closing session.

ii) If an opening price order is not filled in full, the order is assigned the opening price Calculated Theoretical-Opening (CTO) as defined in article 6375 of the Rules, as its new limit.

e) Hidden quantity order

An order that enables a trader to hide a certain quantity of the order to the market by displaying to the market only that portion of the total order which has been initially parameterized by the user to be seen by the market. The hidden quantity, which is the remainder of the order, is seen only by the Bourse. When the order is executed for the disclosed quantity, it is renewed for the same disclosed quantity but positioned at the end of the queue at the same limit. It loops until the whole order quantity (total quantity) has been filled.

f) Committed order

An order that can only be matched with another opposite committed order that meet the following conditions:

i) The identification code on the initial order matches the identification code of the Approved Participant entering the opposite order;
ii) The identification code on the opposing order matches the identification code of the Approved Participant that entered the initial order;
iii) Both orders are entered with the same price and for the same quantity, *provided however*, that such price is between the best bid and the best offer at the time of the transaction;
iv) Both orders must be entered during the same trading session. Otherwise, the initial order will automatically be cancelled.

g) Implied order

An order generated by the implied pricing algorithm using order registered in the order book by the the electronic trading system.

3) Each order must include a duration qualifier which determines the period during which the order remains in effect. All orders are deemed to be Day Orders, unless otherwise specified. The duration qualifiers are as follows:

a) Day order

An order to buy or sell valid only for the Trading Day it is given.

b) Good 'til date (G.T.D)

An order that remains effective until it is executed or has reached the specified date.

c) Good 'til cancel (G.T.C)

An order that remains effective until it is cancelled or until the end of expiry month.

d) While connected order

Unexecuted Day Order which is automatically withdrawn from the Bourse's central order book in the event that the Approved Participant's server through which the order was transmitted is disconnected from the Bourse.

4) The Bourse may decide that certain types of orders are not available.

[…]

6371 Cancel of orders (CXL)
(25.09.00, 24.09.01, 02.10.17, 00.00.00)

An order can be cancelled at any time during the Trading Day except if it has been filled, if trading is in the no-cancellation stage of the pre-opening or pre-closing stages, or if trading is in the no-cancellation stage of an intra-session auction.

6372 Modification of orders (CFO)
(25.09.00, 24.09.01, 02.10.17, 00.00.00)

An order can be CFO'ed at any time during the Trading Day except if it has been filled if trading is in the no-cancellation stage of the pre-opening or pre-closing stages, or if trading is in the no-cancellation stage of an intra-session auction.

Furthermore:

a) when the quantity of the order is decreased, it retains its priority in the system;

b) when the quantity of the order is increased or its price modified, it is treated as a new order;

c) upon the modification of any order's characteristic, a new ticket must be completed and time-stamped. If not, the original ticket will be time-stamped again;

d) upon a quantity's reduction, the new ticket retains the initial priority. However, upon a quantity's increase, the new ticket acquires a new priority;

e) for any other modification to the initial ticket, the new ticket is considered as a new order.

[…]

6375 Allocation of tradeable orders
(25.09.00, 24.09.01, 29.10.01, 22.01.16, 02.10.17, 17.01.18)

a) Pre-opening, Pre-closing and Intra-session Auctions

During the pre-opening stage and the pre-closing stage of the Trading Day, and during the pre-auction stage of an intra-session auction period, orders are entered but no trades are generated until the end of the stage. The electronic trading system will calculate the opening price, the closing price or the auction price, as the case may be, using the Calculated Theoretical-Opening price methodology (CTO).

The CTO price represents the overlapping bid/ask price range that results in the maximum possible trade volume.

When there is more than one possible CTO at which the maximum volume is reached, the price with the lowest residual is used. Furthermore under the following conditions:

- if there is an imbalance on the buy side, the highest price is taken;

- if there is an imbalance on the sell side, the lowest price is taken; and

- where the residuals are the same, the price which is closest to the previous settlement is taken.

Stop limit orders do not enter into the CTO calculation.

b) Market Session (Continuous Trading)

The electronic trading system allocates the tradeable orders first on a price basis, and then on a first in, first out basis (FIFO) except when part of the allocation is subject to an execution guarantee as defined by the Bourse. Stop limit orders in the electronic trading system shall be presented to the market as soon as their triggering limit is reached.

[…]

6380 Transactions Required on Bourse Facilities
(25.09.00, 24.09.01, 29.10.01, 31.01.05, 10.11.08, 29.01.10, 09.06.14, 21.01.16, 17.01.18, 09.02.18, 07.06.18, 15.06.18, 29.06.18, 00.00.00)

All trading in Listed Products must occur on or through the electronic trading system or in accordance with the rules of the Bourse.

6380a. Prearranged Transactions Prohibited.

No Person shall prearrange or execute noncompetitively any transaction on or through the electronic trading system of the Bourse, except as permitted by, and in accordance with article 6380b.

6380b. Exceptions to Prohibition on Prearranged Transactions.

The prohibition in article 6380a shall not apply to prearranged transactions pursuant to article 6380c; Block Trades pursuant to article 6380d; Riskless Basis Cross Trades pursuant to article 6380e; Exchange For Related Positions pursuant to articles 6815; and transfers of open positions under article 6816; *provided however*, no transaction under any of the exceptions included in this article may be executed using a hidden volume functionality.

6380c. Prearranged transactions.

1) **In general.**

For the purpose of this article, “communication” means any communication for the purpose of discerning interest in the execution of a transaction prior to the exposure of the order to the market. Any communication that relates to the size, side of market or price of an order, or a potentially forthcoming order, constitutes a communication to prearrange a transaction.

The parties to a transaction may engage in communications to prearrange a transaction on the electronic trading system in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

i) A customer must consent to the Approved Participant engaging in prearranging communications on the customer’s behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;

ii) After the first order for the prearranged transaction is entered into the electronic trading system the parties may not enter the second order for the prearranged transaction until the following specified time period has elapsed as follows:

ELIGIBLE DERIVATIVES	**PRESCRIBED TIME PERIOD**	**MINIMUM VOLUME THRESHOLD**
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Overnight Index Swap Futures Contracts (OIS):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Government of Canada Bond Futures		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 second	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months and strategies	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on Canada Carbon Dioxide Equivalent (CO2e) Units:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on Canadian Crude Oil		
All expiry months and strategies	5 seconds	No threshold
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:		
All expiry months and strategies	0 second	≥ 250 contracts

ELIGIBLE DERIVATIVES	PRESCRIBED TIME PERIOD	MINIMUM VOLUME THRESHOLD
All expiry months and strategies	5 seconds	< 250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
Equity, ETF and Currency Options:		
All expiry months	0 second	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts
All UDS Strategies	5 seconds	No Threshold
Index Options:		
All expiry months	0 second	≥ 50 contracts
All expiry months	5 seconds	< 50 contracts
All UDS Strategies	5 seconds	No Threshold
Canadian Share Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 second	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
Futures and Options on Futures Inter-Group Strategies		
All strategies	5 seconds	No threshold

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

iii) The party that initiates communication regarding a prearranged transaction shall have his or her order entered into the electronic trading system first, unless the parties as part of their negotiation agree otherwise. The consent of the client, in whatever form, must be communicated to the Bourse upon request; provided however, that in a prearranged transaction between an Approved Participant and a customer for an equity, ETF or index option, the customer's order shall always be entered into the electronic trading system first, regardless of which party initiated the communication.

iv) Limit orders resting in the electronic trading system at the time that the first order of the prearranged transaction is entered at or better than the price of the first order shall be matched with the first order entered. Any residual, unfilled amount of the first order may be matched against the second order of the prearranged transaction when the second order is entered.

iv) Parties may not aggregate unrelated orders to meet the minimum threshold for a prearranged transaction.

v) The parties to the prearranging communications shall not disclose to any other party details of the negotiation or otherwise enter an order to take advantage of the negotiation during such communications except as permitted in this article.

2) **Committed Orders.** Committed orders may not be used to execute any transaction under article 6380c or article 6380f having a prescribed time delay longer than zero second, and may be used for such transactions only for the following products subject to the minimum volume threshold:

ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS	MINIMUM VOLUME THRESHOLD
All expiry months and strategies	
Futures Contracts on S&P/TSX and FTSE Emerging Markets Indices	100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts	250 contracts
Canadian Share Futures Contracts	100 contracts
All expiry months and excluding UDS strategies	
Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts

The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.

3) **Transactions on eligible products with a prescribed time delay.** The parties may engage in communications to prearrange a transaction on the electronic trading system or via the User Defined Strategy Facility (UDS) where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the conditions in paragraph 1 of this article 6380c; *provided however*:

i) in the case of a prearranged transaction that is between the bid and ask on the electronic trading system and for an amount at or greater than the minimum threshold, the parties in their discretion may enter the prearranged transaction as a committed order with no delay, subject to the conditions in paragraph 2 of article 6380c; or

ii) in the case of a prearranged transaction that is on or between the bid and ask on the electronic trading system and for an amount at or greater than the minimum threshold, the parties enter the first and second orders of the prearranged transaction with no delay between the two, but nevertheless subject to execution risk (including the priority given resting limit orders at or better than the prearranged price).

4) **Equity, ETF, Index and Currency Option Transactions With 50% Guaranteed Minimum**

The parties to an option strategy transaction may engage in communications to prearrange the transaction where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

i) market makers are permitted to participate on the transaction up to a total maximum of 50% of the volume of the intended transaction;

ii) each Approved Participant must contact a Market Supervisor and provide details of the intended transaction including total quantity, price, side(s) of the transaction, a description of the legs comprising the strategy and identification of the agreed counterparty; and

iii) the Approved Participant will be permitted to execute the transaction for the remaining volume (a minimum of 50% plus any volume not taken of the 50% that had been offered to the market makers).

6380d. Block Trades

1) **In general.** Approved Participants of the Bourse may negotiate and execute a transaction off of the electronic trading system pursuant to the following conditions:

i) A block trade transaction may be arranged and executed only during trading hours on the Bourse for the eligible derivative.

ii) Block trades are only permitted in the derivative instruments and for a quantity which meets or exceeds the minimum volume thresholds as follows (only to the extent the eligible security or derivative instrument is available for trading)**:**

Eligible derivatives instruments	**Prescribed time delay (from 6AM until the end of the Trading Day)**	**Block - Minimum volume threshold (from 6AM until the end of the Trading Day)**	**Prescribed time delay (from 2AM until 5h59m59s)**	**Block - Minimum volume threshold (from 2AM until 5h59m59s)**
	(As soon as practicable and in any event within the following time delay)		(As soon as practicable and in any event within the following time delay)	
30-Day Overnight Repo Rate Futures Contracts (ONX)	15 minutes	1,000 contracts	1 hour	250 contracts
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts	1 hour	50 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes	1,500 contracts	1 hour	350 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	500 contracts	1 hour	100 contracts
30-Year Government of Canada Bond Futures Contracts (LGB)	15 minutes	500 contracts	1 hour	100 contracts
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts	1 hour	100 contracts
Options on Three-Month Canadian Bankers Acceptance Futures Contracts	15 minutes	2,000 contracts	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies one through four (BAX Whites)	15 minutes	-	1 hour	500 contracts

Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight (BAX Reds)	15 minutes	1,000 contracts	1 hour	250 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies nine through twelve (BAX Greens)	15 minutes	500 contracts	1 hour	100 contracts

iii) Where a block strategy involves the trading of different derivative instruments, or different contract months or premiums of the same instrument, each of derivatives of the strategy need meet only the lowest applicable threshold.

iv) Approved Participants may not aggregate separate orders in order to meet the minimum volume thresholds.

v) Each party to a block trade must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.

vi) The price at which a block trade is arranged must be "fair and reasonable" in light of (a) the size of the block trade; (b) currently traded prices and bid and ask prices in the same derivative instrument; (c) the underlying markets; and (d) general market conditions, all at the relevant time. The fairness and reasonableness of the price of a block trade priced at a basis to an index as permitted under paragraph 2 of this article may also take into account the following additional considerations: (e) financing rates, (f) expected dividend income, and (g) time remaining until the index futures contract expiration, all at the relevant time. Although there is no requirement for a block trade to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.

vii) Block trades shall not trigger special terms orders or otherwise affect orders on the electronic trading system.

viii) A block trade on a contract roll strategy is not permitted, except for the FTSE Emerging Markets Index futures contract.

ix) The details of a block trade must be reported by Approved Participants for both the buyer and seller to the Market Operations Department by telephone at 1-888-696-6366 or at 514-871-7871 and on a Block Trade Reporting Form, available on the Bourse's web site at http://www.m-x.ca/rob_formulaire_en.php, within 15 minutes of the Block Trade's execution.

x) Following validation of the trade details by the Bourse (which is not a confirmation by the Bourse that the block trade has been effected in accordance with this Article), the Bourse shall disseminate the trade and price information relating to the block trade.

xi) Upon request, the Approved Participant shall provide evidence that the block trade transaction has been effected in accordance with these Rules.

2) **Block Trades Priced at a Basis to Index Close.** Approved Participants may mutually agree to price a block trade at a positive or negative increment ("basis") to the price at which the index underlying an eligible contract will close ("BIC"), for any trading day except the last trading day of an expiring contract month, subject to the conditions in paragraph (1) of article 6380d and the following additional condition:

   i) The Approved Participants shall report the basis along with other trade details in accordance with the requirements of paragraph 1) ix) of this article, and shall submit to the Bourse's Market Operations Department a second Block Trade Reporting Form which includes the agreed-upon basis, the closing level of the underlying index and the price of the block trade to the nearest 0.01 index point increment within the time required as follows:

ELIGIBLE DERIVATIVES	**MINIMUM VOLUME THRESHOLD**	**PRESCRIBED TIME BY WHICH TO FILE BLOCK TRADE REPORTING FORM**	**PRESCRIBED TIME BY WHICH TO FILE SECOND BLOCK TRADE REPORTING FORM** No sooner than
Futures contracts on the FTSE Emerging Markets Index	100 contracts	Within 15 minutes	9:30 p.m. GMT on the next trading day
Futures contracts on S&P/TSX indices and sectorial indices	100 contracts	Within 15 minutes	4:00 p.m. ET on the same trading day

6380e. Riskless Basis Cross Trades

1) **In general.** An Approved Participant and the customer may prearrange a transaction outside of the electronic trading system in which the price of a stock index futures contract or a share futures contract to the customer is determined to be the average price of cash market transactions entered into by and for the account of the Approved Participant in the components of the underlying index or the underlying security, respectively, plus a spread (basis) as mutually agreed between the Approved Participant and the customer, in accordance with the following conditions:

   a) Each party to a Riskless Basis Cross Trade must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.

   b) The parties may agree to either a fixed basis or to a guaranteed execution price of the cash component with the basis adjusted accordingly.

   c) To initiate the Riskless Basis Cross Transaction, the Approved Participant for its own account must first acquire positions (long or short exposure) in securities, baskets of securities, index participation units, or exchange-traded funds which, for an index, comprise no less than 80% of the underlying components of the applicable index and being reasonably correlated to the underlying index with a correlation coefficient (R) of 90% or greater, calculated using any generally accepted methodology. Although Approved Participants generally should purchase or sell all of the components of the index, an Approved Participant need not obtain any component security due to restrictions on the purchase or sale of the commodity by the Approved Participant or the customer, the unavailability of the component in the market due to a trading halt, illiquidity or other market conditions.

d) The transaction shall be executed at the time agreed by the counterparties, which must be during the regular trading hours of the underlying index components or underlying interest until the end of the extended trading session at the Toronto Stock Exchange (TSX) and the same day that the cash position is completed by the Approved Participant, provided however, if obtaining the cash components of the underlying index cannot be competed in a single day, execution of the futures portion of the transaction shall be proportionate with the proportion of the cash market transactions completed during that day.

e) The Riskless Basis Cross transaction is executed by the Approved Participant reporting details of the transaction to the Market Operations Department on a "Special Terms Transaction Reporting Form" through the Bourse's web page at http://sttrf-frots.m-x.ca, and allocating the agreed upon quantity of stock index futures contracts to the customer's account.

f) There is no minimum size requirement to enter into a riskless basis cross transaction nor is there any time period following execution of the riskless basis cross transaction that the Approved Participant must maintain the cash market position.

g) The price at which the futures contract leg of the transaction is arranged must be "fair and reasonable" in light of (i) the size of the transaction (ii) traded prices and bid and ask prices in the same contract (iii) the volatility and liquidity of the relevant market and (iv) general market conditions all at the relevant time. Although there is no requirement for the futures contract leg of a riskless basis cross transaction to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.

h) Each riskless basis cross transaction must be reported to the Bourse in accordance with the procedures set by the Bourse. Such report must be in the form prescribed by the Bourse and must contain all the information required on such prescribed form.

i) Each party to a riskless basis cross transaction must keep full and complete records relating to the riskless basis cross transaction and must provide to the Bourse upon request complete records and documentary evidence relating to such transaction demonstrating that the transaction is a bona fide transaction and that it has been carried out in accordance with the conditions of this article.

i) The Bourse shall exclude riskless basis cross transactions from the daily settlement price procedures but not from daily volume figures. A record of each riskless basis cross shall appear in the "Transaction Report" maintained on the Bourse's Web page http://www.m-x.ca/dailycrosses_en.php following it being registered by the Market Operations Department in the trading system and shall be specially marked and displayed in the systems (trading platform and data vendors) in the Bourse's post trade recap.

6380f. Trading Against Customer Orders (Cross-Trades).

An Approved Participant may not knowingly, directly or indirectly, take the opposite side of a customer order for the Approved Participant's own account, an account in which the Approved Participant has a direct or indirect financial interest or an account over which the Approved Participant has discretionary trading authority, unless:

a) the customer order has first been entered on the electronic trading system and exposed to the market for a minimum period of 5 seconds for futures and options; or

b) the transaction is otherwise, and explicitly permitted by, and carried out in accordance with, a rule of the Bourse; including, but not limited to prearranged transactions pursuant to article 6380c.

6381 Trade Cancellations and or Price Adjustments of Trades
(25.09.00, 24.09.01, 29.10.01, 24.04.09, 17.01.18, 23.02.18, 07.06.18, 00.00.00)

a) **General.** The Bourse may adjust trade prices or cancel trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the trading system. Notwithstanding any other provision of this article, the Bourse may adjust trade prices or cancel any trade executed through the trading system if the Bourse determines in its sole discretion that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market or the market's orderly operation. The decision of the Bourse in such matters shall be final.

b) **Review of Trades, Requests for Review.** The Bourse may review a trade or trades based upon its analysis of market conditions, including but not limited to market volatility, prices in related markets, or in response to a request for review of a specific trade by an Approved Participant. An Approved Participant must request review of a trade by calling the Market Operations Department of the Bourse at 514 871-7871 or 1-888-693-6366 within 15 minutes of execution; provided however, the Bourse, in its sole discretion, may extend the period in which an Approved Participant may request review of a trade up to one hour following execution in extraordinary circumstances.

c) **Notice to the Parties to the Transaction.** Where the Bourse on its own analysis determines to review a trade or trades for adjustment or cancellation, or where an Approved Participant has requested review of a specific trade and that trade is outside of the No Review Range provided under paragraph g) of this article, the Bourse will notify the parties to the trade that the trade or trades are under review by the Bourse**.**

d) **Price Adjustments and Cancellations Procedures.** Upon making a determination to review a trade, the Bourse shall (1) determine, in its sole discretion, the acceptable marker price, and (2) apply the increments provided under paragraph g) in order to determine the limits of the No Review Range.

i) **Trade Price Inside the No-Review Range**. If the Bourse determines that the trade price is inside the No Review Range, the Bourse will notify the two Approved Participant counterparties to the trade that the trade shall stand as executed; provided however, the Bourse may cancel such a trade within 15 minutes of the trade's execution and within the trading session during which the trade was executed (early, regular or extended), if both Approved Participant counterparties to the trade voluntarily consent to cancellation of the trade.

ii) **Trade Price Outside the No Review Range**. If the Bourse determines that the trade price is outside of the No-Review Range, the Bourse, after endeavoring to contact the Approved Participant counterparties, shall adjust the price to the limit of the No Review Range. The policy of the Bourse is to favor price adjustment as a remedy over trade cancellation and to adjust trades in order to minimize the impact for all market participants involved in the erroneous trades and particularly those who had a regular order in the order book. However, the Bourse, in its discretion, may cancel a trade rather than adjust the price if:

A) Both parties to the trade can be contacted within a reasonable delay and agree to the cancellation of the trade; and

B) Neither party to the trade is either an Approved Participant or the registered holder of a SAM ID.

iii) **Implied Orders, Implied Strategy Orders**.

A) An order generated by the implied pricing algorithm (using regular orders) and registered in the order book by the electronic trading system will be considered by the Bourse as though it were a regular order entered into the trading system by an Approved Participant.

B) An implied or regular strategy trade is considered by the Bourse, as being composed of two regular orders, one for each leg of the strategy trade. If the erroneous trade involves a linked implied order(s) and is priced outside the No Review Range, the initiator of the original error trade will be responsible for the trade resulting from the linked implied order(s).

C) The adjustment relating to an erroneous strategy trade will equal at least the increment between the No Review Range and the traded price on one of the individual legs, and no more than the sum of each individual legs' increments.

iv) **Stop Orders.** Trades that have occurred as a result of "stop orders" in the Trading System being triggered by an erroneous trade are also subject to cancellation by the Bourse acting in its sole discretion. The determination of the Bourse shall be final.

e) **Decision of the Bourse.** The Bourse shall endeavor to determine to adjust or cancel a trade within 30 minutes following a request to review the trade, or, as applicable, notice to the market that a trade or trades were being reviewed.

i) If the decision is to cancel the trade, the Bourse will remove the transaction as an executed trade from the records of the Bourse.

ii) Upon cancelation of a trade, the parties, if they choose, may reenter new orders into the trading system.

f) If the Bourse determines that a trade should not be adjusted or cancelled, the parties to the trade shall not themselves decide to cancel it by making a position transfer through the Canadian Derivatives Clearing Corporation.

g) **No Review Range.** The Bourse will determine the limits of the No Review Range by determining what was the acceptable market price for the derivative instrument before the trade under review occurred based upon all relevant information, including the last trade price, a better bid or offer, a more recent price for a related derivative instrument (for example a different expiry month) and the prices of similar derivative instruments trading on other markets Once the acceptable market price is established, the Bourse applies the following increments to determine the limits of the No Review Range.

DERIVATIVE INSTRUMENT	INCREMENT
Three-Month Canadian Banker's Acceptance Futures – BAX (all quarterly and serial months)	5 basis points
Three-Month Canadian Banker's Acceptance Futures – BAX Strategies: - Regular strategy orders - Implied strategy orders	 5 basis points Sum of the strategy's individual legs' increments.
Options on Three-Month Canadian Banker's Acceptance Futures	5 basis points
Two-Year Government of Canada Bond Futures (CGZ) - Regular strategy orders - Implied Strategy orders	20 basis points 20 basis points Sum of strategy's individual legs' increments
Five-Year Government of Canada Bond Futures (CGF) - Regular strategy orders - Implied Strategy orders	20 basis points 20 basis points Sum of strategy's individual legs' increments
Ten-Year Government of Canada Bond Futures (CGB) - Regular strategy orders	40 basis points 20 basis points
30-Year Government of Canada Bond Futures (LGB) - Regular strategy orders	40 basis points 40 basis points

- Implied Strategy orders	Sum of strategy's individual legs' increments
Options on Government of Canada Bond Futures	40 basis points
Futures Contracts on S&P/TSX Indices and on the FTSE Emerging Markets Index - Regular strategy orders and Basis Trade on Close	1% of the acceptable market price of these futures contracts 5% of the increments for the outright month
30-Day Overnight Repo Rate Futures Regular strategy orders	5 basis points 5 basis points
Overnight Index Swap Futures	5 basis points
Overnight Index Swap Futures – OIS Strategies: - Regular strategy orders - Implied strategy orders	5 basis points Sum of the strategy's individual legs' increments.
Futures and Options on Futures Inter-Group Strategies: - Regular strategy orders - Implied Strategy orders	Sum of strategy's individual legs' increments
Equity, Currency, ETF and Index Options Price ranges: Below $2.00 $2.00 to $5.00 Above $5.00 to $10.00 Above $10.00 to $20.00 Above $20.00 to $50.00 Above $50.00 to $100.00 Above $100.00	 $0.25 $0.40 $0.50 $0.80 $1.00 $1.50 $2.00
Equity, Currency, ETF and Index Options Strategies: - Regular strategy orders - Implied strategy orders	Sum of the strategy's individual legs' increments
Sponsored Options Price ranges: $0.001 to $0.99 $1.00 and up	 $0.25 $0.50

Canadian Share Futures Contracts; and Canadian Share Futures Contracts: Basis Trade on Close	1. 0.50$, if the acceptable market price of these futures contracts is less than 25$; 2. 1.00$, if the acceptable market price of these futures contracts is equal to or higher than 25$ but less than 100$; 3. 1% of the acceptable market price of these futures contracts if the acceptable market price of these futures contracts is equal to or higher than 100$.
Canadian Share Futures Contracts - Regular strategy orders	1. 0.12$, if the acceptable market price of these futures contracts is less than 25$; 2. 0.25$, if the acceptable market price of these futures contracts is equal to or higher than 25$ but less than 100$; 3. 0.25% of the acceptable market price of these futures contracts if the acceptable market price of these futures contracts is equal to or higher than 100$.
Futures Contracts on Canadian Crude Oil	5% of the acceptable market price of these futures contracts.

[…]

6393 Order Price Filter
(25.09.00, 24.09.01, 29.10.01, 17.01.18, 02.03.18, 00.00.00**)**

In order to minimize errors during order entry in the electronic trading system that may affect orderly trading, the Bourse establishes an order price filter for each Listed Product.

Any order exceeding the order price filter automatically will be rejected by the electronic trading system and the Person entering the rejected order will be notified. Unless otherwise specified in the Rules, the order price filter is determined by the Bourse before the start of the Trading Day based upon the previous day's settlement price and may be adjusted at any time by the Market Supervisor acting in his or her discretion, upon his or her own initiative or upon request. Any changes in the level of the order price filter shall be broadcast to the market.

The order price filter will not be re-adjusted intra-session for trading sessions during which the underlying exchange-traded products are not open for trading.

[…]

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, 07.05.15, 03.09.15, 00.00.00)

a) No transaction of options contracts in expiring series shall be made after the close of trading on the last Trading Day.

b) In the case of equity options, bond options, exchange-traded fund options, index options and currency options other than weekly 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, the expiration date shall be the preceding business day.

In the case of futures options, the expiration date shall be the last Trading Day.

In the case of weekly index, equity and exchange-traded fund options, the expiration date shall be any of the five Fridays following the listing week which is a business day, but which is not an expiration day for any other options already listed on the same underlying. If any such Friday is not a business day, then the expiration date will be the first preceding business day that is not an expiration day for any other options already listed on the same underlying.

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.

[…]

OPTIONS ON TEN-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

6707 Last Trading Day
(20.03.91, 17.12.91, 18.01.16, 00.00.00)

Trading ceases on the third Friday of the month preceding the option contract month provided that it is a business day and precedes by at least two business days the first notice day of the underlying futures.

If it is not a business day, the last Trading Day of the option is the business day prior to such Friday and preceding by at least two business days the first notice day of the underlying futures.

6707.1 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last Trading Day.

[…]

REGULAR OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6752 Contract Type
(07.04.94, 18.01.16, 00.00.00)

A buyer of one regular Three-month Canadian Bankers' Acceptance futures option may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one regular Three-month Canadian Bankers' Acceptance futures option incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6757.1 Expiration Day
(18.01.16)

Expiration occurs on the last Trading Day of the contract month.

[…]

SERIAL MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6763.2 Contract Type
(18.01.16, 00.00.00)

A buyer of one Serial Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one Serial Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance futures (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6763.10 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last Trading Day of the contract month.

[…]

ONE-YEAR QUARTERLY MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6764.2 Contract Type
(18.01.16, 00.00.00)

A buyer of one One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6764.10 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last Trading Day of the contract month.

[…]

TWO-YEAR QUARTERLY MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES

[…]

6765.2 Contract Type
(18.01.16, 00.00.00)

A buyer of one Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

[…]

6765.10 Expiration Day
(18.01.16, 00.00.00)

Expiration occurs on the last Trading Day of the contract month.

[…]

OPTIONS ON THE S&P/TSX COMPOSITE INDEX BANKS (INDUSTRY GROUP)

[…]

6767.7 Last Trading Day
(18.01.16, 00.00.00)

Options on the S&P/TSX Composite Index Banks (Industry Group) cease trading on the Trading Day prior to the expiration day.

[…]

EQUITY OPTIONS

[…]

6789.7 Last Trading Day
(18.01.16, 00.00.00)

Equity options cease trading on the third Friday of the contract month, provided it is a business day. If it is not a business day, the first preceding business day is the last Trading Say.

6789.8 Expiration Day
(18.01.16, 00.00.00)

The expiration day for an equity option contract is the last Trading Day of the contract month.

[…]

CURRENCY OPTIONS

[…]

6795.1 Expiration Day
(18.01.16)

The expiration day for currency options is the last Trading Day of the contract month.

[…]

OPTIONS ON EXCHANGE-TRADED FUNDS

[…]

6796.8 Expiration Day
(18.01.16, 00.00.00)

The expiration day of an exchange-traded fund option is the last Trading Day of the contract month.

[…]

D. SPECIAL RULES FOR TRADING FUTURES CONTRACTS

Section 6801 - 6820
Terms of Trade Futures

[…]

6812 Last Trading Day
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 13.07.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 18.01.16, 00.00.00)

The last trading day for each futures contract is set forth in Rule 15 in the section specific to a futures […]

6815 Exchanges for Related Products (EFRP)
(08.09.89, 17.10.91, 05.01.94, 19.01.95, 01.05.95, 07.09.99, 31.01.01, 03.05.04, 21.04.08,17.04.09, 12.02.16, 17.01.18, 15.06.18, 00.00.00)

1) EFRP transactions in general. Exchanges for Related Product ("EFRP") transactions involving futures contracts listed and traded on the Bourse are permitted if such transactions are executed in accordance with the requirements of this article. An EFRP transaction is composed of the privately negotiated execution of a Bourse futures contract and the opposite, simultaneous execution of an approximately equivalent quantity or value of cash product, by-product, related product, or over-the-counter ("OTC") derivative instrument underlying the futures contract.

a) An EFRP transaction is permitted to be executed off of the Bourse's trading system pursuant to article 6380b if such transaction is conducted in accordance with each of the requirements and conditions of this article.

b) The following separate types of transactions are referred to collectively as EFRP transaction under this article, and are included under, and subject to, its provisions:

i) **Exchange for Physical ("EFP"**) – the simultaneous execution of a Bourse futures contract and a corresponding spot or forward transaction.

ii) **Exchange for Risk ("EFR")** – the simultaneous execution of a Bourse futures contract and a corresponding OTC swap or other OTC derivative transaction.

iii) **Substitution for OTC Transaction ("Substitution")** – the substitution of an OTC derivative instrument for futures contract.

c) Each party to an EFRP transaction must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.

d) The accounts involved on each side of an EFRP transaction must:

i) have different beneficial ownership;

ii) have the same beneficial ownership, but are under separate control;

iii) have accounts that are commonly controlled, but involve separate legal entities which may or may not have the same beneficial ownership; or

(iv) when the parties to an EFRP transaction involve the same legal entity, same beneficial ownership, or separate legal entities under common control, the parties must be able to demonstrate that the exchange transaction was a legitimate arms-length transaction.

e) The cash market instrument leg of the EFRP transaction must provide for, and result in, the transfer of ownership of the cash market instrument within the time customary in the applicable cash market or in OTC practice. If the seller does not have actual possession of the cash market or OTC derivative instrument before execution of the EFRP, the seller must be able to demonstrate an ability to satisfy the delivery requirement.

f) With regard to the futures leg of an EFRP, if the minimum price fluctuation of transactions in the futures contract vary by strategy or otherwise, such as variation in the minimum price fluctuation for equity index futures contracts between outright and calendar spread transactions, the minimum price fluctuation of the EFRP futures component shall be the lowest minimum price fluctuation provided for in the Rules with regard to the futures contract.

g) The Approved Participants involved in an EFRP, upon request by the Bourse, must be able to demonstrate that:

i) the related futures and cash or OTC position are reasonably correlated, with a correlation of R=0.70 or greater, calculated using any generally accepted methodology, for all EFRP transactions except as otherwise specifically provided, each such correlation based on daily price data for a period of at least six (6) months or weekly price data for a period of at least one (1) year; and

ii) the quantity or value of the cash or OTC component of the EFRP transaction must be approximately equivalent to the quantity or value of the futures contract.

h) The price at which an EFRP transaction is arranged must be “fair and reasonable” in light of (i) the size of the transaction; (ii) currently traded prices and bid and ask prices in the same contract (iii) the underlying markets; and (iv) general market conditions, all at the relevant time. Although there is no requirement for an EFRP to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.

i) It is prohibited to effect an EFRP transaction for the purpose of reporting, registering or recording a non-bona fide price or entering into a transaction which is a “wash sale”,” an accommodation trade or a fictitious sale.

j) Neither party to an EFRP transaction may enter into the transaction to circumvent the contract month roll in the corresponding security or derivative instrument.

k) **Reporting EFRP transactions**. Approved Participants for both the seller and buyer must report within one hour upon determination of all the relevant terms of the transaction to the Market Operations Department on the Special Terms Transaction Reporting Form available at http://sttrf-frots.m-x.ca/ each EFRP transaction executed during the trading hours of the applicable futures contract. For those EFRP transactions executed after such trading hours, the transaction shall be reported to the Bourse no later than 10:00 a.m. (Montréal time) on the Trading Day following execution. The Market Operations Department will validate the details of the report before accepting the transaction (which is not a confirmation by the Bourse that the EFRP transaction has been effected in accordance with this article).

l) **Books and records**. Each party to an EFRP transaction must maintain full and complete records and documentary evidence relating to the EFRP, including but not limited to all records relating to the purchase or sale of the cash market or OTC derivative component of the transaction and to any transfer of funds or ownership made in connection with such transaction. Such records include, but are not limited to, documentation customarily generated in accordance with market practice, such as cash account statements, trade confirmation statements, ISDA® Master Agreements or other documents of title; third party documentation supporting proof of payment or transfer of title, such as canceled checks, bank statements; cash account statements and cash instruments clearing corporation documents. In addition, futures contracts order tickets (which must clearly indicate the time of execution of the EFRP transaction) must be maintained. Records related to the transaction must be provided to the Bourse upon request and it is the responsibility of the Approved Participant to obtain and provide on a timely basis records of their clients as requested by the Bourse.

2) EFPs

a) EFP transactions on the following futures contracts and the related physical or cash instrument are recognized by the Bourse:

Types of Futures Contracts	Acceptable physical or cash instrument
Interest rates Futures Contracts	Fixed income instruments with a correlation coefficient (R) of 0.70 or more, calculated using any generally accepted methodology, maturities and risk characteristics that parallel the underlying instrument of the futures contracts or the futures contract itself where the use of the underlying instrument is not practical due to a lack of available market data, including but not limited to: • Money market instruments including asset backed commercial paper, • Government of Canada and Federal Crown Corporation fixed income instruments • Provincials fixed income instruments, • Investment grade corporates including Maple Bonds and mortgage instruments including collateralized mortgage obligations (CMOs), or • Fixed income instruments denominated in the currency of a G7 member country
Futures Contracts on S&P/TSX indices Futures Contracts on the FTSE Emerging Markets index	• Stock baskets reasonably correlated with the underlying index with a correlation coefficient (R) of 0.90 or more, calculated using any generally accepted methodology, having a weight of at least 50% of the underlying index or including at least 50% of the securities of the underlying index. The notional value of the basket must be fairly equal to the value of the futures

	contract component of the exchange transaction, or • Exchange-traded funds that mirror the index futures contract
Futures Contracts on Carbon dioxide equivalent (CO_2e) units	• Regulated emitters' credits, and / or offset credits in eligible Canadian CO_2e units
Futures Contracts on Canadian crude oil	• Domestic crude oil streams with not less than 2.5% nor more than 3.5% sulfur by weight, not less than 19° API gravity nor more than 22° API gravity, such as. Western Canadian Select, Western Canadian Blend, Lloyd Blend, Bow River, Cold Lake Blend and Wabasca.
Share Futures Contracts	• Underlying interest of the futures contract

3) EFRs

a) EFR transactions on the following futures contracts and the related OTC derivative instrument are recognized by the Bourse:

Types of Futures Contracts	Acceptable Over-the-Counter Derivative Instrument
Bonds Futures Contracts	i) Interest Rate Swaps with the following characteristics: • Plain vanilla; • Written under the terms of an ISDA® Master Agreement, • Regular fixed against floating rate payments, • Denominated in currency of G7 country, and • Correlation R= 0.70 or greater, calculated using any generally accepted methodology. Or

	ii) Any individual or combination of OTC bond, interest rate swap or FRA options (e.g. caps, floors, collars).
Short-term interest rate Futures Contracts	i) Any OTC swap or options with characteristics noted above with respect to EFR for bonds; Or ii) Forward Rate Agreements (FRAs) with the following characteristics: • Conventional FRA, • Written under the terms of an ISDA® MasterAgreement, • Predetermined interest rate, • Agreed start/end date, and • Defined interest (repo) rate.
Stock index Futures Contracts	i) Index Swaps with the following characteristics: • Plain vanilla swap, • Written under the terms of an ISDA® Master Agreement, • Regular fixed against floating rate payments against the positive or negative performance of a stock, exchange-traded fund (ETF), basket of securities or a stock index, • Denominated in currency of G7 country, and • Correlation R= 0.90 or greater, using a generally accepted methodology; Or ii) Any individual or combination of OTC stock index option positions; Or iii) Index Forwards: Standard equity forward contract between two counterparties to buy a specific quantity of a stock, exchange-traded fund (ETF), basket of securities or stock index at a predetermined price for settlement at a future date.

Shares Futures Contracts	i) Equity Swaps with the following characteristics: • Plain vanilla swap, • Written under the terms of an ISDA® Master Agreement, • Regular fixed against floating rate payments against the positive or negative performance of a stock, exchange-traded fund (ETF), trust unit, basket of securities or a stock index, • Denominated in currency of G7 country; Or ii) Any individual or combination of OTC equity option positions; Or iii) Equity Forwards: Standard equity forward contract between two counterparties to buy a specific quantity of a stock, exchange-traded fund (ETF), trust unit, basket of securities or stock index at a predetermined price for settlement at a future date.
Commodities Futures Contracts	i) Commodities Swaps or Forwards with the following characteristics: • Written under the terms of an ISDA® Master Agreement, • Correlation R = 0.80 or greater, calculated using any generally accepted methodology.

4) Substitution for OTC

a) Substitution transactions on the following futures contracts and the related OTC derivative instrument are recognized by the Bourse:

Futures Contracts on:	Acceptable Over-the-Counter Derivative Instrument:

Carbon dioxide equivalent (CO_2e)	Any swap on Carbon dioxide equivalent (CO_2e) units, and Correlation R=0.80.

RULE FOURTEEN
DERIVATIVE INSTRUMENTS – MISCELLANEOUS RULES

(11.03.80, 13.09.05, 04.03.08, 01.04.13, 09.06.14, 01.10.15)

Section 14001 – 14050
Miscellaneous

[…]

14005 Emergency Situations
(01.06.84, 13.09.05, 04.03.08)

a) The Bourse has the power and the authority to act in the event that it determines the existence of an emergency situation which threatens the integrity, liquidity or orderly liquidation of any class of derivative instruments listed on the Bourse. The Bourse may exercise these emergency powers in the event that it has valid reasons to believe that any of the circumstances similar to the following exist:

1) a manipulation, attempted manipulation, corner or squeeze is occurring or threatens to occur;

2) the liquidity of a derivative instruments listed on the Bourse or its orderly liquidation is threatened by the concentration of positions in the hands of entities or individuals who are unable or unwilling to settle or to make or take delivery in the ordinary course;

3) an action of the Government of Canada, of a Canadian provincial government or any foreign government or of any other derivative instruments market is likely to have a direct and adverse impact on the integrity, liquidity and orderly liquidation of any derivative instrument listed on the Bourse; or

4) an unusual, unforeseeable, and adverse circumstance has occurred.

b) In the event that the Bourse determines that an emergency situation exists, it may take any of the following actions or any other action that may be appropriate to remedy the situation:

1) terminate trading;

2) limit trading to liquidation of derivative instruments only;

3) order liquidation of all or a portion of an approved participant's accounts;

4) order liquidation of positions as to which the holder is unable or unwilling to settle or to make or take delivery;

5) confine trading to a specific price range or otherwise modify the daily price limit when such a limit exists;

6) modify the trading days or hours;

7) alter conditions of delivery or of settlement;

8) fix the settlement price at which derivative instruments are to be liquidated according to the Rules of the clearing corporation;

9) require additional margins to be deposited with the clearing corporation.

c) When the clearing corporation informs the Bourse of any emergency situation, whether in progress or apprehended, of which it has become aware, the Bourse shall act within 24 hours to consider appropriate measures, if any. The clearing corporation shall have the right to participate in any deliberation made pursuant to the present article.

d) As soon as practicable following the imposition of emergency action, the Board of Directors must be promptly notified. Any action taken pursuant to this article may not extend beyond the duration of the emergency. In no event shall actions taken pursuant to this rule remain in effect for more than 90 days following their imposition.

[…]

Section 14201 – 14225
(04.03.08, 00.00.00)

Margins for Derivative Instruments

[…]

14205 Margins on ~~Day~~ Trading
(10.03.81, 24.04.84, 13.09.05, 04.03.08, 00.00.00)

An approved participant may use his discretion in permitting a client having an established account to make day trades in derivative instruments without margining each transaction, provided that any such transactions which are not closed out on the same Trading D~~d~~ay shall be subject to the full amount of margin required.

[…]

RULE FOURTEEN
DERIVATIVE INSTRUMENTS – MISCELLANEOUS RULES

(11.03.80, 13.09.05, 04.03.08, 01.04.13, 09.06.14, 01.10.15)

Section 14001 – 14050
Miscellaneous

[…]

14005 Emergency Situations
(01.06.84, 13.09.05, 04.03.08)

a) The Bourse has the power and the authority to act in the event that it determines the existence of an emergency situation which threatens the integrity, liquidity or orderly liquidation of any class of derivative instruments listed on the Bourse. The Bourse may exercise these emergency powers in the event that it has valid reasons to believe that any of the circumstances similar to the following exist:

1) a manipulation, attempted manipulation, corner or squeeze is occurring or threatens to occur;

2) the liquidity of a derivative instruments listed on the Bourse or its orderly liquidation is threatened by the concentration of positions in the hands of entities or individuals who are unable or unwilling to settle or to make or take delivery in the ordinary course;

3) an action of the Government of Canada, of a Canadian provincial government or any foreign government or of any other derivative instruments market is likely to have a direct and adverse impact on the integrity, liquidity and orderly liquidation of any derivative instrument listed on the Bourse; or

4) an unusual, unforeseeable, and adverse circumstance has occurred.

b) In the event that the Bourse determines that an emergency situation exists, it may take any of the following actions or any other action that may be appropriate to remedy the situation:

1) terminate trading;

2) limit trading to liquidation of derivative instruments only;

3) order liquidation of all or a portion of an approved participant's accounts;

4) order liquidation of positions as to which the holder is unable or unwilling to settle or to make or take delivery;

5) confine trading to a specific price range or otherwise modify the daily price limit when such a limit exists;

6) modify the trading days or hours;

7) alter conditions of delivery or of settlement;

8) fix the settlement price at which derivative instruments are to be liquidated according to the Rules of the clearing corporation;

9) require additional margins to be deposited with the clearing corporation.

c) When the clearing corporation informs the Bourse of any emergency situation, whether in progress or apprehended, of which it has become aware, the Bourse shall act within 24 hours to consider appropriate measures, if any. The clearing corporation shall have the right to participate in any deliberation made pursuant to the present article.

d) As soon as practicable following the imposition of emergency action, the Board of Directors must be promptly notified. Any action taken pursuant to this article may not extend beyond the duration of the emergency. In no event shall actions taken pursuant to this rule remain in effect for more than 90 days following their imposition.

[…]

Section 14201 – 14225
(04.03.08, 00.00.00)

Margins for Derivative Instruments

[…]

14205 Margins on Trading
(10.03.81, 24.04.84, 13.09.05, 04.03.08, 00.00.00)

An approved participant may use his discretion in permitting a client having an established account to make day trades in derivative instruments without margining each transaction, provided that any such transactions which are not closed out on the same Trading Day shall be subject to the full amount of margin required.

[…]

RULE FIFTEEN
FUTURES CONTRACTS SPECIFICATIONS

[…]

CANADIAN BANKERS' ACCEPTANCE FUTURES

15552 Cash Settlement Procedures
(16.04.92, 06.09.96, 16.10.97, 15.10.02, 28.02.17, 00.00.00)

In the case of 1-month and 3-month Canadian bankers' acceptance futures:

a) The Final Settlement Price as determined below by the Bourse shall be used to settle all open Canadian bankers' acceptance futures:

- on the last Trading D~~d~~ay ~~of trading~~ and at the time of termination of trading, the Bourse shall determine the Reference 1-month and the Reference 3-month Bankers' Acceptance Rate (yield);

- final Settlement Price for 1-month Canadian Bankers' Acceptance futures contracts shall be 100 minus the Reference 1-month Bankers' Acceptance Rate;

- final Settlement Price for 3-month Canadian Bankers' Acceptance futures contracts shall be 100 minus the Reference 3-month Bankers' Acceptance Rate;

- Reference 1-month and Reference 3-month Bankers' Acceptance Ratemeans the daily “Canadian Dollar Offered Rate” (CDOR) as determined by the appointed CDOR benchmark administrator, currently Thomson Reuters. The value of such CDOR shall be rounded to the nearest 1/1,000th of a percentage point. Any value ending by 0.0005 or more shall be rounded up and any value ending by 0.0004 or less shall be rounded down. For example, a CDOR value of 2.7725 percent would be rounded up to 2.773 percent to determine a contract final settlement price of 97.227.

[…]

TWO-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15612 Last Trading Day ~~of Trading~~
(08.09.89, 18.01.16, 00.00.00)

Trading of Two-year Government of Canada Bond futures ceases at 1:00 p.m. on the seventh business day preceding the last business day of the delivery month.

[…]

15619 Emergencies, Acts of God, Actions of Governments
(08.09.89, 19.01.95, 05.08.97, 22.12.99, 03.05.04, 16.11.07, 01.09.10, 18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the clearing corporation. In the eventuality that the Bourse or the clearing corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

   i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

   ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Two-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading D~~d~~ay~~ of trading~~.

[…]

FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15638 Emergencies, Acts of God, Actions of Governments
(18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

   i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated 5-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading D~~d~~ay ~~of trading~~.

[…]

TEN-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15658 Emergencies, Acts of God, Actions of Governments
(18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Ten-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading D~~d~~ay ~~of trading~~.

[…]

THIRTY-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15678 Emergencies, Acts of God, Actions of Governments
(18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Thirty-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading D~~d~~ay ~~of trading~~.

[…]

S&P/TSX 60 INDEX STANDARD FUTURES

[…]

15706.2 Last Trading Day
(18.01.16, 00.00.00)

Trading of S&P/TSX 60 standard futures ceases on the business~~trading~~ day prior to the final settlement day.

[…]

15722 Final Settlement Price
(07.09.99, 06.05.11, 18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Day is:

$200 times the official opening level of the S&P/TSX 60 Index in the case of standard futures on the S&P/TSX 60 Index.

This final settlement price is based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX 60 Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX 60 INDEX MINI FUTURES

[…]

15746 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the final settlement date is $50 multiplied by the official opening level of the S&P/TSX 60 Index mini futures.

This final settlement price is based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX 60 Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX GLOBAL GOLD INDEX FUTURES

[…]

15772 Final Settlement Price
(31.01.01, 29.04.02, 04.06.15, 18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Global Gold Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Global Gold Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX Global Gold Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED FINANCIALS INDEX FUTURES

[…]

15783.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Financials Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Financials Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX Capped Financials Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED INFORMATION TECHNOLOGY INDEX FUTURES

[…]

15784.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Information Technology Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Information Technology Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last ~~t~~Trading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX Capped Information Technology Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED ENERGY INDEX FUTURES

[…]

15785.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Energy Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Energy Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX Capped Energy Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX COMPOSITE INDEX BANKS (INDUSTRY GROUP) FUTURES

[…]

15786.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Composite Index Banks (Industry Group), as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Composite Index Banks (Industry Group) based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX Composite Index Banks (Industry Group) on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED UTILITIES INDEX FUTURES

[…]

15787.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Utilities Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Utilities Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX Capped Utilities Index on final settlement day and terminated by cash settlement.

[…]

CANADIAN AND INTERNATIONAL SHARE FUTURES CONTRACTS

[…]

15815 Submission of Delivery Notice
(31.01.01, 00.00.00)

To initiate the delivery process, a member holding a seller's position must submit a delivery notice to the Clearing Corporation before the time limit set by the Clearing Corporation after the close of the last T~~t~~rading D~~d~~ay.

[…]

15819 Emergencies, Acts of God, Actions of Governments
(31.01.01, 22.01.16, 15.06.18, 00.00.00)

a) In the event that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Exchange and the Clearing Corporation. In the event that the Exchange or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an Emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the event the Board of Directors decides that a shortage of deliverable of Canadian underlying interets issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors may, for instance:

   i) designate as a deliverable issue any other issue of the same issuer that does not meet the criteria in this Rule;

ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Canadian underlying interest on the last Trading D~~d~~ay~~ of trading~~.

[…]

15821 Settlement Procedures
(31.01.01, 15.06.18, 00.00.00)

a) Canadian shares futures contracts are subject to settlement after the close of the last T~~t~~rading D~~d~~ay by the delivery of the underlying interest on the final settlement day pursuant to the rules of the Clearing Corporation.

b) For International shares futures contracts, all open positions at the close of the last T~~t~~rading D~~d~~ay are marked-to-market using the final settlement price on the final settlement day and terminated by cash settlement pursuant to the rules of the Clearing Corporation.

15822 Final Settlement Day
(31.01.01, 05.09.17, 00.00.00)

a) For the Canadian share futures contract, the final settlement day shall be the second business day after the last T~~t~~rading D~~d~~ay.

b) For International share futures contracts, the final settlement day of a given contract month shall be the first business day following the last Trading D~~d~~ay~~ of trading~~ in the contract month.

15823 Final Settlement Price
(31.01.01, 23.11.16, 15.06.18, 00.00.00)

a) For Canadian shares futures contracts, the final settlement price shall be the trading unit of the futures contract times the closing price of the underlying interest of the futures contract posted by the Toronto Stock Exchange on the last T~~t~~rading D~~d~~ay.

b) Except as determined otherwise by the Bourse, for International shares futures contracts, the final settlement price shall be the trading unit of the futures contract times the closing price of the underlying interest of the futures contract on the last trading day, as posted by the recognized exchange on which such underlying interest is listed.

[…]

30-DAY OVERNIGHT REPO RATE FUTURES

[…]

15921 Final Settlement Date
(14.06.02, 00.00.00)

The final settlement date of a given contract month shall be the first business day following the last Trading D~~d~~ay~~ of trading~~.

[…]

FUTURES CONTRACTS ON CARBON DIOXIDE EQUIVALENT (CO_2e) UNITS WITH PHYSICAL SETTLEMENT

[…]

15941 Last Trading Day ~~of Trading~~
(30.05.08, 00.00.00)

The last Trading D~~d~~ay ~~of trading~~ of futures contracts on carbon dioxide equivalent (CO_2e) units with physical settlement will be the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last Trading D~~d~~ay ~~of trading~~ will be the first Trading D~~trading d~~ay of the contract.

[…]

15944 Submission of Physical Settlement Notice
(30.05.08, 00.00.00)

To initiate the physical settlement process of a futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement, an approved participant holding a seller's position must submit a physical settlement notice to the clearing corporation on the last T~~t~~rading D~~d~~ay.

[…]

FUTURES CONTRACTS ON CARBON DIOXIDE (CO_2e) EQUIVALENT UNITS WITH CASH SETTLEMENT

[…]

15961 Last Trading Day ~~of Trading~~
(30.05.08, 00.00.00)

The last Trading D~~d~~ay ~~of trading~~ of futures contracts on carbon dioxide equivalent (CO_2e) units with cash settlement will be the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last Trading D~~d~~ay ~~of trading~~ is the first T~~t~~rading D~~d~~ay of -the contract.

[…]

15963 Final Cash Settlement Date
(30.05.08, 00.00.00)

The final cash settlement date of a given futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement shall be the first business day following the last Trading D~~d~~ay ~~of trading~~ of the expired contract.

15964 Cash Settlement Procedures
(30.05.08, 00.00.00)

In the case of futures contracts on carbon dioxide equivalent (CO_2e) units with cash settlement:

a) On the last Trading D~~d~~ay~~ of trading~~, open futures contracts on carbon dioxide equivalent (CO_2e) units will be marked to market based on the final settlement price.

b) On the final settlement date, the final settlement price, as determined by the Bourse, shall be used to settle all open positions in futures contracts on carbon dioxide equivalent (CO_2e) units with cash settlement.

[…]

S&P/TSX COMPOSITE INDEX MINI FUTURES

[…]

15987 Final Settlement Price
(15.05.09, 00.00.00)

The final settlement price determined on the Final Settlement Day shall be CAN $5 times the official opening level of the S&P/TSX Composite Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official opening level of the S&P/TSX Composite Index on final settlement day and terminated by cash settlement.

[…]

FUTURES CONTRACTS ON CANADIAN CRUDE OIL

[…]

15996.10 Last Trading Day~~ of Trading~~
(18.06.10, 18.01.16, 00.00.00)

The last T~~t~~rading D~~d~~ay is the first business day prior to the crude oil “Initial Notice of Shipment Date” of the delivery month as determined by the Bourse, or such other day as prescribed by the Bourse. Initial Notice of Shipment Date means, with respect to the contract month, the first due date and time generally accepted by industry for the filing of the Notice of Shipment.

[…]

15997.2 Final Settlement Day
(18.06.10, 00.00.00)

The final settlement day of a given futures contract on Canadian Crude Oil with cash settlement shall be the first business day following the last Trading D~~d~~ay~~ of trading~~ of the contract expiry.

15997.3 Final Settlement Price
(18.06.10, 00.00.00)

The final settlement price determined on the Final Settlement Day shall be 1,000 U.S. barrels times the price of the designated Canadian Crude Oil, expressed in U.S. dollars per barrel, as determined by the Bourse on the last T~~t~~rading D~~d~~ay. All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the price of the designated Canadian Crude Oil as determined by the Bourse on final settlement day and terminated by cash settlement.

[…]

OVERNIGHT INDEX SWAP FUTURES

[…]

15998.5.2 Last Trading Day
(18.01.16, 00.00.00)

The last T~~t~~rading D~~d~~ay for an overnight index swap futures is the day of a Bank of Canada fixed announcement date.

[…]

15999.1 Final Settlement Date
(16.02.12, 00.00.00)

The final settlement date of a given contract month shall be the first business day following the last Trading D~~d~~ay~~ of trading~~.

15999.2 Cash Settlement Procedures
(16.02.12, 28.02.17, 00.00.00)

In the case of overnight index swap futures contracts:

a) On the last Trading D~~d~~ay~~ of trading~~, open contracts will be marked to market based on the daily settlement price. A final settlement price will be determined on the Final Settlement Date.

b) The Final Settlement Price as determined below by the Bourse shall be used to settle all open overnight index swap futures:

i) on the Final Settlement Date, the Bourse shall determine the overnight index swap reference rate;

ii) Final Settlement Price for the overnight index swap futures shall be 100 minus the overnight index swap reference rate, rounded to the nearest 1/1000th of a percentage point. Any value ending by 0.0005 or more shall be rounded up and any value ending by 0.0004 or less shall be rounded down. For example, an overnight index swap reference rate value of of 1.2635 percent would determine a Final Settlement Price of 98.737;

iii) the overnight index swap reference rate means the compounded daily “Canadian Overnight Repo Rate Average” (CORRA), as determined by the appointed CORRA benchmark administrator, currently Thomson Reuters, 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 example, Friday’s rate is used for Saturday and Sunday rates.

[…]

FTSE EMERGING MARKETS INDEX FUTURES

[…]

15999.8.2 Last Trading Day
(18.01.16, 00.00.00)

Trading ceases at 4:15 p.m. (ET) on the third Friday of the contract month if the underlying index is published that day. IF it is not published that day, trading will cease on the first preceding T~~t~~rading D~~d~~ay for which the underlying index is scheduled to be published.

[…]

15999.13 Final Settlement Day
(09.06.14, 18.01.16, 00.00.00)

The final settlement day is the last T~~t~~rading D~~d~~ay.

15999.14 Final Settlement Price
(09.06.14, 18.01.16, 00.00.00)

The final settlement price shall be determined on the last T~~t~~rading D~~d~~ay by multiplying the official closing level of the FTSE Emerging Markets Index by $100.

All open positions at the close of the last T~~t~~rading D~~d~~ay will be marked to market using the official closing level of the FTSE Emerging Markets Index on the last T~~t~~rading D~~d~~ay and terminated by cash settlement.

RULE FIFTEEN
FUTURES CONTRACTS SPECIFICATIONS

[…]

CANADIAN BANKERS' ACCEPTANCE FUTURES

15552 Cash Settlement Procedures
(16.04.92, 06.09.96, 16.10.97, 15.10.02, 28.02.17, 00.00.00)

In the case of 1-month and 3-month Canadian bankers' acceptance futures:

a) The Final Settlement Price as determined below by the Bourse shall be used to settle all open Canadian bankers' acceptance futures:

- on the last Trading Day and at the time of termination of trading, the Bourse shall determine the Reference 1-month and the Reference 3-month Bankers' Acceptance Rate (yield);

- final Settlement Price for 1-month Canadian Bankers' Acceptance futures contracts shall be 100 minus the Reference 1-month Bankers' Acceptance Rate;

- final Settlement Price for 3-month Canadian Bankers' Acceptance futures contracts shall be 100 minus the Reference 3-month Bankers' Acceptance Rate;

- Reference 1-month and Reference 3-month Bankers' Acceptance Ratemeans the daily “Canadian Dollar Offered Rate” (CDOR) as determined by the appointed CDOR benchmark administrator, currently Thomson Reuters. The value of such CDOR shall be rounded to the nearest 1/1,000th of a percentage point. Any value ending by 0.0005 or more shall be rounded up and any value ending by 0.0004 or less shall be rounded down. For example, a CDOR value of 2.7725 percent would be rounded up to 2.773 percent to determine a contract final settlement price of 97.227.

[…]

TWO-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15612 Last Trading Day
(08.09.89, 18.01.16, 00.00.00)

Trading of Two-year Government of Canada Bond futures ceases at 1:00 p.m. on the seventh business day preceding the last business day of the delivery month.

[…]

15619 Emergencies, Acts of God, Actions of Governments
(08.09.89, 19.01.95, 05.08.97, 22.12.99, 03.05.04, 16.11.07, 01.09.10, 18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the clearing corporation. In the eventuality that the Bourse or the clearing corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

   i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

   ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Two-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading Day.

[…]

FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15638 Emergencies, Acts of God, Actions of Governments
(18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

   i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated 5-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading Day.

[…]

TEN-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15658 Emergencies, Acts of God, Actions of Governments
(18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Ten-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading Day.

[…]

THIRTY-YEAR GOVERNMENT OF CANADA BOND FUTURES

[…]

15678 Emergencies, Acts of God, Actions of Governments
(18.01.16, 00.00.00)

a) In the eventuality that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Bourse and the Clearing Corporation. In the eventuality that the Bourse or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the eventuality where the Board of Directors decides that a shortage of deliverable Government of Canada Bond issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors could, for instance:

   i) designate as a deliverable issue any other Government of Canada Bond that does not meet the criteria in this Rule;

   ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Government of Canada Bond bearing the coupon rate specified in the rules applicable to each designated Thirty-year Government of Canada Bond futures contract, as determined by using the yield curve of Government of Canada Bonds on the last Trading Day.

[…]

S&P/TSX 60 INDEX STANDARD FUTURES

[…]

15706.2 Last Trading Day
(18.01.16, 00.00.00)

Trading of S&P/TSX 60 standard futures ceases on the business day prior to the final settlement day.

[…]

15722 Final Settlement Price
(07.09.99, 06.05.11, 18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Day is:

$200 times the official opening level of the S&P/TSX 60 Index in the case of standard futures on the S&P/TSX 60 Index.

This final settlement price is based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX 60 Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX 60 INDEX MINI FUTURES

[…]

15746 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the final settlement date is $50 multiplied by the official opening level of the S&P/TSX 60 Index mini futures.

This final settlement price is based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX 60 Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX GLOBAL GOLD INDEX FUTURES

[…]

15772 Final Settlement Price
(31.01.01, 29.04.02, 04.06.15, 18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Global Gold Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Global Gold Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX Global Gold Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED FINANCIALS INDEX FUTURES

[…]

15783.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Financials Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Financials Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX Capped Financials Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED INFORMATION TECHNOLOGY INDEX FUTURES

[…]

15784.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Information Technology Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Information Technology Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX Capped Information Technology Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED ENERGY INDEX FUTURES

[…]

15785.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Energy Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Energy Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX Capped Energy Index on final settlement day and terminated by cash settlement.

[…]

S&P/TSX COMPOSITE INDEX BANKS (INDUSTRY GROUP) FUTURES

[…]

15786.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Composite Index Banks (Industry Group), as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Composite Index Banks (Industry Group) based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX Composite Index Banks (Industry Group) on final settlement day and terminated by cash settlement.

[…]

S&P/TSX CAPPED UTILITIES INDEX FUTURES

[…]

15787.13 Final Settlement Price
(18.01.16, 00.00.00)

The final settlement price determined on the Final Settlement Date is the trading unit of the S&P/TSX Capped Utilities Index, as determined by the Bourse, multiplied by the official opening level of the S&P/TSX Capped Utilities Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX Capped Utilities Index on final settlement day and terminated by cash settlement.

[…]

CANADIAN AND INTERNATIONAL SHARE FUTURES CONTRACTS

[…]

15815 Submission of Delivery Notice
(31.01.01, 00.00.00)

To initiate the delivery process, a member holding a seller's position must submit a delivery notice to the Clearing Corporation before the time limit set by the Clearing Corporation after the close of the last Trading Day.

[…]

15819 Emergencies, Acts of God, Actions of Governments
(31.01.01, 22.01.16, 15.06.18, 00.00.00)

a) In the event that a delivery operation cannot be carried because of a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the holder of a buyer's position or a seller's position shall immediately notify the Exchange and the Clearing Corporation. In the event that the Exchange or the Clearing Corporation finds that an immediate action is necessary, a special meeting of the Board of Directors shall be called on the matter and any decision rendered in such circumstances shall be binding on all parties to futures contracts. If the Board of Directors decides that an Emergency situation is in progress, the Board of Directors shall take all necessary actions in the circumstances, and the decision of the Board of Directors shall bind all parties to the futures contract. The Board of Directors could, for instance, extend the delivery period or indicate a different location for delivery operations.

b) In the event the Board of Directors decides that a shortage of deliverable of Canadian underlying interets issues exists or might exist, it shall take all necessary action to correct, prevent or alleviate the situation. The Board of Directors may, for instance:

   i) designate as a deliverable issue any other issue of the same issuer that does not meet the criteria in this Rule;

ii) in addition to the normal delivery procedures, decide of a cash settlement based on the cash value of a Canadian underlying interest on the last Trading Day.

[…]

15821 Settlement Procedures
(31.01.01, 15.06.18, 00.00.00)

a) Canadian shares futures contracts are subject to settlement after the close of the last Trading Day by the delivery of the underlying interest on the final settlement day pursuant to the rules of the Clearing Corporation.

b) For International shares futures contracts, all open positions at the close of the last Trading Day are marked-to-market using the final settlement price on the final settlement day and terminated by cash settlement pursuant to the rules of the Clearing Corporation.

15822 Final Settlement Day
(31.01.01, 05.09.17, 00.00.00)

a) For the Canadian share futures contract, the final settlement day shall be the second business day after the last Trading Day.

b) For International share futures contracts, the final settlement day of a given contract month shall be the first business day following the last Trading Day in the contract month.

15823 Final Settlement Price
(31.01.01, 23.11.16, 15.06.18, 00.00.00)

a) For Canadian shares futures contracts, the final settlement price shall be the trading unit of the futures contract times the closing price of the underlying interest of the futures contract posted by the Toronto Stock Exchange on the last Trading Day.

b) Except as determined otherwise by the Bourse, for International shares futures contracts, the final settlement price shall be the trading unit of the futures contract times the closing price of the underlying interest of the futures contract on the last trading day, as posted by the recognized exchange on which such underlying interest is listed.

[…]

30-DAY OVERNIGHT REPO RATE FUTURES

[…]

15921 Final Settlement Date
(14.06.02, 00.00.00)

The final settlement date of a given contract month shall be the first business day following the last Trading Day.

[…]

FUTURES CONTRACTS ON CARBON DIOXIDE EQUIVALENT (CO_2e) UNITS WITH PHYSICAL SETTLEMENT

[…]

15941 Last Trading Day
(30.05.08, 00.00.00)

The last Trading Day of futures contracts on carbon dioxide equivalent (CO_2e) units with physical settlement will be the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last Trading Day will be the first Trading Day of the contract.

[…]

15944 Submission of Physical Settlement Notice
(30.05.08, 00.00.00)

To initiate the physical settlement process of a futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement, an approved participant holding a seller's position must submit a physical settlement notice to the clearing corporation on the last Trading Day.

[…]

FUTURES CONTRACTS ON CARBON DIOXIDE (CO_2e) EQUIVALENT UNITS WITH CASH SETTLEMENT

[…]

15961 Last Trading Day
(30.05.08, 00.00.00)

The last Trading Day of futures contracts on carbon dioxide equivalent (CO_2e) units with cash settlement will be the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last Trading Day is the first Trading Day of the contract.

[…]

15963 Final Cash Settlement Date
(30.05.08, 00.00.00)

The final cash settlement date of a given futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement shall be the first business day following the last Trading Day of the expired contract.

15964 Cash Settlement Procedures
(30.05.08, 00.00.00)

In the case of futures contracts on carbon dioxide equivalent (CO_2e) units with cash settlement:

a) On the last Trading Day, open futures contracts on carbon dioxide equivalent (CO_2e) units will be marked to market based on the final settlement price.

b) On the final settlement date, the final settlement price, as determined by the Bourse, shall be used to settle all open positions in futures contracts on carbon dioxide equivalent (CO_2e) units with cash settlement.

[…]

S&P/TSX COMPOSITE INDEX MINI FUTURES

[…]

15987 Final Settlement Price
(15.05.09, 00.00.00)

The final settlement price determined on the Final Settlement Day shall be CAN $5 times the official opening level of the S&P/TSX Composite Index based on the opening prices of the component stocks in the Index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement. All open positions at the close of the last Trading Day will be marked to market using the official opening level of the S&P/TSX Composite Index on final settlement day and terminated by cash settlement.

[…]

FUTURES CONTRACTS ON CANADIAN CRUDE OIL

[…]

15996.10 Last Trading Day
(18.06.10, 18.01.16, 00.00.00)

The last Trading Day is the first business day prior to the crude oil "Initial Notice of Shipment Date" of the delivery month as determined by the Bourse, or such other day as prescribed by the Bourse. Initial Notice of Shipment Date means, with respect to the contract month, the first due date and time generally accepted by industry for the filing of the Notice of Shipment.

[…]

15997.2 Final Settlement Day
(18.06.10, 00.00.00)

The final settlement day of a given futures contract on Canadian Crude Oil with cash settlement shall be the first business day following the last Trading Day of the contract expiry.

15997.3 Final Settlement Price
(18.06.10, 00.00.00)

The final settlement price determined on the Final Settlement Day shall be 1,000 U.S. barrels times the price of the designated Canadian Crude Oil, expressed in U.S. dollars per barrel, as determined by the Bourse on the last Trading Day. All open positions at the close of the last Trading Day will be marked to market using the price of the designated Canadian Crude Oil as determined by the Bourse on final settlement day and terminated by cash settlement.

[…]

OVERNIGHT INDEX SWAP FUTURES

[…]

15998.5.2 Last Trading Day
(18.01.16, 00.00.00)

The last Trading Day for an overnight index swap futures is the day of a Bank of Canada fixed announcement date.

[…]

15999.1 Final Settlement Date
(16.02.12, 00.00.00)

The final settlement date of a given contract month shall be the first business day following the last Trading Day.

15999.2 Cash Settlement Procedures
(16.02.12, 28.02.17, 00.00.00)

In the case of overnight index swap futures contracts:

a) On the last Trading Day, open contracts will be marked to market based on the daily settlement price. A final settlement price will be determined on the Final Settlement Date.

b) The Final Settlement Price as determined below by the Bourse shall be used to settle all open overnight index swap futures:

   i) on the Final Settlement Date, the Bourse shall determine the overnight index swap reference rate;

   ii) Final Settlement Price for the overnight index swap futures shall be 100 minus the overnight index swap reference rate, rounded to the nearest 1/1000th of a percentage point. Any value ending by 0.0005 or more shall be rounded up and any value ending by 0.0004 or less shall be rounded down. For example, an overnight index swap reference rate value of of 1.2635 percent would determine a Final Settlement Price of 98.737;

   iii) the overnight index swap reference rate means the compounded daily “Canadian Overnight Repo Rate Average” (CORRA), as determined by the appointed CORRA benchmark administrator, currently Thomson Reuters, 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 example, Friday’s rate is used for Saturday and Sunday rates.

[…]

FTSE EMERGING MARKETS INDEX FUTURES

[…]

15999.8.2 Last Trading Day
(18.01.16, 00.00.00)

Trading ceases at 4:15 p.m. (ET) on the third Friday of the contract month if the underlying index is published that day. IF it is not published that day, trading will cease on the first preceding Trading Day for which the underlying index is scheduled to be published.

[…]

15999.13 Final Settlement Day
(09.06.14, 18.01.16, 00.00.00)

The final settlement day is the last Trading Day.

15999.14 Final Settlement Price
(09.06.14, 18.01.16, 00.00.00)

The final settlement price shall be determined on the last Trading Day by multiplying the official closing level of the FTSE Emerging Markets Index by $100.

All open positions at the close of the last Trading Day will be marked to market using the official closing level of the FTSE Emerging Markets Index on the last Trading Day and terminated by cash settlement.

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.

"Minimum Threshold": The applicable threshold for BAX will be:

- 150 contracts for the first four quarterly contract months ("whites");
- 100 contracts for quarterly contract months 5 to 8 ("reds"); and
- 50 contracts for quarterly contract months 9 to 12 ("greens").

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 weighted average price of cumulated trades that meet the Minimum Threshold, during the last three minute prior to 3:00pm, or prior to 1:00pm on early closing days, on that contract month; if no such average price is available, it will then use the weighted average price of cumulated trades for a total equal to the Minimum Threshold on that contract month for a period not exceeding the last 30 minutes prior to 3:00pm, or prior to 1:00pm on early closing days. 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.

The settlement price must be within the bid/offer price of the individual contract provided that the bid or offer meets the Minimum Threshold of volumes required.

All volumes and orders on a spread will be weighted at 50% relative to the orders and volumes on individual contracts, whereas a butterfly spread will be weighted at 25% relative to the orders and volumes on individual contracts.

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.

The settlement price must be within the bid/offer price of the individual contract provided that the bid or offer meets the Minimum Threshold of volumes required.

All volumes and orders on a spread will be weighted at 50% relative to the orders and volumes on individual contracts, whereas a butterfly spread will be weighted at 25% relative to the orders and volumes on individual contracts.

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 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.

4.2 FUTURES CONTRACTS ON S&P/TSX INDICES AND ON THE FTSE EMERGING MARKETS INDEX

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 T~~t~~rading Day ~~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 Trading Day~~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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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, 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 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 3:00pm , 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:

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

Interest rate:

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

Volatility:

- o 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 trading 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 3:00pm, or prior to 1:00pm on early closing days, 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, 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, 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_2e) 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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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, 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 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 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 T~~t~~rading D~~d~~ay. 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, 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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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 trading 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, 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 trading 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 3:00pm, or prior to 1:00pm on early closing days, 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, 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, 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 T~~t~~rading Day~~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 Trading Day ~~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.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

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.

“Minimum Threshold”: The applicable threshold for BAX will be:

- 150 contracts for the first four quarterly contract months (“whites”);
- 100 contracts for quarterly contract months 5 to 8 (“reds”); and
- 50 contracts for quarterly contract months 9 to 12 (“greens”).

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 weighted average price of cumulated trades that meet the Minimum Threshold, during the last three minute prior to 3:00pm, or prior to 1:00pm on early closing days, on that contract month; if no such average price is available, it will then use the weighted average price of cumulated trades for a total equal to the Minimum Threshold on that contract month for a period not exceeding the last 30 minutes prior to 3:00pm, or prior to 1:00pm on early closing days. 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.

The settlement price must be within the bid/offer price of the individual contract provided that the bid or offer meets the Minimum Threshold of volumes required.

All volumes and orders on a spread will be weighted at 50% relative to the orders and volumes on individual contracts, whereas a butterfly spread will be weighted at 25% relative to the orders and volumes on individual contracts.

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.

The settlement price must be within the bid/offer price of the individual contract provided that the bid or offer meets the Minimum Threshold of volumes required.

All volumes and orders on a spread will be weighted at 50% relative to the orders and volumes on individual contracts, whereas a butterfly spread will be weighted at 25% relative to the orders and volumes on individual contracts.

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 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.

4.2 FUTURES CONTRACTS ON S&P/TSX INDICES AND ON THE FTSE EMERGING MARKETS INDEX

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 Day 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 Trading Day 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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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, 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 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 3:00pm , 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 trading 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 3:00pm, or prior to 1:00pm on early closing days, 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, 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, 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_2e) 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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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, 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 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 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, 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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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 trading prior to 3:00pm, or prior to 1:00pm on early closing days, 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 trading 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, 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 trading 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 3:00pm, or prior to 1:00pm on early closing days, 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, 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, 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 Day 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 Trading Day 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.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES APPLICABLE TO THE EXECUTION OF STRATEGIES INVOLVING FUTURES AND OPTIONS ON FUTURES

1. OBJECTIVE

The objective of these procedures is to provide for and facilitate the trading of strategies involving futures contracts and options on futures contracts from the same product group, .i.e. contracts with the same underlying ("**Intra-Group Strategies**") as well as from different product groups, .i.e. contracts with different underlyings ("**Inter-Group Strategies**"). Strategies involving futures contracts and options contracts on such futures contracts are Inter-Group Strategies. Approved participants may create user-defined Intra-Group or Inter-Group Strategies (each, a "**UDS**") via individual trading terminals which allow for customized strategies to be disseminated and traded. When not feasible, an approved participant must contact Bourse de Montréal Inc. ("**Bourse**") Market Operations Department ("**MOD**") at 1 888 693-6366 or 514 871-7871 for assistance in creating a UDS.

2. DESCRIPTION

Creation by Approved Participant

An approved participant requests the creation of a UDS instrument by sending a message to the Bourse's trading system through any of the protocols supported by the Bourse. This message contains the parameters of the strategy the approved participant wishes to display.

Bourse will determine from time to time the strategy types that will be accepted by the UDS functionality, and will notify the market of such acceptance criteria.

The UDS functionality will validate that the strategy created is among those that are accepted by the system. If accepted, the newly created strategy instrument will be broadcast in real time to the market via Bourse's High Speed Vendor Feed, similar to the broadcast of any instrument. If the strategy is not accepted by the UDS functionality, an error message will be returned to the approved participant submitting the message.

A throttling mechanism is engaged in order to limit the number of strategy instruments created by an approved participant. Each approved participant is configured by MOD with a maximum number of instrument creation requests per T~~t~~rading D~~d~~ay. Bourse will determine that maximum number depending on the capacity of its systems and will notify the market of such number. If the counter falls to zero, the approved participant is not able to create any new strategy instrument on that day. Conversely, the counter is credited if a newly created strategy instrument generates at least one trade during that T~~t~~rading Day~~session~~.

Creation by MOD

If a strategy cannot be created using the UDS facility because it is not accepted by the Bourse's trading system, the approved participant may contact the MOD and request the creation of the UDS. The UDS must conform to the acceptance criteria as determined by Bourse from time to time.

The UDS functionality will validate that the strategy created is among those that are accepted by the system. If accepted, the newly created strategy instrument will be broadcast to the market via the Bourse's High Speed Vendor Feed, similar to the broadcast of any instrument.

In such cases, the MOD's assistance is limited to creating the UDS. Approved participants are responsible for entering orders.

PROCEDURES APPLICABLE TO THE EXECUTION OF STRATEGIES INVOLVING FUTURES AND OPTIONS ON FUTURES

1. OBJECTIVE

The objective of these procedures is to provide for and facilitate the trading of strategies involving futures contracts and options on futures contracts from the same product group, .i.e. contracts with the same underlying ("**Intra-Group Strategies**") as well as from different product groups, .i.e. contracts with different underlyings ("**Inter-Group Strategies**"). Strategies involving futures contracts and options contracts on such futures contracts are Inter-Group Strategies. Approved participants may create user-defined Intra-Group or Inter-Group Strategies (each, a "**UDS**") via individual trading terminals which allow for customized strategies to be disseminated and traded. When not feasible, an approved participant must contact Bourse de Montréal Inc. ("**Bourse**") Market Operations Department ("**MOD**") at 1 888 693-6366 or 514 871-7871 for assistance in creating a UDS.

2. DESCRIPTION

<u>Creation by Approved Participant</u>

An approved participant requests the creation of a UDS instrument by sending a message to the Bourse's trading system through any of the protocols supported by the Bourse. This message contains the parameters of the strategy the approved participant wishes to display.

Bourse will determine from time to time the strategy types that will be accepted by the UDS functionality, and will notify the market of such acceptance criteria.

The UDS functionality will validate that the strategy created is among those that are accepted by the system. If accepted, the newly created strategy instrument will be broadcast in real time to the market via Bourse's High Speed Vendor Feed, similar to the broadcast of any instrument. If the strategy is not accepted by the UDS functionality, an error message will be returned to the approved participant submitting the message.

A throttling mechanism is engaged in order to limit the number of strategy instruments created by an approved participant. Each approved participant is configured by MOD with a maximum number of instrument creation requests per Trading Day. Bourse will determine that maximum number depending on the capacity of its systems and will notify the market of such number. If the counter falls to zero, the approved participant is not able to create any new strategy instrument on that day. Conversely, the counter is credited if a newly created strategy instrument generates at least one trade during that Trading Day.

Creation by MOD

If a strategy cannot be created using the UDS facility because it is not accepted by the Bourse's trading system, the approved participant may contact the MOD and request the creation of the UDS. The UDS must conform to the acceptance criteria as determined by Bourse from time to time.

The UDS functionality will validate that the strategy created is among those that are accepted by the system. If accepted, the newly created strategy instrument will be broadcast to the market via the Bourse's High Speed Vendor Feed, similar to the broadcast of any instrument.

In such cases, the MOD's assistance is limited to creating the UDS. Approved participants are responsible for entering orders.

PROCEDURES APPLICABLE TO THE EXECUTION OF STRATEGIES INVOLVING OPTIONS

1) OBJECTIVE

The objective of these procedures is to provide and facilitate the trading of strategies involving equity options for approved participants. For the purposes of these procedures, equity options also include options on indices, currencies and exchange-traded funds. Approved participants may create user-defined strategies ("**UDS**") via individual trading terminals which allow customized strategies to be disseminated and traded. When not feasible, an approved participant must contact Bourse de Montréal Inc.'s ("**Bourse**") Market Operations Department ("**MOD**") at 1 866 576-8836 or 514 871-7877 for assistance in creating or executing a UDS when applicable.

2) DESCRIPTION

Creation by Approved Participant

An approved participant requests the creation of a UDS instrument by sending a message to the Bourse's trading system through any of the protocols supported by the Bourse. This message contains the parameters of the strategy the approved participant wishes to display.

Bourse will determine from time to time the strategy types that will be accepted by the UDS functionality, and will notify the market of such acceptance criteria.

The UDS functionality will validate that the strategy created is among those that are accepted by the system. If accepted, the newly created strategy instrument will be broadcast to the market via Bourse's High Speed Vendor Feed ("HSVF") and the Order Book Feed ("OBF"), similar to the broadcast of any instrument. If the strategy is not accepted by the UDS functionality, an error message will be returned to the approved participant submitting the message.

A throttling mechanism is engaged in order to limit the number of strategy instruments created by an approved participant. Each approved participant is configured by MOD with a maximum number of instrument creation requests per T~~t~~rading D~~d~~ay. Bourse will determine that maximum number depending on the capacity of its systems and will notify the market of such number. If the counter falls to zero, the approved participant is not able to create any new strategy instrument on that day. Conversely, the counter is credited if a newly created strategy instrument generates at least one trade during that T~~t~~rading Day~~session~~.

Creation by MOD

If a strategy cannot be created using the UDS facility because it is not accepted by the Bourse's trading system, the approved participant may contact the MOD and request the creation of the UDS. The information provided by the approved participants to the MOD must include the option series involved and the quantity ratio.

If accepted, the newly created strategy instrument will be broadcast to the market via the Bourse's High Speed Vendor Feed (HSVF) and the Order Book Feed (OBF), similar to the broadcast of any instrument.

In such cases, the MOD's assistance is limited to creating the UDS. Approved participants are responsible for entering and executing the orders.

Execution by MOD

All option strategies must be executed using the Bourse's UDS facility. Notwithstanding the aforementioned, if a strategy cannot be created and broadcasted using the UDS because the strategy type is not supported by the UDS facility , or because one of the strategy legs is the ***underlying shares*** the approved participant may submit to the Bourse a strategy order for execution using the following procedure:

A) The approved participant must contact the MOD and indicate its option strategy. The information provided must include the option series involved, the quantity ratio, the price and the total quantity of the order. Approved participants must have received and time-registered their order prior to contacting the MOD. If the intended strategy includes an equity leg, the approved participant must also indicate the reference price of the underlying interest and the number of shares to be executed in the strategy.

B) The MOD will contact qualifying market makers assigned to the option class. A qualifying market maker is defined as a market maker that is showing a bid/ask market no wider than the no-bust range of that instrument, with a minimum of 10 contracts per side. The MOD will respect the following procedure:

   i) For strategies involving less than 50 contracts per leg, market makers will be contacted individually based on the market maker quoting the tightest market on the options legs comprising the strategy.

   ii) For strategies involving between 50 and 99 contracts per leg, market makers will be contacted by groups of two, according to their rank on their quotes.

   iii) For strategies involving 100 contracts or more per leg, all qualifying market makers quoting on the option legs of the strategy will be contacted.

   In the event that a strategy is comprised of multiple legs, the MOD will take into account the option with the furthest expiry to determine which participating market makers will be contacted. Qualifying market makers will be contacted and shown the strategy as submitted by the approved participant. If the market maker(s) accepts the prices provided by the MOD, the transaction will be entered and broadcast to all relevant parties (approved participants, market makers, and stock exchange, if necessary).

C) The market makers may provide responding bids, offers and quantities:

   i) If market makers choose to participate on the strategy, they must be willing to trade all parts inherent to the transaction (all series, shares) but they will not be obligated to trade the entire quantity.

   ii) If a particular market maker is not available within 15 seconds of the market supervisor of the MOD initiating the telephone call, no additional attempts to contact him will be made. The market maker should provide an answer to the MOD within approximately 30 seconds of the strategy description given by the MOD. Allowance will be made for a longer response time in the case of a particularly complex strategy. If all attempts fail the order will be rejected.

D) In some situations where the strategy cannot be executed, the MOD may inform the approved participant of the best corresponding bid/offer as well as the corresponding quantities obtained by market makers. Once the details of the transaction are negotiated and confirmed, information on the transaction will be entered into the Bourse's trading system by the MOD and broadcast to the marketplace. The strategy trade will be broadcast via the Bourse's Web site and the leg prices and volumes will be disseminated via the Bourse's data feed. If the transaction includes an equity leg and the option leg has been executed, the MOD will submit the equity portion of the strategy to the venue where the equity is traded.

Execution of Cross Transaction on Strategies Involving Options

(1) Cross Transactions with a 50% guaranteed minimum will not be accepted electronically – Please refer to the *Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.*

(2) Cross transactions on equity options strategies **without** a 50% guaranteed minimum will be accepted electronically - Please refer to the *Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.*

PROCEDURES APPLICABLE TO THE EXECUTION OF STRATEGIES INVOLVING OPTIONS

1) OBJECTIVE

The objective of these procedures is to provide and facilitate the trading of strategies involving equity options for approved participants. For the purposes of these procedures, equity options also include options on indices, currencies and exchange-traded funds. Approved participants may create user-defined strategies ("**UDS**") via individual trading terminals which allow customized strategies to be disseminated and traded. When not feasible, an approved participant must contact Bourse de Montréal Inc.'s ("**Bourse**") Market Operations Department ("**MOD**") at 1 866 576-8836 or 514 871-7877 for assistance in creating or executing a UDS when applicable.

2) DESCRIPTION

Creation by Approved Participant

An approved participant requests the creation of a UDS instrument by sending a message to the Bourse's trading system through any of the protocols supported by the Bourse. This message contains the parameters of the strategy the approved participant wishes to display.

Bourse will determine from time to time the strategy types that will be accepted by the UDS functionality, and will notify the market of such acceptance criteria.

The UDS functionality will validate that the strategy created is among those that are accepted by the system. If accepted, the newly created strategy instrument will be broadcast to the market via Bourse's High Speed Vendor Feed ("HSVF") and the Order Book Feed ("OBF"), similar to the broadcast of any instrument. If the strategy is not accepted by the UDS functionality, an error message will be returned to the approved participant submitting the message.

A throttling mechanism is engaged in order to limit the number of strategy instruments created by an approved participant. Each approved participant is configured by MOD with a maximum number of instrument creation requests per Trading Day. Bourse will determine that maximum number depending on the capacity of its systems and will notify the market of such number. If the counter falls to zero, the approved participant is not able to create any new strategy instrument on that day. Conversely, the counter is credited if a newly created strategy instrument generates at least one trade during that Trading Day.

Creation by MOD

If a strategy cannot be created using the UDS facility because it is not accepted by the Bourse's trading system, the approved participant may contact the MOD and request the creation of the UDS. The information provided by the approved participants to the MOD must include the option series involved and the quantity ratio.

If accepted, the newly created strategy instrument will be broadcast to the market via the Bourse's High Speed Vendor Feed (HSVF) and the Order Book Feed (OBF), similar to the broadcast of any instrument.

In such cases, the MOD's assistance is limited to creating the UDS. Approved participants are responsible for entering and executing the orders.

Execution by MOD

All option strategies must be executed using the Bourse's UDS facility. Notwithstanding the aforementioned, if a strategy cannot be created and broadcasted using the UDS because the strategy type is not supported by the UDS facility , or because one of the strategy legs is the ***underlying shares*** the approved participant may submit to the Bourse a strategy order for execution using the following procedure:

A) The approved participant must contact the MOD and indicate its option strategy. The information provided must include the option series involved, the quantity ratio, the price and the total quantity of the order. Approved participants must have received and time-registered their order prior to contacting the MOD. If the intended strategy includes an equity leg, the approved participant must also indicate the reference price of the underlying interest and the number of shares to be executed in the strategy.

B) The MOD will contact qualifying market makers assigned to the option class. A qualifying market maker is defined as a market maker that is showing a bid/ask market no wider than the no-bust range of that instrument, with a minimum of 10 contracts per side. The MOD will respect the following procedure:

i) For strategies involving less than 50 contracts per leg, market makers will be contacted individually based on the market maker quoting the tightest market on the options legs comprising the strategy.

ii) For strategies involving between 50 and 99 contracts per leg, market makers will be contacted by groups of two, according to their rank on their quotes.

iii) For strategies involving 100 contracts or more per leg, all qualifying market makers quoting on the option legs of the strategy will be contacted.

In the event that a strategy is comprised of multiple legs, the MOD will take into account the option with the furthest expiry to determine which participating market makers will be contacted. Qualifying market makers will be contacted and shown the strategy as submitted by the approved participant. If the market maker(s) accepts the prices provided by the MOD, the transaction will be entered and broadcast to all relevant parties (approved participants, market makers, and stock exchange, if necessary).

C) The market makers may provide responding bids, offers and quantities:

i) If market makers choose to participate on the strategy, they must be willing to trade all parts inherent to the transaction (all series, shares) but they will not be obligated to trade the entire quantity.

ii) If a particular market maker is not available within 15 seconds of the market supervisor of the MOD initiating the telephone call, no additional attempts to contact him will be made. The market maker should provide an answer to the MOD within approximately 30 seconds of the strategy description given by the MOD. Allowance will be made for a longer response time in the case of a particularly complex strategy. If all attempts fail the order will be rejected.

D) In some situations where the strategy cannot be executed, the MOD may inform the approved participant of the best corresponding bid/offer as well as the corresponding quantities obtained by market makers. Once the details of the transaction are negotiated and confirmed, information on the transaction will be entered into the Bourse's trading system by the MOD and broadcast to the marketplace. The strategy trade will be broadcast via the Bourse's Web site and the leg prices and volumes will be disseminated via the Bourse's data feed. If the transaction includes an equity leg and the option leg has been executed, the MOD will submit the equity portion of the strategy to the venue where the equity is traded.

<u>Execution of Cross Transaction on Strategies Involving Options</u>

(1) Cross Transactions with a 50% guaranteed minimum will not be accepted electronically – Please refer to the *Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.*

(2) Cross transactions on equity options strategies **without** a 50% guaranteed minimum will be accepted electronically - Please refer to the *Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.*

Circular 165-17: Summarized comments and responses

AMENDMENTS TO THE RULES AND PROCEDURES OF BOURSE DE MONTRÉAL INC. TO ACCOMMODATE THE EXTENSION OF ITS TRADING HOURS

No.	Date comments received	Participant Category	Subject	Summary of comments	Summary of responses
1.	January 30, 2018	IIAC and dealer members	Industry Position	The IIAC and its members are not in favor of this initiative. Our industry, to this day, has major concerns regarding market liquidity, market integrity and market reputation. Furthermore, the initiative implies additional cost and potential regulatory burden for our members with what we expect to be minimal offset from incremental revenue.	The Bourse takes note of the comments. The topics enumerated in these comments are addressed below.
2.	January 30, 2018	IIAC and dealer members	Market Liquidity	Our Canadian members have been the largest supporters of the Canadian futures market, both from a sales perspective and from a market making perspective. Liquidity on the futures market in Montreal is a direct result of the capital and support that those members have devoted to each product. Despite the Bourse's confidence in the eventual development of liquidity during the extended hours, the basis for this level of confidence is unclear to the industry members. While support for these products is currently supported by Canadian-based and/or foreign-based market makers during regular hours, there is no basis to believe these same participants will be willing to provide liquidity in non-traditional hours when	Canadian members have undoubtedly been great supporters of the Canadian futures market and the Bourse is and will continue to be grateful for the underlying long lasting and valuable relationships. In the past years, market dynamics have shifted in the futures space. The involvement and support of foreign members and market participants have greatly evolved and have strongly contributed to the Bourse's markets overall growth. The Bourse has decided to extend its trading hours in order to continue to grow its markets and address the needs of market participants and end-users not only domestically but also globally. The Bourse believes the extension of its trading hours will help fulfill trading and risk management needs globally for a greater number of market participants. More specifically, the ability to access listed Canadian derivatives products for an extended period of time will likely result in better portfolio management

				liquidity in the underlying instruments is not available. After surveying our members active in the Canadian futures market, we feel that support would not extend to an overnight session in which the largest of those end-user clients – the UK and European hedge fund community – would want to have access to liquidity in that early session (liquidity that they would normally have in the regular session). The financial, operational, and reputational risks involved to aid liquidity in that early session are not risks that our members are currently willing to take. Furthermore, we note that despite the Bourse's support, material market liquidity has failed to develop for other products introduced by the Bourse including carbon futures, 2 year, 5 year and 30 year Interest rate futures. The failure to have supportive liquidity materialize in the extended hours session could have knock-on impacts to the overall integrity and reputation of the market for products which are currently successful. If the Bourse wishes to implement the extended hours despite low industry support, the industry advocates that the Bourse have concrete plans in place to ensure liquidity support for products trading in the extended hours session prior to operationalizing this approach. As articulated below, failure to ensure appropriate liquidity may have material impacts on market integrity and participants' risk.	efficiency, especially given the global nature of financial markets. Market liquidity is an everyday preoccupation of the Bourse. The Bourse recognizes that market liquidity during non-regular hours may be more challenging, especially when the Project will be launched and in its early stage. The Bourse is committed to doing everything in its power to foster the development of healthy liquidity during extended as well as regular trading hours. The Bourse has a true network of global participants and will leverage it around the globe to enhance market participation. As a result, the Bourse believes the conditions will be in place to build up the initial liquidity. In fact, the Bourse notes that many derivatives exchanges open for trading during non-local business hours (including North American derivatives exchanges) have successfully developed an acceptable level of liquidity throughout the years in their flagship contracts during their extended hours period, mostly as a result of the internationalization of their client base. *The 6am-7am example* The evolution of liquidity for the Bourse flagship products in the current first hour of trading (6am to 7am) may be used as an indicator of future development of liquidity during the extended trading hours. After a thorough analysis of historical market data, it can be concluded that liquidity in the first hour of trading has improved significantly throughout the years, based on bid-ask spread, size and depth of book metrics. In the first hour of trading in 2017, the cost of crossing the spread was significantly lower than what it was in 2005. This is the result of the average bid-ask spread becoming exponentially tighter, from 52

					ticks wide in 2005 to 1.2 ticks in 2017 for CGB, and from 4.7 ticks to 0.53 tick on average for BAX front month. This represents a notional spread value improvement of $508 for CGB (from $520 to $12) and $105 for BAX (from $118 to $13) per contract. Average size at the top of book has also drastically improved for BAX front month (from 230 contracts in 2005 to 1,200 contracts in 2017, on the bid and ask respectively) and has remained similar for CGB (around 20 contracts on the bid and ask respectively). The combination of tighter spreads and larger bid and ask sizes, not only at the top of book, but also across all levels of depth, has contributed to enhancing the overall depth of book and market quality. Market activity has also significantly increased during the current first hour of trading for products in scope: a 42% increase in the last two years alone (vs. a 31% increase of overall volume for the full trading day). Of the 42% volume increase in the first hour of trading between 2015 and 2017, 33% consisted of foreign flow (vs. 9% domestic). This could certainly suggest a trend of increased demand for Bourse products at earlier hours of the day. *Market Making* For the extended trading hours, the Bourse is seeking partnerships with domestic and international firms to support such liquidity, more precisely by way of market making programs. On March 1st 2018, the Bourse published a Call for Interest (Circular 032-18) in which interested parties were called upon to provide feedback with regards to the structure of the extended hours market making program. On June 1st, 2018, the Bourse published a formal Request for Proposal (Circular 083-18), with a due date on June 29, 2018. The Bourse has also engaged in several discussions with market participants regarding their willingness to fulfil market maker obligations

					during the extended hours, such as maintaining a contracted minimum size, maximum spread and minimum rate of presence on key contracts. In short, some current and prospective market makers have shown substantial interest for such a program. In addition, other participants have also stated that even though they might not take part in the market making program, they would be in the market to provide liquidity at those times. The Bourse already offers eligible market participants the option to enroll in a volume rebate program. This incentive program will also be made available during the extended hours of trading and will also motivate the community to provide liquidity during those hours. Based on the foregoing, the Bourse is confident that liquidity can be fostered and with time, will effectively develop during the extended hours of trading, as it has improved in the past.
3.	January 30, 2018	IIAC and dealer members	Market Integrity	Members doubt there will be sufficient market depth and liquidity in derivatives markets without: i) the support of the Canadian dealers, and ii) the availability of the underlying securities during the extended trading hours. Concerns with market depth and liquidity greatly increase the probability of market manipulation or disruption. The reputation of the Bourse and of the Canadian markets are at stake. Furthermore, the lack of underlying benchmarks may greatly increase the difficulty in assessing fair and reasonable pricing of the derivative instruments (re: price discovery degradation). For instance, how will the Bourse assess EFP, EFR and Block trades for fair and reasonable pricing? What	The Market Operations Department ("**MOD**") and the Regulatory Division of the Bourse (the "**Division**") will apply and enforce the same rules and procedures during the extended hours of trading that they currently enforce during regular business hours. In addition, the Regulatory Division will be monitoring the extended hours activities on a regular basis and may adapt its own activities where and if necessary. Like any other commercial projects led by the Bourse, the Division has independently reviewed and analyzed the Project to assess the impacts on its activities. IIAC has expressed concerns as to how the Bourse will assess EFP, EFR and block trades for fair and reasonable pricing during the extended hours of trading. When determining the appropriateness of an EFP/EFR transaction, the

				measures will the Bourse implement to preserve market quality during unconventional trading hours? What benchmarks will Market operations use during extended hours to adjudicate no-cancel range for off-market trades? Industry members have received answers from the Bourse for some of these questions. The concerns remain.	MOD takes into consideration three factors: correlation, hedge ratio and actual basis level. Correlation means that the Bourse must determine if the cash (bond) or risk (swap) instrument sufficiently correlates to the "cheapest-to-deliver". This is accomplished by performing a regression analysis between the two relevant instruments. For fixed income EFP/EFR transactions, the threshold is a coefficient of 0.70. Anything below this threshold is rejected. Hedge ratio means that the Bourse must determine if the notional values of the cash/risk instruments are approximately similar to the notional values of the futures. Finally, actual basis level means that the Bourse must determine if the basis level is representative of market conditions. The basis is the spread between the futures contract and the cash/risk instrument. It is in the Bourse's experience that under normal conditions, the spread between the two instruments does not vary by much on a daily basis. On trading days when the Bank of Canada modifies its key interest rate, greater variations can be observed compared to trades executed prior to the decision (however, key interest rate announcements are made during normal trading hours). This procedure will be applied by the Bourse without change during the extended trading hours. Based on the foregoing, the Bourse is confident that such assessment can be performed during the extended business hours, as performed during today's current business hours. In conclusion, the Bourse is of the view that it has the resources in place to protect and enhance market integrity where market depth and liquidity alone may not be enough.

4.	January 30, 2018	IIAC and dealer members	Opening Time	Our members believe that 2:00 am EST is not a reasonable opening time for the Montreal Exchange. For example, the Gilt futures open on the ICE/LIFFE at 2:30 am EST. The Montreal Exchange opening at 2:00 am, before major global bond contracts can be traded, suggests to the global investment community that the Bourse may have a misconception on the reliance global investors place on the bourse's products vis-a-vis those of other global exchanges. Global market participants have indicated that they do not need CGBs more than they need Gilts. To justify extending its trading hours, the Bourse references that Sydney has a practically 24-hour futures market. However, this is a poor comparison given that Sydney is in a time zone almost on its own, where a very small portion of the investment world exists. It is in Sydney's best interest to be open during European and North American trading hours, hence the need for a round-the-clock market.	Opening times, trading stages and trading sessions all vary across different comparable derivatives exchanges and are dependent on each respective business' needs, objectives and market realities. The Bourse believes the proposed 2:00 am ET to be a reasonable and suitable opening time for its trading day given market participants' needs and the business' objectives. The Bourse is confident that extending its trading hours to an opening at 2:00 am ET will contribute to achieving its goals to expand globally and cater to the demand from the international trading community for an earlier opening time. Finally, it is not in the Bourse's intention to comment on the importance, the relevance or the reliance of its products relative to other comparable products.
5.	January 30, 2018	IIAC and dealer members	FIFO Algorithm	The FIFO fill algorithm on the Bourse's futures exchange means that Good 'Til Canceled ("GTC") orders will be pointless if a client does not want the overnight risk of being filled on a significant event that causes market movement. The increased risk that an event moves the market will mean people will not work GTC orders, so the only advantage many clients have (GTC in a FIFO market) will effectively be removed.	The "first-in, first out" algorithm used at the Bourse since its inception rewards risk taking and efforts. This is a market model that is currently and efficiently used by other international exchanges. A complete transition from one market model to another, or the addition of hidden order functionalities, may result in drastic and unreasonable alterations of market dynamics, which may not be in the overall market's best interest. At this time, the Bourse remains of the view that its market model is of relevance and properly supports the trading of participants. The extension of the trading hours and the choice of

				It should be noted that removing orders in a FIFO market means that the orders go to the back of the queue when they are re-entered. We believe this to be unfair to investors. As previously mentioned, the only fill algorithm that we believe is appropriate in a market that trades for more than regular business hours is a pro-rata algorithm, such that participants can take their order out when they leave and enter the market again later in the morning without putting them at a disadvantage. As mentioned above, the Bourse's clients may not want to cancel their orders in the book as it would impact the order's priority. We are asking the Bourse, if the initiative goes forward despite low support from the industry, to introduce a functionality that would allow clients to "hide" their orders in the book during extended hours without losing priority in the book once reactivated. Another acceptable solution would be to move to a pro-rata algorithm as explained above. In any case, the current algorithm does not properly support the Bourse's project.	market model should be viewed as two distinct business decisions. Moreover, it is not the Bourse's intention to favour or penalize any specific subset of market participants. The Bourse's objective is to harmonize the trading experience for market participants doing business during both regular and extended trading hours. The Bourse has not, when submitting the Project for comments, prohibited or limited access to the services it offers, whether by a rule, a fee or otherwise. In fact, the content of Circular 165-17 clearly shows that the amendments to the Bourse's rules are minor in nature. With a very few exceptions highlighted in the circular in question, all current rules and procedures of the Bourse will apply during the extended hours of trading, a principle very important to the Bourse. The few changes proposed by the Bourse aim at fostering liquidity during the extended trading hours, which is to the benefit of all market participants, not just a select few.
6.	January 30, 2018	IIAC and dealer members	Overall Increased Payroll	To support this costly initiative, our members would need to increase staffing in the following departments: • Trading, as mentioned above • Compliance and Surveillance • Risk management • Administration • Information Technology Furthermore, we believe certain legislation may require that night staff be paid a premium on their salary. The IIAC is still	The Bourse and CDCC have engaged their stakeholders, including the Canadian dealer community represented by IIAC, in order to develop and design the Extended Project in a way that is as beneficial as possible for the largest portion of market participants. The idea was to partner with approved participants and clearing members willing to do so to bring the Canadian listed derivatives market to the next stage of its development. The Bourse and CDCC are aware that the resources required for adapting to such a change will inevitably vary from one participant to another. Ultimately, each firm will need to make

				analyzing the legal impact of the proposal.	business decisions with respect to its level of participation to the extended trading hours in light of its own business plans. All market participants and clearing members are invited to reach out to the Bourse and/or CDCC to discuss their specific situation.
7.	January 30, 2018	IIAC and dealer members	MX Support	Our members also have concerns regarding the support provided by the Bourse, the Regulatory Division and the CDCC if the proposal is implemented. The industry participants have many questions: • Will the Market Operations Department offer proper support during the extended trading hours? • Will the Technical Help Desk offer proper support during the extended trading hours? • Will the Bourse's IT Department offer proper support during the extended trading hours? • Will the Regulatory Division offer proper support during the extended trading hours? • Will CDCC offer proper support during the extended trading hours? • Did the Bourse evaluate the cost of providing extended support to market participants? We believe proper support should be made available to our members during the extended trading hours if the project is adopted. Concerns remain despite answers provided to industry members.	Both the MOD and the Technical Help Desk will be available during the extended trading hours. There will be employees available at all times for these two groups. IT escalation procedures will be applicable during the extended hours of trading in the same fashion as today. Various other employees of the Bourse and CDCC will be on-call during the extended hours of trading.
8.	January 30, 2018	IIAC and dealer members	Live Orders	Our members feel it would be unreasonable to expect the Bourse's Approved Participants to monitor their orders in the book from 2:00 am to 4:15pm. Members believe it would also be unreasonable to expect that Approved Participants should assume market risk during the unconventional trading hours.	The Bourse takes note of the comments. All rules of the Bourse regarding trade reporting will be applicable during extended hours of trading without any modification.

9	January 30, 2018	IIAC and dealer members	Technology Impacts	Another impact that may not have been properly assessed by the Bourse is whether the existing IT and Surveillance applications provided by third-party vendors will be able to support the extended trading hours. Once again, members have questions: • Did the Bourse discuss its project with third-party vendors? • Has the Bourse enquired about third-party vendors' batch processing time? • Did the Bourse assess the impact of its project on our members' surveillance tools? Concerns remain despite answers provided to our members.	The Bourse and CDCC have engaged with their respective participants and members as well as independent software vendors with respect to technological and operational impacts, and will continue to do so until the launch date, in order to ensure technological and operational readiness upon launch.
10.	January 30, 2018	IIAC and dealer members	Bourse's Revenues	The Bourse suggests that a very large portion of its trading activity comes from London, UK. The IIAC agrees. However, the support base that has requested this earlier trading session also consists largely of trading entities that trade large volumes often for no loss or gain. These entities also pay the exchange minuscule fees relative to the Canadian banks and dealers that have supported the Canadian market for so long. There needs to be proper consideration for the revenue that the exchange is generating from the participants that have requested the change versus the revenue from the members that are opposed to the change. The Bourse must assess the revenues rather than simply look at the volumes that those foreign participants are trading.	The Bourse takes note of the comments and confirms that it has made its own assessment of the revenues of the project.
11.	January 30, 2018	IIAC and dealer members	Where is the profit?	The Bourse has given guidance to our members on the profits expected from this proposed initiative.	The Bourse takes note of the comments. Each firm will need to make business decisions in light of its own business plan.

				The Bourse also estimates that approximately 10% to 15% of the daily volume would trade in the early session. The issue is that we do not expect our members' overall volume to increase by 10% to 15% from the extended trading hours. Furthermore, even if a 10% volume would be realistic from the extended trading hours, the decreased volume in the "regular" trading session and the additional costs to our members for making staffing, administrative and infrastructure changes would not create increased profits for our members.	
12.	January 30, 2018	IIAC and dealer members	CME Example	On April 12, 2017, the CME, one of the world's biggest exchanges, issued the following newswire: *"The CME Group is closing two operations in London by year end after they ran up losses of more than $100 million…* *"**While Europe continues to be a critically important and expanding market for CME Group ... our customers have shown that they prefer to access our global products, deep liquidity and greater capital efficiencies through our U.S. infrastructure**," William Knottenbelt, CME Group senior managing director, international, said in a statement".* We foresee a similar outcome if the Bourse extends its trading hours as proposed.	The Bourse takes note of the comments.
13.	January 30, 2018	IIAC and dealer members	Market Reputation	We believe the Bourse needs to be careful in assessing this new initiative and its impact on the industry. The industry in not confident that the Bourse has sufficient mechanisms available to mitigate potential price dislocation in the	During periods of stress (such as the 2008 financial crisis), liquidity generally dries up regardless of the time of the trading day. This is often the consequence of black swan events and is usually unavoidable. The Bourse believes it is important to make a distinction between the ability of the Bourse to justify a price dislocation as a

				marketplace during periods of stress. The impact to markets as result of extraneous market moving events during the extended hours session will be severely impacted by minimal liquidity. The ability to mitigate disruptive or 'fat finger' events under these circumstances will be circumscribed. This is compounded by a lack of clarity around the sources that the Bourse will leverage to determine trades that are excessive (outside the no-cancel range) given the limited transparency that may be available on the underlying instruments during the early hours session. The participants requesting the extended trading session will be fickle if they are not generating profits from it. If the Bourse goes to this early session and the "liquidity providers" do not participate, the reputation of the Canadian derivatives market is at stake. We do not believe the reputational risk is worth the minimal gain in revenue that could potentially be garnered from this exercise.	result of extraneous market events as opposed to entry errors that have nothing to do with extraneous market events. In the case of extraneous market events, as it is the case today, the Bourse will analyze the data at hand and try to ascertain whether a specific price move is justified. In the case of errors, the Bourse will contact both counterparties and endeavor to get the counterparties to cancel the transaction if there is consent. If there is no consent, the Bourse will force a price adjustment. The price adjustment will be based on calculating a reference price for the instrument and then adding or subtracting the no-cancel range increments to the reference price. The reference price will be calculated by using market data before and after the transaction, amongst any other relevant market information. In short, nothing prevents the Bourse from performing the exact same measures and tasks during the extended business hours, as it currently does during today's regular trading hours.
14.	January 30, 2018	IIAC and dealer members	Bourse's Analysis	In talking with the Bourse's Financial Markets department, the IIAC Derivatives Committee members learned that this initiative was a 2017 objective ("it will happen", "the extended trading hours will be implemented") to be implemented in 2018. At the time where we first learned about the extended trading hours, the analysis of the project's impact had not yet been completed by the Bourse. We felt that the documentation provided to members by the Bourse in 2017 in order to justify the initiative was overlooking certain	The Bourse takes note of the comments and confirms that the Regulatory Division is taking all necessary measures regarding the regulatory activities involved with the extended trading hours project. The Bourse also confirms that the *Autorité des marchés financiers*, the Ontario Securities Commission and Bank of Canada have been involved in the review of this project.

				major impacts (which are included in this letter). Furthermore, when first asking the Bourse's Regulatory Division for its analysis of regulatory impacts, we were told that the analysis had just begun and was yet to be completed. When the official proposal was published in November 2017, we once again asked the Regulatory Division for its analysis of the project as the circular stated that "…the Regulatory Division independently reviews and analyzes such proposals to assess the impacts on its activities as well as those of the approved participants…" [emphasis added]. The Regulatory Division did not provide us with its analysis. Instead, we were told that the Bourse's commercial unit could answer any questions we may have. Concerns remain. In 2017, we were also told that the Bourse was still in discussion with the CDCC to find solutions to certain clearing problems. Once again, our members had major concerns. How can a project receive the "go ahead" in early 2017 without a completed commercial, regulatory and clearing analysis? We feel that the commercial, regulatory and clearing analysis should have been completed before the Bourse made the decision to implement the extended trading hours. As previously mentioned, our members were told in early 2017 that the initiative was "going to happen".	

				We must also note that Circular 023-17 issued by the Bourse in regards to the Bourse's Regulatory Division mission states that the Division "*is responsible for market regulation for the Bourse de Montréal Inc. The Division's mission is to promote the integrity of exchange-traded derivatives markets at the Bourse or in Canada through the development and consistent application of clear, fair rules and policies that are effectively adapted to market needs*". We believe, despite an independent analysis (which we did not see and were not given access to), that the Regulatory Division may be overlooking negative market impacts if it ultimately agrees with the extended trading session project. The industry is also concerned with the involvement of the Regulatory Division in the Bourse's commercial project throughout 2017. Members have more questions: • How could the Bourse give the "go ahead" to this initiative in early 2017 before the regulatory analysis was completed? • Did the Regulatory Division have a say in the project? • Could the Regulatory Division stop the project, or any project, if the regulatory risks are deemed too great for the Canadian market? • Why weren't the industry members given a copy of the Regulatory Division's independent analysis of the project since the impacts on approved participants were analyzed? • Why, when asking for the Regulatory Division's analysis of the project, were we told that the commercial unit of the Bourse	

				could answer any questions we may have? Shouldn't the Regulatory Division be independent from the commercial unit of the Bourse? It should be noted that the industry firmly believes that the Autorité des Marchés Financiers should be involved in assessing this project. The risks involved are too important for the Canadian market. A false assessment of the initiative's impacts is not an option.	
15.	January 26, 2018	Dealer member firm	Costs and Risks to Integrity and Reputation	It is our opinion that the proposal represents significant costs, financial and regulatory risk to members which is unwarranted by the potential gains, In general, we support the comments provided by IIAC regarding the proposed amendment and share the articulated concerns. In particular, we thing that the proposed amendment represents significant risk to the integrity and reputation of the market. We share IIAC's skepticism that an active liquid market will develop in the short to medium term and there that there will be sufficient support among existing members to overcome the potential risks of market disruptions and dislocations as a result of an underdeveloped liquidity profile	The Bourse takes note of the comments and refer the dealer member firm to the answers provided under items #2, #3 and #13.
16			Proposed Hours	We believe that the foundational concept upon which the proposed amendment is based are unsound. Current market hours with opening at 6am are already very accessible to foreign investors. Current hours represent a half day overlap with Europe, and are easily within reach of Asian market participants (opening at 6pm Hong Kong local time). Realistically given liquidity and support concerns, foreign investors will likely use the extended hours only in very	The Bourse takes note of the comments and refer the dealer member firm to the answers provided under item #4.

				limited circumstances (for example, large overnight macro events).	
17.	November 28, 2017	Foreign Approved Participant	Bourse's proposal	We fully support the Exchange's proposal to extend trading hours by opening its market at 2:00 am ET rather than 6:00 am ET. The current trading hours on the Exchange limit activity because global market participants are limited to trading during regular Canadian business hours only. With volumes and open interest associated with non-local market participants continuing to grow, the Exchange will benefit from extending trading hours and aligning itself more closely with the interest of global market participants.	The Bourse welcomes the comments of the participant and thanks the participant for its support.