

# IIROC NOTICE

## **Rules Notice Notice of Approval /Implementation**

Dealer Member Rules

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**10-0322**  
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## **Amendments to Dealer Member Rules Regarding Conversion and Reconversion Offset Strategies**

The IIROC Board of Directors have approved for implementation the attached amendments to Dealer Member Rules 100.9 and 100.10 regarding Conversion and Reconversion offset strategies. The amendments are effective January 4, 2011.

Conversions and Reconversions are currently referenced in the following three sections of Dealer Member Rule 100:

- *Option and security combinations* – 100.9(g)(v), 100.9(g)(vi), 100.10(g)(v) and 100.10(g)(vi)
- *Index option combinations with index baskets and index participation units* – 100.9(h)(ii)(E), 100.9(h)(ii)(F), 100.10(h)(ii)(E) and 100.10(h)(ii)(F)



- *Index option combinations with index futures contracts* – 100.9(h)(v)(E), 100.9(h)(v)(F), 100.10(h)(v)(E) and 100.10(h)(v)(F).

The main objective of the amendments is to clarify the calculation methodology for both Conversions and Reconversions in those three sections. Specifically, the amendments make it explicit which option values are to be used in calculating minimum capital and margin requirements for all of the Conversion and Reconversion offset strategies. The amendments also provide language consistency across the three sections.

[ATTACHMENT - AMENDMENTS TO DEALER MEMBER RULES](#)