



**CIRCULAR 211-20**  
December 17, 2020

**SELF-CERTIFICATION**

**HOUSEKEEPING AMENDMENTS TO THE RULES OF BOURSE DE MONTREAL INC.**

On November 4, 2020, the Rules and Policies Committee of Bourse de Montréal Inc. (the “**Bourse**”) approved housekeeping amendments to the Rules of the Bourse in order to correct certain errors and remove unnecessary provisions. 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 attached herewith will become effective on **January 29, 2021**, after market close. Please note that the revised articles will also be available on the Bourse’s website ([www.m-x.ca](http://www.m-x.ca)).

For additional information, please contact Alexandre Normandeau, Legal Counsel, at 514-787-6623 or by email at [alexandre.normandeau@tmx.com](mailto:alexandre.normandeau@tmx.com).

Alexandre Normandeau  
Legal Counsel  
Bourse de Montréal Inc.

**BLACKLINE VERSION**

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**Article 6.309 Position Limits for Options and Share Futures Contracts**

- (a) Except for those limits specified in Article 6.309, no Approved Participant shall make, for any account in which it has an interest or for the account of any client, a Transaction in a Listed Product if the Approved Participant has reason to believe that as a result of such Transaction the Approved Participant or its client would, acting alone or in concert with others, directly or indirectly, hold or control a position in excess of the position limit established by the Bourse.
- (b) Except otherwise indicated, the applicable position limits for options, share futures contracts or aggregated options and share futures contracts (as defined under paragraph c) iii)) are as follows:

[...]

- (iii) Index options

50,000 ~~standard~~ Options contracts on the S&P/TSX 60 Index.

[...]

**Article 6.500 Reports of Accumulated Positions**

- (i) The reporting thresholds established by the Bourse are as follows:
  - (i) For each Options class, other than Options on Futures Contracts, and each Share Futures Contracts on a given Underlying Interest:

[...]

- (5) 1,500 contracts, in the case of ~~standard~~ Options on the S&P/TSX 60 Index, ~~and mini Options on the S&P/TSX 60 Index, by aggregating positions on both Options contracts. For the purposes of aggregating positions, one standard Options contract on the S&P/TSX 60 Index is equal to 10 mini Options contracts on the S&P/TSX 60 Index; and~~

[...]

**Article 7.100 Know Your Customer; Suitability**

[...]

- (b) Supervision. Every Approved Participant must designate a person responsible for the supervision and surveillance of the trading activities in Derivative Instruments listed on the Bourse and where necessary to ensure continuous

supervision, one or more alternate person to this responsible person. The responsible person:

- (i) is responsible for establishing and maintaining procedures and for supervising trading activities in Derivative Instruments listed on the Bourse. This person must ensure that the handling of each client orders is within the bounds of ethical conduct, consistent with just and equitable principles of Trade and not detrimental to the reputation of the Bourse or the interests or the welfare of the public or the Bourse. This person must supervise activities relating to the trading of Derivative Instruments listed on the Bourse in accordance with Bourse requirements and policies. In the absence or incapacity of the responsible person, his authority and responsibilities must be assumed by an alternate responsible Person: and

[...]

#### **Appendix 6A-2 DESCRIPTION**

- (a) 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 Trading 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 Market Operations Department 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.

[...]

#### **Appendix 6B-2 DESCRIPTION**

- (a) 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 Trading 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 the Market Operations Department with a maximum number of instrument creation requests per Trading Day. The 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.

[...]

## **Chapter B — ~~Standard~~ Options on the S&P/TSX 60 Index**

[...]

### **Article 11.103 Currency**

Trading, clearing and settlement of ~~standard~~ Options on the S&P/TSX 60 Index are in Canadian dollars.

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2019.06.03

[...]

### **Article 11.106 Trading Halts**

Trading halts on ~~standard~~ Options on the S&P/TSX 60 Index are coordinated with the trading halt mechanism of the S&P/TSX 60 Index (circuit-breaker).

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2019.06.03

### **Article 11.107 Position Limits**

The position limit for ~~standard~~ Options on the S&P/TSX 60 Index is set pursuant Article 6.309.

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2019.06.03

[...]

**Article 11.109 Nature of the Option/Settlement Type**

- (a) A buyer of one ~~standard~~ Option on the S&P/TSX 60 Index may Exercise his Option only on the expiration date (“European style”) to receive a cash payment equal to the difference between the Exercise Price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in Article 6.407(a) of the Rules.
- (b) The seller of one ~~standard~~ Option on the S&P/TSX 60 Index has, if the Option is Exercised, the obligation of rendering payment equal to the difference between the Exercise Price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in Article 6.407(a) of the Rules.

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2019.06.03

[...]

**Article 11.111 Last Trading Day**

~~Standard~~ Options on the S&P/TSX 60 Index cease trading on the first business day prior to the expiration day.

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2019.06.03

[...]

**Article 11.113 Expiration Day**

The expiration day for ~~standard~~ Options on the S&P/TSX 60 Index is the third Friday of the Settlement Month, provided it is a business day. If it is not a business day, the expiration day is the first preceding business day.

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2019.06.03

**Article 1.1 Article 11.114 Final Settlement Price**

- (a) ~~Standard~~ Options on the S&P/TSX 60 Index are cash-settled.
- (b) The final Settlement Price is the official opening level of the S&P/TSX 60 Index on the expiration day.

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2019.06.03

**Article 11.115 Trading Halt or Suspension**

- (a) Trading on the Bourse in a ~~standard~~-Option on the S&P/TSX 60 Index shall be halted whenever a Market Supervisor shall conclude, in his judgment, that such action is appropriate in the interests of a fair and orderly market. A Market Supervisor must take the following factors into account when deciding whether to halt or suspend trading in a Class of ~~standard~~-Options on the S&P/TSX 60 Index:
  - (i) the extent to which trading is not occurring in stocks comprising the Underlying Index;
  - (ii) whether the most current calculation of the Index derived from the current market prices of the stocks is available; and
  - (iii) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.
- (b) Trading in ~~standard~~-Options on the S&P/TSX 60 Index of a Class of Options or a Series of Options that has been the subject of a halt or suspension by the Bourse may resume if a Market Supervisor determines that the interests of a fair and orderly market are served by a resumption of trading. Among the factors to be considered in making this determination are whether the conditions which led to the halt or suspension are no longer present and the extent to which trading is occurring in stocks comprising the Underlying Index.
- (c) Once trading resumes, the pre-opening stage shall be done in accordance with Article 6.109 of the Rules.

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2019.06.03

~~**Chapter B.1 — Mini Options on the S&P/TSX 60 Index**~~

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~~2019.06.03~~

~~**Article 1.116 — Underlying Interest**~~

~~The Underlying Interest is the S&P/TSX 60 Index.~~

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~~2019.06.03~~

**Article 1.117 — Expiry Cycle**

- (a) — ~~At a minimum, the nearest three expiries, plus the next two expiries in the quarterly Cycle March, June, September, December.~~
- (b) — ~~Annual expiry of December for long term Options.~~

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2019.06.03

**Article 1.118 — Trading Unit**

~~The multiplier for one mini Option Contract shall be \$10 per Index point of the S&P/TSX 60 Index.~~

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2019.06.03

**Article 1.119 — Currency**

~~Trading, clearing and settlement of mini Options on the S&P/TSX 60 Index are in Canadian dollars.~~

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2019.06.03

**Article 1.120 — Exercise Prices**

- (a) — ~~Exercise Prices are set at a minimum of 2.5 Index point intervals.~~
- (b) — ~~At a minimum, there are five Exercise Prices bracketing the current Underlying Index's market level.~~

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2019.06.03

**Article 1.121 — Minimum Fluctuation of Option Premium**

~~Unless determined otherwise by the Bourse, the minimum fluctuation of the Premium is:~~

- (a) — ~~0.05 Index point representing \$0.50 per contract for Premiums of 0.10 Index points and over; and~~
- (b) — ~~0.01 Index point representing \$0.10 per contract for Premiums of less than 0.10 Index points.~~

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2019.06.03

**Article 1.122 — Trading Halts**

~~Trading halts on mini Options on the S&P/TSX 60 Index are coordinated with the trading halt mechanism of the S&P/TSX 60 Index (circuit breaker).~~

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2019.06.03

**Article 1.123 — Position Limits**

- ~~(a) There are no position limits for mini Options contracts on the S&P/TSX 60 Index.~~
- (b) — Notwithstanding the above paragraph, the Bourse may, if it sees fit or deems necessary to ensure the integrity and fairness of the market, impose specific position limits to one or more Approved Participants or their clients. If such specific position limits are imposed, a standard Option contract on the S&P/TSX 60 Index is the equivalent of ten (10) mini Options contracts on the S&P/TSX 60 Index, for the purpose of calculating these position limits.

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2019.06.03

**Article 1.124 — Position Reporting Threshold**

~~The position reporting threshold is set pursuant Article 6.500.~~

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2019.06.03

**Article 1.125 — Nature of the Option/Settlement Type**

- (a) — ~~A buyer of one mini Option on the S&P/TSX 60 Index may Exercise his Option only on the expiration date (“European style”) to receive a cash payment equal to the difference between the Exercise Price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in Article 6.407(a) of the Rules.~~
- (b) — The seller of one mini Option on the S&P/TSX 60 Index has, if the Option is Exercised, the obligation of rendering payment equal to the difference between the Exercise Price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in Article 6.407(a) of the Rules.

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2019.06.03

**Article 1.126 — Last Trading Day**

~~Mini Options on the S&P/TSX 60 Index cease trading on the first business day prior to the expiration day.~~



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2019.06.03

**Article 1.127 — Trading Hours**

Trading hours will be determined and published by the Bourse.

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2019.06.03

**Article 1.128 — Expiration Day**

The expiration day for mini Options on the S&P/TSX 60 Index is the third Friday of the Settlement Month, provided it is a business day. If it is not a business day, the expiration day is the first preceding business day.

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2019.06.03

**Article 1.129 — Final Settlement Price**

- (a) — Mini Options on the S&P/TSX 60 Index are cash settled.
- (b) — The final Settlement Price is the official opening level of the S&P/TSX 60 Index on the expiration day.

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2019.06.03

**Article 1.130 — Trading Halt or Suspension**

- (a) — Trading on the Bourse in a mini Option on the S&P/TSX 60 Index shall be halted whenever a Market Supervisor shall conclude, in his judgment, that such action is appropriate in the interests of a fair and orderly market. A Market Supervisor must take the following factors into account when deciding whether to halt or suspend trading in a Class of mini Options on the S&P/TSX 60 Index:
  - (i) — the extent to which trading is not occurring in stocks comprising the Underlying Index;
  - (ii) — whether the most current calculation of the Index derived from the current market prices of the stocks is available; and
  - (iii) — whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.
- (b) — Trading in mini Options on the S&P/TSX 60 Index of a Class of Options or a Series of Options that has been the subject of a halt or suspension by the Bourse may resume if a Market Supervisor determines that the interests of a fair and

~~orderly market are served by a resumption of trading. Among the factors to be considered in making this determination are whether the conditions which led to the halt or suspension are no longer present and the extent to which trading is occurring in stocks comprising the Underlying Index.~~

~~(e) — Once trading resumes, the pre-opening stage shall be done in accordance with Article 6.109 of the Rules.~~

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## CLEAN VERSION

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### **Article 6.309 Position Limits for Options and Share Futures Contracts**

- (a) Except for those limits specified in Article 6.309, no Approved Participant shall make, for any account in which it has an interest or for the account of any client, a Transaction in a Listed Product if the Approved Participant has reason to believe that as a result of such Transaction the Approved Participant or its client would, acting alone or in concert with others, directly or indirectly, hold or control a position in excess of the position limit established by the Bourse.
- (b) Except otherwise indicated, the applicable position limits for options, share futures contracts or aggregated options and share futures contracts (as defined under paragraph c) iii)) are as follows:

[...]

(iii) Index options

50,000 Options contracts on the S&P/TSX 60 Index.

[...]

### **Article 6.500 Reports of Accumulated Positions**

- (i) The reporting thresholds established by the Bourse are as follows:
  - (i) For each Options class, other than Options on Futures Contracts, and each Share Futures Contracts on a given Underlying Interest:

[...]

(5) 1,500 contracts, in the case of Options on the S&P/TSX 60 Index.

[...]

### **Article 7.100 Know Your Customer; Suitability**

[...]

(b) Supervision. Every Approved Participant must designate a person responsible for the supervision and surveillance of the trading activities in Derivative Instruments listed on the Bourse and where necessary to ensure continuous supervision, one or more alternate person to this responsible person. The responsible person:

(i) is responsible for establishing and maintaining procedures and for supervising trading activities in Derivative Instruments listed on the Bourse. This person must ensure that the handling of each client order is within the bounds of ethical conduct, consistent with just and equitable principles of Trade and not detrimental to the reputation of the Bourse or the interests or the welfare of the public or the Bourse. This person must supervise activities relating to the trading of Derivative Instruments listed on the Bourse in accordance with Bourse requirements and policies. In the absence or incapacity of the responsible person, his authority and responsibilities must be assumed by an alternate responsible Person: and

[...]

#### **Appendix 6A-2 DESCRIPTION**

(a) 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 Trading 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 mechanism is engaged in order to limit the number of strategy instruments created by an Approved Participant. Each Approved Participant is configured by Market Operations Department 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.

[...]

#### **Appendix 6B-2 DESCRIPTION**

(a) 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 Trading 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 mechanism is engaged in order to limit the number of strategy instruments created by an Approved Participant. Each Approved Participant is configured by the Market Operations Department with a maximum number of instrument creation requests per Trading Day. The 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.

[...]

## **Chapter B — Options on the S&P/TSX 60 Index**

[...]

### **Article 11.103 Currency**

Trading, clearing and settlement of Options on the S&P/TSX 60 Index are in Canadian dollars.

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2019.06.03

[...]

### **Article 11.106 Trading Halts**

Trading halts on Options on the S&P/TSX 60 Index are coordinated with the trading halt mechanism of the S&P/TSX 60 Index (circuit-breaker).

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2019.06.03

### **Article 11.107 Position Limits**

The position limit for Options on the S&P/TSX 60 Index is set pursuant Article 6.309.

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2019.06.03

[...]

**Article 11.109 Nature of the Option/Settlement Type**

- (a) A buyer of one Option on the S&P/TSX 60 Index may Exercise his Option only on the expiration date (“European style”) to receive a cash payment equal to the difference between the Exercise Price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in Article 6.407(a) of the Rules.
- (b) The seller of one Option on the S&P/TSX 60 Index has, if the Option is Exercised, the obligation of rendering payment equal to the difference between the Exercise Price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in Article 6.407(a) of the Rules.

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2019.06.03

[...]

**Article 11.111 Last Trading Day**

Options on the S&P/TSX 60 Index cease trading on the first business day prior to the expiration day.

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2019.06.03

[...]

**Article 11.113 Expiration Day**

The expiration day for Options on the S&P/TSX 60 Index is the third Friday of the Settlement Month, provided it is a business day. If it is not a business day, the expiration day is the first preceding business day.

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2019.06.03

**Article 1.2 Article 11.114 Final Settlement Price**

- (a) Options on the S&P/TSX 60 Index are cash-settled.

- (b) The final Settlement Price is the official opening level of the S&P/TSX 60 Index on the expiration day.

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2019.06.03

**Article 11.115 Trading Halt or Suspension**

- (a) Trading on the Bourse in a Option on the S&P/TSX 60 Index shall be halted whenever a Market Supervisor shall conclude, in his judgment, that such action is appropriate in the interests of a fair and orderly market. A Market Supervisor must take the following factors into account when deciding whether to halt or suspend trading in a Class of Options on the S&P/TSX 60 Index:
- (i) the extent to which trading is not occurring in stocks comprising the Underlying Index;
  - (ii) whether the most current calculation of the Index derived from the current market prices of the stocks is available; and
  - (iii) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.
- (b) Trading in Options on the S&P/TSX 60 Index of a Class of Options or a Series of Options that has been the subject of a halt or suspension by the Bourse may resume if a Market Supervisor determines that the interests of a fair and orderly market are served by a resumption of trading. Among the factors to be considered in making this determination are whether the conditions which led to the halt or suspension are no longer present and the extent to which trading is occurring in stocks comprising the Underlying Index.
- (c) Once trading resumes, the pre-opening stage shall be done in accordance with Article 6.109 of the Rules.

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2019.06.03