

## **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 fixed amount if the underlying interest referenced in the contract or instrument meets one or more predetermined conditions, and
  - (b) a lesser amount or zero 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 is not an individual and that is created, or is primarily used, to trade a binary option.

### **Binary options of 30 days or longer**

4. Sections 2 and 3 do not apply in respect of a binary option if the time specified in the binary option for determining whether one or more predetermined conditions is met is 30 days or more from the date the binary option is entered into.

### **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. This Regulation comes into force on *(insert here the date of coming into force of this Regulation)*.