

# IIROC NOTICE

## **Rule 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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**08-0126**  
**October 7, 2008**

## **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 10, 2008, the following spot risk margin rate(s) apply until further notice:

- **Japanese Yen versus Canadian Dollar from 3.00% to 4.90%**
- **U.S. Dollar versus Canadian Dollar from 2.20% to 4.00%**

Based on the volatility of the U.S. dollar exchange rates, effective October 10, 2008, the following spot risk margin rate(s) apply until further notice:



- **Australian Dollar versus U.S. Dollar from 4.70% to 6.80%**
- **Canadian Dollar versus U.S. Dollar from 2.20% to 4.00%**
- **EURO versus U.S. Dollar from 3.00% to 4.10%**
- **New Zealand Dollar versus U.S. Dollar from 3.50% to 5.00%**

Attached is the foreign exchange [Margin Violation Summary Report](#) prepared as at October 7, 2008 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 08-0118 dated October 2, 2008.