

# 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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## **List of Floating and Tracking Error Margin Rates for Offsets Involving U.S. Index Products**

This Notice should be used in conjunction with Rules 100.9 and 100.10 (Customer and Member positions in options, futures and other equity-related derivative products), which set out the minimum margin and capital requirements for customer and Member positions, respectively, relating to offsets involving qualifying index products.

Enclosed as [Attachment #1](#), is a copy of the list of floating margin rates and tracking error margin rates for a number of U.S. index products, which has been prepared using data available up to the period ended January 31, 2009.

For other U.S. index products that have not yet been included on the attached list and whose U.S. OCC index options are based on a security or index that qualifies as a U.S. "Broad index stock group" as per FINRA Rule 700 (b)(6), the Corporation has increased the floating margin rate from 15.00% to 30.00%. In addition, the Corporation has increased the minimum tracking error margin rates for these indices and their related index products from 2.50% to 5.00%. These changes have been made because of the increased volatility in the markets.



The floating margin rates and tracking error margin rates for Canadian indices and products are published monthly by the Bourse de Montréal under the title “Futures Contract Margin Requirements, Index Products Floating Margin Rates, Currency Option Margin Rates and Tracking Error Margin Rates” at [http://www.m-x.ca/publi\\_circulaires\\_en.php](http://www.m-x.ca/publi_circulaires_en.php).

This list of floating margin rates and tracking error margin rates for U.S. index products, for the purposes of Rules 100.9 and 100.10, is effective February 17, 2009.