

## **RULE 1100**

### **CALCULATING PRICE ON A YIELD BASIS**

1100.1. Except as herein provided, where a transaction results from the submission of a bid or offer on a yield basis without stipulation as to price or method of calculating the unexpired term by the buyer or seller at the time the bid or offer is submitted, the price shall be determined as follows:

(a) **Bonds Having Unexpired Term up to and Including 10 Years**

The unexpired term shall be deemed to be the exact period expressed in years and/or years and months and/or in years, months and days from the regular delivery date to the maturity of a non-callable bond or a callable bond selling at a price lower than the call price, and to the first redemption date of a callable bond selling at the call price or at a premium over the call price. In calculating the price for the term so determined, one day shall be deemed to be 1/30th of one month;

(b) **Bonds Having Unexpired Term Over 10 Years**

The unexpired term shall be deemed to be the period expressed in years and/or years and months from the month in which the regular delivery date occurs to the month and year of the maturity of a non-callable bond or callable bond selling at a price lower than the call price, and to the first month and year that the bond is redeemable in the case of a callable bond selling at the call price or at a premium over the call price;

(c) **Prices**

In all transactions between dealers and customers determined in accordance with the foregoing, the prices shall be extended to three decimal places only. If the fourth figure after the decimal point is 5 or more the third figure after the decimal point shall be increased by one;

(d) **New Issues**

This Rule shall apply to dealing in new issues and the unexpired term shall be deemed to commence on the date to which accrued interest is charged to the customer.

1100.2. Rule 1100.1 shall not apply to transactions in the following securities, all dealings in which shall be subject to negotiation of the dollar price:

(a) **Government of Canada Bonds and Bonds guaranteed by Canada;**

(b) **Short-term securities as noted hereunder:**

(i) **Securities which have an unexpired term of six months or less to maturity;**

(ii) **Securities which have an unexpired term of six months or less to the call date and are selling at the call price or at a premium over the call price;**

(iii) **Securities which have been called for redemption;**

(c) **Securities callable on future dates at varying prices;**

(d) **Securities callable at the option of the obligant where the call date is not stipulated and the securities are selling at a premium over the call price.**

1100.3. Bond quotations furnished to the press by any Dealer Member must be under the name of the Corporation.

