



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

www.iiac.ca

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Delivered Via Email: legal@tmx.com; consultation-en-cours@lautorite.qc.ca

M^e Alexandre Normandeau
Legal Counsel
Bourse de Montréal Inc.
1800-1190 av des Canadiens-de-Montréal
P.O. Box 37
Montréal, Québec H3B 0G7

M^e Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640 Laurier boulevard, suite 400
Québec, Québec G1V 5C1

Dear M^e Normandeau and M^e Lebel,

Re: Bourse de Montréal Inc. – Request for Comments - Amendments to the Rules of Bourse de Montreal Inc. to Modify the Nominal Value of the Two-Year Government of Canada Bond Futures (CGZ)

The Investment Industry Association of Canada (the "IIAC") and its members would like to take this opportunity to express their views on the proposed amendments (the "Proposal") to the Rules (the "Rules") of Bourse de Montréal Inc. (the "Bourse") to Modify the Nominal Value of the Two-Year Government of Canada Bond Futures ("CGZ") as per Circular 137-20 (the "Circular") issued on August 12, 2020.

The IIAC is the national association representing the position of 114 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.

We remind the Bourse that this comment letter, in its entirety, can be published on the Bourse's website.

Proposed Amendments

As stated in the Circular:

Bourse de Montréal Inc. (the Bourse) hereby proposes 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 ("GoC") bonds with a 6% notional coupon, in order to better reflect market conditions and stimulate more activity on the contract. The Bourse considers that a well-functioning CGZ market is desirable for the growth of its products and wishes to ensure its contract design is in line with the needs of its market participants. Therefore, the Bourse proposes to implement the proposed amendment before revitalizing its CGZ contract, currently planned in the second half of 2020. The Bourse believes this proposed amendment will better serve the needs of market participants and will offer greater market efficiency.

Position of the Industry

The IIAC and its members do not oppose the Proposal. However, a suitable implementation period is required so that market participants can make the necessary system, supervisory and procedural changes.

Please note that the IIAC and its members, as always, remain available for further consultations.

Yours sincerely,



Annie Sinigagliese
Managing Director
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