

IIROC NOTICE

Rules Notice Guidance Note

Dealer Member Rules

Please distribute internally to:

Credit
Internal Audit
Legal and Compliance
Operations
Regulatory Accounting
Retail
Senior Management
Trading Desk

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FX Margin Surcharge

In reference to Dealer Member Rule 100.2(d)(v)(B) and (C), there is in place a monitoring mechanism whereby the volatility of all foreign currencies in Groups 1, 2 and 3 are monitored by the Corporation on a daily basis. For any foreign currency in which its exchange rate volatility exceeds defined parameters, there is an automatic margin surcharge that shall apply for a minimum of 30 days.

Based on the volatility of the CDN dollar exchange rates, effective October 27, 2009, the following spot risk margin rate(s) apply until further notice:

- **Japanese Yen versus Canadian Dollar from 4.80% to 4.00%**
- **Mexican New Peso versus Canadian Dollar from 5.30% to 3.00%**
- **United Kingdom Pound versus Canadian Dollar from 3.00% to 3.50%**
- **U.S. Dollar versus Canadian Dollar from 3.80% to 3.00%**



Based on the volatility of the U.S. dollar exchange rates, effective October 27, 2009, the following spot risk margin rate(s) apply until further notice:

- **Canadian Dollar versus U.S. Dollar from 3.80% to 3.00%**
- **New Zealand Dollar versus U.S. Dollar from 5.00% to 3.60%**

Attached is the foreign exchange [Margin Violation Summary Report](#) prepared as at October 21, 2009 listing all currencies presently in Groups 1-3. The Corporation monitors the volatility of all Group 1, 2 and 3 foreign currencies and issues a notice when there is any change in status.

For reference purposes, the preceding foreign exchange margin surcharge notice to Members was IIROC Rules Notice 09-0218 dated July 23, 2009.