

**NOTICE TO MEMBERS**

No. 007-24

**January 19, 2024**

**SELF-CERTIFICATION**

**AMENDMENTS TO THE RULES OF THE CANADIAN DERIVATIVES CLEARING CORPORATION TO INTRODUCE  
OPTIONS ON THE THREE-MONTH CORRA FUTURES (OCR)**

On October 26, 2023, the Board of Directors of the Canadian Derivatives Clearing Corporation (“**CDCC**”) approved certain amendments to its rules (the “Rules”) to allow for the introduction of the Options on the Three-Month CORRA Futures (OCR).

CDCC wishes to inform the Clearing Members that these amendments have been self-certified pursuant to the self-certification process set forth in the *Derivatives Act* (C.Q.L.R., c I-14.01) and submitted to the Ontario Securities Commission in accordance with the “Rule Change Requiring Approval in Ontario” process.

You will find attached hereto the amendments set to come into force and to be incorporated into the version of the Rules of CDCC that will be made available on the CDCC website at [www.cdcc.ca](http://www.cdcc.ca) on **February 9th, 2024**, after market close.

If you have any questions or concerns regarding this notice, please contact Dima Ghozaiel, Legal Counsel, by email at [dima.ghozaiel@tmx.com](mailto:dima.ghozaiel@tmx.com).

George Kormas  
President

**APPENDIX A: PROPOSED AMENDMENTS TO THE RULES  
BLACKLINE VERSION**

**CANADIAN DERIVATIVES CLEARING CORPORATION RULES  
XX, 202X**

## **PART B - OPTIONS**

[...]

### **RULE B-17 OPTIONS ON THREE-MONTH CORRA FUTURES**

This Rule B-17 is applicable only to American Style Options where the Underlying Interest is Three-Month CORRA Futures traded on The Montreal Exchange. Such Options are referred to in this Rule B-17 as “Three-Month CORRA Futures Options”.

#### **Section B-1701 - Definitions**

Notwithstanding Section A-1702, for the purposes of Three-Month CORRA Futures Options, the following terms are as defined:

“Exercise Price” – the specified price per Unit of Trading at which a position in the Underlying Interest may be assumed upon the exercise of an Option.

“Expiration Date” – the Last Day of Trading.

“Last Day of Trading” – options trading shall terminate on the Friday preceding the third Wednesday of the Delivery Month or, if it is not a business day, on the first preceding business day. However, options with an expiry that does not coincide with the expiry of the underlying futures contract shall cease trading at the date and time referred to in the options contract.

“Option” – a contract which gives the purchasing Clearing Member the right to assume a Long Position (in the case of a call) or assume a Short Position (in the case of a put) in the Underlying Interest at a specified Exercise Price during a specified time period and which obligates the Clearing Member holding a Short Position in the Option, upon assignment, to assume a Short Position (in the case of a call) or assume a Long Position (in the case of a put) in the Underlying Interest.

“Underlying Interest” – One (1) Three-Month CORRA Futures contract of the specified Futures contract month.

“Unit of Trading” – One (1) contract representing the Underlying Interest.

#### **Section B-1702 - Expiration Date Exercise Procedure**

(1) Section B-307 will apply to Three-Month CORRA Futures Options but the times which relate to each activity are changed to read as follows:

B-307 (a) At or before 8:a.m. and until the Close of Business;

B-307 (b)(ii) the Close of Business; and

B-307 (f) between the hours stipulated by the Corporation on each Expiration Date.

- (1) The “closing price” for Three-Month CORRA Futures Options referred to in Section B-307 shall mean the final settlement price of the Underlying Interest at or about the close of trading on the Expiration Date.

### **Section B-1703 - General Rights and Obligations of Clearing Members**

- (1) Subject to the provisions of these Rules, a Clearing Member holding a Long Position in a call Option has the right, beginning at the time such Option is issued pursuant to Rule B-1 and expiring at the Expiration Time of such Option, to assume, on tender of an Exercise Notice, a Long Position in the Underlying Interest at the Exercise Price of the Option, all in accordance with the regulations, rules and policies of The Montreal Exchange and these Rules.
- (2) A Clearing Member holding a Short Position in a call Option is obligated, upon the assignment to him of an Exercise Notice in respect of such Option, to assume a Short Position in the Underlying Interest at the Exercise Price of the Option, all in accordance with the regulations, rules and policies of The Montreal Exchange and these Rules.
- (3) Subject to the provisions of these Rules, a Clearing Member holding a Long Position in a put Option has the right, beginning at the time such Option is issued pursuant to Rule B-1 and expiring at the Expiration Time of such Option, to assume, on tender of an Exercise Notice, a Short Position in the Underlying Interest at the Exercise Price of the Option all in accordance with the regulations, rules and policies of The Montreal Exchange and these Rules.
- (4) A Clearing Member holding a Short Position in a put Option is obliged, upon the assignment to him of an Exercise Notice in respect of such Option, to assume a Long Position in the Underlying Interest at the Exercise Price of the Option all in accordance with the regulations, rules and policies of The Montreal Exchange and these Rules.

Section B-110 does not apply to Three-Month CORRA Futures Options.

### **Section B-1704 - Clearing Fund Deposits**

Clearing Members admitted to clear Three-Month CORRA Futures Options shall maintain deposits in both the Options Clearing Fund and the Futures Clearing Fund of the amounts from time to time required by the Rules.

### **Section B-1705 - Trade Reporting**

- (1) Section B-201 will apply to Three-Month CORRA Futures Options. However, in addition to a Consolidated Activity Report available on the day after trade, each trade will also be detailed on a Futures Daily Transaction Report available after the close of trading on the trade date.
- (2) Notwithstanding Section B-201 (6) each Clearing Member shall have until the Close of Business on the Expiration Date for an expiring Series of Three-Month CORRA Futures Options to notify the Corporation, in the form prescribed, of any error.

### **Section B-1706 - Random Assignment of Exercise Notices**

Section B-305 shall apply to Three-Month CORRA Futures Options but Subsection (3) for Three-Month CORRA Futures Options shall read as follows:

If an Exercise Notice is tendered in accordance with either Paragraph (a) or (b) of Subsection B-301(1) the assignment of such Exercise Notice shall be effective as of the day on which the Exercise Notice was tendered.

### **Section B-1707 - Reporting of Exercises and Assignments**

Section B-306 shall apply to Three-Month CORRA Futures Options except that no Options Unsettled Delivery Report shall be issued as all exercised Three-Month CORRA Futures Options result in a Futures position.

**APPENDIX A: PROPOSED AMENDMENTS TO THE RULES  
CLEAN VERSION**

**CANADIAN DERIVATIVES CLEARING CORPORATION RULES  
XX, 2023X**

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