☒	Trading – Interest Rate Derivatives	☒	Back-office - Options
☒	Trading – Equity and Index Derivatives	☒	Technology
☒	Back-office – Futures	☒	Regulation
		☐	MCeX

CIRCULAR
October 30, 2012

REQUEST FOR COMMENTS

ADDITION OF THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS QUARTERLIES FIVE THROUGH EIGHT AND NINE THROUGH TWELVE TO THE LIST OF SECURITIES AND DERIVATIVE INSTRUMENTS ELIGIBLE FOR BLOCK TRADES

AMENDMENTS TO THE PROCEDURES FOR THE EXECUTION OF BLOCK TRADES

The Rules and Policies Committee of Bourse de Montréal Inc. (the "**Bourse**") has approved the amendments to the Procedures for the execution of Block Trades in order to add Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight (BAX Reds) and nine through twelve (BAX Greens) to the list of securities and derivative instruments eligible for Block Trades.

Comments on the proposed amendments must be submitted within 30 days following the date of publication of this notice, at the latest on **November 30, 2012**. Please submit your comments to:

Me Pauline Ascoli
Vice-President, Legal Affairs, Derivatives
Bourse de Montréal Inc.
Tour de la Bourse
P.O. Box 61, 800 Victoria Square
Montréal, Quebec H4Z 1A9
E-mail: legal@m-x.ca

A copy of these comments shall also be forwarded to the *Autorité des marchés financiers* (the "**Autorité**") to:

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800 Victoria Square, 22nd Floor
P.O. Box 246, Tour de la Bourse
Montréal (Quebec) H4Z 1G3
E-mail: consultation-en-cours@lautorite.qc.ca

Circular no.: 141-2012

Appendices

For your information, you will find in appendices an analysis as well as the amended procedures. The implementation date of the proposed amendments will be determined by the Bourse, in accordance with the self-certification process as determined by the *Derivatives Act* (R.S.Q., chapter I-14.01).

Process for Changes to the Rules

The Bourse is authorized to carry on business as an exchange and is recognized as a self-regulatory organization (SRO) by the Autorité. The Board of Directors of the Bourse has delegated to the Rules and Policies Committee of the Bourse its powers to approve and amend the Rules and Procedures. The Rules of the Bourse are submitted to the Autorité in accordance to the self-certification process as determined by the Derivatives Act (R.S.Q., chapter I-14.01).

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

ADDITION OF THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS QUARTERLIES FIVE THROUGH EIGHT AND NINE THROUGH TWELVE TO THE LIST OF SECURITIES AND DERIVATIVE INSTRUMENTS ELIGIBLE FOR BLOCK TRADES

AMENDMENTS TO THE PROCEDURES FOR THE EXECUTION OF BLOCK TRADES

I. Introduction

Bourse de Montréal Inc. (the "**Bourse**") proposes to add Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight (Reds) and nine through twelve (Greens) to the list of securities and derivative instruments eligible to block trades under the Bourse's Procedures Applicable to the Execution of Block Trades.

In drafting the proposed changes to these Procedures, the Bourse took direction from consultations with market participants, as well as from the practices and standardised parameters for similar products on major electronic derivatives exchanges worldwide.

II. Detailed Analysis

A. Definition

Block Trade: A block trade occurs when one or more approved participants and/or clients engage in prenegotiation discussions to arrange large size transactions away from the electronic trading system of the Bourse at prices mutually agreed upon.

B. Rationale: Block Trade Facility for BAX Reds and Greens

Block trades are intended to meet institutional demand for prompt and straightforward execution of large orders, as well as to mitigate the detrimental impact of large market-clearing trades on the quality of the order book.

Block trading enables clients and approved participants to arrange large volume transactions away from the electronic order book that might otherwise have a negative impact on the market by inducing excess volatility. When the order book cannot assimilate sizable orders in an efficient manner, price gaps typically occur, leading to unnecessary volatility which can disrupt orderly markets and affect investor confidence. The minimum transaction size for a block trade must therefore be large enough that its execution in the order book would cause a disruption in the market

While block trades may occur at prices outside of the prevailing best bid and offer in the central limit order book, the price of the block trade must be deemed fair and reasonable in light of factors such as the trade size, the currently traded prices as well as bid and ask prices on the same contract at the relevant time period, the volatility and liquidity of the relevant market and general market conditions.

The Bourse currently offers block trades on its 30-Day Overnight Repo Rate Futures Contracts (ONX), Overnight Index Swap Futures Contracts (OIS), Ten-Year Government of Canada Bond Futures Contracts (CGB), Two-Year Government of Canada Bond Futures Contracts (CGZ), 30-Year Government of Canada Bond Futures Contracts (LGB), Five-Year Government of Canada Bond Futures Contracts (CGF), Options on Three-Month Canadian Bankers Acceptance Futures Contracts (OBX), Canadian Crude Oil Futures Contracts (Crude) and now plans to add Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX) quarterlies five through eight (Reds) and nine through twelve (Greens).

The Bourse offered a block trade facility for the BAX until 2006, at which time there was insignificant activity in the Reds and Greens that did not demand a block trade facility, and sufficient liquidity in the BAX quarterlies one through four (Whites) that a block facility was no longer required.

Since this time however, the Short Term Interest Rate ("STIR") market in Canada has experienced unprecedented growth as witnessed by volume and open interest growth in BAX markets. Given the current interest rate environment of low and stable short-term rates, the market interest for STIR contracts has been expressed in further dated segments of the STIR curve, such as in the Reds and Greens. Additional factors that lead to a growth in client demand for BAX contracts are inflows of foreign capital into Canadian fixed-income markets, and the implementation of market-making on BAX Reds and Greens contracts as part of MX efforts to develop the Canadian sovereign yield curve market.

In as much as the BAX market has grown tremendously over the last few years, clients continue to express an ongoing desire to further increase their participation in longer dated BAX contracts, but are unable to do so without incurring undue market impact costs from current liquidity levels.

In addition, the Bourse intends the Reds and Greens block trade facility for over-the-counter (OTC) interest rate swap participants who have to hedge the floating leg of their interest rate swaps with price certainty and trade execution without delay. This block trade facility will be required in order to satisfy the requirements of this market.

The Bourse therefore judges that the market requires a block trade facility for BAX Reds and Greens.

C. Rationale: Block Trade Thresholds

In order to determine the appropriate block trade thresholds for BAX Reds and Greens, the Bourse surveyed market participants, consulted with designated market makers and benchmarked block trade thresholds with comparable products at major international derivatives exchanges. The Bourse also took into consideration the minimum quantity thresholds in place for the Bourse's other block trade-eligible products, and compared the trading volumes and open interest of those products to those of BAX Reds and Greens. The findings of this analysis have led the Bourse to propose minimum quantity thresholds of 1,000 contracts for BAX Reds and 500 contracts BAX Greens. The Bourse proposes that these thresholds strike a healthy balance between providing market transparency and fairness, while protecting the clients from undue market impact costs. The maximum prescribed time delay for reporting the trade to the Bourse would be 15 minutes, as with the Bourse's other block trade-eligible products.

Table I: International Benchmarking of Block Trading Activity (05/01/2010 - 04/30/2012)

EURIBORS (LIFFE)

Year 1	Whites ADV	648 067
	Blocks	3000
	% Proportion	0,46%
Year 2	Reds ADV	305 227
	Blocks	1500
	% Proportion	0,49%
Year 3	Greens ADV	54 310
	Blocks	500
	% Proportion	0,92%
Year 4	Blues	2 460
	Blocks	500
	% Proportion	20%
Year 5	Gold ADV	97
	Blocks	500
	% Proportion	517%

EURODOLLAR (CME)

Year 1	Whites ADV	853 603
	Blocks	4000
	% Proportion	0,47%
Year 2	Reds ADV	762 586
	Blocks	4000
	% Proportion	0,52%
Year 3	Greens ADV	316 134
	Blocks	4000
	% Proportion	1,27%
Year 4	Blues ADV	99 244
	Blocks	4000
	% Proportion	4%
Year 5	Gold ADV	38802
	Blocks	4000
	% Proportion	10%
	Purple ADV	5 252
	Blocks	1000
Year 6	% Proportion	9,52%
	Orange ADV	430
	Blocks	1000
Year 7	% Proportion	116%

SHORT STERLING (LIFFE)

Year 1	Whites ADV	229 330
	Blocks	2000
	% Proportion	0,87%
Year 2	Reds ADV	187 260
	Blocks	1000
	% Proportion	0,53%
Year 3	Greens ADV	34 364
	Blocks	500
	% Proportion	1,45%
Year 4	Blues	782
	Blocks	500
	% Proportion	64%

90-day Bank Bill (ASX)

	Spot Month	All other months
Year 1 Whites ADV	124 298	48 166
Blocks	1500	750
% Proportion	1,21%	1,56%
Year 2	Reds ADV	6 806
	Blocks	750
	% Proportion	11,02%
Year 3	Greens ADV	214
	Blocks	750
	% Proportion	349,92%

BAX (MX)

Year 1	Whites ADV	66 506
	Blocks	NA
	% Proportion	
Year 2	Reds ADV	19 598
	Blocks	NA
	% Proportion	
Year 3	Greens ADV	898
	Blocks	NA
	% Proportion	

The tables above present a snapshot of competing international exchanges' comparable STIR futures contracts. It is important to note that we are not comparing and contrasting timeframes of the underlying STIR futures in question, such as CME Greens to BAX Greens but rather contract 'colours', which compare and contrast contracts with similar average daily trading volumes.

BAX Reds have an average daily trading volume of 19,598 contracts. The contracts that are most comparable in terms of trading volumes are the Euribor Greens with an average daily trading volume of 54,310, the Eurodollar Golds with an average daily trading volume of 38,802, the Short Sterling Greens with an average daily trading volume of 34,364 and the Bank Bill Reds with an average daily trading volume of 6,806. The respective block trade to average daily trading volume proportions of the latter are: .92%, 10%, 1.45%, 11.02%, while the Bourse's proposed block trade proportion for the BAX Reds is 1000/19,598, or 5.10%, which is well within range of the comparable proportions.

BAX Greens have an average daily trading volume of 898 contracts. The contracts that are most comparable in terms of trading volumes are the Euribor Blues with an average daily trading volume of 2,460, Eurodollar Oranges with an average daily trading volume of 430, Short Sterling Blues with an average daily trading volume of 782 and the Bank Bill Greens with an average daily trading volume of 214. The respective block trade to average daily trading volume proportions of the latter are: 20 %, 116%, 64%, 349.92%, while the Bourse's proposed block trade proportion for the BAX Greens is 500/898, or 55.67%, which is well within range of the comparable proportions.

The time delays and minimum quantity thresholds for the Bourse's block trade-eligible products are laid out in the following table.

Table II: The Bourse's Procedures for the Execution of Block Trades:
Table of Eligible Securities and Derivative Instruments

Eligible Securities and Derivative Instruments	Prescribed Time Delay	Minimum Quantity Threshold
ONX	15 minutes	1 000
OIS	15 minutes	200
CGB	15 minutes	1 500
CGZ	15 minutes	500
LGB	15 minutes	500
CGF	15 minutes	500
OBX	15 minutes	2 000
Crude	15 minutes	100
BAX Reds (proposed)	**15 minutes**	**1 000**
BAX Greens (proposed)	**15 minutes**	**500**

Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies one through four (Whites) are considered to be highly liquid and as such the Bourse has deemed that a block trading facility is not needed for these contracts.

D. Benchmarking

In addition to consulting market participants, the Bourse has also conducted an international benchmarking analysis based on the practices of major foreign electronic exchanges with similar products.

The international benchmarking research shows that major electronic derivatives exchanges in the world allow block trades that result from prenegotiation discussions within pre-established product-specific parameters.

Table III: International Benchmarking – Block Trade Parameters

	Bourse de Montréal	NYSE LIFFE	CME	ASX
Eligible products	Limited to interest rate futures, options on futures and commodities. Minimum	The Block Trade Facility applies only to Exchange Contracts which have been	Block trade eligible products: Eurodollars, Eurodollar 5-Year E-Mini,	Block trade eligible products: ASX 30 Day Interbank Cash Rate Futures,

	quantity trade threshold levels vary by product.	designated as Block Trade Contracts. Variable block threshold level: for products similar to the BAX (Euribor and Short Sterling) the block size thresholds vary from 500 to 3,000 contracts, depending upon the contract expiry.	Eurodollar E-Mini Futures, T-Bills, Euroyen, One-Month Libor, 2-, 5- and 10-Year Swap Rates, etc.	ASX 90 Day Bank Bill Futures, ASX 3 Year Treasury Bond Futures, ASX 10 Year Treasury Bond Futures, ASX 3 Year Interest Rate Swap Futures, ASX 10 Year Interest Rate Swap Futures, ASX SPI 200 Index Futures, ASX New Zealand 30 Day Official Cash Rate Futures, etc.
Prescribed time delay	Prescribed time delay for reporting a block trade is as soon as practicable but no later than 15 minutes.	Once the Block Trade has been organised, the Block Trade Executing Member must submit details, contained in Trading Procedure 4.5.17 (ii) to (vii) inclusive, of the Block Trade to the Relevant Euronext Market Undertaking via LIFFE CONNECT® as soon as practicable. In any event, the details of the Block Trade must be submitted by the Block Trade Executing Member: (a) within five	Block trades must be reported to the Exchange by the seller within five minutes of the transaction for block trades executed during Regular Trading Hours and within fifteen minutes of the transaction for block trades executed during European Trading Hours and Asian Trading Hours.	A Block Trade is executed as a Participant to Participant transaction (or a cross transaction for a single Participant on behalf of a client) submitted to ASX via the SYCOM message facility immediately after the agreement of all details of the trade. With the exception of the night session Block Trades, Participants to the trade then have a further 5 minutes to submit a completed

		minutes in the case of a Block Trade which was not dependent on the execution of a transaction in another instrument, unless market conditions are exceptional; or (b) within fifteen minutes in the case of: (i) exceptional market conditions; or (ii) a Block Trade which was dependent on the execution of a transaction in another instrument.		official Block Trade Facility Trade Registration Form to ASX to confirm the proposed transaction. Participants should not submit the proposed Block Trade to the Exchange for validation until all details of the trade have been agreed. As an example, Market-On-Close orders cannot be submitted until the close of the market because of the dependence on the closing price. For Night session Block Trades, Participants to the trade are required to notify the Exchange within 5 minutes of the trade being executed via the SYCOM message facility and phone of the transaction. Between 8.30am and 9.30am the following morning Participants are required to enter

				the night session Block Trade details into SFEIN (SFE Information Network - ASX 24 EFP, Strip and Block Trade Registration Access).
Fair and reasonable prices	Block trades must be executed at a price that is "fair and reasonable" in light of (i) the size of such a block trade; (ii) currently traded prices and bid and ask prices in the same contract, at the relevant time; (iii) currently traded prices and bid and ask prices in other contract months for futures contracts or other option series for options contracts; (iv) currently traded prices and bid and ask prices in other relevant markets, including without limitation the underlying markets; (v) the volatility and liquidity of the relevant market; and (vi) general market conditions.. Hence, the block trade can be	Members should ensure, when arranging, organising or executing Block Trades, that the price of any Block Trade being quoted represents a fair value for that trade. Rule 423 requires that the price of a block trade be fair and reasonable in light of (i) the size of the trade; (ii) the prices and sizes of other transactions in the same contract at the relevant time; (iii) the prices and sizes of transactions in other relevant markets, including the underlying cash and futures markets, at the relevant time; and (iv) the circumstances of the parties.	Block trades must be transacted at prices that are "fair and reasonable" in light of (i) the size of the transaction, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including, without limitation, the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.	There are no explicit price limits attached to Block Trades. Block Trades may legitimately occur at prices different to the SYCOM market price for the relevant contract at the time of trade agreement. However, ASX reserves the right to not approve a proposed Block Trade if the proposed price of the Block Trade varies significantly, as assessed by the Exchange, from the price at which trades are being transacted on SYCOM at the time that the record details are lodged.

	executed at a price outside the bid and offer spread at the time the block trade is arranged.			
Procedure for execution	Once a block trade has been arranged, details of the block trade must be reported to the Bourse within the period of time prescribed by the Bourse. Approved participants for both the seller and buyer must complete and submit the Block Trade Reporting Form, providing the following information: i) time and date of trade ii) executing participant name and trading ID (buy) iii) executing participant name and trading ID (sell) iv) clearing firm name and ID (buy) v) clearing firm name and ID (sell) vi) contact phone number vii) contact fax number or email address viii) derivative	Once a Block Trade has been organised and, where applicable, the designated market-maker has been contacted to ascertain whether he wishes to exercise his participation right, the Member, or where the Block Trade has been organised between two Members, the Member agreed by mutual consent, must submit the Block Trade details via LIFFE CONNECT®, as specified in Trading Procedures 4.5.17 to 4.5.19, or must procure that the Block Trade is so submitted. Where a Member is unable to execute the Block Trade himself, he must ensure that he has arrangements in place to submit and execute Block Trades before he	When reporting a block trade, the following information will be required: Name and phone number of the clearing firm representative reporting the trade (unless the block trade is electronically reported); Buyer's clearing firm and seller's clearing firm; Contract, contract month and contract year for futures; Contract, contract month, contract year, strike price and put or call designation for standard options, as well as the expiration date and exercise style for flex options; Quantity of the trade or, for spreads and combinations, the quantity of each leg of the trade; price of the trade or, for spreads and combinations, the price of each	A Participant to Participant transaction (or a cross transaction for a single Participant on behalf of a client(s)) must be submitted to the Exchange via the SYCOM message facility immediately after the agreement of all details of the proposed Block Trade. For Block Trades executed during the day session, each Participant to the transaction must register the Block Trade over SFEIN within 5 minutes of the text message, ensuring all relevant details are included. For night session Block Trades each participant to the transaction must notify the Exchange of the Block Trade via the SYCOM

	instruments ix) future contract/call/put x) contract month xi) option strike price (if applicable) xii) number of contracts xiii) price xiv) strategy type (if applicable).	organises any such Block Trade. In respect of each Block Trade order, the following details must be recorded on an order slip, or, where the Member employs an electronic system for order routing, must be recorded electronically, by the Block Trade Executing Member: (i) time of trade; (ii) Contract(s) in which the Block Trade is being transacted; (iii) strategy (as applicable) (iv) delivery/expiry month(s); (v) exercise price(s) (as applicable); (vi) price of each leg of the trade; (vii) number of lots of each leg of the trade including any volume executed on behalf of a designated market-maker, if applicable; and (viii) name of the individual authorised to	leg of the trade; and Execution time (in Central Time) of the trade (i.e. the time at which the trade was consummated). Block trades must be reported to the Exchange via one of the following methods. i) Globex Control Center ("GCC") All block trades may be reported to the GCC. The seller reports the trade by calling the GCC. When the GCC is closed – for example, during the weekend – the block trade must be reported no later than five minutes prior to the opening of the next electronic trading session for that product. ii) CME ClearPort Block trades may be electronically reported directly to CME Clearing via CME ClearPort.. iii) CME Clearing360 Trade Reporter.	message facility and via phone within 5 minutes after the Block Trade is agreed. Each Participant to the transaction must register the Block Trade within SFEIN between 8.30am and 9.30am the following morning. Required information includes: Participant(s) mnemonic (buyer and seller), contract, contract month(s)/year(s), price (of individual legs), number of lots (each leg), time of trade agreement and name of individual authorised by the Participant(s) to submit Block Trades. Upon registration of the trade, ASX staff will validate the following: - whether the trade meets the minimum size

		submit Block Trades on behalf of the Member. The Relevant Euronext Market Undertaking will check the validity of the Block Trade details submitted by the Block Trade executing Member. If the Relevant Euronext Market Undertaking (following consultation, where necessary, with the clearing house) is satisfied that all such details are valid, it will authorise execution of the Block Trade. The Block Trade volume will be shown as executed to the executing Member via the ITM (Individual Trader Mnemonic) through which the Block Trade was submitted.		threshold requirements for the prescribed contract(s); - the trading rights of the Participant(s); - the price of the contract(s).
Dissemination of trade information	A market official will check the validity of the block trade details submitted by the approved participant(s). i) date and time of	Once the trade has been authorised, the following information with respect to the Block Trade will be published by	The date, execution time, contract details, price and quantity of block trades are reported upon receipt of the block information	Following transaction validation, Block Trade information is disseminated to the market via the SYCOM

	transaction; ii) security(ies) or derivative instrument(s) and contract month(s); iii) price of each contract month(s) and strike price(s) (as applicable); and iv) volume of each contract month.	the Relevant Euronext Market Undertaking with a trade type of "K": (i) Contract(s) and delivery/expiry month(s); (ii) price of each delivery/expiry month(s) and exercise price(s) (as applicable); and (iii) volume of each delivery/expiry month. Details of the Block Trade will also be broadcast on LIFFE CONNECT®. For each Exchange Contract, the cumulative volume of Block Trades executed during the day will also be published.	by GCC. Block trade information is reported on the MerQuote system and may be accessed by entering the code "BLK". Block trade information is also displayed on the trading floor. Block trade prices are published separately from transactions in the regular market. Block trade volume is also included with other privately negotiated transactions in the daily volume reports published by the exchange.	message facility and data vendors. Information disseminated by SFE will be in the form of contract, expiry month(s)/year(s), price, volume and time of trade.

III. Proposed Regulatory Amendments

The Bourse proposes to amend the table of eligible securities and derivative instruments eligible for block trades under the Bourse's Procedures Applicable to the Execution of Block Trades to include Three-Month Canadian Bankers' Acceptances Futures Contracts quarterlies five through eight (BAX Reds) and nine through twelve (BAX Greens).

IV. Objectives and Consequences

The Bourse proposes to add Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight and nine through twelve to the list of eligible securities and derivative instruments under the Procedures Applicable to the Execution of Block Trades in order to fulfill the objectives detailed below:

a) To accommodate large order activity that would otherwise be negotiated away from the organized market;

b) To facilitate greater market efficiency through improved execution quality and price certainty for large transactions; and

c) To align the Bourse with international best practices of major electronic derivatives exchanges.

This proposal is not expected to diminish the role of the organized electronic market, which will remain the central place for trading all of the Bourse's products. The intention of the Bourse is to make this facility available for trades that would otherwise be market disruptive and not for block volumes to become a significant part of the market.

The central limit order book will remain intact and the price discovery mechanism associated with the market will be respected. Furthermore, the Bourse will continue to provide the *Autorité des marchés financiers* (the "**AMF**") with a monthly report showing the percentage of trading volume on each contract that is comprised of block trades.

V. Public Interest

The Bourse's proposal should attract additional trading volume by offering market participants certainty of price and immediacy of execution in the transaction of large orders, as well as the benefits of central counterparty clearing. As such, block trades on Three-Month Bankers' Acceptance Futures Contracts quarterlies five through eight and nine through twelve should result in greater market efficiency through improved execution quality. Block trades offer both clients and approved participants the convenience of privately negotiating a trade with a selected counterparty and the ability to execute a large transaction at a fair and reasonable single price. Furthermore, block trade data provides a useful means for the market to analyze and value a security.

VI. Process

The proposed modifications, including this analysis, are to be approved by the Bourse's Rules and Policies Committee and submitted to the AMF in accordance with the self-certification process and to the Ontario Securities Commission for information.

VII. References

Rule Six of Bourse de Montréal Inc.: Article 6380 (4)
http://m-x.ca/f_regles_en/06_en.pdf

NYSE LIFFE Trading Procedures: Rule 4.5
http://www.euronext.com/fic/000/059/181/591811.pdf
CME Market Regulation Advisory Notice, Rule 526 - Block Trades
http://www.cmegroup.com/rulebook/CME/#Search%3Drule%20526

CME Block Trade FAQ
http://www.cmegroup.com/trading/interest-rates/files/Block-Trade-FAQ.pdf

ASX Block Trade Facility
http://www.asx.com.au/products/block-trade-facility.htm

ASX Block Trade Facility Q&A
http://www.asx.com.au/products/block-trade-facility-questions-answers.htm

VIII. Attached Document

Bourse de Montréal Inc.: amendments to Procedures for the Execution of Block Trades

PROCEDURES FOR THE EXECUTION OF BLOCK TRADES

a) Once a block trade has been arranged, in accordance with the predetermined minimum quantity threshold level as determined and published by the Bourse, details of the block trade must be reported to the Bourse by contacting a market official of the Bourse's Market Monitoring Department at 1-888-693-6366 or at 514 871-7871 within the period of time prescribed by the Bourse.

b) Approved participants for both the seller and buyer must complete and submit the Block Trade Reporting Form (Attachment 1) or such other notification as prescribed by the Bourse to a market official of the Bourse's Market Monitoring Department for validation.

c) A market official will check the validity of the block trade details submitted by the approved participant(s).

d) Confirmation by a market official of a block trade transaction will not preclude the Bourse from initiating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the rules.

e) Once the block trade has been validated, the following information with respect to the block trade will be disseminated by the Bourse:

   i) date and time of transaction;
   ii) security(ies) or derivative instrument(s) and contract month(s);
   iii) price of each contract month(s) and strike price(s) (as applicable); and
   iv) volume of each contract month.

f) Upon request by the Bourse the approved participant who arranges a block trade must provide satisfactory evidence that the block trade has been arranged in accordance with the Rules of the Bourse. Failure to provide satisfactory evidence of compliance with these Rules may result in the initiation of disciplinary action.

In accordance with article 6380 of the Rules of Bourse de Montréal Inc. (the “Bourse”), the following are the eligible securities and derivative instruments, the relevant prescribed time delays and the minimum quantity thresholds for the execution of block trades.

ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS	PRESCRIBED TIME DELAY	MINIMUM QUANTITY THRESHOLD
	(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
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes	1,500 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	500 contracts
30-Year Government of Canada Bond Futures Contracts (LGB)	15 minutes	500 contracts
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts
Options on Three-Month Canadian Bankers Acceptance Futures Contracts	15 minutes	2,000 contracts
Canadian Crude Oil Futures Contracts	15 minutes	100 contracts
BAX Reds	15 minutes	1,000 contracts
BAX Greens	15 minutes	500 contracts

ATTACHMENT 1

Block Trade Reporting Form

Approved participants must complete all sections of this form legibly and accurately.

This form is to be completed and faxed to Market Monitoring at 514 871-3592 or sent via the Bourse's website using the Web-based form http://www.m-x.ca/rob_formulaire_en.php.

A market official can be reached at 1-888-693-6366 or at 514 871-7871.

TIME AND DATE OF TRADE:	
EXECUTING PARTICIPANT NAME AND TRADING ID (BUY):	
CLEARING FIRM NAME AND ID (BUY):	
EXECUTING PARTICIPANT NAME AND TRADING ID (SELL):	
CLEARING FIRM NAME AND ID (SELL):	
CONTACT PHONE NUMBER:	
CONTACT FAX NUMBER OR E-MAIL ADDRESS:	

Derivative Instruments	Future Contract/ Call/ Put	Contract Month	Option Strike Price (if applicable)	Number of Contracts	Price	Strategy Type* (if applicable)

For Montréal Exchange Staff Only:

Time and Date of receipt:

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Montréal Exchange authorized signature:

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The details on this form are accepted by the Montréal Exchange strictly on the understanding that the Montréal Exchange accepts no responsibility nor liability for the accuracy or completeness of the details as provided by the approved participant.
* Each leg of a strategy trade should be listed separately.