

IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2

AND

IN THE MATTER OF
THE MONTREAL EXCHANGE

DECISION
(SECTION 41)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from the Montreal Exchange (the "Exchange") for a decision, pursuant to subsection 41(1) of The Securities Act, 1988, S.S. 1988, c. S-42.2 (the "Act") that the Commission recognize the Exchange as a commodity exchange for the purposes of clause 40(1)(c) of the Act.

AND WHEREAS it has been represented to the Commission by the Exchange that:

- 1) The Exchange was incorporated in 1874 by Quebec statute;
- 2) By Supplementary Letters Patent dated December 30, 1981, the Exchange's objects and powers were broadened to include those of a commodity exchange as well as a stock exchange;
- 3) The Exchange is recognized as a self-regulatory organization, pursuant to section 169 of The Quebec Securities Act;
- 4) As a recognized organization subject to the supervisory powers of the Quebec Securities Commission, the Exchange must submit its bylaws and rules to the Quebec Securities Commission for approval, pursuant to section 177 of The Quebec Securities Act;
- 5) The Exchange is required each year to file audited financial statements with the Quebec Securities Commission, pursuant to sections 184 and 185 of The Quebec Securities Act and to maintain the books and records required by the Quebec Securities Commission;

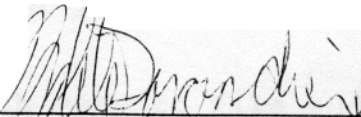
- 6) Clearing services are provided to the Exchange and its members with respect to trading in commodity futures contracts by either Trans-Canada Options Inc. ("TCO") or International Options Clearing Corporation ("IOCC"), both of which are recognized as self-regulatory organizations by the Quebec Securities Commission;
- 7) The Exchange has implemented specific requirements with respect to futures trading to supplement the overall controls exercised on trading and members by the Exchange's Floor Committee, Audit Committee and Departments of Market Surveillance, Market Quality and Compliance;
- 8) The Exchange has implemented specific measures to avoid manipulation and speculation in the trading of futures contracts;
- 9) The Exchange provides for recording and matching of transaction tickets for futures contracts;
- 10) The Exchange publishes a summary of trading, including volume and open interests.

AND WHEREAS the Commission is satisfied that the Exchange meets the conditions necessary under section 41(1) of the Act for recognition as a commodity exchange;

AND WHEREAS the Commission is satisfied that to recognize the Exchange as a commodity exchange would not be prejudicial to the public interest;

IT IS HEREBY DECIDED, pursuant to subsection 41(1) of the Act, that the Exchange is recognized as a commodity exchange for the purposes of clause 40(1)(c) of the Act.

DATED at the City of Regina, in the Province of Saskatchewan, this 6th day of February, 1990.



MARCEL DE LA GORGENDIERE, Q.C.
CHAIRMAN
SASKATCHEWAN SECURITIES COMMISSION