



NOTICE TO MEMBERS

No. 2006 - 098

July 24, 2006

2-YEAR GOVERNMENT OF CANADA BOND FUTURES CONTRACT (CGZ) CHANGES TO THE CONTRACT SIZE, NOTIONAL COUPON AND DELIVERY STANDARDS - AMENDMENT TO ARTICLE C-1602 OF CDCC RULES

An amendment to article C-1602 of Canadian Derivatives Clearing Corporation (CDCC) Rules, regarding the delivery standards for the 2-year Government of Canada Bond Futures contract (CGZ) has been approved by the Board of Directors of CDCC and by the Autorité des marchés financiers.

The following changes to the CGZ Futures contract specifications will become effective immediately upon the listing on Bourse de Montréal Inc. of the December 2006 CGZ Futures contract and will be applicable to all subsequent contract months:

- The contract size will be increased from CA\$100 000 to CA\$200 000;
- The notional coupon will be reduced from 6% to 4%;
- The minimum outstanding Government of Canada bond amount requirement of CA\$3.5 billion nominal value for bonds deliverable for the CGZ Futures contract will be reduced to CA\$2.4 billion nominal value.

It is important to specify that the above-mentioned changes to the specifications of the CGZ Futures contract will not apply to the September 2006 CGZ Futures contract. This contract will retain its current specifications until maturity.

The changes that will be made to the specifications of the CGZ Futures contract should permit market participants to use this contract more efficiently and to make this contract more representative of actual market conditions.

Herein enclosed are the revised CGZ Futures contract specifications for the December 2006 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
Suite 700	3 rd Floor
Toronto, Ontario	Montréal, Québec
M5H 2M5	H4Z 1A9
Tel. : 416-367-2463	Tel. : 514-871-3545
Fax : 416-367-2473	Fax : 514-871-3530

www.cdcc.ca



Specifications

Two-Year Government of Canada Bond Futures Contract (December 2006 and subsequent contract months)

Trading Unit	C\$200,000 nominal value Government of Canada Bond with 4% 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\$2,000.
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\$ 10 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\$2.4 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 per contract above or below the previous day's settlement price.

Canadian Derivatives Clearing Corporation

65 Queen Street West
Suite 700
Toronto, Ontario
M5H 2M5
Tel. : 416-367-2463
Fax : 416-367-2473

800 Victoria Square
3rd Floor
Montréal, Québec
H4Z 1A9
Tel. : 514-871-3545
Fax: : 514-871-3530

www.cdcc.ca



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

2006.07.24

Canadian Derivatives Clearing Corporation

65 Queen Street West
Suite 700
Toronto, Ontario
M5H 2M5
Tel. : 416-367-2463
Fax : 416-367-2473

800 Victoria Square
3rd Floor
Montréal, Québec
H4Z 1A9
Tel. : 514-871-3545
Fax: : 514-871-3530

www.cdcc.ca



Specifications

Two-Year Government of Canada Bond Futures Contract (Contract months before December 2006)

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 (3 000 \$CA) per contract above or below the previous day's settlement price.

Canadian Derivatives Clearing Corporation

65 Queen Street West
Suite 700
Toronto, Ontario
M5H 2M5
Tel. : 416-367-2463
Fax :: 416-367-2473

800 Victoria Square
3rd Floor
Montréal, Québec
H4Z 1A9
Tel. : 514-871-3545
Fax: : 514-871-3530

www.cdcc.ca



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

2006.07.24

Canadian Derivatives Clearing Corporation

65 Queen Street West
Suite 700
Toronto, Ontario
M5H 2M5
Tel. : 416-367-2463
Fax :: 416-367-2473

800 Victoria Square
3rd Floor
Montréal, Québec
H4Z 1A9
Tel. : 514-871-3545
Fax: : 514-871-3530

www.cdcc.ca