



NOTICE TO MEMBERS

No. 2004 - 069

November 17, 2004

2-YEAR GOVERNMENT OF CANADA BOND FUTURES CONTRACT (CGZ) RULE AMENDMENT OF THE DELIVERY STANDARDS - CDCC ARTICLE C-1602

The amendment to Rule C-16, article C-1602, regarding the delivery standards of the 2-year Government of Canada bond futures contract was approved by the Board of Directors of the Canadian Derivatives Clearing Corporation (CDCC) and the Autorité des marchés financiers.

The following change is effective immediately with the **March 2005 CGZ contract and for subsequent contract months:**

- the admission rules of eligible bonds for the CGZ contract now **permit the inclusion of 10-year Government of Canada bonds** that were originally issued at 10-year Government of Canada auctions, once they meet the other delivery terms of the CGZ contract

The impact of the above measure will result in a larger basket of deliverables for the CGZ contract. Herein enclosed are the revised CGZ contract specifications for the (to be determined) 2005 contract and subsequent contract months.

For further information, please contact your local CDCC office.

Michel Favreau
Senior Vice-President & Chief Clearing Officer

Canadian Derivatives Clearing Corporation	
65 Queen Street West	800 Victoria Square
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Specifications

Two-Year Government of Canada Bond Futures

Trading Unit	C\$100,000 nominal value Government of Canada Bond with 6% notional coupon
Contract Months	March, June, September and December.
Price Quotation	Par is on the basis of 100 points, with one point equal to C\$1,000.
Last Trading Day	Trading ceases at 1:00 p.m. (ET) on the seventh business day preceding the last business day of the delivery month.
Contract Type	Physical delivery of eligible Government of Canada Bonds.
Delivery Notices	Delivery notices should be submitted before 5:30 p.m. or before such time set by the clearing corporation on any business day, between the second business day preceding the first business day of the delivery month, and the second business day preceding the last business day of the delivery month inclusively.
Delivery Date	Delivery shall be made on the second business day following the submission of the delivery notice by the member holding a seller's position or on any other day as determined by the clearing corporation. Delivery shall be completed no later than the last business day of the delivery month.
Minimum Price Fluctuation	0.005 = C\$ 5 per contract.
Reporting Level	250 contracts.
Position Limits	Information on position limits can be obtained from Bourse de Montréal Inc. as they are subject to periodic changes.
Minimum Margin Requirements	Information on Minimum Margin Requirements can be obtained from the Bourse as they are subject to periodic changes.
Delivery Standards	Government of Canada Bonds which: <ul style="list-style-type: none"> i) have a remaining time to maturity of between 1 year 6 months and 2 years 6 months as of the first day of the delivery month, calculated by rounding down to the nearest whole month period; ii) have an outstanding amount of at least C\$3.5 billion nominal value; iii) are originally issued at two-year, five-year or ten-year Government of Canada bond auctions; iv) are issued and delivered on or before the 15th day preceding the first delivery notice day month of the contract.
Daily Price Limit	Three points (C\$3,000) per contract above or below the previous day's settlement price.

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Trading Hours

- Early session: 6:00 a.m. to 8:05 a.m. (ET)
- Regular session: 8:20 a.m. to 3:00 p.m. (ET).
- Curb trading session: The curb trading session begins once settlement prices have been determined and ends at 4:00 p.m. (ET)

Clearing Corporation

Canadian Derivatives Clearing Corporation (CDCC).

Ticker Symbol

CGZ

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