



## NOTICE TO MEMBERS

No. 2014 – 098

May 9, 2014

### **Zero-Premium Options**

Starting on Monday, May 12, 2014, CDCC will cease to enforce the non-zero price condition for Converge option transactions. Previously CDCC would prevent the Clearing Member from entering a Converge option transaction with a price of zero.

This implies that no premium amount will be exchanged for the Converge option transaction. It will allow Clearing Members of CDCC to do “backloading” transactions which means to centrally clear Over-The-Counter (OTC) option positions that already exist and that meet the Converge criteria without triggering a premium payment.

Please note that due to risk management considerations around this specific process, CDCC asks that Clearing Members communicate their intention to clear option transactions with a premium of zero to the CDCC’s Corporate Operations department **at least one day before** entering the transaction to be cleared in Converge.

Glenn Goucher  
President and Chief Clearing Officer

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**Canadian Derivatives Clearing Corporation**

The Exchange Tower  
130 King Street West, 5<sup>th</sup> Floor  
Toronto, Ontario  
M5X 1J2  
Tel. : 416-367-2470

800 Victoria Square  
3<sup>rd</sup> Floor  
Montréal, Québec  
H4Z 1A9  
Tel. : 514-871-3545

[www.cdcc.ca](http://www.cdcc.ca)