

# Interactive Brokers Canada is the first CIRO dealer to offer forecast contracts by ForecastEx LLC

02 avril 2025

Will the year-over-year change in the U.S. Consumer Price Index exceed 2.4 per cent in March 2025?

Will the United States economy enter a recession by the end of Q2 2025?

Will global carbon dioxide emissions exceed 42,000 million metric tons in 2024?

These are the types of “forecast” or “event” contracts that offer investors a way to express a view or hedge against the outcome of key market-moving events.

With the rising interest in “prediction markets”, Interactive Brokers Canada Inc. (Interactive Brokers Canada) has been granted securities regulatory approval to offer certain forecast contracts to eligible clients in Canada. The forecast contracts are traded on ForecastEx LLC (ForecastEx), a U.S. Commodity Futures Trading Commission registered Designated Contract Market (DCM) and a Derivative Clearing Organization (DCO). BLG is proud to have partnered with Interactive Brokers Canada on this project.

## How forecast contracts work

Forecast contracts allow investors to make predictions about future economic and climate events by purchasing either a Yes or a No contract, essentially answering “yes” or “no” to questions like: “Will the Canada Overnight Rate target be set above 2.75 per cent at the Governing Council meeting ending April 16, 2025?”

There are no counterparties and there are no sellers, only buyers. The yes and no contracts are separate contracts that do not share the same price, and investors will not trade the same contract. There is no need for novation, as the contracts share execution and go through the same clearinghouse separately.

Each contract is priced between US\$0.02 and US\$0.99, based on the market's assessment of the probability that the event will occur. Generally, the more likely an outcome is to occur, the more expensive the contract will be. The less likely it is to occur, the less expensive it will be. These dynamic prices reflect the evolving consensus

of market participants and provide a real-time view of market sentiment. If the investor is correct, the contract settles at US\$1.00. If not, it settles at zero.

In addition to any settlement payment, each investor receives a monthly incentive coupon on the daily closing value of the contract. This means that even if investors are not correct with their prediction, and the contract settles to \$0, they still receive coupon income over the life of the contract.

## **Interactive brokers Canada 's offering in Canada**

Interactive Brokers Canada engaged in discussions with the members of the Canadian Securities Administrators and the Canadian Investment Regulatory Organization in order to offer forecast contracts traded on ForecastEx. The offering is subject to certain terms and conditions, including the term of the contract and limitations on the types of underlying events. For example, Interactive Brokers Canada shall not offer forecast contracts based on the outcome of elections.

## **How BLG's derivatives team can help**

BLG is home to one of the largest and most experienced derivatives practices in North America, advising clients that transact in the derivatives markets in Canada and throughout the world. We also represent clients before Canadian regulators. We can help you with novel derivative-based product structuring and regulatory compliance.

For more information on the derivatives industry, reach out to any of the key contacts listed below.

### **Par**

[Julie Mansi, Carol Derk](#)

### **Services**

[Gestion des investissements, Dérivés](#)

## BLG | Vos avocats au Canada

Borden Ladner Gervais S.E.N.C.R.L., S.R.L. (BLG) est le plus grand cabinet d'avocats canadien véritablement multiservices. À ce titre, il offre des conseils juridiques pratiques à des clients d'ici et d'ailleurs dans plus de domaines et de secteurs que tout autre cabinet canadien. Comptant plus de 725 avocats, agents de propriété intellectuelle et autres professionnels, BLG répond aux besoins juridiques d'entreprises et d'institutions au pays comme à l'étranger pour ce qui touche les fusions et acquisitions, les marchés financiers, les différends et le financement ou encore l'enregistrement de brevets et de marques de commerce.

[blg.com](http://blg.com)

### Bureaux BLG

#### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

#### Montréal

1000, rue De La Gauchetière Ouest  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

#### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

Les présents renseignements sont de nature générale et ne sauraient constituer un avis juridique, ni un énoncé complet de la législation pertinente, ni un avis sur un quelconque sujet. Personne ne devrait agir ou s'abstenir d'agir sur la foi de ceux-ci sans procéder à un examen approfondi du droit après avoir soupesé les faits d'une situation précise. Nous vous recommandons de consulter votre conseiller juridique si vous avez des questions ou des préoccupations particulières. BLG ne garantit aucunement que la teneur de cette publication est exacte, à jour ou complète. Aucune partie de cette publication ne peut être reproduite sans l'autorisation écrite de Borden Ladner Gervais S.E.N.C.R.L., S.R.L. Si BLG vous a envoyé cette publication et que vous ne souhaitez plus la recevoir, vous pouvez demander à faire supprimer vos coordonnées de nos listes d'envoi en communiquant avec nous par courriel à [desabonnement@blg.com](mailto:desabonnement@blg.com) ou en modifiant vos préférences d'abonnement dans [blg.com/fr/about-us/subscribe](http://blg.com/fr/about-us/subscribe). Si vous pensez avoir reçu le présent message par erreur, veuillez nous écrire à [communications@blg.com](mailto:communications@blg.com). Pour consulter la politique de confidentialité de BLG relativement aux publications, rendez-vous sur [blg.com/fr/ProtectionDesRenseignementsPersonnels](http://blg.com/fr/ProtectionDesRenseignementsPersonnels).

© 2025 Borden Ladner Gervais S.E.N.C.R.L., S.R.L. Borden Ladner Gervais est une société à responsabilité limitée de l'Ontario.