

<input checked="" type="checkbox"/>	Trading – Interest Rate Derivatives	<input type="checkbox"/>	Back-office - Options
<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input type="checkbox"/>	Technology
<input checked="" type="checkbox"/>	Back-office – Futures	<input type="checkbox"/>	Regulation

**CIRCULAR**  
August 10, 2011

### LAUNCH OF GATEKEEPER REPORT

Bourse de Montréal Inc. (the Bourse) wishes to inform all approved participants that it will launch its own version of the Gatekeeper Report. As provided by Article 4002 of the Bourse’s Rules, approved participants have an obligation to inform the Bourse in writing of any situation of actual or potential non compliance with the regulations of the Bourses. The gatekeeper report shall provide the conduit for providing the Bourse with such notification.

The gatekeeper report should normally be submitted by the Chief Compliance Officer of the firm or, as the case may be, by compliance officers designated to this effect. Situations to report include those that involve or appear to involve deceptive and/or manipulative trading activities in the derivative instruments listed on the Bourse that are, actually or potentially, detrimental to the Bourse, to the market or to the public in general. Reportable situations include, but are not limited to;

- front running,
- client priority,
- erroneous order identification,
- non-compliance with the procedures of Bourse regarding special terms transactions (block trades, EFPs, etc.), cross trades and pre-arranged trades.
- transfer of financial advantage,
- wash trades,
- trades with no change in beneficial ownership,
- manipulating the opening/close, including practices such as spoofing or layering,
- fictitious activity,
- trading using privileged information,
- deliberate triggering of stops,
- illegal back-office transfers.

Circular no.: 131-2011

Upon identification of any actual or potential infractions it is expected that approved participants will provide the Bourse with all relevant details such as, but not limited to; period (date), time, disclosure of parties/counterparties, instrument, price, account numbers and appropriate explanations. In order to allow for a maximum amount of explanations, all relevant comments and supporting documentation can be provided in the form of attachments to the report.

The Regulatory Division will provide a password to the respective compliance departments of the approved participants of the Bourse in order to access the gatekeeper portal.

The portal is accessible through the Regulatory Division website on the left hand side within the **Complaints** section under the **Gatekeeper Form** tab <http://reg.m-x.ca/en/gatekeeper/login> . Reports can be filed whenever pertinent information regarding potential infractions to the Bourse's Rules and Procedures have been detected.

For further information, please contact Mr. Santo Ferraiuolo, Market Analyst, Regulatory Division, at 514 871-4949, extension 413, or by e-mail at [sferraiuolo@m-x.ca](mailto:sferraiuolo@m-x.ca) .

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