**NOTICE TO MEMBERS**

No. 2024 – 003

January 2, 2024

**Trading by U.S. Residents**

Canadian Derivatives Clearing Corporation (CDCC) maintains registrations with various U.S. state securities regulatory authorities to permit the sale of certain standardized options traded on the Bourse de Montreal (CDCC Options) to residents of the United States, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands (State Residents). This is a reminder that, as a condition of some of these state securities registrations, CDCC is required to periodically report to the appropriate state securities regulatory authority all CDCC Options transactions during the reporting period entered into by the State Residents of the relevant state.

It is essential, therefore, that every CDCC Clearing Member report to us, on a monthly basis, all CDCC trades by State Residents. **Please use the attached form, which reflects the current reporting requirements for the relevant state securities regulatory authorities**. A report is required only if your firm processed transactions for State Residents during the reporting period.

Please note this report must be submitted to cdcc-ops@tmx.com **ON OR BEFORE THE TENTH BUSINESS DAY OF EACH MONTH.**

Anna Linardakis
Director, Business Operations
CDCC

Attachment

**Canadian Derivatives Clearing Corporation**
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**CANADIAN DERIVATIVES CLEARING CORPORATION**

**MONTHLY SUMMARY OF U.S. ORIGINATED CDCC OPTIONS ORDERS**

**FIRM NAME:**

**REPORT COVERING TRANSACTIONS FOR THE MONTH OF _____**

**Contact Person: _____** **Phone No.: _____**

| | CALLS | | | | | | PUTS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **# of Clients** | **# of Orders** | **# of Contracts Bought** | **# of Contracts Sold** | **Total Value of Contracts Bought** | **Total Value of Contracts Sold** | **# of Clients** | **# of Orders** | **# of Contracts Bought** | **# of Contracts Sold** | **Total Value of Contracts Bought** | **Total Value of Contracts Sold** |
| Alabama ☐ | | | | | | | | | | | | |
| Alaska ☐ | | | | | | | | | | | | |
| Arizona ☐ | | | | | | | | | | | | |
| Arkansas ☐ | | | | | | | | | | | | |
| California ☐ | | | | | | | | | | | | |
| Colorado ☐ | | | | | | | | | | | | |
| Connecticut ☐ | | | | | | | | | | | | |
| Delaware ☐ | | | | | | | | | | | | |
| District of Columbia* ☐ | | | | | | | | | | | | |
| Florida ☐ | | | | | | | | | | | | |
| Georgia ☐ | | | | | | | | | | | | |
| Guam* ☐ | | | | | | | | | | | | |
| Hawaii ☐ | | | | | | | | | | | | |
| Idaho ☐ | | | | | | | | | | | | |
| Illinois ☐ | | | | | | | | | | | | |
| Indiana ☐ | | | | | | | | | | | | |
| Iowa* ☐ | | | | | | | | | | | | |
| Kansas ☐ | | | | | | | | | | | | |
| Kentucky ☐ | | | | | | | | | | | | |
| Louisiana ☐ | | | | | | | | | | | | |
| Maine ☐ | | | | | | | | | | | | |

| | | CALLS | | | | | | PUTS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **# of Clients** | **# of Orders** | **# of Contracts Bought** | **# of Contracts Sold** | **Total Value of Contracts Bought** | **Total Value of Contracts Sold** | **# of Clients** | **# of Orders** | **# of Contracts Bought** | **# of Contracts Sold** | **Total Value of Contracts Bought** | **Total Value of Contracts Sold** |
| Maryland * | ☐ | | | | | | | | | | | | |
| Massachusetts | ☐ | | | | | | | | | | | | |
| Michigan | ☐ | | | | | | | | | | | | |
| Minnesota* | ☐ | | | | | | | | | | | | |
| Mississippi | ☐ | | | | | | | | | | | | |
| Missouri* | ☐ | | | | | | | | | | | | |
| Montana | ☐ | | | | | | | | | | | | |
| Nebraska | ☐ | | | | | | | | | | | | |
| Nevada | ☐ | | | | | | | | | | | | |
| New Hampshire* | ☐ | | | | | | | | | | | | |
| New Jersey | ☐ | | | | | | | | | | | | |
| New Mexico* | ☐ | | | | | | | | | | | | |
| New York | ☐ | | | | | | | | | | | | |
| North Carolina* | ☐ | | | | | | | | | | | | |
| North Dakota | ☐ | | | | | | | | | | | | |
| Ohio | ☐ | | | | | | | | | | | | |
| Oklahoma* | ☐ | | | | | | | | | | | | |
| Oregon | ☐ | | | | | | | | | | | | |
| Pennsylvania | ☐ | | | | | | | | | | | | |
| Puerto Rico* | ☐ | | | | | | | | | | | | |
| Rhode Island | ☐ | | | | | | | | | | | | |
| South Carolina* | ☐ | | | | | | | | | | | | |
| South Dakota | ☐ | | | | | | | | | | | | |

| | | CALLS | | | | | | PUTS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | # of Clients | # of Orders | # of Contracts Bought | # of Contracts Sold | Total Value of Contracts Bought | Total Value of Contracts Sold | # of Clients | # of Orders | # of Contracts Bought | # of Contracts Sold | Total Value of Contracts Bought | Total Value of Contracts Sold |
| Tennessee* | ☐ | | | | | | | | | | | | |
| Texas* | ☐ | | | | | | | | | | | | |
| U.S. Virgin Islands* | ☐ | | | | | | | | | | | | |
| Utah | ☐ | | | | | | | | | | | | |
| Vermont | ☐ | | | | | | | | | | | | |
| Virginia | ☐ | | | | | | | | | | | | |
| Washington | ☐ | | | | | | | | | | | | |
| West Virginia | ☐ | | | | | | | | | | | | |
| Wisconsin | ☐ | | | | | | | | | | | | |
| Wyoming | ☐ | | | | | | | | | | | | |

**NOTES:**

1. This report must be completed by every Clearing Member who has orders originating from an above-noted U.S. jurisdiction.
2. This report must be submitted to cdcc-ops@tmx.com **ON OR BEFORE THE TENTH BUSINESS DAY OF EACH MONTH**.
3. The trades must be broken down as indicated, as CDCC has to report by individual jurisdiction.
4. Members must maintain detailed working papers to allow CDCC to reconcile this report.
5. No report is required if your firm did not process any orders for CDCC Options for a resident of a U.S. state, the District of Columbia, Puerto Rico, Guam or the U.S. Virgin Islands during the month.
6. Purchasers in Michigan must have a gross income of US$70,000 and a net worth of US$70,000, exclusive of home, home furnishings, and automobiles, or a net worth of US$250,000, exclusive of home, home furnishings, and automobiles. No more than 10% of any one Michigan investor's liquid net worth shall be invested in CDCC Options.

**AT THE PRESENT TIME, CDCC OPTIONS MAY ONLY BE OFFERED AND SOLD TO RESIDENTS OF THE ABOVE NOTED U.S. JURISDICTIONS.**

**OFFERS AND SALES OF CDCC OPTIONS MAY ONLY BE MADE BY BROKER-DEALERS AND THEIR SALESPERSONS WHO ARE APPROPRITATELY REGISTERED IN THE RELEVANT U.S. JURISDICTIONS OR ARE EXEMPT FROM SUCH REGISTRATION.**

**IN THOSE JURISDICTIONS MARKED WITH AN ASTERISK (*), I.E. DISTRICT OF COLUMBIA, GUAM, IOWA, MARYLAND, MINNESOTA, MISSOURI, NEW HAMPSHIRE, NEW MEXICO, NORTH CAROLINA, OKLAHOMA, PUERTO RICO, SOUTH CAROLINA, TEXAS AND THE U.S. VIRGIN ISLANDS, SALES TO THE PUBLIC ARE PROHIBITED, BUT CDCC OPTIONS MAY BE OFFERED AND SOLD TO CERTAIN CATEGORIES OF INSTITUTIONAL INVESTORS, INCLUDING QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED).**

Members of CDCC marketing products cleared by CDCC to residents of a U.S. state or the District of Columbia, Guam, Puerto Rico or the U.S. Virgin Islands should carefully review their registration status under applicable U.S. federal and state securities laws and regulations to ensure that the firm and relevant personnel are qualified to sell CDCC Options, in the United States and any specific state or the District of Columbia, Guam, Puerto Rico or the U.S. Virgin Islands. CDCC members should consult with their legal advisers concerning the requirements imposed upon them by the Securities and Exchange Commission ("SEC") and state securities authorities.

CDCC members should also be aware that by virtue of CDCC's SEC registration, Rule 9b-1 under the Securities Exchange Act of 1934 provides, with respect to transactions in CDCC Options by broker-dealers registered under the Exchange Act that:

> No broker or dealer shall accept an order from a customer to purchase or sell an option contract relating to an option class that is the subject of an options disclosure document, or approve the customer's account for the trading of such option, unless the broker or dealer furnishes or has furnished to the customer the options disclosure document.

Copies of CDCC's current U.S. options disclosure document, entitled "The Characteristics and Risks of Listed Canadian Options" are available on CDCC's website at www.cdcc.ca.

Currency Options and Over-The-Counter Derivative Instruments are not currently available for sale regardless of a member firm's U.S. registration status. Other CDCC options are only available for sale in the jurisdictions in which such options have been registered or in transactions that are exempt from registration.