



NOTICE TO MEMBERS

No. 2021 - 025

February 5, 2021

SELF-CERTIFICATION

MINOR AMENDMENTS TO THE OPERATIONS MANUAL OF THE CANADIAN DERIVATIVES CLEARING CORPORATION

On October 31, 2020, the Board of Directors of the Canadian Derivatives Clearing Corporation (“CDCC”) approved minor amendments to the Operations Manual of 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 Change Not Requiring Approval in Ontario” process.

CDCC is proposing minor amendments to its Operations Manual to modify the operational deadline for the submission of position changes, adding a reference to the Position change submission (PCS) service, and to make certain corrections.

You will find attached hereto the amendments set to come into force and to be incorporated into the version of the Operations Manual of CDCC that will be made available on the CDCC website at www.cdcc.ca on **February 8, 2021**.

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



CANADIAN DERIVATIVES CLEARING CORPORATION
CORPORATION CANADIENNE DE COMPENSATION DE PRODUITS DÉRIVÉS
OPERATIONS MANUAL

~~JUNE 12, 2020~~



TABLE OF CONTENTS

SECTIONS:

PREAMBLE AND DEFINITIONS	SECTION 1
TIME FRAMES	SECTION 2
REPORTS	SECTION 3
TRADE PROCESSING	SECTION 4
OPEN POSITIONS	SECTION 5
EXERCISES, TENDERS, ASSIGNMENTS AND DELIVERIES	SECTION 6
SETTLEMENT	SECTION 7
MARGIN PROCESSING	SECTION 8
CLEARING FEES	SECTION 9
CLEARING MEMBER SECURITY OFFICER	SECTION 10
ESCALATION PROCEDURE	SECTION 11

SCHEDULES:

I- RISK MANUAL	SCHEDULE A
<i>I.1- DEFAULT MANUAL</i>	<i>APPENDIX 1</i>
II - DEPOSITORY AGREEMENT	SCHEDULE B
<i>II.1- PUT ESCROW RECEIPT</i>	<i>EXHIBIT A</i>
<i>II.2- PUT PAYMENT ORDER</i>	<i>EXHIBIT B</i>



PREAMBLE AND DEFINITIONS

[...]

DEFINITIONS

[...]

“**SFTP Downloads**” - Clearing Member’s access to files and reports on an **SFTP** server that is part of the CDCC Clearing Application.

[...]

TIME FRAMES

ON-LINE ACCESS

Each Clearing Member must be connected to the CDCC Clearing Application using its PC terminals to perform a variety of functions. (Clearing Members must supply their own PC terminals and Internet connection, at their own cost).

All instructions (corrections, Open Position changes, Position Transfers, Deposits, withdrawals, and submission of Exercise Notices and Tender Notices) must be entered on-line.

The CDCC Clearing Application allows Clearing Members to view their current information throughout the day electronically (except during scheduled maintenance or unforeseen outages). In addition, Clearing Members can download their reports after 7:00 p.m. every day using the **SFTP** Download function.

Should a Clearing Member not have electronic access (due to technical issues) to the CDCC Clearing Application during Office Hours, CDCC can perform instructions on behalf of the Clearing Member. This requires a phone call from the Clearing Member to CDCC, along with the appropriate form faxed or scanned and e-mailed to CDCC. Such form must be authorized with the approved Clearing Member’s stamp.

With respect to operational activity related to Options with an Expiration Date on Expiry Friday, CDCC staff members are on-site from 7:00 a.m. to fifteen (15) minutes after delivery of the Options Exercised and Assigned Report (MT02).

SETTLEMENT TIME FOR EVERY BUSINESS DAY

Activity	Time Frames	Activity Type
Start of Settlement Day at CDS and Clearing Day at CDCC	5:30 a.m.	System Activity
Clearing Member’s (excluding LCMs) Activity/Notification	7:15 a.m. Early Morning Intra-Day Margin Calculation & Notification	System
Deadline to settle Early Morning Intra-Day Margin Call for Clearing Members (excluding LCMs)	1 hour after notification	Obligation Deadline



Assets Concentration Limits breach notification	7:30 a.m.	Notification
Deadline for Clearing Members (excluding LCMs) for Settlement Time with respect to payments for overnight settlement	7:45 a.m.	Obligation Deadline
Fixed Income Transactions - Netting Cycle Timeframe in respect of any Pending Settlement Requirements - 15 minutes cycle	8:30 a.m.	System Activity
Deadline for Clearing Members (excluding LCMs) to receive EOD Amount due from CDCC	8:45 a.m.	Obligation Deadline
Deadline for LCMs for Settlement Time with respect to payments for overnight settlement	9:00 a.m.	Obligation Deadline
Fixed Income Transactions - Morning Netting Cycle Timeframe in respect of any Pending Payment Against Delivery Requirements (Morning Net Payment Against Delivery Requirements sent to CDS for settlement during the Morning Net DVP Settlement Timeframe) - 15 minutes cycle	10:00 a.m.	System Activity
Morning Net DVP Settlement Calculation	10:15 a.m.	System Activity
Deadline for Morning Net DVP Settlement	10:30 a.m.	Obligation Deadline
Clearing Member's (excluding LCMs) Morning Intra-Day Margin Calculation & Notification Activity/Notification	10:30 a.m.	System
Deadline to settle Morning Intra-Day Margin Call for Clearing Members (excluding LCMs)	1 hour after notification	Obligation Deadline
Assets Concentration Limit breach correction deadline	11:45 a.m.	Obligation Deadline
Fixed Income Transactions - Netting Cycle Timeframe in respect of any Pending Settlement Requirements - 15 minutes cycle	12:15 p.m.	System Activity
Activity	Time Frames	Activity Type
Clearing Member's Afternoon Intra-Day Margin Calculation & Notification Activity/Notification	12:45 p.m.	System
Deadline to settle Afternoon Intra-Day Margin Call for Clearing Members (excluding LCMs)	1 hour after notification	Obligation Deadline
Specific Deposits (same day withdrawal)	12:45 p.m.	Operational Deadline
Deadline to settle Intra-Day Margin Call and Additional Margins for LCMs	The later of 2:45 p.m. or 2 hours after notification	Obligation Deadline
Fixed Income Transactions - Netting Cycle Timeframe in respect of any Pending Settlement Requirements -		



15 minutes cycle	2:00 p.m.	System Activity
Cash Deposits - \$10,000,000 and under (same day deposit)	2:45 p.m.	Operational Deadline
Cash Deposits - over \$10,000,000 (2 Business Days notice)	2:45 p.m.	Operational Deadline
Cash withdrawal requests - \$10,000,000 and under (same day withdrawal)	2:45 p.m.	Operational Deadline
Cash withdrawal requests - over \$10,000,000 (2 Business Days notice)	2:45 p.m.	Operational Deadline
Fixed Income Transactions - (Same Day Transactions) - Submission Cut-Off Time	3:30 p.m.	Operational Deadline
Clearing Members (excluding LCMs) - All assets deposits other than cash (Margin deposits)	3:30 p.m.	Operational Deadline
Clearing Members - All assets withdrawal requests other than cash (Margin deposits) for same day withdrawal	3:30 p.m.	Operational Deadline
Clearing Members - All assets substitution requests other than cash (Margin deposits) for same day substitution	3:30 p.m.	Operational Deadline
Fixed Income Transactions - Afternoon Netting Cycle Timeframe in respect of any Pending Settlement Requirements (Afternoon Net DVP Settlement Requirements sent to CDS for settlement by End of Day DVP Settlement Time) - 5 minutes cycle	3:35 p.m.	System Activity
CDS Payment Exchange, Net Wire Payment	4:00 p.m.	System Activity
End of Day DVP Settlement Time	4:00 p.m.	Obligation Deadline



Activity	Time Frames	Activity Type
Unsettled Item (Options Underlying deliveries only): Confirmation of settled items to be sent to CDCC	4:15 p.m.	Operational Deadline
Deadline for CDCC to respond to substitution or withdrawal request (other than (Fixed Income) Variation Margin)	4:30 p.m.	Obligation Deadline
OTCI (other than Fixed Income Transactions) - Trade Submission Deadline	4:30 p.m.	Operational Deadline
Projected Margin Report Computation	4:30 p.m.	System Activity
Request for Standard vs Mini Offset	5:00 p.m.	Operational Deadline
Position Transfers	5:25 p.m.	Operational Deadline
Same Day and T+1 Trade corrections	5:30 p.m.	Operational Deadline
Open Position changes	5:30 p.m.	Operational Deadline
Futures - Tender Notices submission	5:30 p.m.	Operational Deadline
Options - Exercise Notices submission	5:30 p.m.	Operational Deadline
Fixed Income Transactions and Futures contracts on Acceptable Securities - Netting Cut Off Time (Netted settlement instructions (Net Delivery Requirements and Net Payment Against Delivery Requirements) sent to CDS for settlement on the next business day)	5:30 p.m.	System Activity
CDCC Clearing Application shutdown - Close of Business	5:30 p.m.	System Activity
FIFO: Daily reporting by Clearing Members of the Long Positions in each of their accounts in chronological order	5:30 p.m.	Operational Deadline
FIFO: Submission of Tender Notices	5:30 p.m.	Operational Deadline
Open Position changes / Position Change Submission (PCS)	6:00 p.m.	Operational Deadline
CDCC Clearing Application shutdown - Close of Business	6:00 p.m.	System Activity
LCM Only - All assets deposits other than cash (in respect of all Margin requirements)	6:30 p.m.	Operational Deadline
Fixed Income Transactions - available (next Business Day start)	7:00 p.m.	System Activity
[...]		



SETTLEMENT TIME FOR MONTHLY EXPIRY

Activity	Time Frames	Activity Type
Reports available (SFTP Download): <ul style="list-style-type: none"> ➤ Expiry Report (MX01) ➤ Expiry Options Daily Transaction Report (MT01) ➤ List of Options/Cash Adjustments (MT03) 	7:15 p.m.	Publication
CDCC Clearing Application available for: <ul style="list-style-type: none"> ➤ Trade corrections ➤ Open Position changes ➤ Position Transfers ➤ Changes to Automatic Exercises ➤ Exercise Notices input ➤ Cancel / correct Friday's exercises 	7:15 to 9:15 p.m.	Operational Deadline
CDCC Clearing Application shutdown: <ul style="list-style-type: none"> ➤ CDCC processes expiry entries 	9:15 p.m.	Operational Deadline
Reports available (SFTP Download): <ul style="list-style-type: none"> ➤ List of Expiry Adjustments Report (MX02) ➤ Expiry Difference Report (MX03) 	9:30 p.m.	Publication
CDCC Clearing Application available again for: <ul style="list-style-type: none"> ➤ Review of expiry entries ➤ Corrections to expiry entries 	9:30 to 9:45 p.m.	Operational Deadline
CDCC Clearing Application shutdown <ul style="list-style-type: none"> ➤ Close of Business 	9:45 p.m.	Operational Deadline
Reports available (SFTP Download): <ul style="list-style-type: none"> ➤ Options Exercised and Assigned Report (MT02) ➤ Other reports and files also available 	10:30 p.m.	Publication

SETTLEMENT TIME FOR WEEKLY EXPIRY

Activity	Time Frames	Activity Type
CDCC Clearing Application available for: <ul style="list-style-type: none"> ➤ Trade corrections ➤ Open Position changes ➤ Position Transfers ➤ Changes to Automatic Exercises 	7:00 to 8:00 p.m.	Operational Deadline
CDCC Clearing Application shutdown: <ul style="list-style-type: none"> ➤ Close of Business 	8:00 p.m.	Operational Deadline
Reports available (SFTP Download): <ul style="list-style-type: none"> ➤ Options Exercised and Assigned Report (MT02) ➤ Other reports and files also available 	9:45 p.m.	Operational Deadline

[...]



Section: 4 - 1

TRADE PROCESSING

INTRODUCTION

All Exchange Transactions are processed electronically. In all cases both the selling and buying trade data is sent to the relevant Exchange's electronic trading system, which then transmits the matched trades to CDCC. The CDCC Clearing Application verifies the trade information and, if incorrect, rejects it for correction and resubmission. If the trade information is valid, the Clearing Member's Open Positions are immediately updated. The Exchange Transaction is reported on the Options Daily Transaction Report (MT01) or on the Final Futures Daily Transaction Report (MT51), as the case may be.

OTCI Transactions (other than Fixed Income Transactions) are also submitted electronically. Clearing Members submit their individual trade details onto the trade capture screens of Converge, which will match, validate and confirm the transactional details to the submitting Clearing Members. OTCI Options are reported on the Options Daily Transaction Report (MT01). No corrections will be permitted for OTCI Transactions after CDCC issues a Trade Confirmation.

Fixed Income Transactions will be transmitted through the CDS trade matching facility routing matched trades to CDCC.

Fixed Income Transactions are reported on the Fixed Income CSD Information Report (MT71).

The reports referred to herein are available for [SFTP Downloads](#) on the morning of the Business Day after Transactions are submitted for clearing to CDCC. In accordance with the Rules, Clearing Members must verify that such reports are correct.

[...]

Section: 5 - 1

OPEN POSITIONS

INTRODUCTION

Having accepted a Transaction, the next step in the CDCC Clearing Application is the determination of the Open Position. Each Clearing Member can view all the information related to their accounts on the Open Position File which records the open Long Position and Short Position for each Series of Options and Series of Futures, OTCI and Fixed Income Transactions for each account type, updating the information as each Transaction is accepted.

Each Clearing Member is responsible for reconciling the information recorded on the Open Position File and all relevant reports issued by CDCC against their internal records. Careful attention must be paid to account designation and whether the Transaction is coded as "opening" or "closing" in the relevant file or report. Reports are available for [SFTP Download](#) as per Section 2 of this Operations Manual.

Open Interest is updated automatically as each Transaction, Exercise Notice and Tender Notice is processed.



CANADIAN DERIVATIVES CLEARING CORPORATION
CORPORATION CANADIENNE DE COMPENSATION DE PRODUITS DÉRIVÉS
OPERATIONS MANUAL



TABLE OF CONTENTS

SECTIONS:

PREAMBLE AND DEFINITIONS	SECTION 1
TIME FRAMES	SECTION 2
REPORTS	SECTION 3
TRADE PROCESSING	SECTION 4
OPEN POSITIONS	SECTION 5
EXERCISES, TENDERS, ASSIGNMENTS AND DELIVERIES	SECTION 6
SETTLEMENT	SECTION 7
MARGIN PROCESSING	SECTION 8
CLEARING FEES	SECTION 9
CLEARING MEMBER SECURITY OFFICER	SECTION 10
ESCALATION PROCEDURE	SECTION 11

SCHEDULES:

I- RISK MANUAL	SCHEDULE A
<i>I.1- DEFAULT MANUAL</i>	<i>APPENDIX 1</i>
II - DEPOSITORY AGREEMENT	SCHEDULE B
<i>II.1- PUT ESCROW RECEIPT</i>	<i>EXHIBIT A</i>
<i>II.2- PUT PAYMENT ORDER</i>	<i>EXHIBIT B</i>



PREAMBLE AND DEFINITIONS

[...]

DEFINITIONS

[...]

“SFTP Downloads” - Clearing Member’s access to files and reports on an SFTP server that is part of the CDCC Clearing Application.

[...]

TIME FRAMES

ON-LINE ACCESS

Each Clearing Member must be connected to the CDCC Clearing Application using its PC terminals to perform a variety of functions. (Clearing Members must supply their own PC terminals and Internet connection, at their own cost).

All instructions (corrections, Open Position changes, Position Transfers, Deposits, withdrawals, and submission of Exercise Notices and Tender Notices) must be entered on-line.

The CDCC Clearing Application allows Clearing Members to view their current information throughout the day electronically (except during scheduled maintenance or unforeseen outages). In addition, Clearing Members can download their reports after 7:00 p.m. every day using the SFTP Download function.

Should a Clearing Member not have electronic access (due to technical issues) to the CDCC Clearing Application during Office Hours, CDCC can perform instructions on behalf of the Clearing Member. This requires a phone call from the Clearing Member to CDCC, along with the appropriate form faxed or scanned and e-mailed to CDCC. Such form must be authorized with the approved Clearing Member’s stamp.

With respect to operational activity related to Options with an Expiration Date on Expiry Friday, CDCC staff members are on-site from 7:00 a.m. to fifteen (15) minutes after delivery of the Options Exercised and Assigned Report (MT02).

SETTLEMENT TIME FOR EVERY BUSINESS DAY

Activity	Time Frames	Activity Type
Start of Settlement Day at CDS and Clearing Day at CDCC	5:30 a.m.	System Activity
Clearing Member’s (excluding LCMs) Early Morning Intra-Day Margin Calculation & Notification	7:15 a.m.	System Activity/ Notification
Deadline to settle Early Morning Intra-Day Margin Call for Clearing Members (excluding LCMs)	1 hour after notification	Obligation Deadline



Assets Concentration Limits breach notification	7:30 a.m.	Notification
Deadline for Clearing Members (excluding LCMs) for Settlement Time with respect to payments for overnight settlement	7:45 a.m.	Obligation Deadline
Fixed Income Transactions - Netting Cycle Timeframe in respect of any Pending Settlement Requirements - 15 minutes cycle	8:30 a.m.	System Activity
Deadline for Clearing Members (excluding LCMs) to receive EOD Amount due from CDCC	8:45 a.m.	Obligation Deadline
Deadline for LCMs for Settlement Time with respect to payments for overnight settlement	9:00 a.m.	Obligation Deadline
Fixed Income Transactions - Morning Netting Cycle Timeframe in respect of any Pending Payment Against Delivery Requirements (Morning Net Payment Against Delivery Requirements sent to CDS for settlement during the Morning Net DVP Settlement Timeframe) - 15 minutes cycle	10:00 a.m.	System Activity
Morning Net DVP Settlement Calculation	10:15 a.m.	System Activity
Deadline for Morning Net DVP Settlement	10:30 a.m.	Obligation Deadline
Clearing Member's (excluding LCMs) Morning Intra-Day Margin Calculation & Notification Activity/Notification	10:30 a.m.	System
Deadline to settle Morning Intra-Day Margin Call for Clearing Members (excluding LCMs)	1 hour after notification	Obligation Deadline
Assets Concentration Limit breach correction deadline	11:45 a.m.	Obligation Deadline
Fixed Income Transactions - Netting Cycle Timeframe in respect of any Pending Settlement Requirements - 15 minutes cycle	12:15 p.m.	System Activity
Activity	Time Frames	Activity Type
Clearing Member's Afternoon Intra-Day Margin Calculation & Notification Activity/Notification	12:45 p.m.	System
Deadline to settle Afternoon Intra-Day Margin Call for Clearing Members (excluding LCMs)	1 hour after notification	Obligation Deadline
Specific Deposits (same day withdrawal)	12:45 p.m.	Operational Deadline
Deadline to settle Intra-Day Margin Call and Additional Margins for LCMs	The later of 2:45 p.m. or 2 hours after notification	Obligation Deadline
Fixed Income Transactions - Netting Cycle Timeframe in respect of any Pending Settlement Requirements -		



15 minutes cycle	2:00 p.m.	System Activity
Cash Deposits - \$10,000,000 and under (same day deposit)	2:45 p.m.	Operational Deadline
Cash Deposits - over \$10,000,000 (2 Business Days notice)	2:45 p.m.	Operational Deadline
Cash withdrawal requests - \$10,000,000 and under (same day withdrawal)	2:45 p.m.	Operational Deadline
Cash withdrawal requests - over \$10,000,000 (2 Business Days notice)	2:45 p.m.	Operational Deadline
Fixed Income Transactions - (Same Day Transactions) - Submission Cut-Off Time	3:30 p.m.	Operational Deadline
Clearing Members (excluding LCMs) - All assets deposits other than cash (Margin deposits)	3:30 p.m.	Operational Deadline
Clearing Members - All assets withdrawal requests other than cash (Margin deposits) for same day withdrawal	3:30 p.m.	Operational Deadline
Clearing Members - All assets substitution requests other than cash (Margin deposits) for same day substitution	3:30 p.m.	Operational Deadline
Fixed Income Transactions - Afternoon Netting Cycle Timeframe in respect of any Pending Settlement Requirements (Afternoon Net DVP Settlement Requirements sent to CDS for settlement by End of Day DVP Settlement Time) - 5 minutes cycle	3:35 p.m.	System Activity
CDS Payment Exchange, Net Wire Payment	4:00 p.m.	System Activity
End of Day DVP Settlement Time	4:00 p.m.	Obligation Deadline



Activity	Time Frames	Activity Type
Unsettled Item (Options Underlying deliveries only): Confirmation of settled items to be sent to CDCC	4:15 p.m.	Operational Deadline
Deadline for CDCC to respond to substitution or withdrawal request (other than (Fixed Income) Variation Margin)	4:30 p.m.	Obligation Deadline
OTCI (other than Fixed Income Transactions) - Trade Submission Deadline	4:30 p.m.	Operational Deadline
Projected Margin Report Computation	4:30 p.m.	System Activity
Request for Standard vs Mini Offset	5:00 p.m.	Operational Deadline
Position Transfers	5:25 p.m.	Operational Deadline
Same Day and T+1 Trade corrections	5:30 p.m.	Operational Deadline
Futures - Tender Notices submission	5:30 p.m.	Operational Deadline
Options - Exercise Notices submission	5:30 p.m.	Operational Deadline
Fixed Income Transactions and Futures contracts on Acceptable Securities - Netting Cut Off Time (Netted settlement instructions (Net Delivery Requirements and Net Payment Against Delivery Requirements) sent to CDS for settlement on the next business day)	5:30 p.m.	System Activity
FIFO: Daily reporting by Clearing Members of the Long Positions in each of their accounts in chronological order	5:30 p.m.	Operational Deadline
FIFO: Submission of Tender Notices	5:30 p.m.	Operational Deadline
Open Position changes / Position Change Submission (PCS)	6:00 p.m.	Operational Deadline
CDCC Clearing Application shutdown - Close of Business	6:00 p.m.	System Activity
LCM Only - All assets deposits other than cash (in respect of all Margin requirements)	6:30 p.m.	Operational Deadline
Fixed Income Transactions - available (next Business Day start)	7:00 p.m.	System Activity

[...]



TIME FRAMES

SETTLEMENT TIME FOR MONTHLY EXPIRY

Activity	Time Frames	Activity Type
Reports available (SFTP Download): <ul style="list-style-type: none"> ➤ Expiry Report (MX01) ➤ Expiry Options Daily Transaction Report (MT01) ➤ List of Options/Cash Adjustments (MT03) 	7:15 p.m.	Publication
CDCC Clearing Application available for: <ul style="list-style-type: none"> ➤ Trade corrections ➤ Open Position changes ➤ Position Transfers ➤ Changes to Automatic Exercises ➤ Exercise Notices input ➤ Cancel / correct Friday's exercises 	7:15 to 9:15 p.m.	Operational Deadline
CDCC Clearing Application shutdown: <ul style="list-style-type: none"> ➤ CDCC processes expiry entries 	9:15 p.m.	Operational Deadline
Reports available (SFTP Download): <ul style="list-style-type: none"> ➤ List of Expiry Adjustments Report (MX02) ➤ Expiry Difference Report (MX03) 	9:30 p.m.	Publication
CDCC Clearing Application available again for: <ul style="list-style-type: none"> ➤ Review of expiry entries ➤ Corrections to expiry entries 	9:30 to 9:45 p.m.	Operational Deadline
CDCC Clearing Application shutdown <ul style="list-style-type: none"> ➤ Close of Business 	9:45 p.m.	Operational Deadline
Reports available (SFTP Download): <ul style="list-style-type: none"> ➤ Options Exercised and Assigned Report (MT02) ➤ Other reports and files also available 	10:30 p.m.	Publication

SETTLEMENT TIME FOR WEEKLY EXPIRY

Activity	Time Frames	Activity Type
CDCC Clearing Application available for: <ul style="list-style-type: none"> ➤ Trade corrections ➤ Open Position changes ➤ Position Transfers ➤ Changes to Automatic Exercises 	7:00 to 8:00 p.m.	Operational Deadline
CDCC Clearing Application shutdown: <ul style="list-style-type: none"> ➤ Close of Business 	8:00 p.m.	Operational Deadline



Reports available (SFTP Download):

9:45 p.m.

Operational Deadline

- Options Exercised and Assigned Report (MT02)
- Other reports and files also available

[...]

Section: 4 - 1

TRADE PROCESSING

INTRODUCTION

All Exchange Transactions are processed electronically. In all cases both the selling and buying trade data is sent to the relevant Exchange's electronic trading system, which then transmits the matched trades to CDCC. The CDCC Clearing Application verifies the trade information and, if incorrect, rejects it for correction and resubmission. If the trade information is valid, the Clearing Member's Open Positions are immediately updated. The Exchange Transaction is reported on the Options Daily Transaction Report (MT01) or on the Final Futures Daily Transaction Report (MT51), as the case may be.

OTCI Transactions (other than Fixed Income Transactions) are also submitted electronically. Clearing Members submit their individual trade details onto the trade capture screens of Converge, which will match, validate and confirm the transactional details to the submitting Clearing Members. OTCI Options are reported on the Options Daily Transaction Report (MT01). No corrections will be permitted for OTCI Transactions after CDCC issues a Trade Confirmation.

Fixed Income Transactions will be transmitted through the CDS trade matching facility routing matched trades to CDCC.

Fixed Income Transactions are reported on the Fixed Income CSD Information Report (MT71).

The reports referred to herein are available for SFTP Downloads on the morning of the Business Day after Transactions are submitted for clearing to CDCC. In accordance with the Rules, Clearing Members must verify that such reports are correct.

[...]

Section: 5 - 1

OPEN POSITIONS

INTRODUCTION

Having accepted a Transaction, the next step in the CDCC Clearing Application is the determination of the Open Position. Each Clearing Member can view all the information related to their accounts on the Open Position File which records the open Long Position and Short Position for each Series of Options and Series of Futures, OTCI and Fixed Income Transactions for each account type, updating the information as each Transaction is accepted.

Each Clearing Member is responsible for reconciling the information recorded on the Open Position File and all relevant reports issued by CDCC against their internal records. Careful attention must be paid to account designation and whether the Transaction is coded as "opening" or "closing" in the relevant file or report. Reports are available for SFTP Download as per Section 2 of this Operations Manual.



Open Interest is updated automatically as each Transaction, Exercise Notice and Tender Notice is processed.