

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

Contact:

Mindy Kwok
Information Analyst, Member Regulation Policy
416-943-6979
mkwok@iiroc.ca

Bruce Grossman
Information Analyst, Member Regulation Policy
416-943-5782
bgrossman@iiroc.ca

09-0129
May 1, 2009

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 May 6, 2009, the following spot risk margin rate(s) apply until further notice:

- **Japanese Yen versus Canadian Dollar from 7.70% to 4.80%**
- **Sweden Krona versus Canadian Dollar from 4.30% to 5.00%**
- **Switzerland Franc versus Canadian Dollar from 6.70% to 3.00%**
- **U.S. Dollar versus Canadian Dollar from 3.90% to 3.00%**



Based on the volatility of the U.S. dollar exchange rates, effective May 6, 2009, the following spot risk margin rate(s) apply until further notice:

- **Australia Dollar versus U.S. Dollar from 7.50% to 5.30%**
- **British Pound versus U.S. Dollar from 5.80% to 4.50%**
- **Canadian Dollar versus U.S. Dollar from 3.90% to 3.00%**
- **New Zealand Dollar versus U.S. Dollar from 8.50% to 6.10%**

Attached is the foreign exchange [Margin Violation Summary Report](#) prepared as at May 1, 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 09-0101 dated April 7, 2009.