

**M.O., 2017-12****Order number I-14.01-2017-12 of the Minister of Finance dated 22 November 2017**

Derivatives Act  
(chapter I-14.01)

CONCERNING the Regulation 91-102 respecting Prohibition of Binary Options

WHEREAS subparagraph 1 of first paragraph of section 175 of the Derivatives Act (chapter I-14.01) stipulates that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in this subparagraph;

WHEREAS the fourth and fifth paragraphs of section 175 of the said Act stipulate that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the second and sixth paragraphs of the said section stipulate that every regulation made under section 175 must be submitted to the Minister of Finance for approval with or without amendment and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the draft Regulation 91-102 respecting Prohibition of Binary Options was published in the *Bulletin de l'Autorité des marchés financiers*, volume 14, no. 16 of April 27, 2017;

WHEREAS the Authority made, on November 2, 2017, by the decision no. 2017-PDG-0130, Regulation 91-102 respecting Prohibition of Binary Options;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment Regulation 91-102 respecting Prohibition of Binary Options appended hereto.

November 22, 2017

CARLOS LEITÃO,  
*Minister of Finance*

**Regulation 91-102 respecting Prohibition of Binary Options**

Derivatives Act  
(chapter I-14.01, s. 175, 1<sup>st</sup> par., subpar. (1))

**Definition**

**1.** In this Regulation, “binary option” means a contract or instrument that provides for only

(a) a predetermined fixed amount if the underlying interest referenced in the contract or instrument meets one or more predetermined conditions, and

(b) zero or another predetermined fixed amount if the underlying interest referenced in the contract or instrument does not meet one or more predetermined conditions.

Trading binary options with an individual prohibited

**2.** No person may advertise, offer, sell or otherwise trade a binary option with or to an individual.

**Trading binary options with a person other than an individual prohibited**

**3.** No person may advertise, offer, sell or otherwise trade a binary option with or to a person that was created, or is used, solely to trade a binary option.

**Binary options having a term to maturity of 30 days or longer**

**4.** Sections 2 and 3 do not apply in respect of a binary option having a term to maturity of 30 days or longer.

**Exemption – general**

**5.** (1) Except in Québec, the regulator or the securities regulatory authority may grant an exemption from this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant an exemption.

(3) Except in Alberta, Ontario and Saskatchewan, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions (chapter V-1.1, r. 3) opposite the name of the local jurisdiction.

**Effective date**

**6.** (1) This Regulation comes into force on December 12, 2017.

(2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after December 12, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

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