



## NOTICE TO MEMBERS

No. 2014 - 150

July 16, 2014

### Trading by U.S. Residents

Canadian Derivatives Clearing Corporation (CDCC) maintains registrations with various U.S. state securities regulatory authorities to permit the sale of certain standardized options traded on the Bourse de Montreal (CDCC Options) to residents of the United States and the District of Columbia (State Residents). This is a reminder that, as a condition of some of these state securities registrations, CDCC is required to periodically report to the appropriate state securities regulatory authority all CDCC Options transactions during the reporting period entered into by the State Residents of the relevant state.

It is essential, therefore, that every CDCC Clearing Member report to us, on a monthly basis, all CDCC trades by State Residents. **Please use the attached form which reflects the current reporting requirements for the relevant state securities regulatory authorities.** A report is required only if your firm processed transactions for State Residents during the reporting period.

Please note this report must be submitted to [cdccops@cdcc.ca](mailto:cdccops@cdcc.ca) **ON OR BEFORE THE TENTH BUSINESS DAY OF EACH MONTH.**

Glenn Goucher  
President and Chief Clearing Officer

Attachment

---

#### Canadian Derivatives Clearing Corporation

|   |                       |
|---|-----------------------|
| The Exchange Tower                          | 800 Victoria Square   |
| 130 King Street West, 5 <sup>th</sup> Floor | 3 <sup>rd</sup> Floor |
| Toronto, Ontario                            | Montréal, Québec      |
| M5X 1J2                                     | H4Z 1A9               |
| Tel. : 416-367-2470                         | Tel. : 514-871-3545   |
| Fax :: 416-367-2473                         | Fax: : 514-871-3530   |

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





**CALLS**

**PUTS**

|               |                          | <u># of</u>    | <u># of</u>   | <u># of</u>      | <u># of</u>      | <u>Total Value</u>  | <u>Total Value</u>  |  |  | <u># of</u>      | <u># of</u>      | <u>Total Value</u>  | <u>Total Value</u>  |
|---------------|--------------------------|----------------|---------------|------------------|------------------|---------------------|---------------------|--|--|------------------|------------------|---------------------|---------------------|
|               | <input type="checkbox"/> | <u>Clients</u> | <u>Orders</u> | <u>Contracts</u> | <u>Contracts</u> | <u>of Contracts</u> | <u>of Contracts</u> |  |  | <u>Contracts</u> | <u>Contracts</u> | <u>of Contracts</u> | <u>of Contracts</u> |
|               |                          |                |               | <u>Bought</u>    | <u>Sold</u>      | <u>Bought</u>       | <u>Sold</u>         |  |  | <u>Bought</u>    | <u>Sold</u>      | <u>Bought</u>       | <u>Sold</u>         |
| Washington    | <input type="checkbox"/> |                |               |                  |                  |                     |                     |  |  |                  |                  |                     |                     |
| West Virginia | <input type="checkbox"/> |                |               |                  |                  |                     |                     |  |  |                  |                  |                     |                     |
| Wisconsin     | <input type="checkbox"/> |                |               |                  |                  |                     |                     |  |  |                  |                  |                     |                     |
| Wyoming       | <input type="checkbox"/> |                |               |                  |                  |                     |                     |  |  |                  |                  |                     |                     |

**NOTES:**

1. This report must be completed by every Clearing Member who has orders originating from a U.S. state or the District of Columbia.
2. This report must be submitted to [cdccops@cdcc.ca](mailto:cdccops@cdcc.ca) **ON OR BEFORE THE TENTH BUSINESS DAY FOLLOWING EACH MONTH END.**
3. The trades must be broken down as indicated, as CDCC has to report by individual state.
4. Members must maintain detailed working papers to allow CDCC to reconcile this report.
5. No report is required if your firm did not process any orders for CDCC Options for a resident of a U.S. state or the District of Columbia during the month.

**AT THE PRESENT TIME, AND SUBJECT TO CERTAIN CONDITIONS, CDCC OPTIONS MAY ONLY BE OFFERED AND SOLD TO U.S. RESIDENTS OF THE ABOVE NOTED JURISDICTIONS.**

**IN THOSE STATES MARKED WITH AN ASTERISK (\*), I.E. DISTRICT OF COLUMBIA, IOWA, MINNESOTA, MISSOURI, NEW HAMPSHIRE, NEW MEXICO, NORTH CAROLINA, OKLAHOMA, SOUTH CAROLINA, AND TEXAS, SALES TO THE PUBLIC ARE PROHIBITED, BUT CDCC OPTIONS MAY BE OFFERED AND SOLD TO CERTAIN CATEGORIES OF INSTITUTIONAL INVESTORS.**

---

Members of CDCC marketing products cleared by CDCC to residents of a U.S. state or the District of Columbia should carefully review their registration status under applicable U.S. federal and state securities laws and regulations to ensure that the firm and relevant personnel are qualified to sell CDCC Options, in the United States and any specific state or the District of Columbia. CDCC members should consult with their legal advisers concerning the requirements imposed upon them by the Securities and Exchange Commission (“SEC”) and state securities authorities.

CDCC members should also be aware that by virtue of CDCC's SEC registration, Rule 9b-1 under the Securities Exchange Act of 1934 provides, with respect to transactions in CDCC Options by broker-dealers registered under the Exchange Act that:

No broker or dealer shall accept an order from a customer to purchase or sell an option contract relating to an option class that is the subject of an options disclosure document, or approve the customer's account for the trading of such option, unless the broker or dealer furnishes or has furnished to the customer the options disclosure document.

Copies of CDCC's current U.S. options disclosure document, entitled "The Characteristics and Risks of Listed Canadian Options" are available on CDCC's website at [www.cdcc.ca](http://www.cdcc.ca).

At the present time, options on S&P/TSX 60 Index Participation Fund Units, and Sponsored Options as well as Currency Options and Over-The-Counter Derivative Instruments are not available for sale regardless of a member firm's U.S. registration status. Other CDCC options are only available for sale in the states in which such options have been registered or in transactions that are exempt from registration.