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DELIVERED VIA EMAIL

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Re: Methodology proposed to establish position limits and publication frequency of the position limits – amendments to articles 15508, 15608, 15908 and 15998.7

The Investment Industry Association of Canada (“IIAC”) appreciates the opportunity to provide comments on the methodology proposed to establish position limits and publication frequency of the position limits – amendments to articles 15508, 15608, 15908 and 15998.7 (the “Proposed rule amendments”). Our comments also reflect the views of the IIAC Derivatives Committee comprised of senior professionals with responsibilities for derivatives markets activities and compliance.

IIAC is very supportive of the Bourse de Montréal (the “Bourse”) efforts to better align its position limits calculation methodology with other major derivatives markets. We strongly support the proposal to set a static position limit for the first contract month. A static limit

will help eliminate operational inefficiencies resulting from daily limits that we believe have constrained market activity without any benefit in terms of market efficiency and integrity.

IIAC and its members are also strongly supportive of the proposed amendments to article 15608 (ref: Circular 123-14, September 10, 2014) that would introduce the supply of deliverable bonds as a metric in the position limit calculation methodology. Those proposed amendments would also help to align the rules of the Bourse with other major exchanges and improve market efficiency. More importantly, it reflects the fact that, in a physical delivery futures contract, sufficient supply of the deliverable bonds is the appropriate safeguard against the risk of a corner in the market.

The IIAC would greatly appreciate the opportunity to discuss these issues with you further, or provide additional input as required.

Best regards,



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