



NOTICE TO MEMBERS

No. 2020 - 150

November 10, 2020

SELF-CERTIFICATION

AMENDMENTS TO THE RULES OF THE CANADIAN DERIVATIVES CLEARING CORPORATION TO MODIFY THE NOMINAL VALUE OF THE TWO-YEAR GOVERNMENT OF CANADA BOND FUTURES (CGZ)

On July 31, 2020, the Board of Directors of Canadian Derivatives Clearing Corporation (“CDCC”) approved certain amendments to Rule C-16 of CDCC in order to modify the nominal value of the Two-Year Government of Canada bond futures (“CGZ”) from C\$200,000 to C\$100,000 of Government of Canada bonds with a 6% notional coupon.

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 Requiring Approval in Ontario” process.

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 **November 16, 2020**.

The amendments described in the present notice were published for public comment by CDCC on August 12, 2020 (see Notice [2020-106](#)). No comment was received by CDCC. CDCC also made an additional change to Section C-1602 which was required to give full effect to the proposed changes.

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

ANNEX 1 - PROPOSED AMENDMENTS

Article 3.105 Notification of Regulatory Division of Non-Compliance

[...]

(b) An Approved Participant must diligently conduct a review in accordance with its internal supervision policies and procedures upon becoming aware that, such Approved Participant, an employee, an Approved Person, or a client authorized pursuant to Article 3.5 possibly violated the Rules pertaining to:

- (i) Article 7.6 respecting front running;
- (ii) Article 7.5 respecting manipulative or deceptive methods of trading;
- (iii) Article 7.3 respecting best execution;
- (iv) Articles 3.4 and 3.5 respecting access to electronic trading;
- (v) Articles 6.114 and 6.116 respecting management of priorities;
- (vi) Articles 6.203, 6.204, 6.205, 6.206 and 6.207 respecting Transactions required on Bourse facilities;
- (vii) Article 6.200 respecting Off-Exchange Transfers of Existing Positions on a Listed Product;
- (viii) Article 6.208 respecting Exchange of Futures for Related Products.

Article 6.208 Exchange of Futures for Related Products

[...]

(f) ~~In all circumstances, an EFRP Transaction can only be arranged by the Approved Participant's Approved Persons.~~ The Approved Participant must achieve compliance with the Regulations of the Bourse and all other applicable legal and regulatory requirements with respect to the execution of an EFRP Transaction under this Article.

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