



NOTICE TO MEMBERS

No. 2020 - 072

June 1st, 2020

SELF-CERTIFICATION

MINOR AMENDMENTS TO THE RULES OF THE CANADIAN DERIVATIVES CLEARING CORPORATION TO MODIFY CERTAIN DEFINITIONS PERTAINING TO THE CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS

On February 3, 2020, the Board of Directors of the Canadian Derivatives Clearing Corporation ("CDCC") approved minor amendments to Rule C-12 of CDCC to modify the definitions of *Canadian Bankers' Acceptance Index* and *Underlying Interest* in relation to the Canadian Banker's Acceptance futures. 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 Not 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 on **June 16, 2020**.

If you have any questions or concerns regarding this notice, please contact Alexandre Normandeau at 514-787-6623 or at alexandre.normandeau@tmx.com.

Jay Rajarathinam
President

PART C - FUTURES

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

The Sections of this Rule C-12 are applicable only to Futures where the Underlying Interest is a Canadian Bankers' Acceptance.

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” – means 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 Underlying Interest (expressed as an annualized yield, on the Underlying Interest (based on a 365 day year). The Canadian Bankers' Acceptance Index is determined based on the Canadian Bankers' Acceptance Reference Rate, expressed as an annualized yield based on a 365 day year.~~

– BAR – The Canadian Bankers' Acceptance Index for BAR is 100 minus the Canadian Bankers' Acceptance Reference Rate with a one-month maturity.

– BAX – The Canadian Bankers' Acceptance Index for BAX is 100 minus the Canadian Bankers' Acceptance Reference Rate with a three-month maturity.

“Canadian Bankers' Acceptance Reference Rate” – means the daily “Canadian Dollar Offered Rate (“CDOR”) as determined by the appointed CDOR benchmark administrator, currently Thomson Reuters, fixing on the last trading day of the contract month. The value of such CDOR shall be rounded to the nearest 1/1,000th of a percentage point. Any value ending in 0.0005, shall be rounded up.

“Exchange” – means the Bourse de Montréal Inc.

“Final Settlement Price” – means the Settlement Price 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.

“Future” – means an underlying 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 the standardized terms and in accordance with the Rules, by-laws and policies of an Exchange.

“**Multiplier**” – means the multiplier of the Futures contract, as specified by the Exchange.

“**Underlying Interest**” means

– BAR – ~~the Canadian Bankers’ Acceptance Reference Rate reference rate for 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 – ~~the Canadian Bankers’ Acceptance Reference Rate reference rate for 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.~~

PART D - FUTURES

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

The Sections of this Rule C-12 are applicable only to Futures where the Underlying Interest is a Canadian Bankers' Acceptance.

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” – means a bill of exchange that has been accepted by a Canadian chartered bank.

“Canadian Bankers' Acceptance Index” – The Canadian Bankers' Acceptance Index is determined based on the Canadian Bankers' Acceptance Reference Rate, expressed as an annualized yield based on a 365 day year.

– BAR – The Canadian Bankers' Acceptance Index for BAR is 100 minus the Canadian Bankers' Acceptance Reference Rate with a one-month maturity.

– BAX – The Canadian Bankers' Acceptance Index for BAX is 100 minus the Canadian Bankers' Acceptance Reference Rate with a three-month maturity.

“Canadian Bankers' Acceptance Reference Rate” – means the daily “Canadian Dollar Offered Rate (“CDOR”) as determined by the appointed CDOR benchmark administrator, currently Thomson Reuters, fixing on the last trading day of the contract month. The value of such CDOR shall be rounded to the nearest 1/1,000th of a percentage point. Any value ending in 0.0005, shall be rounded up.

“Exchange” – means the Bourse de Montréal Inc.

“Final Settlement Price” – means the Settlement Price 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.

“Future” – means an underlying 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 the standardized terms and in accordance with the Rules, by-laws and policies of an Exchange.

“Multiplier” – means the multiplier of the Futures contract, as specified by the Exchange.



“Underlying Interest” means

- BAR – the Canadian Bankers’ Acceptance Reference Rate with a one-month maturity.
- BAX – the Canadian Bankers’ Acceptance Reference Rate with a three-month maturity.