



CIRCULAR 170-25

December 22, 2025

**REGULATORY DIVISION
NOTICE OF NON-COMPLIANCE - FREQUENTLY ASKED QUESTIONS (FAQ)**

The Regulatory Division (the “Division”) of Bourse de Montréal Inc. (the “Bourse”) is publishing an FAQ on the requirements and obligations of Approved Participants under [Article 3.105](#) of the Rules of the Bourse. A copy of the FAQ is annexed and can be found on the Division’s website [here](#).

The Notice of Non-Compliance application has been enhanced in the course of the year to further align with the requirements and language of the Rules of the Bourse. To gain access to the application, please contact your firm's appointed Designated Representative or the administrators of the Participant Portal. For assistance on accessing and navigating to the Participant Portal, please contact mxr-connect@tmx.com.

For more information or for any questions, please contact the Division:

- info.mxr@tmx.com
- 514-787-6530
- Toll-free from Canada and US: 1-800-361-5353 extension 46530
- Toll-free from the UK and France: 00 800 36 15 35 35 extension 46530

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FAQ

Regulatory Division of Bourse de Montréal Inc.

Subject: Notice of Non-Compliance

Rule Article: 3.105

Effective Date: December 22, 2025

These frequently asked questions and answers (the "FAQ") are published by the Regulatory Division (the "Division") of Bourse de Montréal Inc. (the "Bourse") to complement the regulatory requirements described in the Rules of the Bourse (the "Rules") by providing Approved Participants and Foreign Approved Participants (collectively, the "Participants") additional information and clarification, and setting out the expectations of the Division. Capitalized terms throughout the FAQ have the meanings specified in the FAQ or the Rules. In the event of a conflict between the Rules and the FAQ, the Rules shall prevail.

Q1: What are a Participant's obligations under Article 3.105 of the Rules?

A1: A Participant must diligently conduct an internal review upon becoming aware that the Participant, its employee, an Approved Person or a sponsored access client¹ has possibly violated the obligations, prohibitions or requirements specified under paragraph (b) of [Article 3.105](#) of the Rules, listed below:

- i. Front running ([Article 7.6](#))
- ii. Manipulative or deceptive methods of trading ([Article 7.5](#))
- iii. Best execution ([Article 7.3](#))
- iv. Access to Electronic Trading System and sponsored access ([Articles 3.4](#) and [3.5](#))
- v. Management of priorities ([Articles 6.114](#) and [6.116](#))

¹ [Article 3.5](#) of the Rules

- vi. Transactions required on Bourse facilities ([Articles 6.203, 6.204, 6.205, 6.206, 6.207](#), and [6.207A](#))
- vii. Off-exchange transfers of existing positions in a Listed Product ([Article 6.200](#))
- viii. Exchange of Futures for related products ([Article 6.208](#))

If the Participant concludes to a possible violation upon completion of the internal review, they must notify the Division within 10 business days in accordance with paragraph (c) of [Article 3.105](#) of the Rules.

Q2: How can a Participant ensure compliance with these requirements and obligations?

A2: A Participant must establish and maintain adequate and up to date policies and procedures which should include steps to identify possible violations of the Rules, to diligently conduct a review and to duly submit a notice of non-compliance.

In conducting the reviews a Participant should take into account internal supervisory policies and procedures to adequately assess the possible violation, and maintain complete documentation of the review.

For more information on the Division's expectations regarding Participants' supervision obligations, please refer to the [Guidelines on Supervision, Surveillance and Compliance \(Article 3.100\)](#) of the Rules).

Q3: How should a Participant submit a notice of non-compliance?

A3: Notices relating to possible violations of the Rules listed under paragraph (b) of [Article 3.105](#) of the Rules must be submitted via the designated application; the Notice of Non-Compliance application, located within the [Participant Portal](#).

Participant Portal users who have access to the Notice of Non-Compliance application may submit a notice of non-compliance on behalf of the Participant.

Community administrators on the [Participant Portal](#) are authorized to grant community users access to the Notice of Non-Compliance application.

The policies and procedures of the Participant should identify the staff who are granted access to the Notice of Non-Compliance application for purposes of submitting a notice of non-compliance.

For assistance with the [Participant Portal](#), users can contact mxr-connect@tmx.com.

Q4: Are there other internal review or notification obligations apart from those listed under paragraph (b) of Article 3.105?

A4: As indicated in paragraph (a) of [Article 3.105](#) of the Rules, a Participant must immediately notify the Division if the Participant or any of its Approved Persons cannot meet their financial obligations, become insolvent, commit an act of bankruptcy, or becomes a debtor company.

Participants are also encouraged to review possible violations to the Rules, apart from those listed under paragraph (b) of [Article 3.105](#) of the Rules, and take necessary measures.

Notice of events related to financial conditions as well as notifying the Division of possible violations of rules not listed in paragraph (b) of [Article 3.105](#) of the Rules, must be submitted by communicating with the Division via info.mxr@tmx.com.

Q5: What are the recordkeeping requirements with respect to the obligation to conduct an internal review?

A5: A Participant must maintain written and adequate documentary records of all internal reviews conducted, regardless of the conclusion. Records must be kept for a period of at least seven years as of the date of the conclusion of the review and must be made available to the Division upon request.²

Records must include evidence surrounding the review of the possible violation, its conclusion, communication amongst parties involved (as the case may be), records of orders, as well as any other relevant information.

Q6: Does compliance with the requirement of Article 3.105 absolve a Participant from regulatory actions?

A6: As indicated in paragraph (e) of [Article 3.105](#) of the Rules, conducting reviews of possible violations are in addition to the obligations of a Participant as stipulated in the Rules, notably as it relates to supervision. Compliance with [Article 3.105](#) of Rules does not prevent the Bourse from undertaking disciplinary measures against an Approved Participant or an Approved Person for violation of any regulation of the Bourse.

Q7: What happens if a Participant fails to comply with the requirements prescribed in the Rules of the Bourse?

A7: In the event a Participant fails to comply with the obligations to conduct an internal review upon becoming aware of possible violations and to submit a notice of non-compliance, in accordance with [Article 3.105](#) of the Rules, the Participant may be subject to regulatory actions, and in some cases, disciplinary proceedings.

² Paragraph (d) of [Article 3.105](#) of the Rules

Participants are encouraged to review the Division's [Guidelines on Sanctions](#) as the timely and complete disclosure of a possible violation to the Division may be considered as a mitigating factor. Conversely, an undetected, undisclosed violation may be considered as an aggravating factor.

Questions regarding the FAQ may be directed to the Division at:

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