

**RULE SIX**

**TRADING**

**A. GENERAL FRAMEWORK AND PROCEDURES**

**Section 6001 - 6020  
Limitation on Trading by Members**

**6001 Discretionary Authority of the Bourse**  
(10.10.91, 14.09.18)

The Bourse may prescribe such terms and conditions as it shall deem appropriate relating to transactions in Listed Products traded either on or off the Bourse.

**6002 Over-the-Counter Trading in Securities Listed on Other Exchanges**  
(10.10.91, abr. 17.07.15)

**6003 Trading in Unlisted Securities**  
(10.10.91, 22.11.99, abr. 17.07.15)

**6004 Trading Restricted to the Bourse**  
(11.03.85, 11.03.92, 22.11.99, 17.01.18)

Subject to the exceptions set out in article 6380 and 6816, all purchases and sales of Listed Products made by Approved Participants, an affiliated corporation or a Person must take place on the Bourse during a trading session thereof.

**6005 Off-Exchange Transactions**  
(10.10.91, 19.11.93, 14.07.95, 22.11.99, 21.04.08, 30.05.08, 29.01.10, 14.01.16, abr.17.01.18)

**6006 Trades Outside Canada**  
(10.10.91, abr. 21.04.08)

**6007 Trading Delays and Interruptions**  
(10.10.91, 22.11.99, 02.10.17, 17.01.18)

- a) In order to assist in the orderly opening or re-opening of a Listed Product, a Market Supervisor of the Bourse has the authority to delay the opening or to interrupt trading in any Listed Product for any period of less than two hours. Such two hour period can be extended at the Market Supervisor's discretion in order to assist in re-establishing orderly trading.
- b) A Market Supervisor of the Bourse may determine the conditions and time at which trading in any Listed Product will resume.
- c) A Market Supervisor of the Bourse has the authority to take such decisions as may be required to cancel or modify any given intra-session auction period.

**Section 6021 - 6040**  
**Clearing of Exchange Transactions**

**6021 Clearing and Settlement of Bourse Transactions**

(11.03.85, 11.03.92, 22.11.99, 14.09.18)

- a) Except as otherwise provided in the Regulations of the Bourse or specifically authorized by the Bourse, all transactions effected on the Bourse shall be cleared and settled in accordance with the rules and operations procedures of the Clearing Corporation designated from time to time by the Bourse.
- b) The Bourse shall not be liable for any loss whatsoever suffered by an Approved Participant through any act or omission of the Clearing Corporation in connection with, or arising out of, the settlement of any transaction.
- c) Regulations and procedures prescribed by resolution of the directors of the Clearing Corporation which are not inconsistent with the Regulations of the Bourse shall be binding upon the Approved Participants of the Bourse to the same extent as such regulation and procedures and the breach of any such regulation shall have the same effect as a breach of the Regulations of the Bourse.

**6022 Designated Clearing Corporations**

(22.04.88, 10.10.91, 07.09.99, 24.09.01)

As provided in article 6021, the designated clearing corporations for the Bourse listed products are as follow:

Equities:

Canadian Depository for Securities Limited (CDS).

Derivatives instruments:

Canadian Derivatives Clearing Corporation (CDCC).

**6023 Clearing Arrangements**

(10.10.91, 07.09.99 24.09.01)

Approved participants who are not members of the designated Clearing Corporation for a category of listed products, shall cause their Bourse transactions to be cleared by a member of the designated Clearing Corporation.

**6024 Suspension of Trading and Cancellation of Orders**

(09.02.18)

- a) A Clearing Approved Participant must notify the Vice President, Regulatory Division and the Market Operations Department, telephonically and by electronic mail immediately upon suspending or terminating its clearing relationship with an Approved Participant.
- b) Upon being notified by the President or Chief Risk Officer of the Clearing Corporation that a Clearing Approved Participant has been suspended, has had its membership terminated or become Non-Conforming as defined under Clearing Corporation Rules, the Vice President, Regulatory

Division, acting solely in his or her discretion, may instruct the Market Operations Department immediately to suspend access to, and/or cancel any orders resting in, the trading system by the Non-Conforming Clearing Approved Participant for itself or for the Approved Participants, and in respect of the particular Listed Products that the Clearing Approved Participant clears.

- c) Upon being notified by a Clearing Approved Participant as provided in paragraph a) that it has suspended or terminated its clearing relationship with an Approved Participant, the Vice President, Regulatory Division, acting solely in his or her discretion, may instruct the Market Operations Department immediately to suspend access to, and/or cancel any orders resting in, the trading system by or for the Approved Participant in respect of the particular Listed Products cleared by the notifying Clearing Approved Participant.
- d) The Vice President, Regulatory Division, acting solely in his or her discretion, may instruct the Market Operations Department to reinstate access to the trading system:
  - i) for a Clearing Approved Participant (and the Approved Participants for which it clears) who's been suspended, has had its membership terminated or became Non-Conforming, upon notification by the President or the Chief Risk Officer of the Clearing Corporation that the Clearing Approved Participant has been reinstated and is in good standing;
  - ii) for an Approved Participant, upon notification by a Clearing Approved Participant in good standing that it has established a clearing relationship with the Approved Participant.

The Vice President, Regulatory Division, may make the decisions under this article acting in his or her sole discretion. However, nothing in this article precludes the Vice President, Regulatory Division from consulting any other official of the Bourse in making the decisions under this article or in submitting such decisions to the Special Committee for a determination.

**Section 6041 - 6060**  
**Comité du parquet - Actions**  
(abr. 22.11.99)

**Section 6061 - 6080**  
**Access to Trading Floor**  
(abr. 17.07.15)

- 6061 Access**  
(10.10.91, abr. 17.07.15)
- 6062 Floor Badges**  
(10.10.91, abr. 17.07.15)
- 6063 Trading Personnel**  
(10.10.91, 22.11.99, abr. 17.07.15)
- 6064 Non-Trading Personnel**  
(10.10.91, abr. 17.07.15)

**6065 Communications With the Trading Floor**  
(10.10.91, abr. 17.07.15)

**Section 6081 - 6100**  
**Applications and Approvals**  
(abr. 17.07.15)

**6081 Applications**  
(10.10.91, abr. 17.07.15)

**6082 Letter of Guarantee**  
(10.10.91, abr. 17.07.15)

**6083 Approval of Application**  
(10.10.91, abr. 17.07.15)

**6084 No Change Without Notice**  
(10.10.91, 22.11.99, abr. 17.07.15)

**Section 6101 - 6120**  
**Qualifications of Trading Personnel**

**6101 Qualifications**  
(10.10.91, 22.01.16)

Trading personnel of an Approved Participant must:

- a) be at least eighteen (18) years of age;
- b) be considered in all respects to be a suitable person for the privilege and responsibility of trading Listed Products;
- c) have completed the training requirements prescribed by the Bourse.

**6102 Floor Attorneys**  
(10.10.91, abr. 17.07.15)

**6103 Market-Maker**  
(10.10.91, 22.11.99, abr. 17.07.15)

**6104 Specialist - Designated Primary Market-Maker**  
(10.10.91, 22.11.99, abr. 17.07.15)

**6105 Jitney**  
(10.10.91, 22.11.99, 17.07.15, abr. 14.09.18)

**6106 Responsibility for Trades Made by a Jitney**  
(10.10.91, abr. 14.09.18)

**6107 Jitney "give ups"**  
(10.10.91, abr. 17.07.15)

**6108 Evasion of rule**  
(10.10.91, abr. 14.09.18)

### **Section 6121 - 6140 Types of Orders**

**6121 Standard Nomenclature**  
(10.10.91, 20.04.98, 26.06.15, 17.07.15, abr. 15.06.18)

**6122 Prohibition of Stop Orders**  
(10.10.91)

The Exchange may, at any time, order the cancellation of all stop orders and prohibit the taking of such orders in any Exchange listed security.

**6123 Designation of Orders**  
(10.10.91, 16.12.93, 25.01.95, 22.11.99, abr. 17.07.15)

### **Section 6201 - 6210 Trading Sessions of The Exchange**

**6201 Daily Trading Sessions**  
(03.07.87, 10.10.91, 05.12.97, 02.10.98, 22.11.99, 28.07.14, 05.10.18)

- a) Except as may be otherwise determined by the Bourse, trading sessions shall be held on the Bourse every day except Saturdays, Sundays and holidays.
- b) If certain urgent events require it, market opening and closing times are established by the Bourse.

These times may be different for each category of Listed Products. An advance notice must be given to approved participants of any changes.

**6202 Proceeding at Trading Sessions**  
(10.10.91, abr. 28.07.14)

**6203 Suspension of Trading Sessions**  
(10.10.91, 28.07.14, 05.10.18)

When urgent circumstances warrant it, the Bourse may suspend trading for one trading session or more, or any part of a trading session.

**6204 Delayed, Halted and Suspended Trading**  
(10.10.91, 22.11.99, abr. 28.07.14)

**Section 6211 - 6240**  
**Bids, Offers, Transactions**

**6211 Validity of Bids and Offers**  
(10.10.91, 22.11.99, 14.09.18, 05.10.18)

To be valid, bids and offers must be entered during a trading session or a Trading Day, as the case may be, and in the manner prescribed by the Regulations of the Bourse.

**6212 Bids and Offers Binding**  
(10.10.91)

All bids and offers made and accepted in accordance with the Exchange requirements shall be binding, and all Exchange contracts thereby effected and arising therefrom shall be subject to the exercise by the Exchange of the powers in respect thereto vested in the Exchange.

**6213 Dissemination of Trades**  
(03.07.87, 10.10.91, 22.01.16)

All trades shall be disseminated through the market data feed after execution.

**6214 Standard Trading Unit**  
(10.10.91, 22.11.99, abr. 17.07.15)

**Section 6241 - 6260**  
**THE ELECTRONIC BOOK**  
(abr. 22.11.99)

**Section 6261 - 6280**  
**Trading in the Crowd**  
(abr. 22.11.99)

**Section 6281 - 6300**  
**Put-Throughs**  
(abr. 22.11.99)

**Section 6301 - 6320**  
**Restrictions on Trading**

**6301 Bids, Asks and Trades at the Close of a Trading Day**  
(10.10.91, 14.09.18, 05.10.18)

At the close of a Trading Day, no Person shall enter or accept to enter a bid or an ask, nor execute a trade for the purpose of establishing an artificial price or effecting a high or low closing price in a Listed Product.

**6302 Unreasonable Quotations May Be Disallowed**

(10.10.91, 14.09.18, 05.10.18)

At the close of any Trading Day, if the buying and selling quotations are at the same price, or are more than five per cent apart, a Market Supervisor may refuse to allow either or both of them to be recorded; he may also refuse to allow any unreasonable quotations to be recorded at any time.

**6303 Validation, alteration or cancellation of a trade**

(10.10.91, 25.05.01, 24.04.09, 15.03.12)

If certain urgent events require it or if certain extraordinary market conditions exist, and in order to maintain a fair and equitable market for all participants, a market supervisor of the Bourse can validate, alter, disallow or cancel any trade and such trade will be validated, altered, disallowed or cancelled.

These decisions are final and cannot be appealed.

In the case of a cancellation, the trade will have no standing whatsoever and shall be expunged from the records.

**6304 Stopping an Order**

(10.10.91, 22.11.99, abr. 14.09.18)

**6305 Front Running**

(10.10.91, 01.12.17)

No approved participant, person employed by or acting on behalf of an approved participant or person associated with an approved participant shall:

- a) take advantage of a customer's order by trading ahead of it;
- b) engage in transactions based in whole or in part on non-public information concerning pending transactions in securities, options or future contracts, which are likely to affect the market prices of any other securities, options or future contracts, unless such transactions are made solely for the purpose of providing a benefit to the client who is proposing or engaged in the transactions.

**6306 Manipulative or Deceptive Methods of Trading**

(10.10.91, 31.01.05, 30.10.17)

No Person may directly or indirectly, whether intentionally, recklessly or with willful blindness, use any manipulative or deceptive methods of trading on the marketplace of the Bourse. All orders must be entered for the purpose of executing *bona fide* transactions.

Manipulative or deceptive methods of trading include, but are not limited to:

- a) manipulating the price of any Listed Product;
- b) entering an order or effecting a transaction:
  - i) to mislead other market participants;
  - ii) to overload, delay, or disrupt the systems of the Bourse or other market participants;

- iii) to disrupt the orderly conduct of trading or the fair execution of transactions;
- iv) to engage in wash trading, accommodation trading money passes, or other forms of fraudulent trading; or
- v) with the purpose of transferring funds, assets or liabilities in contravention of legal or regulatory requirements.

**6307 Corners**  
(10.10.91, abr. 22.11.99)

**6308 Restrictions on Floor Attorneys**  
(10.10.91, 19.11.93, 22.11.99, abr. 17.07.15)

**6309 Restrictions on Restricted Permit Holders**  
(10.10.91, 17.07.15, abr. 14.09.18)

**6310 Best Execution**  
(03.07.87, 10.10.91, 11.03.92, 22.11.99, 17.01.18)

- a) Approved Participants shall take reasonable care consistent with just and equitable principles of trade and diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under all of the circumstances relating to the trade or trading strategy and the then current market conditions.
- b) To assess the most advantageous execution terms reasonably available, Approved Participants should consider general factors including, but not limited to: trading strategy, trade price, speed of execution, certainty of execution, and overall cost of execution. In the case of strategy or spread trades, Approved Participants shall consider these factors as they relate to the execution of the overall strategy, rather than the execution of each individual leg.

**6311 Trade-Through**  
(10.10.91, 08.07.94, 20.08.96, abr. 22.11.99)

**6312 Customers' Orders Have Priority**  
(10.10.91, 16.12.93, abr. 01.04.04)

**6313 Recorded Prices on the Bourse**  
(01.02.88, 10.10.91, 14.09.18)

No Approved Participant acting as agent shall execute a transaction through the facilities of the Bourse in which the price recorded on the Bourse is:

- a) in the case of a purchase by a customer, higher than the actual net price to the customer; or
- b) in the case of a sale by a customer, lower than the actual net price to the customer.

**Section 6321 - 6330**  
**Specialists Review Committee Equities**  
(abr. 22.11.99)

**Section 6331 - 6345**  
**Specialists - Equities**  
(abr. 22.11.99)

**Section 6346 - 6350**  
**Market-Makers - Equities**  
(abr. 22.11.99)

**Section 6351 - 6360**  
**Registered Arbitrage Trading Member**  
(abr. 22.11.99)

**Section 6361 - 6370**  
**Records and Reports**

- 6361 Recording the Trades**  
(10.10.91, 22.11.99, abr. 17.07.15)
- 6362 Cancellation or Alteration of a Floor Ticket**  
(10.10.91, abr. 17.07.15)
- 6363 Transactions for Clients of Clearing Member**  
(10.10.91, abr. 17.07.15)

**Section 6365- 6401**  
**Electronic Trading of Derivatives Instruments Traded on the Bourse**

- 6365 Electronic Trading System**  
(25.09.00, 24.09.01, abr. 14.09.18)
- 6366 Access to Electronic Trading**  
(25.09.00, 24.09.01, 19.03.02, 03.11.04, 01.03.14, 01.12.17, 11.07.18)

- A) Only approved participants of the Bourse, through their respective clearing approved participants, will have access to the electronic trading for derivatives instruments traded on the Bourse and this, at the following conditions:
- a) certify to the Bourse that only the approved persons who have received the required training have access to the said system;
  - b) put in place an internal security procedure for access to the electronic trading system; and
  - c) obtain the prior approval of the Bourse.

Each approved participant is entirely and exclusively responsible for any unauthorized access to the said system.

B) Approved participants can authorize clients to transmit electronically orders to the Bourse through the systems of the approved participant, using the approved participant's identifier. In order to do so, the following conditions must be complied with:

1. Definitions

- a) For the purposes of this article, a client is defined:
  - i) as a person, other than those registered as an investment dealer with a securities regulatory authority or approved as a foreign approved participant by the Bourse, having entered into a written agreement with an approved participant which permits to transmit electronically orders to the Bourse through the systems of an approved participant, using the approved participant's identifier;
  - ii) as an investment dealer registered with a securities regulatory authority, or a foreign approved participant of the Bourse, having entered into a written agreement with an approved participant which permits the investment dealer or foreign approved participant to transmit electronically orders to the Bourse, through the systems of the approved participant, using the approved participant's identifier.
- b) For the purpose of this article, the terms "Electronic Trading Rules" refer to *Regulation 23-103 respecting Electronic Trading* (CQLR c V-1.1, r. 7.1), as well as any applicable policy statement or notice.
- c) For the purpose of this article, the terms "Bourse and regulatory requirements" refer to the rules, policies and operational procedures of the Bourse, or to any condition imposed by the Bourse for the purpose of the electronic access provided to a client by an approved participant, as well as to applicable securities or derivatives legislation.

2. Conditions

2.1 An approved participant must:

- a) establish, maintain and apply standards that are reasonably designed to manage, in accordance with prudent business practices, the approved participant's risks associated with providing an electronic access to a client, pursuant to paragraph B), including those set out in the Electronic Trading Rules and, as the case may be, those associated with market maker assignments granted to the client;
- b) assess and document that a client meets the standards established by the approved participant, under subparagraph a).

2.2 The standards thus established by an approved participant, under subsection 2.1, shall include that a client must not have an electronic access to the Bourse, pursuant to paragraph B), unless:

- a) it has sufficient resources to meet any financial obligations that may result from the use of such electronic access by that client;

- b) it has reasonable arrangements in place to ensure that all individuals using such electronic access, on behalf of the client, have reasonable knowledge of and proficiency in the use of the order entry system that facilitates such electronic access;
  - c) it has reasonable knowledge of and the ability to comply with all applicable Bourse and regulatory requirements;
  - d) it has reasonable arrangements in place to monitor the entry of orders through such electronic access.
- 2.3 An approved participant must assess, confirm and document, at least annually, that a client continues to meet the standards established by the approved participant pursuant to subsection 2.1.
- 2.4 An approved participant must not allow any order to be transmitted to the Bourse, pursuant to paragraph B), unless:
- a) the approved participant is maintaining and applying the standards it has established under subsections 2.1, 2.2 and 2.3;
  - b) the approved participant is satisfied that the client meets the standards established by the approved participant under subsections 2.1, 2.2 and 2.3;
  - c) the approved participant is satisfied that the client is in compliance with the written agreement entered into with the approved participant, under subsection 2.5;
  - d) the order is subject to all applicable requirements pursuant to the Electronic Trading Rules, including those pertaining to the risk management and supervisory controls, policies and procedures of the approved participant.
- 2.5 An approved participant must not provide to a client an electronic access to the Bourse, pursuant to paragraph B), unless the client has entered into a written agreement with the approved participant, which provides that:
- a) the client's trading activity shall comply with all applicable Bourse and regulatory requirements;
  - b) the client's trading activity shall comply with the product limits and credit or other financial limits specified by the approved participant;
  - c) the client shall take all reasonable steps to prevent unauthorized access to the technology that facilitates such electronic access;
  - d) the client shall not permit any person to use such electronic access provided by the approved participant, other than those authorized by a client as defined in subparagraph 1 a) (ii) or, in the case of a client as defined in subparagraph 1 a) (i), other than those authorized and named by the client under the provision of the agreement referred to in subparagraph h);
  - e) the client shall fully cooperate with the approved participant in connection with any investigation or proceeding by the Bourse with respect to trading conducted pursuant

to such electronic access, including, upon request by the approved participant, providing access to the Bourse to information that is necessary for the purposes of the investigation or proceeding;

- f) the client shall immediately inform the approved participant, if it fails or expects not to meet the standards set by the approved participant;
  - g) when trading for the accounts of another person, under subsection 2.11, the client shall ensure that the orders of the other person are transmitted through the systems of the client and shall be subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the client;
  - h) a client, as defined under subparagraph 1 a) (i), shall immediately provide to the approved participant, in writing, the names of all personnel acting on the client's behalf that it has authorized to enter an order, using the electronic access to the Bourse pursuant to paragraph B), as well as any changes thereof;
  - i) the approved participant shall have the authority, without prior notice, to reject any order, to vary or correct any order to comply with Bourse and regulatory requirements, to cancel any order entered on the Bourse and to discontinue accepting orders from the client.
- 2.6 An approved participant must not allow a client to have, or continue to have, an electronic access to the Bourse pursuant to paragraph B), unless it is satisfied that the client has reasonable knowledge of the applicable Bourse and regulatory requirements, and of the standards established by the approved participant under subsections 2.1, 2.2 and 2.3.
- 2.7 An approved participant must ensure that a client receives any relevant amendments to the applicable Bourse and regulatory requirements, or changes or updates to the standards established by the approved participant under subsections 2.1, 2.2 and 2.3.
- 2.8 Upon providing to a client an electronic access to the Bourse, pursuant to paragraph B), an approved participant must ensure the client is assigned a client identifier in the form and manner required by the Bourse.
- 2.9 An approved participant must ensure that an order entered by a client, using such an electronic access to the Bourse, includes the appropriate client identifier.
- 2.10 An approved participant must promptly inform the Bourse if a person ceases to be a client pursuant to paragraph B).
- 2.11 An approved participant must not provide an electronic access to the Bourse, pursuant to paragraph B), to a client as defined in subparagraph 1 a) i) that is trading for the account of another person, unless the client is:
- a) registered or exempted from registration as an adviser under securities legislation; or
  - b) a person that
    - i) carries on business in a foreign jurisdiction;

- ii) under the laws of the foreign jurisdiction, may trade for the account of another person, using such an electronic access; and
- iii) is regulated in the foreign jurisdiction by a signatory to the International Organization of Securities Commissions' Multilateral Memorandum of Understanding.

2.12 If a client referred to in section 2.11 is using such an electronic access to the Bourse to trade for the account of another person, it must ensure that the orders of the other person are initially transmitted through the systems of the client.

2.13 An approved participant must ensure that when a client is trading for the account of another person, using an electronic access to the Bourse pursuant to paragraph B), the orders of the other person are subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the client.

### 3. Responsibility

An approved participant who provides an electronic access to the Bourse, pursuant to paragraph B), remains responsible for compliance with all applicable Bourse and regulatory requirements with respect to the entry and execution of orders from its clients.

### 4. Miscellaneous

4.1 An approved participant must immediately report to the Bourse, in writing, that it has terminated the electronic access of a client pursuant to paragraph B).

4.2 An approved participant must immediately report to the Bourse, in writing, if it is aware of or has reason to believe that a client has, or may have, breached a material provision of any standard established by the approved participant, or of the written agreement between the approved participant and the client, pursuant to section 2.

## **6367 Trading Hours**

(25.09.00, 29.10.01, 20.03.09, 14.12.18)

Trading hours are determined by the Bourse.

## **6367A Curb Trading**

(06.01.03, abr. 20.03.09)

## **6368 Trading Stages**

(25.09.00, 24.09.01, 12.09.14, 02.10.17, 05.10.18)

The following is a list of trading stages:

### - Pre-opening

No-cancellation stage – Lasting for a time period as prescribed by the Bourse not exceeding the last 2 minutes of the Pre-opening stage, orders cannot be cancelled or CFO'ed (Modification of an order). Orders can only be entered.

- Opening/ Closing
- Market Session (Continuous Trading)

Depending on the product, trading stages and no-cancellation stage may vary, as determined by the products specifications.

#### Intra-session Auction Period

Intra-session auction periods will be determined and scheduled by the Bourse from time to time. The Bourse will determine and publish the list of derivative instruments subject to intra-session auctions, the number of intra-session auctions for each selected derivative instrument during one Trading Day, and the trading hours of such intra-session auctions including, without limitation, the time periods for:

- the pre-auction stage;
- the no-cancellation stage; and
- when applicable, the random opening of the intra-session auctions;

the whole customized for each derivative instrument and reassessed by the Bourse from time to time.

#### **6369 Orders**

(25.09.00, 24.09.01, 29.10.01, 24.04.09, 26.06.15, 22.01.16, 15.06.18, 05.10.18)

1) To be considered valid, an order must specify the name or symbol of the Listed Product, whether it is a buy or sell order, the quantity of units, explicit instructions regarding the trading price and the conditions which must be met prior to the order becoming effective, and the type and duration qualifier of the order.

2) The types of orders which can be entered into the electronic trading system are as follows:

a) Market order (best limit; bid/ask)

i) A Market order is executed at the best limit that is available on the other side of the market at the moment the order is introduced into the electronic trading system, at the quantity available at this limit. If the order is partially filled, the unfilled quantity becomes a limit order at the price the first part of the order was executed.

ii) A Market order can only be entered during the Market Session (Continuous Trading).

iii) A Market order is only accepted by the system if a price limit exists on the other side.

b) Limit order

An order to buy or sell at a specified price, or better.

c) Stop limit order

i) An order to buy or sell which becomes a limit order once the contract has traded at the stop-price or higher in the case of a buy order; at the stop-price or lower in the case of a sell order.

- ii) If more than one stop order has the same trigger price, then the first in, first out basis (FIFO) rule will apply. Once the stop order becomes a limit order, a new time priority is given to it.
  - iii) Stop limit orders can only be entered as day orders.
- d) Opening / Closing price order (Market on Open and Market on Close)
- i) An order which must be input during the pre-opening / pre-closing session by which a trader is the buyer or the seller of contracts at the opening / closing price as defined by the electronic trading system at the pre-opening / pre-closing session. Therefore, this order must be input during the pre-opening / pre-closing session.
  - ii) If an opening price order is not filled in full, the order is assigned the opening price Calculated Theoretical-Opening (CTO) as defined in article 6375 of the Rules, as its new limit.
- e) Hidden quantity order
- An order that enables a trader to hide a certain quantity of the order to the market by displaying to the market only that portion of the total order which has been initially parameterized by the user to be seen by the market. The hidden quantity, which is the remainder of the order, is seen only by the Bourse. When the order is executed for the disclosed quantity, it is renewed for the same disclosed quantity but positioned at the end of the queue at the same limit. It loops until the whole order quantity (total quantity) has been filled.
- f) Committed order
- An order that can only be matched with another opposite committed order that meet the following conditions:
- i) The identification code on the initial order matches the identification code of the Approved Participant entering the opposite order;
  - ii) The identification code on the opposing order matches the identification code of the Approved Participant that entered the initial order;
  - iii) Both orders are entered with the same price and for the same quantity, *provided however*, that such price is between the best bid and the best offer at the time of the transaction;
  - iv) Both orders must be entered during the same trading session. Otherwise, the initial order will automatically be cancelled.
- g) Implied order
- An order generated by the implied pricing algorithm using order registered in the order book by the the electronic trading system.

3) Each order must include a duration qualifier which determines the period during which the order remains in effect. All orders are deemed to be Day Orders, unless otherwise specified. The duration qualifiers are as follows:

a) Day order

An order to buy or sell valid only for the Trading Day it is given.

b) Good 'til date (G.T.D)

An order that remains effective until it is executed or has reached the specified date.

c) Good 'til cancel (G.T.C)

An order that remains effective until it is cancelled or until the end of expiry month.

d) While connected order

Unexecuted Day Order which is automatically withdrawn from the Bourse's central order book in the event that the Approved Participant's server through which the order was transmitted is disconnected from the Bourse.

4) The Bourse may decide that certain types of orders are not available.

**6369A Implied orders**

(24.04.09, abr. 15.06.18)

**6369B Orders during Intra-session Auctions**

(02.10.17)

Unless otherwise determined by the Bourse, and except for market orders, all types of regular orders described in article 6369 of the Rules can be executed during an intra-session auction period, to the extent any such order is available for the Listed Product subject to the intra-session auctions.

**6370 Order Duration**

(25.09.00, 24.09.01, abr. 15.06.18)

**6371 Cancel of orders (CXL)**

(25.09.00, 24.09.01, 02.10.17, 05.10.18)

An order can be cancelled at any time during the Trading Day except if it has been filled, if trading is in the no-cancellation stage of the pre-opening or pre-closing stages, or if trading is in the no-cancellation stage of an intra-session auction.

**6372 Modification of orders (CFO)**

(25.09.00, 24.09.01, 02.10.17, 05.10.18)

An order can be CFO'ed at any time during the Trading Day except if it has been filled if trading is in the no-cancellation stage of the pre-opening or pre-closing stages, or if trading is in the no-cancellation stage of an intra-session auction.

Furthermore:

- a) when the quantity of the order is decreased, it retains its priority in the system;
- b) when the quantity of the order is increased or its price modified, it is treated as a new order;

- c) upon the modification of any order's characteristic, a new ticket must be completed and time-stamped. If not, the original ticket will be time-stamped again;
- d) upon a quantity's reduction, the new ticket retains the initial priority. However, upon a quantity's increase, the new ticket acquires a new priority;
- e) for any other modification to the initial ticket, the new ticket is considered as a new order.

**6373 Time-Stamping of Limit Order**  
(25.09.00, 24.09.01, abr. 15.06.18)

**6374 Management of Priorities**  
(25.09.00, 24.09.01, 29.10.01)

The management of orders' priorities is made on the basis of the chronology of their receipt. The orders initiated for the firm account of approved participants must be made on an order ticket at the same conditions as those for client orders.

In all cases, each approved participant is responsible for insuring that, at the same price and time stamp, it gives priority to client orders over its own professional orders, unless the client has expressly waived the priority of his order and that such waiver is documented by the approved participant.

**6375 Order Priority**  
(25.09.00, 29.10.01, abr. 29.10.01)

**6375 Allocation of tradeable orders**  
(25.09.00, 24.09.01, 29.10.01, 22.01.16, 02.10.17, 17.01.18, 05.10.18)

a) Pre-opening, Pre-closing and Intra-session Auctions

During the pre-opening stage and the pre-closing stage of the Trading Day, and during the pre-auction stage of an intra-session auction period, orders are entered but no trades are generated until the end of the stage. The electronic trading system will calculate the opening price, the closing price or the auction price, as the case may be, using the Calculated Theoretical-Opening price methodology (CTO).

The CTO price represents the overlapping bid/ask price range that results in the maximum possible trade volume.

When there is more than one possible CTO at which the maximum volume is reached, the price with the lowest residual is used. Furthermore under the following conditions:

- if there is an imbalance on the buy side, the highest price is taken;
- if there is an imbalance on the sell side, the lowest price is taken; and
- where the residuals are the same, the price which is closest to the previous settlement is taken.

Stop limit orders do not enter into the CTO calculation.

b) Market Session (Continuous Trading)

The electronic trading system allocates the tradeable orders first on a price basis, and then on a first in, first out basis (FIFO) except when part of the allocation is subject to an execution guarantee as defined by the Bourse. Stop limit orders in the electronic trading system shall be presented to the market as soon as their triggering limit is reached.

### **6376 Order Identification**

(25.09.00, 24.09.01, 29.10.01, 01.04.04, 01.12.17)

Approved participants must ensure the proper identification of orders when entered into the trading system in order to ensure compliance with the provisions of article 6374 regarding management of priorities.

- a) “Order for the account of a customer” means an order for a security or a derivative instrument entered for the account of a customer of any approved participant or of a customer of a related firm of an approved participant, but does not include an order entered for an account in which an approved participant, a related firm of an approved participant or a person approved by the Bourse has a direct or indirect interest, other than an interest in a commission charged;
- b) “Order for the account of a professional” means an order for a security or a derivative instrument for an account in which a director, officer, partner, employee or agent of an approved participant or of a related firm of the approved participant or a person approved by the Bourse has a direct or indirect interest, other than an interest in a commission charged. The Bourse may designate any order as being an order for the account of a professional if, in its opinion, circumstances justify it;
- c) “Order for the account of the firm” means an order for a security or a derivative instrument for an account in which the approved participant or a related firm of the approved participant has a direct or indirect interest, other than an interest in a commission charged;
- d) “Order for an insider or significant shareholder” means an order for a security or a derivative instrument for the account of a client, a professional or a firm who is an insider and/or significant shareholder of the issuer of the underlying security which is the subject of the order. If such client, professional or firm is both an insider and a significant shareholder, the significant shareholder designation must be used.

For the purposes of this article:

“insider” means a person who is an insider, pursuant to applicable securities legislation, of the issuer of the security underlying the security or the derivative instrument traded;

“significant shareholder” means any person holding separately, or jointly with other persons, more than 20 per cent of the outstanding voting securities of the issuer whose security is underlying the security or the derivative instrument traded.

“related firm” has the meaning given to that term in the definitions in article 1102 of the Rules of the Bourse.

### **6376A Opening or Closing Transaction Indicator Field**

(09.02.18)

The Bourse has provided an open/closed indicator field at the input of orders on all Listed Products which:

- a) shall be included in the submission of each order entered into the trading system by an Approved Participant in the following circumstances:
- i) the order is entered for the account of an Approved Participant or its customer who is in default or is otherwise ordered to trade for liquidation only;
  - ii) the order is entered for the account of an Approved Participant or its customer who has been ordered to reduce positions by the Bourse;
  - iii) the order is for an equity option or share futures contract that is the subject of a trading restriction or other limit due to a corporate action in the underlying security;
  - iv) the Approved Participant, its client, or the market generally is subject to an order of the Bourse to trade for liquidation only;
- b) may otherwise be used by Approved Participants in the submission of orders in their own discretion.

**6377 Keeping Records of Orders**

(25.09.00, 24.09.01, 29.10.01, 01.04.04, 31.01.05)

- 1) With the exception of orders entered by a market maker to comply with obligations required by his role and responsibilities, a record must be kept by each approved participant of each order received for the purchase or sale of securities or derivative instruments traded on the Bourse.
- 2) The record of each order executed must indicate the person who received the order, the time the order was received, the time it was entered into the electronic trading system of the Bourse, the price at which it was executed, its time of execution, its classification pursuant to the provisions of article 6376, the approved participant from or to or through whom the security or derivative instrument traded on the Bourse was purchased or sold and, as the case may be, if the order was executed as a cross transaction, a prearranged transaction or a block trade pursuant to the provisions of article 6380. Such record must be retained for seven years.
- 3) No order can be executed on the electronic trading system of the Bourse until it has been identified as above by the approved participant who received the order.

All orders for securities or derivative instruments traded on the Bourse must be time-stamped and, if applicable, indicate any special instructions including the consent of the client to prenegotiation discussions.

- 4) The record of each order which remains unfilled must indicate the person who received the order, its time of receipt and its classification pursuant to the provisions of article 6376 and such record must be retained for seven years.
- 5) All telephone conversations related to trading in securities or derivative instruments listed on the Bourse must be recorded. The following conditions apply:
  - i) Recordings must be kept by approved participants for a period of one year.

- ii) Authorization to consult the recordings of telephone conversations shall be granted in the case of an investigation by the Bourse, the Autorité des marchés financiers or by any other regulatory body with which the Bourse has concluded an information sharing agreement;
  - iii) In the case of litigation or in disciplinary matters, the recording may be filed as evidence.
  - iv) Approved participants must advise their clients of the recording of telephone conversations and comply with the provisions of article 7452 of Rule 7.
- 6) Where an order ticket is completed, it must comply, for what concerns the information that must be entered on it, with the requirements of Section 11.2 of National Instrument 23-101 regarding Trading Rules.
- 7) Exceptionally, the Bourse may grant exemptions from all or any part of the requirements set in paragraphs 1) to 5) above.

**6378 Receipt of Orders**

(25.09.00, 24.09.01, 29.10.01, 01.12.17, abr. 15.06.18)

**6379 Input of Orders and Use of the Basis Trade on Close Functionality**

(25.09.00, 24.09.01, 29.10.01, 01.04.04, 17.01.18, 07.06.18)

- a) An Approved Participant shall not withhold or withdraw from the market any order, or any part of an order, for the benefit of any person other than the Person placing the order.
- b) Any order which is entered into the trading system must indicate if the order is for the account of a firm, of a client or of a professional, as these terms are defined in article 6376. In addition, if the order is for the account of an insider or of a significant shareholder, as these terms are defined in article 6376, it must be identified as such. When these conditions are met, the system automatically records the order.
- c) If a chronological ranking of receipt cannot be established between many orders, the client priority rules of article 6374 of the Rules apply.
- d) The Bourse may, from time to time, allow Approved Participants to enter orders using the Basis Trade on Close (“BTC”) functionality. A BTC is a Trade effected on the Bourse on a Futures Contract designated by the Bourse that is priced in reference to the closing price of the applicable Underlying Interest, adjusted by a valid price increment (the “basis”). A BTC may result in a final Futures Contract price to be outside of applicable daily price limits. The final Futures Contract price will be calculated as follows: Underlying Interest closing price + basis (the basis could be either positive or negative). The Underlying Interest closing price will be the last price published by the Toronto Stock Exchange (“TSX”) at the calculation time on a given day. If no price is available, the Underlying Interest closing price published by TSX on the previous day will be used. Should the Underlying Interest closing price be modified after the calculation time, but before 5:00pm, the final Futures Contract price will be automatically adjusted by the electronic trading system on the same trading day. Should the Underlying Interest closing price change after 5:00pm, the final Futures Contract price will be adjusted the following trading day. The calculation time may differ from one Futures Contract to another. In the event of a disruption in the primary market for a given Underlying Interest, a trading halt will be invoked on the BTC by an official of the

Bourse. The Bourse will publish by circular the trading schedule, calculation time and minimum price fluctuation for each futures contract for which the BTC is offered. The BTC trading schedule may be different from the related Futures Contract trading schedule. However, the last day of Trading of the BTC shall be the same as the last trading day of the related Futures Contract.

**6380 Transactions Required on Bourse Facilities**

(25.09.00, 24.09.01, 29.10.01, 31.01.05, 10.11.08, 29.01.10, 09.06.14, 21.01.16, 17.01.18, 09.02.18, 07.06.18, 15.06.18, 29.06.18, 11.07.18, 10.08.18, 31.08.18, 14.09.18, 05.10.18, 14.12.18)

All trading in Listed Products must occur on or through the electronic trading system or in accordance with the rules of the Bourse.

**6380a. Prearranged Transactions Prohibited.**

No Person shall prearrange or execute noncompetitively any transaction on or through the electronic trading system of the Bourse, except as permitted by, and in accordance with article 6380b.

**6380b. Exceptions to Prohibition on Prearranged Transactions.**

The prohibition in article 6380a shall not apply to prearranged transactions pursuant to article 6380c; Block Trades pursuant to article 6380d; Riskless Basis Cross Trades pursuant to article 6380e; Exchange For Related Positions pursuant to articles 6815; and transfers of open positions under article 6816; *provided however*, no transaction under any of the exceptions included in this article may be executed using a hidden volume functionality.

**6380c. Prearranged transactions.**

1) **In general.**

For the purpose of this article, “communication” means any communication for the purpose of discerning interest in the execution of a transaction prior to the exposure of the order to the market. Any communication that relates to the size, side of market or price of an order, or a potentially forthcoming order, constitutes a communication to prearrange a transaction.

The parties to a transaction may engage in communications to prearrange a transaction on the electronic trading system in an eligible derivative in the minimum amount specified where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

- i) A customer must consent to the Approved Participant engaging in prearranging communications on the customer’s behalf. The consent of the client, in whatever form, must be communicated to the Bourse upon request;
- ii) After the first order for the prearranged transaction is entered into the electronic trading system the parties may not enter the second order for the prearranged transaction until the following specified time period has elapsed as follows:

<b>ELIGIBLE DERIVATIVES</b>	<b>PRESCRIBED TIME PERIOD</b>	<b>MINIMUM VOLUME THRESHOLD</b>
<b>Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX):</b>		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
<b>Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX):</b>		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
<b>Overnight Index Swap Futures Contracts (OIS):</b>		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
<b>Government of Canada Bond Futures</b>		
All expiry months and strategies	5 seconds	No threshold
<b>Futures Contracts on S&amp;P/TSX</b>		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 seconds	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
<b>Futures Contracts on the FTSE Emerging Markets Index:</b>		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
<b>Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:</b>		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
<b>Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):</b>		
All expiry months and strategies	0 seconds	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts
<b>Equity, ETF and Currency Options:</b>		
All expiry months	0 seconds	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts
All UDS Strategies	5 seconds	No Threshold

<b>ELIGIBLE DERIVATIVES</b>	<b>PRESCRIBED TIME PERIOD</b>	<b>MINIMUM VOLUME THRESHOLD</b>
<b>Index Options:</b>		
All expiry months	0 seconds	≥ 50 contracts
All expiry months	5 seconds	< 50 contracts
All UDS Strategies	5 seconds	No Threshold
<b>Canadian Share Futures Contracts:</b>		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Basis Trade on Close: All expiry months	0 seconds	≥ 100 contracts
Basis Trade on Close: All expiry months	5 seconds	< 100 contracts
<b>Futures and Options on Futures Inter-Group Strategies</b>		
All strategies	5 seconds	No threshold

*The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.*

- iii) The party that initiates communication regarding a prearranged transaction shall have his or her order entered into the electronic trading system first, unless the parties as part of their negotiation agree otherwise. The consent of the client, in whatever form, must be communicated to the Bourse upon request; provided however, that in a prearranged transaction between an Approved Participant and a customer for an equity, ETF or index option, the customer's order shall always be entered into the electronic trading system first, regardless of which party initiated the communication.
  - iv) Limit orders resting in the electronic trading system at the time that the first order of the prearranged transaction is entered at or better than the price of the first order shall be matched with the first order entered. Any residual, unfilled amount of the first order may be matched against the second order of the prearranged transaction when the second order is entered.
  - v) Parties may not aggregate unrelated orders to meet the minimum threshold for a prearranged transaction.
  - vi) The parties to the prearranging communications shall not disclose to any other party details of the negotiation or otherwise enter an order to take advantage of the negotiation during such communications except as permitted in this article.
- 2) **Committed Orders.** Committed orders may not be used to execute any transaction under article 6380c or article 6380f having a prescribed time delay longer than zero seconds, and may be used for such transactions only for the following products subject to the minimum volume threshold:

<b>ELIGIBLE DERIVATIVES FOR COMMITTED ORDERS</b>	<b>MINIMUM VOLUME THRESHOLD</b>
<b>All expiry months and strategies</b>	
Futures Contracts on S&P/TSX and FTSE Emerging Markets Indices	100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	250 contracts
Options on Ten-Year Government of Canada Bond Futures Contracts	250 contracts
Canadian Share Futures Contracts	100 contracts
<b>All expiry months and excluding UDS strategies</b>	
Equity, ETF and Currency Options	100 contracts
Index Options	50 contracts
<b>Basis Trade on Close</b>	
Futures Contracts on S&P/TSX Indices	100 contracts
Canadian Share Futures Contracts	100 contracts

*The minimum volume threshold described in the table above, when applicable to a strategy, refers to the negotiated volume of a given strategy instrument and not to the sum of its legs.*

- 3) **Transactions on eligible products with a prescribed time delay.** The parties may engage in communications to prearrange a transaction on the electronic trading system where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the conditions in paragraph 1 of this article 6380c; *provided however:*
- i) in the case of a prearranged transaction that is between the bid and ask on the electronic trading system and for an amount at or greater than the minimum threshold, the parties in their discretion may enter the prearranged transaction as a committed order with no delay, subject to the conditions in paragraph 2 of article 6380c; or
  - ii) in the case of a prearranged transaction that is on or between the bid and ask on the electronic trading system and for an amount at or greater than the minimum threshold, the parties enter the first and second orders of the prearranged transaction with no delay between the two, but nevertheless subject to execution risk (including the priority given resting limit orders at or better than the prearranged price).

4) **Equity, ETF, Index and Currency Option Transactions With 50% Guaranteed Minimum**

The parties to an option strategy transaction may engage in communications to prearrange the transaction where one party wishes to be assured that there will be a counterparty willing to take the opposite side of the transaction, in accordance with the following conditions:

- i) market makers are permitted to participate on the transaction up to a total maximum of 50% of the volume of the intended transaction;
- ii) each Approved Participant must contact a Market Supervisor and provide details of the intended transaction including total quantity, price, side(s) of the transaction, a

description of the legs comprising the strategy and identification of the agreed counterparty; and

- iii) the Approved Participant will be permitted to execute the transaction for the remaining volume (a minimum of 50% plus any volume not taken of the 50% that had been offered to the market makers).

#### 6380d. Block Trades

- 1) **In general.** Approved Participants of the Bourse may negotiate and execute a transaction off of the electronic trading system pursuant to the following conditions:
- i) A block trade transaction may be arranged and executed only during trading hours on the Bourse for the eligible derivative.
- ii) Block trades are only permitted in the derivative instruments and for a quantity which meets or exceeds the minimum volume thresholds as follows (only to the extent the eligible security or derivative instrument is available for trading):

<b>Eligible derivatives instruments</b>	<b>Prescribed time delay (from 6AM until the end of the Trading Day)</b>	<b>Block - Minimum volume threshold (from 6AM until the end of the Trading Day)</b>	<b>Prescribed time delay (from 2AM until 5h59m59s)</b>	<b>Block - Minimum volume threshold (from 2AM until 5h59m59s)</b>
	(As soon as practicable and in any event within the following time delay)		(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	1 hour	250 contracts
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts	1 hour	50 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes	1,500 contracts	1 hour	350 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	250 contracts	1 hour	100 contracts
30-Year Government of Canada Bond Futures	15 minutes	100 contracts	1 hour	100 contracts

Contracts (LGB)				
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts	1 hour	100 contracts
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts	15 minutes	2,000 contracts	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies one through four (BAX Whites)	-	-	1 hour	500 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies five through eight (BAX Reds)	15 minutes	1,000 contracts	1 hour	250 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts quarterlies nine through twelve (BAX Greens)	15 minutes	500 contracts	1 hour	100 contracts
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX) / Options on Three-Month Canadian Banker's Acceptance Futures Contracts Strategy Instruments	15 minutes	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs	1 hour	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs
Ten-Year Government of Canada Bond Futures Contracts (CGB) / Options on Ten-Year Government of Canada Bond Futures Contracts (OGB) Strategy Instruments	15 minutes	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs	1 hour	Sum of the strategy legs: 2,000 contracts in which the options leg(s) volume must amount to at least 50% of the sum of the strategy legs

- iii) Where a block strategy transaction involves the trading of intra-group strategy instruments, each derivative leg of the strategy needs to meet only the lowest applicable minimum volume threshold.

Where a block strategy transaction involves the trading of inter-group strategy instruments (excluding futures/options combinations), each derivative leg of the strategy needs to meet its applicable minimum volume threshold.

Where a block strategy transaction involves the trading of futures/options combinations strategy instruments, the applicable minimum volume thresholds are defined in the last two rows of the table above.

- iv) Approved Participants may not aggregate separate orders in order to meet the minimum volume thresholds.
- v) Each party to a block trade must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.
- vi) The price at which a block trade is arranged must be “fair and reasonable” in light of (a) the size of the block trade; (b) currently traded prices and bid and ask prices in the same derivative instrument; (c) the underlying markets; and (d) general market conditions, all at the relevant time. The fairness and reasonableness of the price of a block trade priced at a basis to an index as permitted under paragraph 2 of this article may also take into account the following additional considerations: (e) financing rates, (f) expected dividend income, and (g) time remaining until the index futures contract expiration, all at the relevant time. Although there is no requirement for a block trade to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.
- vii) Block trades shall not trigger special terms orders or otherwise affect orders on the electronic trading system.
- viii) A block trade on a contract roll strategy is not permitted, except for the FTSE Emerging Markets Index futures contract.
- ix) The details of a block trade must be reported by Approved Participants for both the buyer and seller to the Market Operations Department by telephone at 1-888-696-6366 or at 514-871-7871 and on a Block Trade Reporting Form, available on the Bourse’s web site at <https://sttrf-frots.m-x.ca>, within the time prescribed in 6380d ii).
- x) Following validation of the trade details by the Bourse (which is not a confirmation by the Bourse that the block trade has been effected in accordance with this Article), the Bourse shall disseminate the trade and price information relating to the block trade.
- xi) Upon request, the Approved Participant shall provide evidence that the block trade transaction has been effected in accordance with these Rules.
- xii) In all circumstances, a block trade can only be arranged by the Approved Participant’s Approved Persons.

- 2) **Block Trades Priced at a Basis to Index Close.** Approved Participants may mutually agree to price a block trade at a positive or negative increment (“basis”) to the price at which the index underlying an eligible contract will close (“BIC”), for any trading day except the last trading day of an expiring contract month, subject to the conditions in paragraph (1) of article 6380d and the following additional condition:
- i) The Approved Participants shall report the basis along with other trade details in accordance with the requirements of paragraph 1) ix) of this article, and shall submit to the Bourse’s Market Operations Department a second Block Trade Reporting Form which includes the agreed-upon basis, the closing level of the underlying index and the price of the block trade to the nearest 0.01 index point increment within the time required as follows:

<b>ELIGIBLE DERIVATIVES</b>	<b>MINIMUM VOLUME THRESHOLD</b>	<b>PRESCRIBED TIME BY WHICH TO FILE BLOCK TRADE REPORTING FORM</b>	<b>PRESCRIBED TIME BY WHICH TO FILE SECOND BLOCK TRADE REPORTING FORM</b> No sooner than
Futures contracts on the FTSE Emerging Markets Index	100 contracts	Within 15 minutes	9:30 p.m. GMT on the next trading day
Futures contracts on S&P/TSX indices and sectorial indices	100 contracts	Within 15 minutes	4:00 p.m. ET on the same trading day

#### **6380e. Riskless Basis Cross Trades**

- 1) **In general.** An Approved Participant and the customer may prearrange a transaction outside of the electronic trading system in which the price of a stock index futures contract or a share futures contract to the customer is determined to be the average price of cash market transactions entered into by and for the account of the Approved Participant in the components of the underlying index or the underlying security, respectively, plus a spread (basis) as mutually agreed between the Approved Participant and the customer, in accordance with the following conditions:
- a) Each party to a riskless basis cross transaction must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.
- b) The parties may agree to either a fixed basis or to a guaranteed execution price of the cash component with the basis adjusted accordingly.
- c) To initiate the riskless basis cross transaction, the Approved Participant for its own account must first acquire positions (long or short exposure) in securities, baskets of securities, index participation units, or exchange-traded funds which, for an index, comprise no less than 80% of the underlying components of the applicable index and being reasonably correlated to the underlying index with a correlation coefficient (R) of 90% or greater, calculated using any generally accepted methodology. Although Approved Participants generally should purchase

- or sell all of the components of the index, an Approved Participant need not obtain any component security due to restrictions on the purchase or sale of the commodity by the Approved Participant or the customer, the unavailability of the component in the market due to a trading halt, illiquidity or other market conditions.
- d) The transaction shall be executed at the time agreed by the counterparties, which must be during the regular trading hours of the underlying index components or underlying interest until the end of the extended trading session at the Toronto Stock Exchange (TSX) and the same day that the cash position is completed by the Approved Participant, provided however, if obtaining the cash components of the underlying index cannot be completed in a single day, execution of the futures portion of the transaction shall be proportionate with the proportion of the cash market transactions completed during that day.
  - e) The riskless basis cross transaction is executed by the Approved Participant reporting details of the transaction to the Market Operations Department on a “Special Terms Transaction Reporting Form” through the Bourse’s web page at <http://sttrf-frots.m-x.ca>, and allocating the agreed upon quantity of stock index futures contracts to the customer’s account.
  - f) There is no minimum size requirement to enter into a riskless basis cross transaction nor is there any time period following execution of the riskless basis cross transaction that the Approved Participant must maintain the cash market position.
  - g) The price at which the futures contract leg of the transaction is arranged must be “fair and reasonable” in light of (i) the size of the transaction (ii) traded prices and bid and ask prices in the same contract (iii) the volatility and liquidity of the relevant market and (iv) general market conditions all at the relevant time. Although there is no requirement for the futures contract leg of a riskless basis cross transaction to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.
  - h) Each party to a riskless basis cross transaction must keep full and complete records relating to the riskless basis cross transaction and must provide to the Bourse upon request complete records and documentary evidence relating to such transaction demonstrating that the transaction is a bona fide transaction and that it has been carried out in accordance with the conditions of this article.
  - i) The Bourse shall exclude riskless basis cross transactions from the daily settlement price procedures but not from daily volume figures. A record of each riskless basis cross shall appear in the “Transaction Report” maintained on the Bourse’s Web page [http://www.m-x.ca/dailycrosses\\_en.php](http://www.m-x.ca/dailycrosses_en.php) following it being registered by the Market Operations Department in the trading system and shall be specially marked and displayed in the systems (trading platform and data vendors) in the Bourse’s post trade recap.
  - j) In all circumstances, a riskless basis cross transaction can only be arranged by the Approved Participant’s Approved Persons.

#### **6380f. Trading Against Customer Orders (Cross-Trades).**

An Approved Participant may not knowingly, directly or indirectly, take the opposite side of a customer order for the Approved Participant’s own account, an account in which the Approved Participant has a direct or indirect financial interest or an account over which the Approved Participant has discretionary trading authority, unless:

- a) the customer order has first been entered on the electronic trading system and exposed to the market for a minimum period of 5 seconds for futures and options; or
- b) the transaction is otherwise, and explicitly permitted by, and carried out in accordance with, a rule of the Bourse; including, but not limited to prearranged transactions pursuant to article 6380c.

**6381 Trade Cancellations and or Price Adjustments of Trades**

(25.09.00, 24.09.01, 29.10.01, 24.04.09, 17.01.18, 23.02.18, 07.06.18, 14.09.18)

- a) **General.** The Bourse may adjust trade prices or cancel trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the trading system. Notwithstanding any other provision of this article, the Bourse may adjust trade prices or cancel any trade executed through the trading system if the Bourse determines in its sole discretion that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market or the market's orderly operation. The decision of the Bourse in such matters shall be final.
- b) **Review of Trades, Requests for Review.** The Bourse may review a trade or trades based upon its analysis of market conditions, including but not limited to market volatility, prices in related markets, or in response to a request for review of a specific trade by an Approved Participant. An Approved Participant must request review of a trade by calling the Market Operations Department of the Bourse at 514 871-7871 or 1-888-693-6366 within 15 minutes of execution; provided however, the Bourse, in its sole discretion, may extend the period in which an Approved Participant may request review of a trade up to one hour following execution in extraordinary circumstances.
- c) **Notice to the Parties to the Transaction.** Where the Bourse on its own analysis determines to review a trade or trades for adjustment or cancellation, or where an Approved Participant has requested review of a specific trade and that trade is outside of the No Review Range provided under paragraph g) of this article, the Bourse will notify the parties to the trade that the trade or trades are under review by the Bourse.
- d) **Price Adjustments and Cancellations Procedures.** Upon making a determination to review a trade, the Bourse shall (1) determine, in its sole discretion, the acceptable marker price, and (2) apply the increments provided under paragraph g) in order to determine the limits of the No Review Range.
  - i) **Trade Price Inside the No-Review Range.** If the Bourse determines that the trade price is inside the No Review Range, the Bourse will notify the two Approved Participant counterparties to the trade that the trade shall stand as executed; provided however, the Bourse may cancel such a trade within 15 minutes of the trade's execution and within the trading session during which the trade was executed (early, regular or extended), if both Approved Participant counterparties to the trade voluntarily consent to cancellation of the trade.
  - ii) **Trade Price Outside the No Review Range.** If the Bourse determines that the trade price is outside of the No-Review Range, the Bourse, after

endeavoring to contact the Approved Participant counterparties, shall adjust the price to the limit of the No Review Range. The policy of the Bourse is to favor price adjustment as a remedy over trade cancellation and to adjust trades in order to minimize the impact for all market participants involved in the erroneous trades and particularly those who had a regular order in the order book. However, the Bourse, in its discretion, may cancel a trade rather than adjust the price if:

- A) Both parties to the trade can be contacted within a reasonable delay and agree to the cancellation of the trade; and
- B) Neither party to the trade is either an Approved Participant or the registered holder of a SAM ID.

iii) **Implied Orders, Implied Strategy Orders.**

- A) An order generated by the implied pricing algorithm (using regular orders) and registered in the order book by the electronic trading system will be considered by the Bourse as though it were a regular order entered into the trading system by an Approved Participant.
- B) An implied or regular strategy trade is considered by the Bourse, as being composed of two regular orders, one for each leg of the strategy trade. If the erroneous trade involves a linked implied order(s) and is priced outside the No Review Range, the initiator of the original error trade will be responsible for the trade resulting from the linked implied order(s).
- C) The adjustment relating to an erroneous strategy trade will equal at least the increment between the No Review Range and the traded price on one of the individual legs, and no more than the sum of each individual legs' increments.

iv) **Stop Orders.** Trades that have occurred as a result of “stop orders” in the Trading System being triggered by an erroneous trade are also subject to cancellation by the Bourse acting in its sole discretion. The determination of the Bourse shall be final.

- e) **Decision of the Bourse.** The Bourse shall endeavor to determine to adjust or cancel a trade within 30 minutes following a request to review the trade, or, as applicable, notice to the market that a trade or trades were being reviewed.
  - i) If the decision is to cancel the trade, the Bourse will remove the transaction as an executed trade from the records of the Bourse.
  - ii) Upon cancellation of a trade, the parties, if they choose, may reenter new orders into the trading system.
- f) If the Bourse determines that a trade should not be adjusted or cancelled, the parties to the trade shall not themselves decide to cancel it by making a position transfer through the Canadian Derivatives Clearing Corporation.

- g) **No Review Range.** The Bourse will determine the limits of the No Review Range by determining what was the acceptable market price for the derivative instrument before the trade under review occurred based upon all relevant information, including the last trade price, a better bid or offer, a more recent price for a related derivative instrument (for example a different expiry month) and the prices of similar derivative instruments trading on other markets. Once the acceptable market price is established, the Bourse applies the following increments to determine the limits of the No Review Range.

<b>DERIVATIVE INSTRUMENT</b>	<b>INCREMENT</b>
Three-Month Canadian Banker's Acceptance Futures – BAX (all quarterly and serial months)	5 basis points
Three-Month Canadian Banker's Acceptance Futures – BAX Strategies:  - Regular strategy orders  - Implied strategy orders	5 basis points  Sum of the strategy's individual legs' increments.
Options on Three-Month Canadian Banker's Acceptance Futures	5 basis points
Two-Year Government of Canada Bond Futures (CGZ)  - Regular strategy orders  - Implied Strategy orders	20 basis points  20 basis points  Sum of strategy's individual legs' increments
Five-Year Government of Canada Bond Futures (CGF)  - Regular strategy orders  - Implied Strategy orders	20 basis points  20 basis points  Sum of strategy's individual legs' increments
Ten-Year Government of Canada Bond Futures (CGB)  - Regular strategy orders	40 basis points  20 basis points
30-Year Government of Canada Bond Futures (LGB)  - Regular strategy orders  - Implied Strategy orders	40 basis points  40 basis points  Sum of strategy's individual legs' increments

Options on Government of Canada Bond Futures	40 basis points
Futures Contracts on S&P/TSX Indices and on the FTSE Emerging Markets Index	1% of the acceptable market price of these futures contracts
- Regular strategy orders and Basis Trade on Close	5% of the increments for the outright month
30-Day Overnight Repo Rate Futures	5 basis points
Regular strategy orders	5 basis points
Overnight Index Swap Futures	5 basis points
Overnight Index Swap Futures – OIS Strategies:	5 basis points
- Regular strategy orders	Sum of the strategy's individual legs' increments.
- Implied strategy orders	
Futures and Options on Futures Inter-Group Strategies:	Sum of strategy's individual legs' increments
- Regular strategy orders	
- Implied Strategy orders	
Equity, Currency, ETF and Index Options Price ranges:	
Below \$2.00	\$0.25
\$2.00 to \$5.00	\$0.40
Above \$5.00 to \$10.00	\$0.50
Above \$10.00 to \$20.00	\$0.80
Above \$20.00 to \$50.00	\$1.00
Above \$50.00 to \$100.00	\$1.50
Above \$100.00	\$2.00
Equity, Currency, ETF and Index Options Strategies:	Sum of the strategy's individual legs' increments
- Regular strategy orders	
- Implied strategy orders	
Canadian Share Futures Contracts; and Canadian Share Futures Contracts: Basis Trade on Close	<ol style="list-style-type: none"> <li>1. 0.50\$, if the acceptable market price of these futures contracts is less than 25\$;</li> <li>2. 1.00\$, if the acceptable market price of these futures contracts is equal to or higher than 25\$ but less than 100\$;</li> <li>3. 1% of the acceptable market price of these futures contracts if the acceptable market</li> </ol>

	price of these futures contracts is equal to or higher than 100\$.
Canadian Share Futures Contracts - Regular strategy orders	<ol style="list-style-type: none"> <li>1. 0.12\$, if the acceptable market price of these futures contracts is less than 25\$;</li> <li>2. 0.25\$, if the acceptable market price of these futures contracts is equal to or higher than 25\$ but less than 100\$;</li> <li>3. 0.25% of the acceptable market price of these futures contracts if the acceptable market price of these futures contracts is equal to or higher than 100\$.</li> </ol>

**6382 Warning Message**

(25.09.00, 24.09.01, 29.10.01, abr. 24.04.09)

**6383 Acceptable Market Price**

(25.09.00, 24.09.01, 29.10.01, 24.04.09, abr.17.01.18)

**6384 Decision by the Market Supervisor of the Bourse**

(25.09.00, 24.09.01, 29.10.01, 24.04.09, abr.17.01.18)

**6385 Delays of Decision and Notifications**

(25.09.00, 24.09.01, 29.10.01, 24.04.09, abr.17.01.18)

**6386 Unacceptable Practices**

(25.09.00, 24.09.01, abr. 31.01.05)

**6387 Malfunction of the Trading System**

(25.09.00, 24.09.01, 29.10.01, 01.12.17)

Should the electronic trading system malfunction, a Market Supervisor of the Bourse can interrupt access to the system.

The orders recorded before the malfunction can be withdrawn from the system by the approved participant by preparing cancellation instructions for the orders. Upon the system functioning again, there will be a pre-opening session where the cancellation instructions for the orders will be executed.

**6388 Daily Price Limits**

(25.09.00, 24.09.01, 29.10.01, abr.17.01.18)

**6388 Maximum Price Variation Thresholds**

(06.04.18)

Unless otherwise specified in the Rules, the Bourse establishes for each derivative instrument maximum price variation thresholds, based on a percentage, with respect to the previous day's settlement price and there shall be no trading above or below these thresholds.

**6389 Market Supervisor**

(25.09.00, 24.09.01, 29.10.01)

A Market Supervisor is an employee of the Bourse who monitors the day-to-day trading on the trading system.

**6389A Levy of a Fine**

(24.09.01, abr. 10.05.17)

**6390 Market Official**

(25.09.00, 24.09.01, abr. 29.10.01)

**6390 Daily Settlement Price or closing quotation**

(25.09.00, 24.09.01, 29.10.01)

The daily settlement price or the closing quotation are determined according to the procedures established by the Bourse for each derivative instrument.

**6391 Entry of Orders in the Electronic Trading System**

(25.09.00, 24.09.01, 29.10.01, 02.10.17, 14.09.18)

- a) The electronic trading system shall contain all orders to buy and to sell.
- b) Orders may be entered into the electronic trading system during pre-opening or during the pre-auction stage of an intra-session auction period.
- c) Orders cannot be modified or cancelled during the no-cancellation stage before the opening or closing, or during the no-cancellation stage of an intra-session auction period.

**6392 Opening Time**

(25.09.00, 24.09.01, 29.10.01, 09.02.18)

- a) Whenever trading in the underlying instrument of a Listed Product has not opened, a Market Supervisor may postpone the opening of trading in the Listed Product accordingly.
- b) The opening time for a trading strategy shall not be earlier than the opening of trading in the Listed Products that are the components of such strategy.

**6393 Order Price Filter**

(25.09.00, 24.09.01, 29.10.01, 17.01.18, 02.03.18, 05.10.18)

In order to minimize errors during order entry in the electronic trading system that may affect orderly trading, the Bourse establishes an order price filter for each Listed Product.

Any order exceeding the order price filter automatically will be rejected by the electronic trading system and the Person entering the rejected order will be notified. Unless otherwise specified in the Rules, the order price filter is determined by the Bourse before the start of the Trading Day based upon the previous day's settlement price and may be adjusted at any time by the Market Supervisor acting in his or her discretion, upon his or her own initiative or upon request. Any changes in the level of the order price filter shall be broadcast to the market.

The order price filter will not be re-adjusted intra-session for trading sessions during which the underlying exchange-traded products are not open for trading.

**6393A Other Trading Price Limits**

(18.09.09, abr.17.01.18)

**6394 Execution of orders in the Electronic Trading System**

(25.09.00, 29.10.01, abr.29.10.01)

**6394 Introduction and Deletion of Classes of Options and Series of Options**

(29.10.01, 15.06.18)

a) Introduction. Before submitting a formal application to the Clearing Corporation for the introduction of a new Class of Options, the Bourse shall be satisfied that the following conditions are met:

- 1) the liquidity of the options market on the Bourse is not unduly reduced by reason of such addition;
- 2) the symbol for such option has been determined;
- 3) the date that trading shall begin has been determined; and
- 4) Additional requirements applicable for equity and ETF options. The following conditions, in addition to the conditions in paragraphs 1), 2) and 3), shall apply to the introduction of equity and ETF options:

i) the new Series of Option should be introduced in such a manner as to enable the proper functioning of the spread process within the new Series of Options; and

ii) the Bourse shall open at least two Series of Options in each expiration month, so that the exercise of one Series of Options is above, and one is below, the price per unit of the underlying interest; *provided however*, the Bourse may, in its discretion, open more than two Series of Options in an expiration month if it determines that doing so would be beneficial to the market.

b) Deletion. Whenever the Bourse determines that an underlying interest previously approved for options transactions on the Bourse does not meet the requirements for continued approval or for any other reason should no longer be approved, it may decide in its discretion not to open for trading any additional series of the Class of Options covering the underlying interest and to prohibit any opening purchase transactions in already existing Series of Options of that Class of Options. In making its determination, the Bourse shall take into consideration namely the following factors:

- 1) the necessity of maintaining a fair and orderly market and to ensure the protection of purchasers and writers of option contracts.
- 2) the fact that specific Series of Options of any Class of Options has no open interest, and.
- 3) Additional considerations applicable for equity and ETF options. The following additional factors in addition to the factors in paragraphs 1) and 2) shall apply to the deletion of equity or ETF options:

- i) whether the issuer has failed to make timely reports as required by the rules where the underlying interest is traded;
- ii) if both Puts and Call have been opened for trading, corresponding Puts and Calls satisfy the deletion criteria; and
- iii) the Series of Options are deep-in-the-money or deep-out-of-the-money and there is no other Series of Options which is as deep-in-the-money or as deep-out-of-the-money with a later expiration date and has open interest.

### **6395 Market Makers – Options and Futures**

(24.09.01, 29.10.01, 01.12.17)

- 1) General – In order to provide transparency and liquidity in the market and facilitate price discovery and the handling of orders, any listed product can be assigned by the Bourse to one or several market makers who have agreed to undertake the market maker's responsibilities of quoting two-sided markets in the applicable products for a minimum period of time, at predetermined average bid/ask spreads and minimum quote sizes and have signed a market maker agreement.
- 2) Market Maker Programs – The Bourse may implement market maker programs (in this rule each individually a “program” or collectively, “programs”) or modify existing programs from time to time. This rule 6395 set forth terms and conditions applicable to all programs generally. Terms and conditions applicable to specific programs will be published by the Bourse, in a circular or otherwise.
- 3) Eligibility Criteria – Only an approved participant or a client of an approved participant who has been authorized by the approved participant to electronically transmit orders to the Bourse through its systems in compliance with the regulations of the Bourse will be eligible for market making assignments.
- 4) Application Process – Eligible market participants may submit their candidacy for a market making assignment under a program in accordance with the application procedure determined by the Bourse.
- 5) Selection Process – The Bourse shall select market makers taking into consideration the ability to meet the quoting requirements of the relevant product(s) on an electronic trading platform, adequacy of capital, experience with trading a similar derivative instrument, willingness to promote the Bourse as a market place, operational capacity, trading infrastructure and technology to support electronic trading, support personnel, history of compliance with the regulations of the Bourse and general reputation, past performance in relation to fulfilment of market maker obligations in other programs and the contribution that the applicant's prices and trading activity have made to market activity in other products, where relevant, the level of access to the underlying cash market, and any other factor which the Bourse deems relevant.
- 6) Market Making Agreement – A market making assignment under a program will be conditional upon the signature of a Market Making Agreement between the selected market maker and the Bourse. The market making assignment, and the right to receive the related incentives, may not commence before the Market Making Agreement is completed, signed and received by the Bourse. The Bourse shall be solely responsible for overseeing the performance of the market makers and their compliance with the Market Making Agreement. For greater certainty, specific market making obligations and the terms of the Market Making Agreement are contractual obligations between the Bourse and the market maker and are not considered regulations of the Bourse. As such, they are subject to contractual remedies only, and a breach thereof shall not in and of itself constitute a violation of the

regulations of the Bourse, except to the extent the contractual breach may also independently constitute a violation of a specific regulation of the Bourse.

- 7) Conditions specific to clients of an approved participant
- a. Under the terms of the mandatory market making agreement referred to under paragraph 6, a client of an approved participant notably agrees to the following with respect to its trading activities and conduct as a market maker and must (i) be subject to the jurisdiction of the Bourse acting as a self-regulatory organization, including its Regulatory Division and any of its Committee, during the term of the market making assignment and thereafter in accordance with paragraph b) of rule 4101 to the same extent and as if it was itself an approved participant and (ii) comply with all the regulations of the Bourse as if it was itself an approved participant, with the necessary adaptations, including with Rule 4 (except with respect to inspections), articles 6301, 6303, 6305, 6306, 6374, 6676, 6377 paragraph 5), 6380, 6381, 6389A, 6400, 6401, 6651 and following regarding position limits, 6661, 6662, 7001, 7002, 7467 et 15508 and following regarding position limits, as these may be amended and/or replaced from time to time.
  - b. The Bourse shall not grant any market making assignment to a client who has been authorized by an approved participant to electronically transmit orders to the Bourse through its systems in compliance with the rules of the Bourse without first obtaining the acknowledgement of the approved participant providing such electronic access. Neither the approved participant nor the client shall be relieved of any responsibility or obligation with regards to the electronic access of the client under the relevant rules of the Bourse, which shall continue to apply. However, it is understood that the approved participant shall not be liable with regard to market making obligations set forth in the market making agreement.
  - c. The client of an approved participant that has been granted a market making assignment by the Bourse has the right to communicate directly with the Bourse in the same manner as approved participants may do so, but only for purposes of its trading as a market maker and to the extent required to carry out its obligations in such capacity.
- 8) Authority - The Bourse shall have the sole authority to administer the programs, limit the number of market makers under a given program, assess the performance of the market makers and determine whether an applicant or current market maker meets or has met the program terms and conditions or complies with the market making agreement. The Bourse reserves the right in its sole discretion to apply and interpret the programs and to determine whether an applicant is admitted into or continues participation in any program. All decisions and determinations of the Bourse shall be final.
- 9) Arbitration – By entering into a market making agreement, each market maker agrees to the arbitration of any monetary claim made against it by any other approved participant or market maker arising out of its activities relative to its market making assignment, irrespective of whether the market making assignment has expired at the time the claim is asserted.

**6397 Organization of the Market - Options**  
(24.09.01, abr. 29.10.01)

**6399 Market-Makers - Options**  
(24.09.01, abr. 29.10.01)

**6400 Bulk Quote Messages**  
(03.12.12)

Bulk quote messages are individual messages that contain multiple orders.

Bulk quote messages are available to approved participants who are registered, or whose clients are registered, in eligible programs as established by the Bourse.

Eligibility criteria for registration in these programs, and the products that qualify for bulk quote messages, will be defined by the Bourse.

**6401 Cancellation of Bulk Quote Orders**  
(03.12.12)

Orders submitted to the Bourse via a bulk quote message may be cancelled by the electronic trading system of the Bourse should the parameters of the Bulk Quote Management functionality be triggered.

The Bulk Quote Management parameters configured by the Bourse will take precedence, unless the approved participant configures more restrictive parameters for the Bulk Quote Management functionality for their own bulk quote messages.

The following parameters can be configured by approved participants through the Bulk Quote Management functionality:

- a) Maximum Number of Trades / Minimum traded volume
- b) Maximum traded Volume
- c) Delta maximum Volume
- d) Maximum traded Value
- e) Delta maximum Value
- f) Time Interval

**B. SPECIAL RULES FOR TRADING EQUITIES - CDNX**

(22.11.99, abr. 12.02.02)

**C. OPTIONS**

**Section 6571 - 6580**

**Specialists - Options**

(24.12.96, abr. 17.07.15)

- 6571 General**  
(abr. 17.07.15)
- 6572 Application for Assignments**  
(07.09.99, abr. 17.07.15)
- 6573 General Obligations of the Specialists**  
(abr. 17.07.15)
- 6574 Other Obligations of Specialists as Principal**  
(abr. 17.07.15)
- 6575 Restrictions and Prohibitions**  
(abr. 17.07.15)
- 6576 Trading in Non-Assigned Option Classes**  
(abr. 17.07.15)
- 6577 Temporary Specialist**  
(abr. 17.07.15)
- 6578 Retail Order Policy**  
(22.11.99, abr. 17.07.15)
- 6579 Transactions of Specialists**  
(abr. 17.07.15)
- 6580 Obligation of Specialists towards Locked Markets**  
(10.06.98, abr. 17.07.15)

**Section 6581 - 6600**

**Market Makers - Options**

(24.12.96, abr. 17.07.15)

- 6581 General**  
(07.09.99, abr. 17.07.15)

**6582 Application for Assignments**  
(10.06.98, 07.09.99, abr. 17.07.15)

**6583 Responsibilities of Market Makers**  
(07.09.99, abr. 17.07.15)

**Section 6601 - 6610**  
**Exchange-Traded Options**

**6601 Standard Contract**  
(06.08.86, 10.11.92, 07.09.99, 14.09.18)

No option contract shall trade on the Bourse unless it is guaranteed by a Clearing Corporation designated by the Bourse and have terms in respect of:

- a) the qualifications and specifications of the underlying interest;
- b) the number of units of the underlying interest which constitutes one contract;
- c) the expiration date;
- d) the exercise price;
- e) the introduction of put and call options;
- f) the exercise procedure (i.e. "American" or "European" style).

**6602 Qualification for Underlying Interests**  
(13.03.87, 31.05.88, 10.11.92, 07.09.99, 28.01.02, 26.09.05, 04.06.15, 21.01.16, 14.09.18)

Products qualify as underlying interests provided they meet certain requirements.

- a) Every equity issue shall be listed on a Canadian Exchange, meet the criteria of the Canadian Derivatives Clearing Corporation, or be a security recommended for approval by the Bourse.
- b) In the case of Government of Canada Bonds, every issue shall have an outstanding amount of at least \$500,000,000 face value at maturity.
- c) A Futures contract must be listed on the Bourse.
- d) In the case of a currency, it must have been previously approved by the Bourse.
- e) In the case of an index, the index administrator must have governance arrangements in place designed to protect the integrity of the index and must be considered to have a methodology for constructing and maintaining the index that is sufficiently transparent to facilitate a stakeholder's ability to understand the methodology and to evaluate the credibility of the index.

**6603 Unit of Trading, Expiration Months, Exercise Prices**  
(06.08.86, 15.08.86, 13.03.87, 19.05.87, 20.03.91, 17.12.91, 10.11.92, 07.09.99, 28.01.02 abr. 14.09.18)

**6604 Adjustment to Terms of Contract**  
(10.11.92, 07.09.99, 28.01.02, 01.12.17)

The terms of a contract are subject to adjustment in accordance with the Rules and Policies of the Bourse, or with General Conditions of the Clearing Corporation. When adjustments are made, a notice thereof shall be promptly published by the Bourse.

**6605 Introduction and Deletion of Classes and Series of Options**  
(10.11.92, 07.09.99, abr. 15.06.18)

**6606 Opening of Additional Series of Options**  
(10.11.92, 15.06.18)

Once a Class of Options has been approved for listing and trading by the Bourse, the Bourse may, from time to time, in its discretion, introduce for trading additional Series of Options.

**Section 6611 - 6620**  
**Floor Committee - Options**  
(10.11.92, abr. 17.07.15)

**6611 Composition**  
(10.11.92, abr. 17.07.15)

**6612 Quorum**  
(10.11.92, abr. 17.07.15)

**6613 Authority**  
(10.11.92, abr. 17.07.15)

**6614 Floor Trading Regulations**  
(10.11.92, abr. 17.07.15)

**6615 Trading Delays and Halts**  
(10.11.92, 07.09.99, abr. 17.07.15)

**6616 Investigations**  
(10.11.92, abr. 17.07.15)

**6617 Floor Officials**  
(10.11.92, 30.07.93, 30.11.93, 07.09.99, abr. 17.07.15)

**6618 Offenses and Penalties**  
(10.11.92, abr. 17.07.15)

**6619 Levy of a Fine**  
(10.11.92, abr. 17.07.15)

**6620 Appeals**  
(10.11.92, abr. 17.07.15)



- d) Futures options 0.001 point
- e) Currency options CAN 0.01 cent per unit of foreign currency

**6625 Bids and Offers**  
(10.11.92, abr. 17.07.15)

**6626 Validity of Bids and Offers**  
(10.11.92, abr. 17.07.15)

**6628 Trade Disputes**  
(10.11.92, 30.11.93, abr. 17.07.15)

**6629 Priority of Bids and Offers (Excluding Index Options and Options on Index participation units)**  
(10.11.92, 07.05.97, 07.09.99, 11.02.00, abr. 12.02.02)

**6630 Trade Tickets**  
(10.11.92, abr. 17.07.15)

**6631 Cancellations and Changes**  
(10.11.92, abr. 17.07.15)

**6632 Put-throughs**  
(10.11.92, 07.09.99, abr. 17.07.15)

**6633 Members' Responsibility on Spread Orders**  
(10.11.92, abr. 09.02.18)

**6634 Liquidation Trades**  
(10.11.92, 07.09.99, 14.09.18)

All liquidation trades shall take place on the Bourse and shall be subject to the Regulations of the Bourse and of the designated Clearing Corporation.

**6635 Rotations**  
(10.11.92, 07.09.99, 11.02.00, abr. 17.07.15)

**6636 Fast Market**  
(10.11.92, 07.09.99, 11.02.00, abr. 01.12.17)

**6636.1 Trading Halts**  
(28.07.14, 17.01.18)

- a) Trading on equity options, index options, exchange-traded funds, share futures contracts and stock index futures will automatically be halted upon notice to the Bourse from the Toronto Stock Exchange (TSX) that a single-stock or market-wide circuit breaker has been triggered or when IIROC imposes a regulatory trading halt in the security underlying a Listed Product traded on the Bourse.
- b) With respect to any Listed Product not within the scope of paragraph a) of this article, the Market Supervisor may halt trading on the Bourse in his or her sole discretion whenever and

for such time as the exchange on which an instrument underlying a Listed Product halts trading in that instrument due to market volatility or otherwise.

### **6636.2 Daily Price Limits on Options**

(02.03.18)

For the purpose of this article:

- a) “control price” means a price calculated for each options using a generalized version of the Barone–Adesi model for American style options and Black-Scholes model for European style options.
- b) “X limits” means price limits based on a percentage of the control price under and above which an order is not allowed to register in the central limit order book.
- c) “Y limits” means price limits based on a percentage of the control price under and above which an incoming order would not be executed and would be eliminated, or under and above which a theoretical opening price would put the derivative instrument into a reserved state.
- d) “reserved state” means a trading halt triggered by a theoretical opening price under or above the Y limits at the opening of a given instrument.

The Bourse may subject options to the X limits and Y limits as follows:

- a) X limits: any order entered by a participant in breach of the X limits is automatically rejected by the trading system and a message is automatically sent to the participant to confirm such order rejection.
- b) Y limits
  - i) At the opening of an instrument, a theoretical opening price under or above the calculated Y limits causes the derivative instrument to enter into a reserved state.
  - ii) Participants can enter new orders and modify or cancel their orders on an instrument which is in reserved state.
  - iii) When an instrument is in reserved state, the trading system will attempt to automatically re-open the trading of such instrument through a volatility auction. Should the resulting reopening price be within the Y limits, trading on the instrument will resume. Should the resulting reopening price be outside the Y limits, the instrument will be maintained in a reserved state and another volatility auction will take place. Such process will automatically take place until trading on the instrument resumes. The Bourse can extend the trading halt created by the reserved state to ensure orderly trading.
  - iv) The Bourse will notify the market through its market data feed when an instrument enters into a reserved state and when trading is resumed for such instrument.
  - v) During the continuous trading phase, passive orders priced outside the Y limits but within the X limits will be allowed in the trading system. Should the potential execution price of an incoming order be outside the Y limits, such incoming order will be eliminated, preventing the trade, and a message will be automatically sent to the participant to confirm such order elimination.
  - vi) A limit order priced outside the Y limits that could otherwise be partially executed will be partially executed up until a lot is priced outside of the Y limits, and the remaining quantity of the order will be priced at the Y limit.

Control prices and percentages of the X limits and Y limits can be modified and Y limits can be temporarily lifted at the Bourse’s discretion to ensure regular trading.

The X limits are disseminated to the market via the Bourse's market data feed daily prior to the opening of the market.

The X limits do not apply to bulk quotes entered by approved participants or clients of approved participants while acting as duly appointed market makers pursuant to article 6395.

**6637 Expiration Date**

(06.08.86, 20.03.91, 17.12.91, 10.11.92, 07.04.94, 07.09.99, 11.02.00, 28.01.02, 26.09.05, 24.05.13, 19.06.14, 07.05.15, 03.09.15, 14.09.18, 05.10.18)

- a) No transaction of options contracts in expiring series shall be made after the close of trading on the last Trading Day.
- b) In the case of equity options, exchange-traded fund options, index options and currency options other than weekly options, the expiration date shall be the third Friday of the contract month, provided it is a business day. If it is not a business day, the expiration date shall be the preceding business day.

In the case of futures options, the expiration date shall be the last Trading Day.

In the case of weekly index, equity and exchange-traded fund options, the expiration date shall be any of the five Fridays following the listing week which is a business day, but which is not an expiration day for any other options already listed on the same underlying. If any such Friday is not a business day, then the expiration date will be the first preceding business day that is not an expiration day for any other options already listed on the same underlying.

**6638 Failure to Pay Premium**

(10.11.92, 07.09.99, 14.09.18)

When the Clearing Corporation rejects a transaction because of the failure of the purchasing Approved Participant to pay the aggregate premium due thereon, the selling Approved Participant shall have the right to either cancel the transaction by giving notice thereof to the Approved Participant in default, or write a new option contract, charging any loss resulting therefrom to the defaulting Approved Participant.

**6639 Members' Access to the Options Markets**

(07.09.99, abr. 17.07.15)

**Section 6640 – 6650  
Sponsored Options**

**6640 Currency**

(28.01.02, abr. 14.09.18)

**6641 Trading Hours**

(28.01.02, abr. 14.09.18)

**6642 Eligibility criteria of a sponsor**

(28.01.02, 12.02.04, abr. 14.09.18)

**6643 Marketing of Sponsored Options**  
(28.01.02, abr. 14.09.18)

**Section 6651 - 6670**  
**Limits and Restrictions**

**6651 Position Limits for Options and Share Futures Contracts**  
(06.08.86, 19.05.87, 08.09.89, 06.08.90, 20.03.91, 10.11.92, 07.04.94, 08.07.99, 07.09.99,  
11.02.00, 28.01.02, 26.09.05, 20.05.10, 25.06.12, 12.04.13, 04.06.15, 23.11.16, 01.12.17,  
13.12.17, 15.06.18)

- A) Except for those limits specified in article 6651, 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 positions (as defined under paragraph C) 3)) are as follows:
1. Share futures contracts, aggregated options and share futures contracts positions as well as options on stocks, exchange-traded funds or trust units
    - a) 25,000 contracts where the underlying security does not meet the requirements set out in sub-paragraphs B) 1. b) and B) 1. c) of the present article;
    - b) 50,000 contracts, where either the most recent interlisted six-month trading volume of transactions on the underlying stock, exchange-traded fund or trust unit totals at least 20 million shares or units, or the most recent interlisted six-month trading volume of transactions totals at least 15 million shares or units of the underlying interest and at least 40 million shares or units of this underlying interest are currently outstanding;
    - c) 75,000 contracts, where either the most recent interlisted six-month trading volume of transactions on the underlying stock, exchange-traded fund or trust unit totals at least 40 million shares or units, or the most recent interlisted six-month trading volume on the underlying interest totals at least 30 million shares or units of the underlying interest and at least 120 million shares or units of this underlying interest are currently outstanding;
    - d) 200,000 contracts, where either the most recent interlisted six-month trading volume of transactions on the underlying stock, exchange-traded fund or trust unit totals at least 80 million shares or units, or the most recent interlisted six-month trading volume on the underlying interest totals at least 60 million shares or units of the underlying interest and at least 240 million shares or units of this underlying interest are currently outstanding;
    - e) 250,000 contracts, where either the most recent interlisted six-month trading volume of transactions on the underlying stock, exchange-traded fund or trust unit totals at least 100 million shares or units of the underlying interest or the most recent interlisted six-month trading volume on the underlying interest totals at least 75 million shares or units

of the underlying interest and at least 300 million shares or units of this underlying interest are currently outstanding;

- f) 600,000 contracts on the following exchange-traded funds:
    - units of the iShares S&P/TSX 60 Index Fund (XIU).
  - g) except for the specific limits provided for under paragraph f) above, for contracts where the underlying security is an equity holding exchange-traded fund, defined as an exchange-traded fund for which all of the components are exchange-traded stocks, the position limits shall be equal to twice the limit levels provided for under paragraphs a) to e) above.
- 2. Debt options  
8,000 contracts.
  - 3. Index options  
500,000 contracts.
  - 4. Sector index options  
40,000 contracts.
  - 5. Options on futures  
The number of contracts established as the position limits for the underlying futures contract.  
For the purpose of this article, options contract positions are aggregated with the underlying futures contract positions. For aggregation purposes, the futures equivalent of one in-the-money option contract is one futures contract and the futures equivalent of one at-the-money or out-of-the-money option contract is half a futures contract.
  - 6. Sponsored options  
The position limits described above apply to sponsored options. However, these position limits must be adjusted by using an equivalent unit of trading.  
When the underlying interest is traded on a market other than the Bourse, the position limits of this market apply to sponsored options by using an equivalent unit of trading.
  - 7. Currency options  
40,000 contracts when the trading unit is 10,000 units of foreign currency. The limit will be adjusted to obtain the same notional amount if the trading unit is amended or if the Bourse introduces new trading units.

C) For the purpose of this article:

1. calls written, puts held, a net short share futures position, and short underlying interest are on the same side of the market and puts written, calls held, a net long share futures position, and long underlying interest are on the same side of the market;
2. the Bourse may, by notice, change the position limits. A change in the position limit will be effective on the date set by the Bourse and reasonable notice shall be given of each new position limit;
3. the “aggregated options and share futures contracts position” is obtained by first netting share futures contracts positions relating to the same underlying interest and subsequently adding the net futures contracts position (net long or net short) to options positions relating to the same underlying interest on a per side basis (whether long or short) to determine the aggregate per side quantity held; one option contract being equal to one share futures contract for purposes of this calculation.

D) Conversions, reverse conversions, long and short hedges

1. For the purposes of this article the following defined hedges are approved by the Exchange:
  - a) conversion: where an opening long put transaction in any option is entirely offset by an opening short call transaction having the same expiry month and strike price in the same option class, either of which option transaction is effectively hedged by a long position in the underlying interest of the option;
  - b) reverse conversion: where an opening short put transaction in any option is entirely offset by an opening long call transaction having the same expiry month and strike price in the same option class, either of which option transaction is effectively hedged by a short position in the underlying interest of the option;
  - c) short hedge: where an opening long call transaction or an opening short put transaction in any option is entirely offset by a short position in the underlying interest of the option;
  - d) long hedge: where an opening short call transaction or an opening long put transaction in any option is entirely offset by a long position in the underlying interest of the option.
2. In addition to the position limits set out in paragraph B), any one account may hold an amount of options not exceeding the applicable paragraph B) limit of any combination of the approved hedge positions defined in sub-paragraphs D) 1. a) to D) 1. d), inclusive.
3. For all position limits set out in this article, in the case of conversion and reverse conversion as defined in paragraph D) 1. a) and b), such limits shall apply as if calls written and puts held, or puts written and calls held, as the case may be, were not on the same side of the market.

E) Exemption

As described in Policy C-1, an approved participant or a client may file, in the form prescribed, an application with the Bourse to obtain on behalf of a bona fide hedger or for risk management purposes an exemption from the position limits prescribed by the Bourse. The application must be filed on the appropriate form, no later than the next business day after the limit has been exceeded. If

the application is rejected, the approved participant or client shall reduce the position below the prescribed limit within the period set by the Bourse. The Bourse may modify any exemption which has been previously granted.

**6652 Exercise Limits**

(10.11.92, 30.10.17)

- A) Except in highly unusual circumstances and with the prior written permission of the Exchange, no member or restricted permit holder shall exercise, for any account in which he has an interest or for the account of any client, a long position in any option where such Approved Participant or client, acting alone or in concert with others, directly or indirectly, has or will have exercised, within any five (5) consecutive business days an aggregate long position exceeding the number of contracts established as position limits by article 6651.
- B) With respect to an option contract for which an exemption has been granted in accordance with article 6651, the exercise limit shall be equal to the amount of the exemption.

**6653 Variation to Position and Exercise Limits**

(10.11.92, 22.01.16)

In the case of a stock split in the underlying interest:

- a) the Bourse may establish special position and exercise limits which may reflect the basis of the stock split, providing that
- b) the normal limits shall apply to the aggregate positions of all new option series of that class of options listed after the date of the split.

Prompt notice shall be given through the issuance of a circular for each new limit fixed by the Bourse.

**6654 Reports related to transactions in over-the-counter options**

(05.08.75, 15.11.79, 24.04.84, 20.03.91, 10.11.92, 07.04.94, 07.09.99, 11.02.00, 28.01.02, 26.09.05, 25.06.12, 01.04.13, 14.01.16, 15.06.18)

Approved Participants must report in the form prescribed by the Bourse, the total number of puts and calls written, issued or guaranteed in over-the-counter options during each period ending at the close of business on the fifteenth and last days of each month or, if not a business day, the preceding business day. Reports must be transmitted to the Bourse within two (2) business days of the end of the period.

**6655 Report of Uncovered Short Positions**

(28.09.82, 10.11.92, 22.01.16)

Upon request by the Bourse, an Approved Participant shall provide the Bourse with a report of the total uncovered short position in each option contract open for trading showing:

- a) the position carried by such Approved Participant for its own account;

- b) the positions carried by such Approved Participant for the account of clients;

provided that Approved Participants shall not report positions carried for the accounts of other Approved Participants where such Approved Participants report the positions themselves.

**6656 Limit on Outstanding Uncovered Short Positions**

(10.11.92, 07.04.94, 14.09.18)

- a) Whenever it is determined that there are outstanding an excessive number of uncovered short positions in option contracts of a given class or that an excessively high percentage of outstanding short positions in option contracts of a given class are uncovered, the Bourse may prohibit any further opening writing transactions in options contracts of that class unless the resulting short position will be covered.
- b) The Bourse may also prohibit the uncovering of any existing covered short positions in one or more series of options of that class, as it deems appropriate in the interest of maintaining a fair and orderly market in option contracts or in the underlying interest.

**6657 Liquidation of Positions in Excess of Limits**

(28.09.82, 10.11.92, 07.04.94, 24.07.17)

Whenever the Bourse finds that a person or group of persons acting in concert holds, controls, or is obligated in respect of an aggregate position, long or short, in excess of the applicable position limit for a Listed Product, the Bourse may order all Approved Participants carrying a position in such Listed Product, for such person or group of persons acting in concert, to liquidate such position in an expeditious manner consistent with the maintenance of a fair and orderly market.

**6658 Other Restrictions on Options Transactions and Exercises**

(10.11.92, 07.04.94, 14.09.18)

- a) The Bourse may impose such restrictions on transactions or on exercises as it deems advisable in the interests of maintaining a fair and orderly market in options contracts or in the underlying interests or as it otherwise deems advisable in the public interest or for the protection of investors.
- b) During the period of any such restriction, no Approved Participant shall, for his own account or for the account of a client, engage in any transaction or exercise in contravention of such restriction.
- c) Notwithstanding the foregoing, during the ten (10) business days prior to the expiration date of a given series of options, no restriction on exercise may be in effect with respect with that series of options, except that during such ten (10) business day period, the Bourse may:
  - i) restrict or otherwise modify the requirements for delivery resulting from an exercise against an uncovered writer;
  - ii) order that an exercised options contract be settled in accordance with article 6676.

**6659 Unacceptable Practices**

(02.07.96, abr. 17.07.15)

**6660 Routing and Recording of Orders**

(02.07.96, abr. 17.07.15)

**6661 Recording of Telephone Conversations**

(02.07.96, 07.09.99, 11.02.00, 22.01.16)

To ensure the integrity of the markets and resolve disputes regarding trades in Listed Products, the Bourse will record all telephone conversations of the Bourse's Market Operations Department regarding the trading of Listed Products.

**6662 Procedures for Consulting Recordings**

(02.07.96, 07.09.99, 22.01.16)

- a) Authorization to consult the recordings of telephone conversations shall be granted in the case of an investigation by the Bourse, upon request by any competent government authority, regulatory body or self-regulatory organization or as prescribed by applicable law or regulation, by the valid order of a court, tribunal or by legal process.
- b) Only persons authorized by the President and authorized representatives of the Approved Participants may listen to a recording.
- c) Before consulting a recording and only to the extent legally permissible, the Bourse shall notify the person concerned or its authorized representative, who may wish to be present during consultation, except in the case of an investigation.
- d) In the case of litigation or in disciplinary matters, the recordings may be filed as evidence.
- e) Except for persons authorized by the President, all concerned persons or their authorized representative who wish to consult their recording must make a written request to the Director, Market Operations, of the Bourse explaining the reasons for the request. Upon approval, the authorized person may consult the recording in the presence of one of the authorized persons of the Bourse as per paragraph b).
- f) Approved Participants must advise their clients of the recording process of telephone conversations and abide to the provisions of article 7452 of Rule Seven.

**6663 Communications with the Market Operations Department**

(15.06.18)

Whenever an article permits, or requires, an Approved Participant (or its authorized client under article 6366) to contact the Market Operations Department by telephone, the Market Operations Department will act upon, and treat as authorized and binding upon the Approved Participant (or authorized client), the oral communication of the Approved Participant's Designated Representative or of any Person providing a valid trader ID and matching account number of the Approved Participant or authorized client.

**Section 6671 - 6700  
Exercise, Settlement and Delivery**

**6671 Exercise of Options and Delivery of Futures Contracts**

(06.08.86, 10.11.92, 07.09.99, 17.01.18)

Options shall be exercised by clearing members in accordance with the by-laws and rules and general conditions of the designated Clearing Corporation. Options may be exercised only in a unit of

trading or in an integral multiple thereof. The prohibition in article 6380a shall not apply to transactions made as a result of the exercise of an option or of a delivery pursuant to a futures contract.

**6672 Allocation of Exercise Notices**

(10.11.92, 22.01.16, 14.09.18)

Each Approved Participant shall establish a fixed written procedure for the allocation of exercise notices assigned in respect of a short position in such Approved Participant's clients' accounts. The procedure to be adopted may be on a "first in, first out" basis, on a random selection basis or another allocation method that is fair and equitable to the Approved Participant's clients.

**6673 Settlement**

(10.11.92, 07.09.99)

Settlement of all transactions shall be on the next business day following the day of the transaction through the designated Clearing Corporation and no delayed or private settlement is permitted.

**6674 Payment of Underlying Interest**

(19.05.87, 20.03.91, 10.11.92, 07.09.99, 28.01.02, 26.09.05, 14.09.18)

- a) In the case of cash-settled options, delivery will be made in accordance with article 6676;
- b) In the case of equity options, clearing of transactions in the underlying interests arising from exercise notices will be through the facilities of the Canadian Depository for Securities Limited or in another manner prescribed by the Bourse and the Canadian Derivatives Clearing Corporation;
- c) In the case of futures options, the clearing of transactions arising from exercise notices will be through the facilities of the Canadian Derivatives Clearing Corporation.

**6675 Bonds Acceptable for Delivery**

(28.09.82, 10.11.92, abr. 14.09.18)

**6676 Settlement in the Case of Cash Settled Options**

(24.04.84, 06.08.86, 10.11.92, 07.09.99, 31.01.01, 29.04.02, 26.09.05, 18.12.12, 28.02.17, 14.09.18)

- a) Settlement of positions held in the S&P/TSX 60 Stock Index option following an exercise shall be made by an exchange of cash between the Clearing Corporation and each of its short and long clearing members pursuant to the rules of the Clearing Corporation. The amount to be paid or received in final settlement of each S&P/TSX 60 Stock Index option contract is determined by multiplying \$10 by the difference between the strike price and the official opening level of the S&P/TSX 60 Stock Index on the expiration date, expressed to two decimal places.
- b) Settlement of options positions held in the S&P/TSX sectorial indices following an exercise shall be made by an exchange of cash between the Clearing Corporation and each of its short and long clearing members pursuant to the rules of the Clearing Corporation. The amount to be paid or received in final settlement of each S&P/TSX sectorial index option contract is determined by multiplying the trading unit by the difference between the strike price and the official opening level of the S&P/TSX sectorial index on the expiration date, expressed to two decimal places.

- c) Settlement of positions held in currency option following an exercise shall be made by an exchange of cash between the Clearing Corporation and each of its short and long clearing members pursuant to the rules of the Clearing Corporation. The amount to be paid or received in final settlement of each currency option contract is determined by multiplying the unit of trading by the difference between the strike price and the exchange rate fixed by Bloomberg FX Fixings (BFIX) at 12:30 p.m. New York time expressed in Canadian cents for the corresponding currency vis-à-vis the Canadian dollar on the expiration date.

**6677 Settlement when Delivery of the Underlying Interest is Restricted**

(09.05.77, 10.11.92, 07.04.94, 07.09.99, 14.09.18)

When the Bourse, acting in accordance with article 6658 restricts or modifies the delivery of the underlying interest upon the exercise of any series of option contracts during the ten (10) business days prior to the expiration date, the Clearing Corporation shall, at the beginning of each business day during which such restriction is in effect, establish a settlement value, if any, for such series of option contracts. In such event, the Bourse may direct cash settlement, and determine the amount of such settlement, when it is in the public interest.

**6678 Failure to Deliver or Accept Delivery of the Underlying Interest**

(10.11.92, 07.09.99, 14.09.18)

- a) If, in the case of equity options on the exercise of a Call, the delivery of the underlying interest is not made on the exercise settlement date, the holder may instruct his clearing member to issue a "buy-in" notice. Similarly, if, on the exercise of a Put, payment for the underlying interest is not made on the exercise settlement date, the exercising holder may instruct his clearing member to issue a "sell-out" notice. The clearing member shall deliver a copy of such notice by 10:00 a.m. of the following business day to the defaulting assigned clearing member, to the Clearing Corporation and to the Bourse.
- b) A "buy-in" notice must state that the undelivered underlying interest will be "bought-out" unless the obligation to deliver is disputed before 1:00 p.m., or delivery is made before 2:00 p.m., of the day of issuance of the notice. A "sell-out" notice must state that the underlying interest to be delivered will be "sold-out" unless the obligation to accept delivery is disputed before 1:00 p.m. or delivery is accepted before 2:00 p.m. of the day of issuance of the notice.
- c) The defaulting clearing member may dispute the obligation, or the Clearing Corporation may postpone the operation of the buy-in or sell-out procedure where to do so is in the best interests of the public market in options or the underlying interests, where a fair market in which to exercise the buy-in or sell-out does not exist or where there is other good reasons for so doing.
- d) Any dispute by the defaulting clearing member will be resolved by the Clearing Corporation. In the absence of a dispute or postponement, if the underlying interest is not delivered, in the case of a Call, or delivery thereof is not accepted, in the case of a Put, within the specific time, the Clearing Corporation may purchase the undelivered underlying interest, in the case of a Call, or sell the underlying interest for which delivery is not accepted, in the case of a Put, in the best available market for the account of the exercising clearing member.
- e) Delivery shall be made to, or received from, as the case may be, the exercising clearing member, by 2:30 p.m. on the day on which the buy-in or sell-out, as the case may be, is executed against payment.

- f) The exercising clearing member shall forthwith notify the defaulting clearing member of any difference between the price paid on the buy-in, in the case of a Call, or received on the sell-out, in the case of a Put, for the underlying interest and the exercise price. The defaulting clearing member is obligated to pay such amount to the exercising clearing member by the close of business on the day following the day on which the buy-in or sell-out is executed. If the defaulting clearing member fails to make such payment, the Clearing Corporation is obligated to do so.

**6679 Failure to Pay for or Deliver the Underlying Interest**

(10.11.92, 07.09.99, 14.09.18)

If, in the case of equity options, payment for the underlying interest is not made in the case of a Call, or the underlying interest is not delivered, in the case of a Put, by the exercising clearing member, the writer may instruct his clearing member to issue a sell-out notice, in the case of a Call, or a buy-in notice, in the case of a Put, and the procedure set out in article 6678 shall be followed with regard to notification and the sale or purchase of the underlying interests. The defaulting exercising clearing member is obligated to pay to the assisted clearing member any difference between the exercise price and the price obtained on the sell-out, in the case of a Call, or paid on the buy-in, in the case of a Put. If the defaulting clearing member fails to make such payment, the Clearing Corporation is obligated to do so.

**6680 Extraordinary Circumstances**

(10.11.92, 22.01.16)

In the interest of keeping fair and orderly trading on the Bourse and for the protection of both option holders and writers, the Bourse may make special trading and settlement rules when an underlying Interest is involved in:

- a) a take-over bid under a circular;
- b) a stock dividend, a share split or a consolidation;
- c) any other unforeseen events.

**6681 Liability of the Bourse to Holders and Writers of Options**

(24.04.84, 10.11.92, 07.09.99, 14.09.18)

- a) The rights and obligations of holders and writers of options shall be as set forth in the regulation or General Conditions of the relevant Clearing Corporation.
- b) The Bourse shall have no liability for damages, claims, losses or expenses caused by any errors, omissions or delays in calculating or disseminating any current stock prices or index values or prices of other underlying interests resulting from an act, condition or cause beyond the reasonable control of the Bourse, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction; any error omission or delay in the reports of transactions in one or more component stocks; or any error, omission or delay in the reports of the current index value by the Bourse.

## **OPTIONS ON TEN-YEAR GOVERNMENT OF CANADA BOND FUTURES**

### **6701 Application of Specific Rules** (20.03.91)

In addition to sections 6601-6610 and 6621-6640, options on Government of Canada Bond Futures shall be subject to the Regulation contained in this section.

#### **6701.1 Underlying** (18.01.16)

The underlying interest is a Ten-year Government of Canada Bond futures.

### **6702 Nature of Option on Government of Canada Bond Futures** (20.03.91, 07.04.94)

A buyer of one Government of Canada Bond Futures Option may exercise his option on any business day up to and including the last trading day to assume a position in one Government of Canada Bond Futures contract (long, if the option is a call and short, if the option is a put) of a specified contract month at a specified strike price.

The seller of one Government of Canada Bond Futures Option incurs, if the option is exercised, the obligation of assuming a position in one Government of Canada Bond Futures contract (short if the option is a call and long if the option is a put) of a specified contract month at a specified strike price.

### **6703 Trading Unit** (20.03.91, 18.01.16)

The trading unit is one Ten-year Government of Canada Bond futures with a \$100,000 face value at maturity.

#### **6703.1 Expiry Cycle** (18.01.16)

The contract months for options on Ten-year Government of Canada Bond futures are:

Quarterlies: March, June, September and December.

Monthlies: Based on the next quarterly futures contract that is nearest to the options contract.

#### **6703.2 Premium Quotation** (18.01.16)

Bids and offers are quoted in points where each 0.005 point (0.5 basis point) represents \$5.

### **6704 Strike Prices** (20.03.91, 17.12.91, 18.01.16)

Strike prices are set at a minimum of 0.5 point intervals per Ten-year Government of Canada Bond futures.

Strike prices shall be listed in the following manner:

one strike price as close as possible to the settlement price of the underlying futures on the previous business day, plus a minimum of one strike price higher and one strike price lower.

The Bourse may, at its discretion, modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market condition.

**6705 Minimum Fluctuation of the Option Premium**  
(20.03.91, 07.04.94, 18.01.16)

Unless determined otherwise by the Bourse, the minimum fluctuation of the option premium is 0.005 point, representing \$5 per contract.

**6706 Maximum Price Variation Thresholds**  
(20.03.91, 07.04.94, 18.01.16, 06.04.18)

Options on Ten-year Government of Canada Bond futures are not subject to maximum price variation thresholds.

**6707 Last Trading Day**  
(20.03.91, 17.12.91, 18.01.16, 05.10.18)

Trading ceases on the third Friday of the month preceding the option contract month provided that it is a business day and precedes by at least two business days the first notice day of the underlying futures.

If it is not a business day, the last Trading Day of the option is the business day prior to such Friday and preceding by at least two business days the first notice day of the underlying futures.

**6707.1 Expiration Day**  
(18.01.16, 05.10.18)

Expiration occurs on the last Trading Day.

**6708 Trading Hours**  
(22.11.96, abr. 06.01.03)

**6709 Position Reporting Threshold**  
(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6710 Position Limit**  
(18.01.16)

The position limit for options on Ten-year Government of Canada Bond futures contracts is the number of contracts established as the position limits for Ten-year Government of Canada Bond futures.

For the purpose of this article, options contract positions are aggregated with the underlying futures contract positions. For aggregation purposes, the futures equivalent of one in-the-money option contract is one futures contract and the futures equivalent of one at-the-money or out-of-the-money option contract is half a futures contract.

**6711 Trading Hours**  
(18.01.16)

Trading hours will be determined and published by the Bourse.

**6712 Currency**  
(18.01.16)

Trading, clearing and settlement of options on Ten-year Government of Canada Bond futures are in Canadian dollars.

**REGULAR OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES**

**6751 Application of Specific Rules**  
(07.04.94, 29.10.04, 18.01.16)

In addition to sections 6601-6610 and 6621-6639, regular options on Three-month Canadian Bankers' Acceptance futures shall be subject to the regulation contained in this section.

**6751.1 Underlying**  
(18.01.16)

The underlying interest is a Three-month Canadian Bankers' Acceptance futures that expires during the month in which the option expires.

**6752 Contract Type**  
(07.04.94, 18.01.16, 05.10.18)

A buyer of one regular Three-month Canadian Bankers' Acceptance futures option may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one regular Three-month Canadian Bankers' Acceptance futures option incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

**6753 Trading Unit**  
(07.04.94, 18.01.16)

The trading unit for one regular option on Three-month Canadian Bankers' Acceptance futures is one Three-month Canadian Bankers' Acceptance future representing \$1,000,000 nominal value of Three-month Canadian Bankers' Acceptances.

**6753.1 Expiry Cycle**  
(18.01.16)

The contract months for regular options on Three-month Canadian Bankers' Acceptance futures are the eight nearest months in the March, June, September, December quarterly cycle.

**6753.2 Premium Quotation**

(18.01.16)

Bids and offers are quoted in points where each 0.01 point (1 basis point) represents \$25.

Cabinet trades (options with a premium below 0.01) are quoted in 0.001 point (one-tenth of a basis point) where each 0.001 point represents \$2.50.

**6754 Strike Prices**

(07.04.94, 18.01.16)

Strike prices are set at minimum intervals of 0.125 points per Three-month Canadian Bankers' Acceptance futures.

One strike price as close as possible to the settlement price of the underlying futures on the previous business day, plus two in-the-money and two out-of-the-money strike prices will generally be available.

The Bourse may, at its discretion, modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market condition.

**6755 Minimum Fluctuation of the Option Premium**

(07.04.94, 15.10.02, 03.10.08, 18.01.16)

Unless otherwise determined by the Bourse, the minimum fluctuation of the option premium is 0.005 point representing \$12.50 per contract.

In the case of cabinet trades, the minimum price fluctuation of the option premium is 0.001 point representing \$2.50 per contract.

For the purpose of this article, a cabinet trade is a trade that allows liquidating a deep out-of-the-money option at a premium that is lesser than 0.01 point. Options with a premium lesser than 0.01 point shall automatically be considered deep out-of-the-money options consequently being able to be quoted and traded at a premium ranging between 0.001 and 0.009 point.

**6756 Maximum Price Variation Thresholds**

(07.04.94, 18.01.16, 06.04.18)

Regular Options on Three-month Canadian Bankers' Acceptance futures are not subject to maximum price variation thresholds.

**6757 Last Trading Day**

(07.04.94, 29.10.04, 18.01.16, 29.06.18)

Trading ceases at 10:15 a.m. (Montréal time) on the second London (Great Britain) banking day prior to the third Wednesday of the contract month or, if it is not a business day, on the first preceding business day.

Options with an expiry that does not coincide with the expiry of the underlying futures shall cease trading at the date and at the time referred to in the options contract. Otherwise, options shall cease trading on the same day and time as the underlying futures.

**6757.1 Expiration Day**  
(18.01.16, 05.10.18)

Expiration occurs on the last Trading Day of the contract month.

**6758 Trading Hours**  
(22.11.96, abr. 06.01.03)

**6759 Position Reporting Threshold**  
(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6760 Position Limit**  
(18.01.16)

The position limit for regular options on Three-month Canadian Bankers' Acceptance futures is the number of contracts established as the position limit for Three-month Canadian Bankers' Acceptance Futures.

For the purpose of this article, options contract positions are aggregated with the underlying futures contract positions. For aggregation purposes, the futures equivalent of one in-the-money option contract is one futures contract and the futures equivalent of one at-the-money or out-of-the-money option contract is half a futures contract.

**6761 Trading Hours**  
(18.01.16)

Trading hours will be determined and published by the Bourse.

**6762 Currency**  
(18.01.16)

Trading, clearing and settlement of regular options on Three-month Canadian Bankers' Acceptance futures are in Canadian dollars.

**SERIAL MID-CURVE OPTIONS ON THREE-MONTH  
CANADIAN BANKERS' ACCEPTANCE FUTURES**

**6763 Application of Specific Rules**  
(18.01.16)

In addition to sections 6601-6610 and 6621-6639, Serial Mid-Curve options on Three-month Canadian Bankers' Acceptance futures shall be subject to the regulation contained in this section.

**6763.1 Underlying**  
(18.01.16)

The underlying interest is a Three-month Canadian Bankers' Acceptance futures that expires one year from the next quarterly month that is nearest to the expiration of the option.

**6763.2 Contract Type**

(18.01.16, 05.10.18)

A buyer of one Serial Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one Serial Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance futures (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

**6763.3 Trading Unit**

(18.01.16)

The trading unit for one Serial Mid-Curve option on Three-month Canadian Bankers' Acceptance futures is one Three-month Canadian Bankers' Acceptance future representing \$1,000,000 nominal value of Three-month Canadian Bankers' Acceptances.

**6763.4 Expiry Cycle**

(18.01.16)

The contract months for Serial Mid-Curve options on Three-month Canadian Bankers' Acceptance futures are the two (2) nearest non-quarterly months (serials) in the January, February, April, May, July, August, October, November cycle.

**6763.5 Premium Quotation**

(18.01.16)

Bids and offers are quoted in points where each 0.01 point (1 basis point) represents \$25.

Cabinet trades (options with a premium below 0.01) are quoted in 0.001 point (one-tenth of a basis point) where each 0.001 point represents \$2.50.

**6763.6 Strike Prices**

(18.01.16)

Strike prices are set at minimum intervals of 0.125 point per Three-month Canadian Bankers' Acceptance future.

One strike price as close as possible to the settlement price of the underlying futures on the previous business day, plus two in-the-money and two out-of-the-money strike prices will generally be available.

The Bourse may, at its discretion, modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market conditions.

**6763.7 Minimum Fluctuation of the Option Premium**

(18.01.16)

Unless otherwise determined by the Bourse, the minimum fluctuation of the option premium is 0.005 point representing \$12.50 per contract. In the case of cabinet trades, the minimum price fluctuation of the option premium is 0.001 point representing \$2.50 per contract.

For the purpose of this article, a cabinet trade is a trade that allows liquidating a deep out-of-the-money option at a premium that is lesser than 0.01 point. Options with a premium lesser than 0.01 point shall automatically be considered deep out-of-the-money options consequently being able to be quoted and traded at a premium ranging between 0.001 and 0.009 point.

**6763.8 Maximum Price Variation Thresholds**

(18.01.16, 06.04.18)

Serial Mid-Curve options on Three-month Canadian Bankers' Acceptance futures are not subject to maximum price variation thresholds.

**6763.9 Last Trading Day**

(18.01.16, 26.05.16, 29.06.18)

Trading ceases at 4:30 p.m. (Montréal time) on the Friday immediately preceding the third Wednesday of the contract month or, if it is not a business day, on the first preceding business day.

Options with an expiry that does not coincide with the expiry of the underlying futures shall cease trading at the date and at the time referred to in the options contract. Otherwise, options shall cease trading on the same day and time as the underlying futures.

**6763.10 Expiration Day**

(18.01.16, 05.10.18)

Expiration occurs on the last Trading Day of the contract month.

**6763.11 Position Reporting Threshold**

(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6763.12 Position Limit**

(18.01.16)

The position limit for Serial Mid-Curve Options on Three-month Canadian Bankers' Acceptance futures is the number of contracts established as the position limit for Three-month Canadian Bankers' Acceptance futures.

For the purpose of this article, options contract positions are aggregated with the underlying futures contract positions. For aggregation purposes, the futures equivalent of one in-the-money option contract is one futures contract and the futures equivalent of one at-the-money or out-of-the-money option contract is half a futures contract.

**6763.13 Trading Hours**  
(18.01.16)

Trading hours will be determined and published by the Bourse.

**6763.14 Currency**  
(18.01.16)

Trading, clearing and settlement of Serial Mid-Curve options on Three-month Canadian Bankers' Acceptance futures are in Canadian dollars.

**ONE-YEAR QUARTERLY MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES**

**6764 Application of Specific Rules**  
(18.01.16)

In addition to sections 6601-6610 and 6621-6639, One-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures shall be subject to the regulation contained in this section.

**6764.1 Underlying**  
(18.01.16)

The underlying interest is the corresponding Three-month Canadian Bankers' Acceptance futures that expires one year after the option expires.

**6764.2 Contract Type**  
(18.01.16, 05.10.18)

A buyer of one One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

**6764.3 Trading Unit**  
(18.01.16)

The trading unit for one One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures is one Three-month Canadian Bankers' Acceptance future representing \$1,000,000 nominal value of Three-month Canadian Bankers' Acceptances.

**6764.4 Expiry Cycle**  
(18.01.16)

The contract months for One-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures are the four (4) nearest months in the March, June, September, December quarterly cycle.

**6764.5 Premium Quotation**  
(18.01.16)

Bids and offers are quoted in points where each 0.01 point (1 basis point) represents \$25.

Cabinet trades (options with a premium below 0.01) are quoted in 0.001 point (0.1 basis point) where each 0.001 point represents \$2.50.

**6764.6 Strike Prices**  
(18.01.16)

Strike prices are set at minimum intervals of 0.125 points per Three-month Canadian Bankers' Acceptance future.

One strike price as close as possible to the settlement price of the underlying futures on the previous business day, plus two in-the-money and two out-of-the-money strike prices will generally be available.

The Bourse may, at its discretion, modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market condition.

**6764.7 Minimum Fluctuation of the Option Premium**  
(18.01.16)

Unless otherwise determined by the Bourse, the minimum fluctuation of the option premium is 0.005 point representing \$12.50 per contract.

In the case of cabinet trades, the minimum price fluctuation of the option premium is 0.001 point representing \$2.50 per contract.

For the purpose of this article, a cabinet trade is a trade that allows liquidating a deep out-of-the-money option at a premium that is lesser than 0.01 point. Options with a premium lesser than 0.01 point shall automatically be considered deep out-of-the-money options consequently being able to be quoted and traded at a premium ranging between 0.001 and 0.009 point.

**6764.8 Maximum Price Variation Thresholds**  
(18.01.16, 06.04.18)

One-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures are not subject to maximum price variation thresholds.

**6764.9 Last Trading Day**

(18.01.16, 26.05.16, 29.06.18)

Trading ceases at 4:30 p.m. (Montréal time) on the Friday immediately preceding the third Wednesday of the contract month or, if it is not a business day, on the first preceding business day.

Options with an expiry that does not coincide with the expiry of the underlying futures shall cease trading at the date and at the time referred to in the options contract. Otherwise, options shall cease trading on the same day and time as the underlying futures.

**6764.10 Expiration Day**

(18.01.16, 05.10.18)

Expiration occurs on the last Trading Day of the contract month.

**6764.11 Position Reporting Threshold**

(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6764.12 Position Limit**

(18.01.16)

The position limit for One-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures is the number of contracts established as the position limits for Three-month Canadian Bankers' Acceptance futures.

For the purpose of this article, options contract positions are aggregated with the underlying futures contract positions. For aggregation purposes, the futures equivalent of one in-the-money option contract is one futures contract and the futures equivalent of one at-the-money or out-of-the-money option contract is half a futures contract.

**6764.13 Trading Hours**

(18.01.16)

Trading hours will be determined and published by the Bourse.

**6764.14 Currency**

(18.01.16)

Trading, clearing and settlement of One-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures are in Canadian dollars.

## **TWO-YEAR QUARTERLY MID-CURVE OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES**

### **6765 Application of Specific Rules**

(18.01.16)

In addition to sections 6601-6610 and 6621-6639, Two-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures shall be subject to the regulation contained in this section.

#### **6765.1 Underlying**

(18.01.16)

The underlying interest is a Three-month Canadian Bankers' Acceptance future that expires two years after the option expires.

#### **6765.2 Contract Type**

(18.01.16, 05.10.18)

A buyer of one Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures may exercise his option on any business day up to and including the last Trading Day to assume a position in one Three-month Canadian Bankers' Acceptance future (long position, if the option is a call and short position, if the option is a put) of a specified contract month at a specified strike price.

The seller of one Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures incurs, if the option is exercised, the obligation of assuming a position in one Three-month Canadian Bankers' Acceptance future (short position, if the option is a call and long position, if the option is a put) of a specified contract month at a specified strike price.

#### **6765.3 Trading Unit**

(18.01.16)

The trading unit for one Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures is one Three-month Canadian Bankers' Acceptance future representing \$1,000,000 nominal value of Three-month Canadian Bankers' Acceptances.

#### **6765.4 Expiry Cycle**

(18.01.16)

The contract months for Two-year Quarterly Mid-Curve option on Three-month Canadian Bankers' Acceptance futures are the four (4) nearest months in the March, June, September, December quarterly cycle.

#### **6765.5 Premium Quotation**

(18.01.16)

Bids and offers are quoted in points where each 0.01 point (1 basis point) represents \$25.

Cabinet trades (options with a premium below 0.01) are quoted in 0.001 point (0.1 basis point) where each 0.001 point represents \$2.50.

**6765.6 Strike Prices**

(18.01.16)

Strike prices are set at minimum intervals of 0.125 points per Three-month Canadian Bankers' Acceptance future.

One strike price as close as possible to the settlement price of the underlying futures on the previous business day, plus two in-the-money and two out-of-the-money strike prices will generally be available.

The Bourse may, at its discretion, modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market conditions.

**6765.7 Minimum Fluctuation of the Option Premium**

(18.01.16)

Unless otherwise determined by the Bourse, the minimum fluctuation of the option premium is 0.005 point representing \$12.50 per contract.

In the case of cabinet trades, the minimum price fluctuation of the option premium is 0.001 point representing \$2.50 per contract.

For the purpose of this article, a cabinet trade is a trade that allows liquidating a deep out-of-the-money option at a premium that is lesser than 0.01 point. Options with a premium lesser than 0.01 point shall automatically be considered deep out-of-the-money options consequently being able to be quoted and traded at a premium ranging between 0.001 and 0.009 point.

**6765.8 Maximum Price Variation Thresholds**

(18.01.16, 06.04.18)

Two-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures are not subject to maximum price variation thresholds.

**6765.9 Last Trading Day**

(18.01.16, 26.05.16, 29.06.18)

Trading ceases at 4:30 p.m. (Montréal time) on the Friday immediately preceding the third Wednesday of the contract month or, if it is not a business day, on the first preceding business day.

Options with an expiry that does not coincide with the expiry of the underlying futures shall cease trading at the date and at the time referred to in the options contract. Otherwise, options shall cease trading on the same day and time as the underlying futures.

**6765.10 Expiration Day**

(18.01.16, 05.10.18)

Expiration occurs on the last Trading Day of the contract month.

**6765.11 Position Reporting Threshold**

(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6765.12 Position Limit**

(18.01.16)

The position limit for Two-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures is the number of contracts established as the position limits for Three-month Canadian Bankers' Acceptance futures.

For the purpose of this article, options contract positions are aggregated with the underlying futures contract positions. For aggregation purposes, the futures equivalent of one in-the-money option contract is one futures contract and the futures equivalent of one at-the-money or out-of-the-money option contract is half a futures contract.

**6765.13 Trading Hours**

(18.01.16)

Trading hours will be determined and published by the Bourse.

**6765.14 Currency**

(18.01.16)

Trading, clearing and settlement of Two-year Quarterly Mid-Curve options on Three-month Canadian Bankers' Acceptance futures are in Canadian dollars.

**OPTIONS ON THE S&P/TSX COMPOSITE INDEX BANKS (INDUSTRY GROUP)**

**6767 Application of Specific Rules**

(18.01.16)

In addition to articles 6571-6700 of the Rules, options on the S&P/TSX Composite Index Banks (Industry Group) shall be subject to the Rules contained in this section.

**6767.1 Underlying**

(18.01.16)

The underlying interest is the S&P/TSX Composite Index Banks (Industry Group).

**6767.2 Nature of Options**

(18.01.16)

A buyer of one option on the S&P/TSX Composite Index Banks (Industry Group) may exercise his option only on the expiration date ("European style") to receive a cash payment equal to the difference between the strike price and the official opening level of the S&P/TSX Composite Index Banks (Industry Group) on the expiration date, as provided for in article 6676 a) of the Rules.

The seller of one option on the S&P/TSX Composite Index Banks (Industry Group) has, if the option is exercised, the obligation of rendering payment equal to the difference between the strike price and the official opening level of the S&P/TSX Composite Index Banks (Industry Group) on the expiration date, as provided for in article 6676 a) of the Rules.

**6767.3 Trading Unit**

(18.01.16)

The trading unit is \$10 per S&P/TSX Composite Index Banks (Industry Group) point.

**6767.4 Expiry Cycle**

(18.01.16)

At a minimum, the nearest three months plus the next two months in the designated quarterly cycle: March, June, September and December.

Annual expiry of December for long term options.

**6767.5 Minimum Fluctuation of the Option Premium**

(18.01.16)

Unless determined otherwise by the Bourse, the minimum fluctuation of the option premium is:

0.01 index points representing \$0.10 per contract for premiums of less than 0.10 index points.

0.05 index points representing \$0.50 per contract for premiums of 0.10 index points or more.

**6767.6 Strike Prices**

(18.01.16)

Strike prices are set at a minimum of 2.5 index points intervals.

**6767.7 Last Trading Day**

(18.01.16, 05.10.18)

Options on the S&P/TSX Composite Index Banks (Industry Group) cease trading on the Trading Day prior to the expiration day.

**6767.8 Expiration Day**

(18.01.16)

The expiration day is the third Friday of the contract month, provided it is a business day. If it is not a business day, expiration occurs on the first preceding business day.

**6767.9 Final Settlement Price**

(18.01.16)

Options on the S&P/TSX Composite Index Banks (Industry Group) are cash-settled.

The final settlement price is the Official Opening Level of the S&P/TSX Composite Index Banks (Industry Group) on the expiration day.

**6767.10 Position Reporting Threshold**

(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6767.11 Position Limit**

(18.01.16)

The position limit for options on the S&P/TSX Composite Index Bank (Industry Group) is set pursuant article 6651.

**6767.12 Trading Halts**

(18.01.16, 02.03.18)

Trading halts on options on the S&P/TSX Composite Index Banks (Industry Group) shall be coordinated with the trading halt mechanism of the underlying interest (circuit breaker).

**6767.13 Trading Hours**

(18.01.16)

Trading hours will be determined and published by the Bourse.

**6767.14 Currency**

(18.01.16)

Trading, clearing and settlement of options on the S&P/TSX Composite Index Banks (Industry Group) are in Canadian dollars.

**6767.15 Trading Halt or Suspension**

(18.01.16)

- A) Trading on the Bourse in an option on the S&P/TSX Composite Index Banks (Industry Group) shall be halted whenever a Market Supervisor shall conclude, in his judgement, 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 an option on the S&P/TSX Composite Index Banks (Industry Group):
- i) the extent to which trading is not occurring in stocks comprising the index;
  - ii) whether the most current calculation of the index derived from the current market prices of the stocks underlying the index is available;
  - 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 Composite Index Banks (Industry Group) of a class or a series 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 index.

- C) Once trading resumes, the pre-opening stage shall be done in accordance with article 6375 of the Rules.

## **OPTIONS ON THE S&P/TSX 60 INDEX**

### **6771 Application of Specific Rules**

(07.09.99, 29.04.02, 18.12.12, 18.01.16)

In addition to articles 6571-6700 of the Rules, options on the S&P/TSX 60 Index shall be subject to the Rules contained in this section.

#### **6771.1 Underlying**

(18.01.16)

The underlying interest is the S&P/TSX 60 Index.

### **6772 Nature of Options**

(07.09.99, 31.01.01, 29.04.02, 18.12.12, 18.01.16)

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 strike price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in article 6676 a) of the Rules.

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 strike price and the official opening level of the S&P/TSX 60 Index on the expiration date, as provided for in article 6676 a) of the Rules.

### **6773 Trading Unit**

(07.09.99, 25.06.12, 18.12.12, 18.01.16)

The multiplier for one option contract shall be \$10 per index point of the S&P/TSX 60 index.

#### **6773.1 Expiry Cycle**

(18.01.16)

At a minimum, the nearest three expiries, plus the next two expiries in the quarterly cycle March, June, September, December.

Annual expiry of December for long term options.

### **6774 Strike Prices**

(07.09.99, 18.12.12, 18.01.16)

Strike prices are set at a minimum of 2.5 index point intervals.

At a minimum, there are five strike prices bracketing the current underlying index's market level.

**6775 Minimum Fluctuation of the Option Premium**

(07.09.99, 25.06.12, 18.01.16)

Unless determined otherwise by the Bourse, the minimum fluctuation of the option premium is:

0.05 index point representing \$0.50 per contract for premiums of 0.10 index points and over; and

0.01 index point representing \$0.10 per contract for premiums of less than 0.10 index points.

**6776 Trading Halts**

(07.09.99, 29.04.02, 18.12.12, 28.07.14, 18.01.16, 02.03.18)

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).

**6777 Last Trading Day**

(07.09.99, 18.12.12, 18.01.16)

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

**6777.1 Expiration Day**

(18.01.16)

The expiration day for options on the S&P/TSX 60 Index is the third Friday of the contract month, provided it is a business day.

If it is not a business day, the expiration day is the first preceding business day.

**6777.2 Final Settlement Price**

(18.01.16)

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

The final settlement price is the official opening level of the S&P/TSX 60 Index on the expiration day.

**6777.3 Position Reporting Threshold**

(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6777.4 Position Limit**

(18.01.16)

The position limit for options on the S&P/TSX 60 Index is set pursuant article 6651.

**6777.5 Trading Hours**

(18.01.16)

Trading hours will be determined and published by the Bourse.

**6777.6 Currency**  
(18.01.16)

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

**6778 Trading Hours**  
(07.09.99, 29.04.02, abr. 06.01.03)

**6779 Trading Halts or Suspensions**  
(24.09.01, 18.12.12, 18.01.16)

- A) Trading on the Bourse in an 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 an option on the S&P/TSX 60 index class:
- i) the extent to which trading is not occurring in stocks comprising the index;
  - ii) whether the most current calculation of the index derived from the current market prices of the stocks is available;
  - 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 or a series 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 index.
- C) Once trading resumes, the pre-opening stage shall be done in accordance with article 6375 of the Rules.

**OPTIONS ON THE S&P/TSX CAPPED UTILITIES INDEX**

**6780 Application of Specific Rules**  
(31.01.01, 28.07.14, 18.01.16)

In addition to articles 6571-6700 of the Rules, options on the S&P/TSX Capped Utilities Index shall be subject to the Rules contained in this section.

**6780.1 Underlying**  
(18.01.16)

The underlying interest is the S&P/TSX Capped Utilities Index.

**6781 Nature of Options**

(31.01.01, 28.07.14, 18.01.16)

A buyer of one option on the S&P/TSX Capped Utilities Index may exercise his option only on the expiration date (“European style”) to receive a cash payment equal to the difference between the strike price and the official opening level of the S&P/TSX Capped Utilities Index on the expiration date, as provided for in article 6676 b) of the Rules.

The seller of one option on the S&P/TSX Capped Utilities Index has, if the option is exercised, the obligation of rendering payment equal to the difference between the strike price and the official opening level of the S&P/TSX Capped Utilities Index on the expiration date, as provided for in article 6676 b) of the Rules.

**6782 Trading Unit**

(31.01.01, 29.04.02, 18.01.16)

The trading unit is \$100 per S&P/TSX Capped Utilities Index point.

**6782.1 Expiry cycle**

(18.01.16)

At a minimum, the nearest three months plus the next two months in the designated quarterly cycle: March, June, September and December.

Annual expiry of December for long term options.

**6783 Strike Prices**

(31.01.01, 04.06.15)

Strike prices are set at a minimum of 2.5 index point intervals.

**6784 Minimum Fluctuation of the Option Premium**

(31.01.01, 29.04.02, 04.06.15, 18.01.16)

Unless determined otherwise by the Bourse, the minimum fluctuation of the option premium is:

0.01 index points representing \$1.00 per contract for premiums of less than 0.10 index points.

0.05 index points representing \$5.00 per contract for premiums of 0.10 index points or more.

**6785 Triggering of a Circuit-Breaker on the Underlying Interest**

(31.01.01, 28.07.14, 18.01.16)

Trading halts on options on the S&P/TSX Capped Utilities Index shall be coordinated with the trading halt mechanism of the underlying interest.

**6786 Last Trading Day**

(31.01.01, 04.06.15, 18.01.16)

S&P/TSX Capped Utilities Index options cease on the business day preceding the expiration day.

**6786.1 Expiration Day**  
(18.01.16)

The expiration day is the third Friday of the contract month, provided it is a business day. If it is not a business day, the expiration day is the preceding business day.

**6786.2 Final settlement price**  
(18.01.16)

Options on the S&P/TSX Capped Utilities Index are cash-settled.

The final settlement price is the official opening level of the S&P/TSX Capped Utilities Index on the expiration day.

**6786.3 Position Reporting Threshold**  
(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6786.4 Position Limit**  
(18.01.16)

The position limit for options on the S&P/TSX Capped Utilities Index is set pursuant article 6651.

**6786.5 Trading Hours**  
(18.01.16)

Trading hours will be determined and published by the Bourse.

**6786.6 Currency**  
(18.01.16)

Trading, clearing and settlement of options on the S&P/TSX Capped Utilities Index are in Canadian dollars.

**6787 Trading Hours**  
(31.01.01, abr. 06.01.03)

**6788 Trading Halts or Suspensions**  
(24.09.01, 28.07.14, 04.06.15, 18.01.16)

- A) Trading on the Bourse in an option on the S&P/TSX Capped Utilities Index shall be halted whenever a Market Supervisor shall conclude, in his judgement, 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 an option on the S&P/TSX Capped Utilities Index:
- i) the extent to which trading is not occurring in stocks comprising the index;
  - ii) whether the most current calculation of the index derived from the current market prices of the stocks comprising the index is available;

- 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 Capped Utilities Index of a class or a series 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 index.
- C) Once trading resumes, the pre-opening stage shall be done in accordance with article 6375 of the Rules.

## EQUITY OPTIONS

### **6789 Underlying** (18.01.16)

The underlying interests are shares of eligible stock, subject to criteria set by the Clearing Corporation.

#### **6789.1 Eligibility Criteria** (18.01.16)

To be eligible as an underlying interest, the underlying interest must meet stringent eligibility requirements including sufficient liquidity and market capitalization.

#### **6789.2 Trading Unit** (18.01.16)

The trading unit is one contract, representing 100 shares.

#### **6789.3 Expiry Cycle** (18.01.16)

At a minimum, the two nearest expiries, plus the next two quarterly expiries as defined in the expiry cycle published on the Bourse's website.

Annual expiry of January for long term options.

#### **6789.4 Minimum Fluctuation of the Option Premium** (18.01.16)

Unless determined otherwise by the Bourse, the minimum fluctuation of the option premium is:

- 1) For equity options excluded from the penny trading program:
  - i) Option series priced below \$0.10 are quoted in increments of \$0.01.
  - ii) Option series priced at \$0.10 or more are quoted in increments of \$0.05.

2) For equity options included in the penny trading program:

- i) Option series priced below \$3.00 are quoted in increments of \$0.01.
- ii) Option series priced at \$3.00 or more are quoted in increments of \$0.05.

**6789.5 Strike Prices**  
(18.01.16)

At a minimum, there are five strike prices bracketing the current underlying interest's market price.

**6789.6 Contract Type**  
(18.01.16)

The buyer of an equity option contract may exercise the option at any time before the expiration day ("American Style").

**6789.7 Last Trading Day**  
(18.01.16, 05.10.18)

Equity options cease trading on the third Friday of the contract month, provided it is a business day. If it is not a business day, the first preceding business day is the last Trading Day.

**6789.8 Expiration Day**  
(18.01.16, 05.10.18)

The expiration day for an equity option contract is the last Trading Day of the contract month.

**6789.9 Position Reporting Threshold**  
(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6789.10 Position Limit**  
(18.01.16)

Position limit for equity option contracts is set pursuant article 6651.

**6789.11 Trading Halts**  
(18.01.16, 02.03.18)

Trading halts on equity option contracts shall be coordinated with the trading halt mechanism of the underlying interest (circuit-breaker).

**6789.12 Exercise of Options**  
(18.01.16)

Options are exercised by the Clearing Corporation.

Delivery is made through the facilities of the CDS Clearing and Depository Services Inc.

**6789.13 Trading Hours**  
(18.01.16)

Trading hours will be determined and published by the Bourse.

**6789.14 Currency**  
(18.01.16)

Trading and clearing of equity options are in Canadian dollars.

## CURRENCY OPTIONS

**6790 Application of Specific Rules**  
(26.09.05)

In addition to articles 6571-6700 of the Rules, currency options shall be subject to the Rules contained in this section.

**6790.1 Underlying**  
(18.01.16)

The underlying issues of a currency option are either the U.S. Dollar or the Euro.

**6791 Nature of Options**  
(26.09.05, 28.02.17)

A buyer of one currency option may exercise his option only on the expiration date ("European style") to receive a cash payment equal to the difference between the strike price and the exchange rate fixed by Bloomberg FX Fixings (BFIX) at 12:30 p.m. New York time on the expiration date, as provided for in article 6676 d) of the Rules.

The seller of one currency option, if the option is exercised, has the obligation of rendering payment equal to the difference between the strike price and the exchange rate fixed by Bloomberg FX Fixings (BFIX) at 12:30 p.m. New York time on the expiration date, as provided for in article 6676 d) of the Rules.

**6792 Trading Unit**  
(26.09.05, 18.01.16)

In the case of options on the U.S. Dollars, the trading unit for one option contract is 10,000 U.S. Dollars.

In the case of options on the Euro, the trading unit for one option contract is 10,000 Euros.

**6792.1 Expiry Cycle**  
(18.01.16)

At a minimum, the three nearest expiries, plus the next two expiries in the quarterly cycle March, June, September, December.

Long term options have an annual expiry in January.

**6792.2 Premium Quotation**  
(18.01.16)

Option premiums for a currency option contract are quoted in Canadian cents per unit of foreign currency.

**6792.3 Aggregate Premium Value**  
(18.01.16)

The aggregate premium value for a currency option contract is the premium quotation multiplied by the trading unit for one contract.

**6793 Strike Prices**  
(26.09.05, 18.01.16)

At a minimum, there are five strike prices bracketing the current underlying interest market price.

Strike prices are set at a minimum interval of CAN 0.50 cents per unit of foreign currency unless otherwise determined by the Bourse.

**6794 Minimum Fluctuation of the Option Premium**  
(26.09.05, 18.01.16)

Unless determined otherwise by the Bourse, the minimum fluctuation of the option premium is 0.01 cent or a tick value of \$1.00 per unit of foreign currency unless otherwise determined by the Bourse.

**6795 Last Trading Day**  
(26.09.05, 18.01.16, 28.02.17)

Currency options cease trading at 12:30 p.m. on the third Friday of the contract month, provided it is a business day. If it is not a business day, trading will cease at 12:30 p.m. on the first preceding business day.

**6795.1 Expiration Day**  
(18.01.16, 05.10.18)

The expiration day for currency options is the last Trading Day of the contract month.

**6795.2 Final Settlement Price**  
(18.01.16, 28.02.17)

Currency options are cash-settled.

The amount to be paid or received as final settlement of each option contract is determined by multiplying the trading unit by the difference between the exercise price and the exchange rate fixed by Bloomberg FX Fixings (BFIX) at 12:30 p.m. New York time expressed in Canadian cents for the designated currency, vis-à-vis the Canadian dollar on the expiration date.

**6795.3 Position Reporting Threshold**  
(18.01.16)

The position reporting threshold is set pursuant article 14102.

**6795.4 Position Limit**  
(18.01.16)

Position limit for currency option contracts is set pursuant article 6651.

**6795.5 Trading Hours**  
(18.01.16)

Trading hours will be determined and published by the Bourse.

**OPTIONS ON EXCHANGE-TRADED FUNDS**

**6796 Underlying**  
(18.01.16)

The underlying interest is the number of units of an exchange-traded fund, subject to eligibility criteria set by the Clearing Corporation.

**6796.1 Eligibility Criteria**  
(18.01.16)

The underlying issues must meet stringent eligibility requirements, including sufficient liquidity and market capitalisation.

**6796.2 Trading Unit**  
(18.01.16)

The trading unit for one option on exchange-traded funds is 100 shares of an exchange-traded fund.

**6796.3 Expiry Cycle**  
(18.01.16)

At a minimum, the nearest three expiries plus the next two expiries in the designated quarterly cycle: March, June, September, December.

Long term options have an annual expiry in March.

**6796.4 Minimum Fluctuation of the Option Premium**  
(18.01.16)

Unless determined otherwise by the Bourse, the minimum fluctuation of the option premium is:

1) For exchange-traded fund options excluded from the penny trading program:

i) Option series priced below \$0.10 are quoted in increments of \$0.01.

ii) Option series priced at \$0.10 or more are quoted in increments of \$0.05.

2) For exchange-traded fund options included in the penny trading program, all option series are quoted in increments of \$0.01, regardless of price level.

**6796.5 Strike Price**

(18.01.16)

At a minimum, there are five strike prices bracketing the current underlying interest market price.

**6796.6 Contract Type**

(18.01.16)

A buyer of an exchange-traded fund option may exercise the option at any time before the expiration day (“American Style”).

**6796.7 Last Trading Day**

(18.01.16)

Exchange-traded fund options cease trading on the third Friday of the contract month, provided it is a business day. If it is not a business day, trading ceases on the first preceding business day.

**6796.8 Expiration Day**

(18.01.16, 05.10.18)

The expiration day of an exchange-traded fund option is the last Trading Day of the contract month.

**6796.9 Position Reporting Threshold**

(18.01.16)

The position reporting threshold is set pursuant to article 14102.

**6796.10 Position Limit**

(18.01.16)

Position limit for exchange-traded fund options is set pursuant to article 6651.

**6796.11 Trading Halts**

(18.01.16, 02.03.18)

Trading halts on exchange-traded fund options are coordinated with the trading halt mechanism of the underlying interest (circuit-breaker).

**6796.12 Exercise of Options**

(18.01.16)

Options are exercised by the Clearing Corporation.

Delivery is made through the CDS Clearing and Depository Services Inc.

**6796.13 Trading Hours**  
(18.01.16)

Trading hours will be determined and published by the Bourse.

**6796.14 Currency**  
(18.01.16)

Trading and clearing of exchange-traded fund options are in Canadian dollars.

**D. SPECIAL RULES FOR TRADING FUTURES CONTRACTS**

**Section 6801 - 6820**  
**Terms of Trade Futures**

**6801 Standard Trading Unit**

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 29.04.02, 14.06.02, 03.05.04, 24.07.06, 16.11.07, 30.05.08, 15.05.09, 18.06.10, 01.09.10, 01.10.10, 06.05.11, 16.02.12, 18.12.12, 09.06.14, 18.01.16)

The trading unit for each futures contract is set forth in Rule 15 in the section specific to a futures contract.

**6802 Price**

(24.01.86, 22.04.88, 08.09.89, 17.10.91, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 18.01.16)

- a) During the life of a contract, only the price per unit of physical commodity is negotiable.
- b) The price for any particular delivery month of a contract is determined by the bids and offers made on the Bourse, subject to the regulations.
- c) The price quotation for each futures contract is set forth in Rule 15 in the section specific to a futures contract.

**6803 Currency**

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 18.01.16)

The currency for each futures contract is set forth in Rule 15 in the section specific to a futures contract.

**6804 Futures Contracts Expiries**

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 27.07.94, 19.01.95, 11.03.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 18.01.16)

The expiry cycle for each futures contract is set forth in Rule 15 in the section specific to a futures contract.

**6805 Trading Hours**

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 22.11.96, 02.10.98, 09.03.99, 07.09.99, 19.06.00, 31.01.01, 14.06.02, abr. 06.01.03)

**6806 Trading Outside Trading Hours**

(08.09.89, 29.07.93, 02.10.98, 09.03.99, 06.01.03, 20.03.09)

Except as permitted by articles 6815, 6815A and 6816, no futures contracts may be traded or transferred, and no agreement to trade or transfer futures contracts may be entered into, before the opening or after the closing of trading in any futures contract such as determined by the Bourse.

**6807 Minimum Price Fluctuations**

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 29.04.02, 14.06.02, 15.10.02, 03.05.04, 17.11.04, 01.12.06, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 08.09.14, 18.01.16)

The minimum price fluctuation for each futures contract is set forth in Rule 15 in the section specific to a futures contract.

**6808 Maximum Price Variation Thresholds / Trading halts**

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 24.07.06, 30.05.08, 17.04.09, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 28.07.14, 18.01.16, 06.04.18)

The maximum price variation thresholds/trading halts for each futures contract are set forth in Rule 15 in the section specific to a futures contract.

**6809 Variable Limits - Government of Canada Bond Futures**

(08.09.89, 07.09.99, 03.05.04; abr. 17.04.09)

**6810 Current Month Exclusions (Government of Canada Bond futures)**

(08.09.89, 07.09.99, 03.05.04, abr. 17.04.09)

**6811 Definitions : Limit Bid Limit Offers**

(08.09.89, abr. 17.04.09)

**6812 Last Trading Day**

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 13.07.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14, 18.01.16, 05.10.18)

The last Trading Day for each futures contract is set forth in Rule 15 in the section specific to a futures contract.

**6813 Daily Settlement Price**

(22.04.88, 08.09.89, 14.09.90, 20.03.91, 13.07.98, 07.09.99, 31.01.01, abr. 30.05.08)

**6814 Settlement of margins, gains and losses**  
(22.04.88, 08.09.89, 07.09.99, 14.09.18)

Unless otherwise determined by the Bourse or the Clearing Corporation, settlement shall be on a next business day basis through the facilities of the appropriate Clearing Corporation and no delayed or private settlement of transactions in Bourse futures contracts is permitted.

**6815 Exchanges for Related Products (EFRP)**  
(08.09.89, 17.10.91, 05.01.94, 19.01.95, 01.05.95, 07.09.99, 31.01.01, 03.05.04,  
21.04.08, 17.04.09, 12.02.16, 17.01.18, 15.06.18, 11.07.18, 14.09.18, 05.10.18)

**1) EFRP transactions in general.** Exchanges for Related Product (“EFRP”) transactions involving futures contracts listed and traded on the Bourse are permitted if such transactions are executed in accordance with the requirements of this article. An EFRP transaction is composed of the privately negotiated execution of a Bourse futures contract and the opposite, simultaneous execution of an approximately equivalent quantity or value of cash product, by-product, related product, or over-the-counter (“OTC”) derivative instrument underlying the futures contract.

- a) An EFRP transaction is permitted to be executed off of the Bourse’s trading system pursuant to article 6380b if such transaction is conducted in accordance with each of the requirements and conditions of this article.
- b) The following separate types of transactions are referred to collectively as EFRP transaction under this article, and are included under, and subject to, its provisions:
  - i) **Exchange for Physical (“EFP”)** – the simultaneous execution of a Bourse futures contract and a corresponding spot or forward transaction.
  - ii) **Exchange for Risk (“EFR”)** – the simultaneous execution of a Bourse futures contract and a corresponding OTC swap or other OTC derivative transaction.
- c) Each party to an EFRP transaction must be an accredited counterparty as defined in section 3 of the Quebec Derivatives Act, CQLR c I-14.01.
- d) The accounts involved on each side of an EFRP transaction must:
  - i) have different beneficial ownership;
  - ii) have the same beneficial ownership, but are under separate control;
  - iii) have accounts that are commonly controlled, but involve separate legal entities which may or may not have the same beneficial ownership; or
  - (iv) when the parties to an EFRP transaction involve the same legal entity, same beneficial ownership, or separate legal entities under common control, the parties must be able to demonstrate that the exchange transaction was a legitimate arms-length transaction.
- e) The cash market instrument leg of the EFRP transaction must provide for, and result in, the transfer of ownership of the cash market instrument within the time customary in the applicable cash market or in

OTC practice. If the seller does not have actual possession of the cash market or OTC derivative instrument before execution of the EFRP, the seller must be able to demonstrate an ability to satisfy the delivery requirement.

- f) With regard to the futures leg of an EFRP, if the minimum price fluctuation of transactions in the futures contract vary by strategy or otherwise, such as variation in the minimum price fluctuation for equity index futures contracts between outright and calendar spread transactions, the minimum price fluctuation of the EFRP futures component shall be the lowest minimum price fluctuation provided for in the Rules with regard to the futures contract.
- g) The Approved Participants involved in an EFRP, upon request by the Bourse, must be able to demonstrate that:
  - i) the related futures and cash or OTC position are reasonably correlated, with a correlation of  $R=0.70$  or greater, calculated using any generally accepted methodology, for all EFRP transactions except as otherwise specifically provided, each such correlation based on daily price data for a period of at least six (6) months or weekly price data for a period of at least one (1) year; and
  - ii) the quantity or value of the cash or OTC component of the EFRP transaction must be approximately equivalent to the quantity or value of the futures contract.
- h) The price at which an EFRP transaction is arranged must be “fair and reasonable” in light of (i) the size of the transaction; (ii) currently traded prices and bid and ask prices in the same contract (iii) the underlying markets; and (iv) general market conditions, all at the relevant time. Although there is no requirement for an EFRP to be executed within the daily high and low prices, execution outside of that price range may result in a request by the Regulatory Division for additional information about the transaction.
- i) It is prohibited to effect an EFRP transaction for the purpose of reporting, registering or recording a non-bona fide price or entering into a transaction which is a “wash sale,” an accommodation trade or a fictitious sale.
- j) Neither party to an EFRP transaction may enter into the transaction to circumvent the contract month roll in the corresponding security or derivative instrument.
- k) **Reporting EFRP transactions.** Approved Participants for both the seller and buyer must report within one hour upon determination of all the relevant terms of the transaction to the Market Operations Department on the Special Terms Transaction Reporting Form available at <http://sttrf-frots.m-x.ca/> each EFRP transaction executed during the trading hours of the applicable futures contract. For those EFRP transactions executed after such trading hours, the transaction shall be reported to the Bourse no later than 10:00 a.m. (Montréal time) on the Trading Day following execution. The Market Operations Department will validate the details of the report before accepting the transaction (which is not a confirmation by the Bourse that the EFRP transaction has been effected in accordance with this article).
- l) **Books and records.** Each party to an EFRP transaction must maintain full and complete records and documentary evidence relating to the EFRP, including but not limited to all records relating to the purchase or sale of the cash market or OTC derivative component of the transaction and to any transfer of funds or ownership made in connection with such transaction. Such records include, but are not limited to, documentation customarily generated in accordance with market practice, such as cash account statements, trade confirmation statements, ISDA® Master Agreements or other

documents of title; third party documentation supporting proof of payment or transfer of title, such as canceled checks, bank statements; cash account statements and cash instruments clearing corporation documents. In addition, futures contracts order tickets (which must clearly indicate the time of execution of the EFRP transaction) must be maintained. Records related to the transaction must be provided to the Bourse upon request and it is the responsibility of the Approved Participant to obtain and provide on a timely basis records of their clients as requested by the Bourse.

m) In all circumstances, an EFRP transaction can only be arranged by the Approved Participant's Approved Persons.

**2) EFPs**

a) EFP transactions on the following futures contracts and the related physical or cash instrument are recognized by the Bourse:

Types of Futures Contracts	Acceptable physical or cash instrument
Interest rates Futures Contracts	<p>Fixed income instruments with a correlation coefficient (R) of 0.70 or more, calculated using any generally accepted methodology, maturities and risk characteristics that parallel the underlying instrument of the futures contracts or the futures contract itself where the use of the underlying instrument is not practical due to a lack of available market data, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Money market instruments including asset backed commercial paper,</li> <li>• Government of Canada and Federal Crown Corporation fixed income instruments</li> <li>• Provincials fixed income instruments,</li> <li>• Investment grade corporates including Maple Bonds and mortgage instruments including collateralized mortgage obligations (CMOs), or</li> <li>• Fixed income instruments denominated in the currency of a G7 member country</li> </ul>
Futures Contracts on S&P/TSX indices Futures Contracts on the FTSE Emerging Markets index	<ul style="list-style-type: none"> <li>• Stock baskets reasonably correlated with the underlying index with a correlation coefficient (R) of 0.90 or more, calculated using any generally accepted methodology, having a weight of at least 50% of the underlying index or including at least 50% of the securities of the underlying index. The notional value of the basket must be fairly equal to the value of the futures contract component of the exchange</li> </ul>

	<p>transaction, or</p> <ul style="list-style-type: none"> <li>• Exchange-traded funds that mirror the index futures contract</li> </ul>
Share Futures Contracts	<ul style="list-style-type: none"> <li>• Underlying interest of the futures contract</li> </ul>

**3) EFRs**

a) EFR transactions on the following futures contracts and the related OTC derivative instrument are recognized by the Bourse:

Types of Futures Contracts	Acceptable Over-the-Counter Derivative Instrument
Bonds Futures Contracts	<p>i) Interest Rate Swaps with the following characteristics:</p> <ul style="list-style-type: none"> <li>• Plain vanilla;</li> <li>• Written under the terms of an ISDA® Master Agreement,</li> <li>• Regular fixed against floating rate payments,</li> <li>• Denominated in currency of G7 country, and</li> <li>• Correlation R= 0.70 or greater, calculated using any generally accepted methodology.</li> </ul> <p>Or</p> <p>ii) Any individual or combination of OTC bond, interest rate swap or FRA options (e.g. caps, floors, collars).</p>
Short-term interest rate Futures Contracts	<p>i) Any OTC swap or options with characteristics noted above with respect to EFR for bonds;</p> <p>Or</p> <p>ii) Forward Rate Agreements (FRAs) with the following characteristics:</p> <ul style="list-style-type: none"> <li>• Conventional FRA,</li> <li>• Written under the terms of an ISDA® Master Agreement,</li> <li>• Predetermined interest rate,</li> <li>• Agreed start/end date, and</li> </ul>

	<ul style="list-style-type: none"> <li>• Defined interest (repo) rate.</li> </ul>
<p>Stock index Futures Contracts</p>	<p>i) Index Swaps with the following characteristics:</p> <ul style="list-style-type: none"> <li>• Plain vanilla swap,</li> <li>• Written under the terms of an ISDA® Master Agreement,</li> <li>• Regular fixed against floating rate payments against the positive or negative performance of a stock, exchange-traded fund (ETF), basket of securities or a stock index,</li> <li>• Denominated in currency of G7 country, and</li> <li>• Correlation R= 0.90 or greater, using a generally accepted methodology;</li> </ul> <p>Or</p> <p>ii) Any individual or combination of OTC stock index option positions;</p> <p>Or</p> <p>iii) Index Forwards:</p> <p>Standard equity forward contract between two counterparties to buy a specific quantity of a stock, exchange-traded fund (ETF), basket of securities or stock index at a predetermined price for settlement at a future date.</p>
<p>Shares Futures Contracts</p>	<p>i) Equity Swaps with the following characteristics:</p> <ul style="list-style-type: none"> <li>• Plain vanilla swap,</li> <li>• Written under the terms of an ISDA® Master Agreement,</li> <li>• Regular fixed against floating rate payments against the positive or negative performance of a stock, exchange-traded fund (ETF), trust unit, basket of securities or a stock index,</li> <li>• Denominated in currency of G7 country;</li> </ul> <p>Or</p> <p>ii) Any individual or combination of OTC equity</p>

	<p>option positions;</p> <p>Or</p> <p>iii) Equity Forwards:</p> <p>Standard equity forward contract between two counterparties to buy a specific quantity of a stock, exchange-traded fund (ETF), trust unit, basket of securities or stock index at a predetermined price for settlement at a future date.</p>
Commodities Futures Contracts	<p>i) Commodities Swaps or Forwards with the following characteristics:</p> <ul style="list-style-type: none"> <li>• Written under the terms of an ISDA® Master Agreement,</li> <li>• Correlation R = 0.80 or greater, calculated using any generally accepted methodology.</li> </ul>

**6815A Substitution of over-the-counter derivative instruments for futures contracts**

(30.05.08, 12.02.16, abr.17.01.18)

**6816 Off-Exchange Transfers of Existing Futures Contracts**

(08.09.89, 07.09.99, 22.01.16, 17.01.18)

- a) Notwithstanding article 6380, off-exchange transfers of open futures contracts may be accomplished only if there is no change in the beneficial ownership of the futures contracts, the Approved Participants involved in the transfer are able to produce to the Bourse upon request, all orders, records and memoranda pertaining thereto and the transfer either
- i) is made at the request of the beneficial owner of the futures contracts from one Approved Participant to another; or
  - ii) is made at the request of a Approved Participant to another Approved Participant; or
  - iii) is made to correct an error in clearing; or
  - iv) is made to correct an error in the recording of transactions in the Approved Participants' books.
- b) Both Approved Participants which are parties to an off-exchange transfer pursuant to this article shall complete and submit to the designated Clearing Corporation such information evidencing the terms of the off-exchange transfer as may be prescribed by the Clearing Corporation on the day on which such transfer is effected.
- c) Notwithstanding the provisions of paragraph (a), a transfer of a position either on the books of an Approved Participant, or from one Approved Participant to another, may be permitted at the discretion of the Bourse if the transfer:

- i) is in connection with, or results from, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities; or
- ii) involves a partnership, investment fund, or commodity pool and the purpose of the transfer is to facilitate a restructuring or consolidation of such partnership, investment fund, or pool, provided that the managing partner or pool operator remains the same, the transfer does not result in the liquidation of any open positions, and the pro rata allocation of interests in the consolidating account does not result in more than a de minimis change in the value of the interest of any party; or
- iii) is in the best interests of the markets and the situation so requires.

**6817 Treatment of Long and Short Positions**

(07.10.93, 03.01.95, 07.09.99, 14.09.18)

- a) Unless concurrent long and short futures positions in the same contract month are held on behalf of i) an omnibus account; or ii) in accordance with the provisions of paragraph c) of this rule, a clearing member shall not be permitted to maintain with the Clearing Corporation such positions for i) a single account; or ii) accounts under common control and ownership. It is the duty of the clearing member to ascertain that such positions are permitted to be concurrently long and short.
- b) A clearing member shall promptly close out a customer's open long or short position held with the Clearing Corporation if an offsetting purchase or sale is made for such customer's account.
- c) A clearing member would be permitted to carry with the Clearing Corporation concurrent long and short positions for separate accounts of a customer, provided that :
  - i) each person directing trading for one of the separate accounts is unaffiliated with and acts independently from each other person directing trading for a separate account;
  - ii) each trading decision made for each separate account is determined independently of all trading decisions made for the other separate account or accounts; and
  - iii) no position held in accordance with the above sub-paragraphs i) and ii) may be offset by transfer, adjustment, or any other bookkeeping procedures. Each position must be offset by transactions made on the electronic trading system of the Bourse.
- d) Although article 6816 allows for off-exchange transfers of futures contracts, a clearing member shall not be permitted to knowingly allow such transfers when, as a result, concurrent long and short positions would be held contrary to this rule. The positions which would create the concurrent long and short situation may not be so transferred, but must remain with the original clearing member, be transferred elsewhere, or liquidated by transactions made on the electronic trading system of the Bourse.

**6818 Average Price Trades**

(20.03.00, 14.09.18)

Approved Participants, at the request of a client, may accumulate a futures position in an inventory account and transfer this position to the client account at an average price. This may only be done if the Approved Participant has a firm time-stamped order from the client before accumulating the position.

The Bourse requires that confirmations to clients of average price trades must indicate that the transaction price is an average price. The Approved Participant must be able to provide clients with full details of the execution of the transaction in a timely manner.

If an Approved Participant has a firm time-stamped client order and accumulates futures in an inventory account for administrative purposes only, the transfer of the position to the client must be done over-the-counter (OTC). This procedure is required to ensure that the unwinding does not represent a change in beneficial interest (i.e. the client is the beneficial owner of the futures in the inventory account at all times). However, if an Approved Participant accumulates a position based on an indication of interest from the client, the transfer of the position to the client account must result in a transaction on the electronic trading system of the Bourse.

The date used on the client's confirmation shall be the date of the unwinding, provided that the client requested an average price. Approved Participants must, however, maintain records of each individual trade and of the transfer, which must be available to both the client and regulatory authorities on request.

**6819 Extraordinary Circumstances for shares futures contracts**  
(31.01.01, 22.01.16, 15.06.18)

In order to keep fair and orderly trading on the Bourse and for the protection of both share futures buyers and sellers, the Bourse may make special trading and settlement rules when an underlying interest is involved in:

- a) a take-over bid under a circular;
- b) a stock dividend, a share split or a consolidation;
- c) any other unforeseen events.

Generally, no adjustments will be made for declared dividends, if any, on the underlying interest.

**6820 Market Makers - Futures**  
(16.05.11, abr. 01.12.17)

**6820.1 Daily Price Limits on Futures**  
(06.04.18)

For the purpose of this article:

- a) “control price” means a price calculated for each futures based on the previous day settlement price.
- b) “X limits” means price limits based on a percentage of the control price under and above which an order is not allowed to register in the central limit order book.
- c) “Y limits” means price limits based on a percentage of the control price under and above which an incoming order would not be executed and would be eliminated, or under and above which a theoretical opening price would put the derivative instrument into a reserved state.
- d) “reserved state” means a trading halt triggered by a theoretical opening price under or above the Y limits at the opening of a given instrument.

The Bourse may subject futures to the X limits and Y limits as follows:

- a) X limits: any order entered by a participant in breach of the X limits is automatically rejected by the trading system and a message is automatically sent to the participant to confirm such order rejection.
- b) Y limits
  - i) At the opening of an instrument, a theoretical opening price under or above the calculated Y limits causes the derivative instrument to enter into a reserved state.
  - ii) Participants can enter new orders and modify or cancel their orders on an instrument which is in reserved state.
  - iii) When an instrument is in reserved state, the trading system will attempt to automatically re-open the trading of such instrument through a volatility auction. Should the resulting reopening price be within the Y limits, trading on the instrument will resume. Should the resulting reopening price be outside the Y limits, the instrument will be maintained in a reserved state and another volatility auction will take place. Such process will automatically take place until trading on the instrument resumes. The Bourse can extend the trading halt created by the reserved state to ensure orderly trading.
  - iv) The Bourse will notify the market through its market data feed when an instrument enters into a reserved state and when trading is resumed for such instrument.
  - v) During the continuous trading phase, passive orders priced outside the Y limits but within the X limits will be allowed in the trading system. Should the potential execution price of an incoming order be outside the Y limits, such incoming order will be eliminated, preventing the trade, and a message will be automatically sent to the participant to confirm such order elimination.
  - vi) A limit order priced outside the Y limits that could otherwise be partially executed will be partially executed up until a lot is priced outside of the Y limits, and the remaining quantity of the order will be priced at the Y limit.

Control prices and percentages of the X limits and Y limits can be modified and Y limits can be temporarily lifted at the Bourse's discretion to ensure regular trading.

The X limits are disseminated to the market via the Bourse's market data feed daily prior to the opening of the market.

The X limits do not apply to bulk quotes entered by approved participants or clients of approved participants while acting as duly appointed market makers pursuant to article 6395.

**Section 6821 - 6840**  
**Open Outcry Trading Pit Committee**  
(abr. 24.09.01)

**6821 Authority**  
(08.09.89, 10.11.92, 07.09.99, abr. 24.09.01)

**6822 Composition**  
(08.09.89, 10.11.92, abr. 24.09.01)

**6823 Quorum**  
(08.09.89, abr. 24.09.01)

- 6824 Floor Trading Regulations**  
(08.09.89, abr. 24.09.01)
- 6825 Orderly Trading**  
(08.09.89, abr. 24.09.01)
- 6826 Investigations**  
(08.09.89, abr. 24.09.01)
- 6827 Floor Officials**  
(08.09.89, 20.03.91, 29.03.93, abr. 24.09.01)
- 6828 Offences and Penalties**  
(08.09.89, 10.11.92, 23.05.96, abr. 24.09.01)
- 6829 Levy of a Fine**  
(08.09.89, 29.03.93, 24.02.94, 06.03.96, 23.05.96, abr. 24.09.01)
- 6830 Appeals**  
(08.09.89, 10.11.92, abr. 24.09.01)
- 6831 Levy of fees for requests of hearing**  
(07.07.97, abr. 24.09.01)

**Section 6841 - 6880**  
**Floor Procedures and Open Outcry**  
**Trading Rules Financial Derivatives and Index Futures contracts**  
(abr. 24.09.01)

- 6841 Access**  
(04.04.95, 13.07.95, abr. 24.09.01)
- 6842 Routing and Recording of Orders**  
(08.09.89, abr. 24.09.01)
- 6843 Recording of Telephone Conversations**  
(08.09.89, 07.09.99, abr. 24.09.01)
- 6844 Procedures for Consulting Recordings**  
(08.09.89, 21.03.91, 13.07.92, 07.09.99, abr. 24.09.01)
- 6844 A Procedures for Viewing Video Recordings**  
(13.07.92, 07.09.99, 11.02.00, abr. 24.09.01)
- 6845 Execution of Orders**  
(08.09.89, 21.10.97, 07.09.99, 11.02.00, abr. 24.09.01)
- 6846 Priority to Client Orders**  
(08.09.89, 03.11.97, abr. 24.09.01)
- 6847 Making a Bid or an Offer**  
(08.09.89, 17.10.91, abr. 24.09.01)
- 6848 Accepting a Bid or an Offer**  
(08.09.89, 20.03.91, 17.10.91, 30.07.93, abr. 24.09.01)
- 6849 First Acceptance**  
(08.09.89, 17.10.91, abr. 24.09.01)
- 6850 Quantity**  
(08.09.89, 17.10.91, 30.07.93, abr. 24.09.01)
- 6851 Orders**  
(08.09.89, 21.04.95, 30.05.96, abr. 24.09.01)
- 6852 Types of Orders on Last Day**  
(08.09.89, 29.06.90, 07.09.99, abr. 24.09.01)
- 6853 Opening Range**  
(08.09.89, 29.06.90, 20.03.91, abr. 24.09.01)
- 6854 Closing Range**  
(08.09.89, 29.06.90, 20.03.91, abr. 24.09.01)

- 6855 Trading Simultaneous Combinations**  
(08.09.89, 29.06.90, 20.03.91, 03.03.92, 30.07.93, 19.01.95, 13.07.95, 09.11.95, abr. 24.09.01)
- 6856 Trading Strips - Canadian Bankers' Acceptance Futures**  
(03.03.92, 16.04.92, 22.03.93, 30.07.93, 23.01.95, abr. 09.11.95, abr. 24.09.01)
- 6857 Rotations**  
(08.09.89, 20.03.91, abr. 24.09.01)
- 6858 Reporting Trades**  
(20.03.91, abr. 24.09.01)
- 6859 Price Infractions**  
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- 6860 Fast Market**  
(20.03.91, abr. 24.09.01)
- 6861 Transaction Input (Excluding Index Options and options on index participation units)**  
(08.09.89, 29.06.90, 20.03.91, 03.03.92, 01.05.95, 07.09.99, 11.02.00, abr. 24.09.01)
- 6862 Confirming Trades**  
(29.06.90, 20.03.91, 01.05.95, abr. 24.09.01)
- 6863 Transaction Reports (Excluding Index Options and options on index participation units)**  
(29.06.90, 07.09.99, 11.02.00, abr. 24.09.01)
- 6864 Matching Transactions (Excluding Index Options and on options on index participation units)**  
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- 6865 Corrections (Excluding Index Options and options on index participation units)**  
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- 6866 Unacceptable Practices**  
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- 6867 Jitney trading by members**  
(abr. 24.09.01)
- 6868 Jitney trading by restricted trading permit holder**  
(03.11.97, abr. 24.09.01)

**Section 6881 - 6900**  
**Open Outcry Trading**  
**Curb Trading**  
(abr. 29.10.01)

- 6881 Curb Trading**  
(29.07.93, abr. 29.10.01)

**6882 Hours of Trading**  
(29.07.93, abr. 29.10.01)

**6883 Eligible Contract, Associated Trading Range and Restrictions**  
(29.07.93, 02.12.93, 08.02.95, 09.11.95, 02.04.97, abr. 29.10.01)

**6884 Stop Orders**  
(29.07.93, abr. 29.10.01)

**Section 6901 - 6950**  
**Canadian Bankers' Acceptance Futures**  
(abr. 23.01.95)

**Section 6901 - 6950**  
**Futures Contracts Electronic Trading**  
(02.10.98)

**6901 Electronic Trading System**  
(02.10.98, abr. 31.01.01)

**6902 Access to Electronic Trading**  
(02.10.98, abr. 31.01.01)

**6903 Orders**  
(02.10.98, abr. 31.01.01)

**6904 Time-Stamping of Limit Order**  
(02.10.98, abr. 31.01.01)

**6905 Management of Priorities**  
(02.10.98, abr. 31.01.01)

**6906 Priority to Client Orders**  
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**6907 Trade and Clearing Information**  
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**6908 Keeping Records of Orders**  
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**6909 Modification of the Order**  
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**Section 6910 - 6916**  
**Production, Execution and Cancellation of Orders**  
(abr. 31.01.01)

- 6910 Allocation of tradeable orders**  
(02.10.98, abr. 31.01.01)
- 6911 Receipt of Orders**  
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- 6912 Input of Orders**  
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- 6913 Cancellation of Erroneous Trades**  
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- 6914 Warning Message**  
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- 6916 Decision by the Trading Supervisor**  
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- 6917 Delays of Decision and Notifications**  
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- 6918 Unacceptable Practices**  
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- 6919 Malfunction of the Electronic Trading System**  
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- 6920 Price Limits**  
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**Section 6951 - 6980**  
**Options on Futures**  
(abr. 24.09.01)

- 6951 Exception to Trading Rules**  
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- 6952 Trading**  
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- 6953 Priority of Bids and Offers**  
(21.06.93, abr. 24.09.01)

**6954 Trading Crosses**  
(21.06.93, 04.04.94, 07.04.94, 12.04.96, abr. 24.09.01)

**6955 Fast Market**  
(21.06.93, 04.04.94, 12.04.96, abr. 24.09.01)

**Section 6981 - 6990**

**Lumber**

**Gold**

**Futures**

(abr. 19.01.95)