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**CIRCULAR**  
July 31, 2013

**AMENDMENTS TO THE COMPETITIVE LIQUIDITY INCENTIVE PROGRAM FOR  
TWO-YEAR GOVERNMENT OF CANADA BOND FUTURES AND  
FIVE-YEAR GOVERNMENT OF CANADA BOND FUTURES**

Further to [Circular 172-12](#), Bourse de Montréal Inc (the Bourse) hereby announces amendments to the Competitive Liquidity Incentive Program (CLIP) for Two-Year Government of Canada Bond Futures (CGZ) and Five-Year Government of Canada Bond Futures (CGF).

The CLIP was designed to enhance liquidity on these key products represented in the Bourse's Yield Curve Project.

The amendments are as detailed below and will take effect on August 1, 2013.

**ELIGIBILITY CRITERIA**

In addition to participants in the Liquidity Provider Rebate Program (LPRP), Brokerage Firms and Futures Commission Merchants registered as approved participants (domestic or foreign) will now be eligible to participate in the CLIP for CGZ and CGF. No fee waivers or rebates will be extended to brokerage firms under this program; they will only be entitled to cash stipends.

**CASH STIPENDS**

Trades executed under each firm's identification number which are neither tagged firm, nor market maker, nor subject to the LPRP, will be tracked alongside the trades of participants in the LPRP (as registered under their sub-accounts).

Eligible participants who rank in the top ten overall will earn the cash stipends detailed below, to be calculated monthly and paid quarterly. Rankings will be published on [www.m-x.ca](http://www.m-x.ca) each month. Firms who rank in the top ten must specify whether they wish to receive a cheque for their cash stipends, or a credit against future transaction fees.

Circular no.: 137-2013

<b>CGF &amp; CGZ</b>	
<b>Rank</b>	<b>Cash Stipend</b>
1 <sup>st</sup> Place	\$2,000
2 <sup>nd</sup> Place	\$1,500
3 <sup>rd</sup> Place	\$1,200
4 <sup>th</sup> Place	\$1,000
5 <sup>th</sup> Place	\$1,000
6 <sup>th</sup> Place	\$1,000
7 <sup>th</sup> Place	\$ 800
8 <sup>th</sup> Place	\$ 500
9 <sup>th</sup> Place	\$ 500
10 <sup>th</sup> Place	\$ 500

In the event of a tie, each eligible participant will receive an equal share of the cash stipends allocated to the ranking that they have collectively attained, as well as the cash stipend(s) for the following ranking(s), in accordance with the number of participants tied for that position.

For example, should there be a three-way tie for the sixth rank (which represents a stipend of \$1,000), the three eligible participants will share equally between them the total stipend amounts of the 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> ranks. Therefore, they would each receive \$766.67  $((\$1,000 + \$800 + \$500) / 3)$ .

To apply for participation in the CLIP, please complete the application form appended to this Circular and send the signed and scanned form to Joanne Elkaim, Director, Fixed Income Derivatives, by email at [jelkaim@m-x.ca](mailto:jelkaim@m-x.ca).

For further information, please contact Ms. Joanne Elkaim by email as above, or by telephone at 514-871-7891.

Claude Cyr  
Senior Vice-President, Financial Markets  
TMX Group - Bourse de Montréal Inc.

## Competitive Liquidity Incentive Program

### Application Form for Brokerage Firms & Futures Commission Merchants

We, \_\_\_\_\_ (name of Brokerage Firm or Futures Commission Merchant), wish to participate in the Competitive Liquidity Incentive Program (the “Program”) for the Two-Year Government of Canada Bond Futures (CGZ) and the Five-Year Government of Canada Bond Futures (CGF) as detailed in Circular 137-13.

We certify that we conform to the Requirements of Eligibility set out by Bourse de Montréal Inc. (the “Bourse”) in Schedule A, and we agree to the Terms of the Program set out in Schedule B.

#### Schedule A: Requirements of Eligibility

i) We hereby confirm that we meet both requirements for eligibility as follows:

- We are registered as an approved participant (domestic or foreign) of the Bourse
- We are registered as a Brokerage Firm or Futures Commission Merchant

#### Schedule B: Terms of the Program

i) Those who meet the requirements of eligibility detailed in Schedule A, Part i, and whose eligible trading volumes for the calendar month rank them in the top ten against all other participants in the Program, will earn cash stipends to be calculated monthly and paid quarterly.

Cash stipends will be paid out as per the participant’s selection made under Schedule B, Part ii. Eligible trades are those executed through the participant’s firm identification number which are neither executed nor allocated firm, nor market maker, nor subject to the Liquidity Provider Rebate Program.

ii) For any cash stipends to which we may be entitled under the Program, we wish to receive a (please check that which applies):

- Cheque
- Credit against future transaction fees

iii) Rankings for the Program may be published on m-x.ca each month.

iv) In the event of a tie, each eligible participant will receive an equal share of the cash stipends allocated to the ranking that they have collectively attained, as well as the cash stipend(s) for the following ranking(s), in accordance with the number of participants tied for that position. For example, should there be a three-way tie for the sixth rank (which represents a stipend of \$1,000), the three eligible participants will share equally between them the total stipend amounts of the 6th, 7th, and 8th ranks. Therefore, they would each receive \$766.67  $((\$1,000+\$800+\$500)/3)$ .

v) The Bourse reserves the right to withhold any cash stipends should the participant have an overdue account with the Bourse.

vi) The Bourse reserves the right to audit participant statements at any time in order to verify the accuracy of reported trading volumes. Failure to provide accurate statements detailing trading activity on the Bourse's products may result in removal from the Program and forfeiture of any cash stipends earned under the Program.

vii) Cash stipends are detailed in Appendix 1 of this document. In the event of conflicting information between Appendix 1 and documentation provided elsewhere on m-x.ca, the latter has precedence over the former.

viii) Participants must adhere to the rules, regulations and procedures of the Bourse to be eligible for any cash stipends.

ix) An applicant's participation under the Program begins only for the month during which this form is completed in full, provided to the Bourse, approved by the Bourse and signed by an authorised person of the Bourse. Cash stipends cannot be earned on a retroactive basis.

### **Approved participant (domestic or foreign)**

Name of authorised person: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

### **Bourse de Montréal Inc.**

Name of authorised person: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## Appendix 1

Monthly cash stipends which can be earned under the Program are as detailed below.

<b>CLIP: CGZ &amp; CGF</b>	
<b>Rank</b>	<b>Cash Stipend</b>
1st Place	\$2,000
2nd Place	\$1,500
3rd Place	\$1,200
4th Place	\$1,000
5th Place	\$1,000
6th Place	\$1,000
7th Place	\$ 800
8th Place	\$ 500
9th Place	\$ 500
10th Place	\$ 500