

IIROC NOTICE

Rules Notice Guidance Note

Dealer Member Rules

Please distribute internally to:

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List of Securities Eligible for Reduced Margin

List of Securities Eligible for Reduced Margin (“LSERM”)

Enclosed as [Attachment #1](#), is a copy of the List of Securities Eligible for Reduced Margin (“LSERM”), which has been prepared using data available for the quarter ended June 30, 2008. This list must be used to identify securities eligible for reduced margin as set out in Dealer Member Rules 100.2(f)(iv) and 100.12(a) of the IIROC Rule Book.

In an effort to improve the timeliness of the LSERM, the Corporation will be reducing the number of activities it previously performed in making the LSERM a more comprehensive list of reduced margin securities. Consequently, a Dealer Member will now need to perform these activities if it wishes to identify other securities that qualify for reduced margin that are not on the LSERM. The two affected activities are:



- the check for options issued by the Options Clearing Corporation against Canada/United States interlisted securities
- the check for securities that are convertible or exchangeable into securities on the LSERM; margin for these securities should be calculated according to Dealer Member Rule 100.21 *Maximum margin required for Convertible Securities*, which simply adds the conversion loss, if any, to the reduced margin rate.

This list supersedes the most recently issued LSERM, effective August 29, 2008 [which is ten business days following the issuance date of this Notice].