

NOTICE TO MEMBERS

No. 2025 - 124

September 11, 2025

SELF-CERTIFICATION

AMENDMENTS TO THE RULES AND RISK MANUAL OF THE CANADIAN DERIVATIVES CLEARING CORPORATION TO INTRODUCE ADJUSTED INTEREST RATE S&P/TSX 60 TOTAL RETURN INDEX FUTURES

On May 1, 2025, the Board of Directors of the Canadian Derivatives Clearing Corporation (“**CDCC**”) approved certain amendments to the rules and risk manual of CDCC in order to align with those of the Bourse de Montréal Inc. (the “**Bourse**”) and allow for the Adjusted Interest Rate S&P/TSX 60 Total Return Index Futures contracts to flow through clearing, similar to other futures contracts listed by the Bourse, and cleared by CDCC.

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 Protocol Regarding the Review and Approval of CDCC Rules by the Commission.

You will find attached hereto the amendments set to come into force and to be incorporated into the version of the rules and risk manual of CDCC that will be made available on the CDCC website at www.cdcc.ca on **September 30, 2025**, after market close.

If you have any questions or concerns regarding this notice, please contact Mc Christian Casimir, Legal Counsel, by email at [mccchristian.casimir@tmx.com](mailto:mcchristian.casimir@tmx.com).

George Kormas
President

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

**CANADIAN DERIVATIVES CLEARING CORPORATION RULES
XX, 2025**

PART C - FUTURES

[...]

RULE C-25 - ADJUSTED INTEREST RATE TOTAL RETURN INDEX FUTURES CONTRACTS

The Sections of this Rule C-25 are applicable only to Adjusted Interest Rate Total Return Index Futures settling on a future date where the Underlying Interest is an Eligible Total Return Index.

Section C-2501 - Definitions

Notwithstanding Section A-102 for the purposes of Adjusted Interest Rate Total Return Index Futures, the following terms are as defined:

“Accrued Financing” - means the cumulative sum of the daily financing amount from the contract’s listing date, as determined by the Exchange.

“Eligible Total Return Index” – means a stock index that is the S&P/TSX 60 Total Return Index.

“Exchange” – means Bourse de Montréal Inc.

“Final Settlement Price” – means the settlement price determined by the Exchange as being the official opening level of the Eligible Total Return Index minus the Accrued Financing on the day following the last day of trading, multiplied by the appropriate Multiplier.

“Adjusted Interest Rate Total Return Index Futures” – means an undertaking to make settlement in cash on a future date of the difference between the Final Settlement Price and the Trade Price, multiplied by the appropriate Multiplier, pursuant to the standardized terms and conditions set forth in these Rules and in accordance with the by-laws, rules and policies of the Exchange.

“Multiplier” – means the multiplier of an Adjusted Interest Rate Total Return Index Futures on an Eligible Total Return Index, as specified by the Exchange.

“Underlying Interest” – means the Eligible Total Return Index underlying of the Adjusted Interest Rate Total Return Index Futures.

“Underlying Security” – means any of the securities included in an Eligible Total Return Index underlying a class of Adjusted Interest Rate Total Return Index Futures on an Eligible Total Return Index.

Section C-2502 - Final Settlement in Cash Through the Corporation

Unless otherwise specified by the Corporation, settlement of positions held in Series of Adjusted Interest Rate Total Return Index Futures following the close of trading on the last day of trading 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 Business Day before the last trading day,

multiplied by the appropriate 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 appropriate Multiplier.

Section C-2503 - Tender Notices

Rule C-5 shall not apply to Adjusted Interest Rate Total Return Index Futures on Eligible Total Return Indices as they are Cash-settled.

Section C-2504 - Adjustments

No adjustments will ordinarily be made in the terms of Eligible Total Return Index Adjusted Interest Rate Total Return Index Futures in the event that underlying securities are added to or deleted from an Eligible Total Return Index or when the relative representation of one or more underlying securities underlying an Eligible Total Return Index is changed. However, the Corporation may, at the request of the Exchange, adjust the terms of the affected Adjusted Interest Rate Total Return Index Futures.

Section C-2505 - Unavailability or Inaccuracy of Current Value

- (1) If the Corporation determines that the Final Settlement Price for an Eligible Total Return Index underlying any series of Eligible Total Return Index Adjusted Interest Rate Total Return Index 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 these 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 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 all settlements.

Section C-2506 - Payment and Receipt of Payment of the Trade Price

The settlement value of the maturing contract shall be included with other settlement amounts on the daily Detailed Futures Consolidated Activity Report and the Futures Sub-Accounts Consolidated Activity Report.

PROPOSED AMENDMENTS TO THE RULES:

CLEAN VERSION

CANADIAN DERIVATIVES CLEARING CORPORATION RULES

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“Final Settlement Price” – means the settlement price determined by the Exchange as being the official opening level of the Eligible Total Return Index minus the Accrued Financing on the day following the last day of trading, multiplied by the appropriate Multiplier.

“Adjusted Interest Rate Total Return Index Futures” – means an undertaking to make settlement in cash on a future date of the difference between the Final Settlement Price and the Trade Price, multiplied by the appropriate Multiplier, pursuant to the standardized terms and conditions set forth in these Rules and in accordance with the by-laws, rules and policies of the Exchange.

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PROPOSED AMENDMENTS TO THE RISK MANUAL:
BLACKLINE VERSION

RISK MANUAL
XX, 2025

SECTION 7 APPENDIX

(...)

7.1.2 Intra-Commodity

Long positions on Futures maturing in one month are automatically matched with short positions on Futures maturing in another month. The resulting Base Initial Margin on these two Futures belonging to the same Combined Commodity, could be lower than the real risk associated with the combination of the two contracts. In order to cover this inter-month spread risk, a charge is included in the Base Initial Margin.

For the Futures, the Intra-Commodity which is an additional dollar amount charge applied to each combination of a minimum of two different Futures, is determined by applying the MI methodology on the Futures combination's daily profit and loss over the reference period. The methodology for the MI is detailed in Section 6.5.

With respect to the CORRA Futures (COA & CRA), the S&P/TSX 60 Index Standard Futures (SXF), ~~and the S&P/TSX 60 Dividend Index Futures~~, and the Adjusted Interest Rate Total Return Index Futures, CDCC calculates the Intra-Commodity for combinations of spreads and/or butterfly strategies and applies a same charge for a same group of combinations with close maturities. If multiple Intra-Commodity are defined, the Corporation will prioritize the ones providing the lowest Base Initial Margin.

The combinations and the spread priorities for the Intra-Commodity are updated by CDCC from time to time.

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The combinations and the spread priorities for the Intra-Commodity are updated by CDCC from time to time.