

December 9, 2015

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M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des Marchés Financiers
Tour de la Bourse
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Dear M^e Chicoine, M^e Joyal and M^e Beaudoin:

Re: Request for comments - Proposed Amendments as per circular 134-15 issued by Bourse de Montréal Inc.

The Investment Industry Association of Canada (IIAC) appreciates the opportunity to provide comments on the Proposed Amendments as per circular 134-15 issued by Bourse de Montréal Inc. on November 11, 2015.

The IIAC is the national association representing the position of 144 IIROC-regulated Dealer Member firms on securities regulation, public policy and industry issues. We work to foster a vibrant, prosperous investment industry driven by strong and efficient capital markets.

The IIAC would like to thank Bourse de Montréal Inc. for putting forward:

- An update of the Rules and Procedures of Bourse de Montréal Inc.;
- The proposed amendments to Rules 6 and 15 of the Bourse;
- The proposed amendments to the procedures applicable to the execution of strategies involving options;
- The proposed amendments to the procedures applicable to the execution of strategies involving futures and options on futures.

The IIAC and our members welcome the proposed amendments and believe the proposals will more accurately reflect current practices.

However, please note that information in the analysis portion of the circular seems to contradict the requirements of article 6672. The analysis section implies that the allocation method is included in the new account documentation completed by the clients, whereas article 6672 requires a written procedure but no disclosure of allocation method in the new account documentation.

Section II. Analysis, Rule 6 – Trading, - 6672 Allocation of Exercise Notices (page 4 of the circular)

“Section 6672 must be amended because the Bourse does not approve methods for allocating exercise notices. The allocation method is verified upon inspection of approved participants by the Regulatory Division of the Bourse. The purpose of this verification is to ensure that the method used corresponds to the method identified in the new account documentation completed by the clients. The purpose of this verification is also to ensure that the method used is fair and equitable.”

Article 6672 Allocation of Exercise Notices

“Each Approved Participant shall establish a fixed written procedure for the allocation of exercise notices assigned in respect of a short position in such member's clients' accounts. The procedure to be adopted may be on a "first in, first out" basis, on a random selection basis or another allocation method that is fair and equitable to the Approved Participant's clients.”

The IIAC believes the sentence relating to the “new account documentation completed by the clients” should be removed from the analysis section in order to avoid confusion – which would then necessitate the removal of the “also” in the next sentence.

Furthermore, please note that the French version of the circular contains similar wording. The analysis section mentions “*Cette vérification vise à s’assurer que la méthode utilisée correspond à celle qui est identifiée dans les documents d’ouverture de compte qui sont complétés par les clients*”, whereas article 6672 mentions “procédure écrite”.

Yours sincerely,



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