NOTICE TO MEMBERS

No. **2026-137**

September 24, 2026

SELF-CERTIFICATION

AMENDMENTS TO THE RULES OF THE CANADIAN DERIVATIVES CLEARING CORPORATION REGARDING THE OFFERING OF CLEARING SERVICES TO CERTAIN U.S. CLEARING MEMBERS FOR CERTAIN EXCHANGE-TRADED DERIVATIVES

On July 28, 2025, the Board of Directors of the Canadian Derivatives Clearing Corporation ("**CDCC**") approved certain amendments to the rules of CDCC in order to allow direct access to its clearing services to eligible US clearing members to clear eligible exchange-traded derivatives products traded on Bourse de Montréal Inc.

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 of CDCC that will be made available on the CDCC website at www.cdcc.ca on **October 1st, 2026**, after market close.

The amendments described in the present notice were published for public comment by CDCC on October 29, 2025 (see Notice 144-25). Further to the publication of this notice, CDCC received comments. A summary of the comments received as well as responses from CDCC to these comments is attached hereto.

If you have any questions regarding this notice, please contact Maxime Rousseau-Turenne, Legal Counsel, by email at maxime.rousseauturenne@tmx.com.

Karen McMeekin
President

APPENDIX A

AMENDMENTS TO THE RULES OF CDCC

BLACKLINE VERSION

CANADIAN DERIVATIVES CLEARING CORPORATION

RULES

~~**FEBRUARY 28, 2025**~~ **[…]**

Part A - GENERAL
RULE A-1 - DEFINITIONS

[...]

Section A-102 - Definitions

[...]

"U.S. Futures Commission Merchant" – means a futures commission merchant registered as such under the U.S. Commodity Exchange Act and regulated by the U.S. Commodity Futures Trading Commission.

[...]

RULE A-1A - MEMBERSHIP IN THE CORPORATION

Section A-1A01 - Eligibility for Membership

(a) In order to apply for membership and subject to Subsection A-1A01(b), an applicant must be:

(i) a member or approved participant in good standing with an exchange recognized in a Canadian province or a dealer member in good standing with the Investment Industry Regulatory Organization of Canada; or

(ii) a bank or an authorized foreign bank to which the *Bank Act* (Canada), as amended from time to time, applies; or

(iii) a Financial Institution that is either:

(A) a financial services cooperative regulated pursuant to an *Act respecting financial services cooperatives* (Québec), or

(B) a credit union central or a central cooperative credit society, which is incorporated and regulated under the laws of Canada or under the legislature of a province,

one of whose principal purposes is to provide liquidity support to local credit unions or financial services cooperatives; or

(iv) a U.S. Futures Commission Merchant.

[...]

(i) An applicant that is a U.S. Futures Commission Merchant shall meet any additional requirement that may be reasonably required to assess the impact of the potential application.

[...]

RULE A-3 - FINANCIAL RESILIENCE REQUIREMENTS

Section A-301 - Minimum Capital Requirements

(1) This Section A-301 is not applicable to Limited Clearing Members.

(2) Unless a specific temporary exception is made by the Corporation in the case of a particular Clearing Member due to unusual circumstances, a Clearing Member shall not at any time permit its minimum capital to be less than:

(a) the minimum capital adequacy requirement adopted from time to time by the Investment Industry Regulatory Organization of Canada, for an SRO Clearing Member;

(b) the minimum capital adequacy requirement adopted from time to time by the Office of the Superintendent of Financial Institutions, for a Bank Clearing Member; ~~or~~

(c) the minimum capital adequacy requirement adopted from time to time by the Regulatory Body having jurisdiction over the Clearing Member, and that is judged by the Corporation to be comparable to such capital adequacy requirement applicable to a Bank Clearing Member, for a Financial Institution Clearing Member; or

(d) the minimum capital adequacy requirement equal to the minimum capital adequacy requirement adopted from time to time by the U.S. Commodity Futures Trading Commission, for a U.S. Futures Commission Merchant.

[...]

Section A-303 - Early Warning

[...]

(6) A U.S. Futures Commission Merchant shall advise the Corporation immediately if such U.S. Futures Commission Merchant fails to meet the minimum capital adequacy requirements that may be set from time to time by the U.S. Commodity Futures Trading Commission.

(~~6~~7) A Limited Clearing Member shall advise the Corporation immediately if such Limited Clearing Member fails to maintain its Designated Eligibility Rating or Designated Maintenance Rating; or its Replacement Eligibility Metric or Replacement Maintenance Metric, as applicable.

[...]

Section A-305 - Filing Procedures

[...]

(4) Each U.S. Futures Commission Merchant shall deliver to the Corporation one copy of such report as required and in the form prescribed by the CFTC demonstrating the U.S. Futures Commission Merchant's compliance with the capital adequacy requirement applicable to it and one copy of its annual financial statements, in the form prescribed by the CFTC and promptly after such documents are provided to the CFTC, as the case may be.

~~(4)~~(5) Each Limited Clearing Member shall deliver to the Corporation one copy of the annual audited financial statements prescribed by the governmental agency or the pension regulator having jurisdiction promptly after such documents are provided to such agency or regulator. In the case of a Limited Clearing Member which is a pension plan board, it shall additionally deliver to the Corporation one copy of the annual information return prescribed by its pension regulator promptly after such return is provided to its pension regulator.

AMENDMENTS TO THE RULES OF CDCC

CLEAN VERSION

CANADIAN DERIVATIVES CLEARING CORPORATION

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(c) the minimum capital adequacy requirement adopted from time to time by the Regulatory Body having jurisdiction over the Clearing Member, and that is judged by the Corporation to be comparable to such capital adequacy requirement applicable to a Bank Clearing Member, for a Financial Institution Clearing Member; or

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Notice 144-25: AMENDMENTS TO THE RULES OF THE CANADIAN DERIVATIVES CLEARING CORPORATION REGARDING THE OFFERING OF CLEARING SERVICES TO CERTAIN U.S. CLEARING MEMBERS FOR CERTAIN EXCHANGE-TRADED DERIVATIVES

Comments received from Clearing Members and responses from CDCC

No.	Clearing Member Comments	CDCC Responses
Comments received on November 28, 2025		
1.	The recent implementation of the Gross Client Margin (GCM) regime and enhanced client protection standards has strengthened the safety and portability of client positions and collateral. The proposed rule change could alter the composition and concentration of collateral pools, with potential implications for risk management and default procedures. CDCC should clarify how it will monitor and manage collateral posted by U.S. FCMs, ensure consistency in collateral standards, and maintain robust porting and default management procedures for cross-border scenarios.	**US FCMs Collateral Management at CDCC:** There is no change to the current CDCC operational model in regards to cash and non-cash collateral management. The processes that apply to the current Clearing Members will also apply to US FCMs when they join CDCC, including as applicable, participation at CDS, settlement accounts held at acceptable financial institutions, and CDCC's Default Management Process. **Gross Client Margin (GCM) Regime:** The CDCC GCM model, established to comply with global standards as set by the PFMIs, will be fully applied to US FCMs, ensuring consistency in standards across members and compliance with regulatory requirements.
2.	CDCC should assess any new legal or operational risks to market participants arising from these changes. In particular, CDCC should clarify what role a U.S. FCM would have in existing CDCC Default exercises, and what their liability to the system would be in a default scenario.	As for all new initiatives, CDCC conducted a thorough assessment of new legal and operational risks arising from this proposal and to confirm the enforceability of its current default processes to US FCMs, including mandatory participation in default simulation exercises and the submission of Default Management Representatives lists.
3.	Fee Structure and Economic Impact The sustainability of the Canadian clearing ecosystem depends on a fair and transparent fee structure that supports all	CDCC is not modifying its operational or risk model through this initiative, and as such, there are no changes to our current fee structure. We will maintain our existing monitoring processes to assess the necessity of any future adjustments. Should any fee changes be

	participants. Changes in clearing volumes and participant composition may have broader economic impacts. CDCC should review and disclose the impact on fee structures for all clearers, and consider measures to ensure the ongoing viability and competitiveness of Canadian clearing services.	required in the future, they will be determined and disclosed in accordance with our standard notice procedures.
4.	The proposed amendments represent a significant evolution in the Canadian derivatives clearing landscape. While increased participation can enhance competition and liquidity, it is essential to ensure that changes do not inadvertently compromise the integrity, resilience, or stability of the Canadian market. We encourage CDCC to consider additional eligibility criteria or phased admission for U.S. FCMs, such as minimum Canadian market activity thresholds, CIRO and CSA registration, minimum Canadian personnel presence, minimum capital funding requirements, and contribution to industry associations to support a balanced and robust market structure.	This initiative is designed to align with the Bourse de Montréal's existing registration framework with the CFTC, with the core eligibility criterion being a firm's registration with the CFTC as a Futures Commission Merchant (FCM). This status remains specific to U.S. jurisdiction; accordingly, any firm seeking to engage in activities within Canada remains subject to all applicable Canadian securities and derivatives regulations, including relevant registration requirements.Furthermore, all capital requirements are designed to be robust and must be deemed adequate to ensure CDCC's financial soundness, comprehensive risk management, and overall compliance with regulatory obligations, as well as to ensure consistency in standards across our entire membership.
	CDCC should prepare a forecast of the number and types of U.S. FCMs that are expected to become clearing members, and any reductions in existing Canadian clearing members, as a result of the proposed amendments.	In the context of this initiative, CDCC does not target specific volume thresholds or growth percentages, as clearing activity is driven by the trading volume executed on the Bourse de Montréal by these entities. The primary objective is to provide US FCMs with direct access to clear products they are already eligible to trade under the Bourse's current FBOT registration with the CFTC.
5.	If the amendments are passed, CDCC should actively monitor systemic and concentration risks arising from changes in membership composition and maintain strong risk management standards for all members. Equal minimum	CDCC maintains rigorous monitoring processes and robust risk management standards to ensure continued market resilience and financial soundness. These internal oversight mechanisms are designed to satisfy all Canadian regulatory requirements and to safeguard the

	capital requirements and risk waterfalls should align with Canadian requirements and not rely upon foreign jurisdictions.	integrity of the clearing system regardless of changes in membership composition. Furthermore, all capital resilience and default fund requirements—including the risk waterfall, mandatory reporting, and capital add-on margin—are established and monitored by CDCC to ensure they are adequate to cover the risks associated with a member's activity. These standards are applied consistently across our membership to ensure that every participant, regardless of their home jurisdiction, meets necessary thresholds of financial strength.
6.	We recommend that CDCC require U.S. FCMs and their clients to maintain a Canadian domiciled representation or agent, and to clarify the legal and operational procedures for moving collateral from the U.S. to CDCC.	Access granted to U.S. participants is strictly limited to their U.S. regulatory status (CFTC-registered FCMs) and the Foreign Board of Trade framework. Any such U.S. firm remains fully subject to Canadian securities and derivatives regulations, including dealer registration requirements, as applicable, which ensures regulatory consistency and a level playing field. The operational model for collateral pledged to CDCC by US FCMs will be the same as the current CDCC operational model, ensuring all pledged collateral (both cash and non-cash) is held through CDS and CDCC-acceptable financial institutions. As for all new initiatives, CDCC conducted a thorough assessment of new legal and operational risks arising from this proposal and to confirm the enforceability of its current default processes to US FCMs, including mandatory participation in default simulation exercises and the submission of Default Management Representatives lists.
7.	We recommend that CDCC clarify and require U.S. FCMs to maintain a Canadian approved book of record for all trades cleared at CDCC.	**Adherence to Existing Standards:** US FCMs must adhere to all of CDCC's established operational, risk management, capital, and financial reporting requirements. This ensures CDCC can perform its key

		activities (such as daily margining, settlements and default management) vis-a-vis US FCMs. **Canadian Approved Book of Record:** The clearing member position is handled and kept as any other clearing member, ensuring the same visibility and reporting for any trades cleared at CDCC.
8.	CDCC should assess and disclose any Canadian tax implications arising from direct clearing by U.S. FCMs, including potential withholding tax, GST/HST, and income tax issues.	As for all new initiatives, CDCC conducts a thorough assessment of new legal and operational risks arising from this proposal, including tax implications. Additionally, as with all participants, U.S. FCMs that wish to join CDCC's membership are responsible for assessing their own tax positions and ensuring compliance with all applicable Canadian tax laws.
9.	We urge CDCC to clarify the extent to which U.S. regulatory authorities may assert jurisdiction over Canadian market participants, infrastructure, or collateral, and to ensure that Canadian regulatory sovereignty is preserved.	CDCC conducted a thorough assessment of new legal and operational risks arising from this proposal and to confirm the enforceability of its rules and the Canadian regulatory framework to US FCMs. Additionally, leveraging the Bourse de Montréal's existing registration with the CFTC, this initiative operates within an established regulatory structure that respects jurisdictional boundaries. Furthermore, the application process and formal representations required of all members, including U.S. FCMs, ensure they are subject to the same recognition of jurisdiction requirements as all other CDCC members.
10.	Robust due diligence and ongoing monitoring of U.S. FCMs' credit quality are essential for the safety and soundness of the clearing system. CDCC should establish and disclose clear standards for assessing and monitoring the credit quality of U.S. FCMs, including ongoing capital adequacy, risk management, and	Every new Clearing Member that joins CDCC (including U.S. FCMs) is submitted to a robust due diligence and onboarding process and adheres to CDCC's comprehensive membership framework that ensures the new Clearing Members having sound financial conditions and meeting CDCC membership requirements. As for all its members, CDCC will impose on U.S. FCMs robust monitoring requirements, including delivery of financial reports and

	default procedures.	annual statements, prepared in acceptable form and monitoring of the creditworthiness of the Clearing Members regularly to allow CDCC to continuously monitor their financial health.
Comments received on December 3, 2025		
1.	We recommend that the CDCC require US FCMs to, at a minimum, comply with CIRO's Monthly Financial Reporting standards, and weekly Risk Adjusted Capital monitoring rather than annual CFTC filings.	All capital resilience requirements incorporated into our rules—including those for US FCMs—must be deemed adequate to ensure CDCC's financial soundness, risk management, and overall compliance with its Canadian regulatory obligations. In addition to the CFTC's reporting schedule (Monthly unaudited and Annually audited statements, similar to the CIRO regime), US FCMs are required to promptly notify CDCC if they fail to meet CFTC capital requirements. Furthermore, CDCC maintains the right to request additional reporting and monitoring data as needed to uphold its risk management framework.
2.	With respect to collateral recovery and member protection, we think it is important that CDCC clarify priority claims and asset recovery timelines under US bankruptcy law for Canadian clearing members. The proposed amendments only note that "margin collateral eligibility and default management procedures will be maintained."	CDCC conducted a thorough assessment of new legal and operational risks arising from this proposal and to confirm the enforceability of its rules and the Canadian regulatory framework to US FCMs, including to confirm Canadian law would be applied to determine the enforceability against a US FCM of CDCC's security interest in margin posted by the US FCM, and would apply CDCC's rules to determine the perfection and priority of CDCC's security interest in such margin.
3.	We recommend that a comparative analysis of the CFTC adequacy requirements against CIRO and/or OSFI requirements that domestic clearing members are subject to.	CDCC performed a comparative analysis to compare the regulatory requirements of the CFTC with applicable Canadian requirements. . CDCC considers that the CFTC imposes strict reporting and capital requirements which are comparable to Canadian standards. US FCMs shall also meet any additional requirements that may be reasonably required to assess the impact of the potential application.

		All capital resilience requirements incorporated into our rules—including those for US FCMs—must be continuously deemed adequate to ensure CDCC's financial soundness, risk management, and overall compliance with its Canadian regulatory obligations.