RULE C-12 CANADIAN BANKER'S ACCEPTANCE FUTURES (SYMBOL BAR & BAX)

The sections of this Rule C-12 are applicable only to Futures settling on a future date where the Underlying Interest is a Canadian Bankers' Acceptance.

New Rule 4/88

Section C-1201 Definitions

Notwithstanding Section A-102 for the purposes of Canadian Bankers' Acceptance Futures, the following terms are as defined:

"Canadian Bankers' Acceptance" - a bill of exchange that has been accepted by a Canadian chartered bank.

"Canadian Bankers' Acceptance Index" - an amount specified from time to time by an Exchange which is determined by subtracting from 100 the annualized yield on the Underlying Interest (based on a 365-day year).

"Canadian Bankers' Acceptance Reference Rate" - a rate expressed as an annual rate of interest determined daily by the Exchange on which the Future trades by taking the arithmetic mean (rounded to the nearest 1/1000th of a percentage point) of the bid rates for Canadian Bankers' Acceptances, which are the subject of the Future, quoted by various Canadian chartered banks and investment dealers selected by the Exchange at random, provided that the two highest quoted bid rates and the two lowest quoted bid rates shall not be taken into account in calculating the arithmetic mean of the quoted rates and provided that the Exchange on which the Future trades, if it considers it appropriate to do so, may determine that such rate shall be calculated in some other fashion.

"Final Settlement Price" - the amount quoted by the Exchange on which the Future trades at the close of trading on the last day on which such Future trades determined by subtracting from 100 the Canadian Bankers' Acceptance Reference Rate for such day, rounded to the nearest 1/1000th of a percentage point.

"Future" - a contract to make settlement in cash on a future date of the difference between the Final Settlement Price and either the Trade Price or the Settlement Price on the previous day multiplied by the appropriate Multiplier pursuant to standardized terms and conditions set forth in these Rules and the by-laws, rules or policies of an Exchange.

"Multiplier" - the value of one basis point which is used to calculate the size of the contract: $25.00.

"Underlying Interest"
- BAR - a Canadian Bankers' Acceptance having a principal value at maturity of $3,000,000 with a one-month maturity and quoted in term of a Canadian Bankers' Acceptance Index.
- BAX - a Canadian Bankers' Acceptance having a principal value at maturity of $1,000,000 with a three-month maturity and quoted in term of a Canadian Bankers' Acceptance Index.

Amended 02/92, 12/02

Section C-1202 Settlement in Cash Through the Corporation

Notwithstanding Section C-501 for the purposes of Canadian Bankers' Acceptance Futures, the following applies.

Unless otherwise specified by the Corporation, settlement of positions held following the close of trading on the last day of trading in a Series of Futures shall be made on the first Business Day following the last day of trading. Settlement shall be made by an exchange of cash between the Corporation and each of the short and long Clearing Members. The amount to be paid or received in final settlement of

(a) each position opened prior to the last trading day is the difference between

(i) the Final Settlement Price and
(ii) the Settlement Price of the contract on the previous trading day

multiplied by the Multiplier; and

(b) each position opened on the last trading day is the difference between

(i) the Final Settlement Price and
(ii) the Trade Price of the open contract

multiplied by the Multiplier

Section C-1203 Tender Notices

As there is no provision to tender delivery of cash settlement Futures, Sections C-502 through C-509 inclusive shall not apply to Canadian Bankers' Acceptance Futures.

Section C-1204 Adjustments

No adjustments will ordinarily be made in the terms of Canadian Bankers' Acceptance Futures in the event that the Canadian Bankers' Acceptance Index is changed. However, if the Corporation shall determine in its sole discretion that any such change causes significant discontinuity in the level of the Canadian Bankers' Acceptance Index, the corporation may adjust the terms of the affected Canadian Bankers' Acceptance Futures by taking such action as the Corporation in its sole discretion deems fair to Clearing Members holding Long and Short Positions.

In the event that a governmental agency or body issues an order, ruling, directive or law pertaining to the trading of the Canadian Bankers' Acceptance and the Corporation determines that a discontinuity in the level of the Canadian Bankers' Acceptance Index is caused by such a Government order, it shall take such action as it deems necessary and fair under the circumstances.

Amended 12/95

Section C-1205 Unavailability or Inaccuracy of Current Value

(1) If the Corporation shall determine that the Final Settlement Price for any series of Canadian Bankers' Acceptance Futures is unreported or otherwise unavailable for purposes of calculating the gains and losses, then, in addition to any other actions that the Corporation may be entitled to take under the By-laws and Rules, the Corporation may do any or all of the following:

(a) suspend the Settlement of Gains and Losses. At such times as the corporation determines that the required Final Settlement Price is available, the Corporation shall fix a new date for Settlement of the Gains and Losses.

(b) fix the Final Settlement Price in accordance with the best information available as to the correct Final Settlement Price.

(2) The Final Settlement Price as reported by the Exchange shall be conclusively deemed to be accurate except that where the Corporation determines in its sole discretion that there is a material inaccuracy in the reported Final Settlement Price, it may take such action as it determines in its discretion to be fair and appropriate in the circumstances. Without limiting the generality of the foregoing, the Corporation may require an amended Final Settlement Price to be used for settlement purposes.

Section C-1206 Payment and Receipt of Payment of the Trade Price

The Trade price will be included with other settlements on the daily Futures Consolidated Activity Report.

Section C-510 and C-512 inclusive do not apply to Canadian Banker's Acceptance Futures.

Amended 5/90