

IIROC NOTICE

Rules Notice Technical

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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Foreign Currency Group Upgrade

Effective February 29, 2012, the Israel New Shekel is upgraded from Group 4 to Group 2. IIROC staff has determined that this currency meets the criteria for an upgrade in Dealer Member Rule 100.2(d)(v)(D). The following spot risk margin rate will apply until further notice:

- **Israel New Shekel – 3.00% (Group 2)**

The Foreign Currency Group list is published to identify the group that each foreign currency is in. For margin and capital purposes, IIROC groups foreign currencies into 4 groups based on quantitative and qualitative criteria, which are detailed in Dealer Member Rule 100.2(d) and summarized in the Notes and Instructions to Schedules 11 and 11A of Form 1 (the Joint Regulatory Financial Questionnaire and Report). Each group is assigned a base spot risk margin rate and a term risk margin rate. IIROC monitors the spot risk of each currency in groups 1, 2, and 3, and increases the spot risk margin rate of a currency when its volatility



exceeds a certain threshold. This increase is communicated through the Foreign Exchange (FX) Margin Surcharge list.

A Dealer Member must use this Foreign Currency Group list, the Foreign Exchange (FX) Margin Surcharge list, and Dealer Member Rule 100.2(d) in margining unhedged foreign exchange customer and Dealer Member (inventory) positions, and any other customer and Dealer Member transactions that result in an exposure to foreign exchange risk.

This list replaces the previous list provided in IIROC Rules Notice 10-0074, issued on March 19, 2010.



FOREIGN CURRENCY GROUP

[Effective February 29, 2012]

Group 1

1. U.S. - Dollar

Group 2

1. Australia - Dollar
2. Euro
3. Israel - New Shekel
4. Japan - Yen
5. Norway - Krone
6. Mexico - New Peso
7. New Zealand - Dollar
8. Switzerland - Franc
9. Sweden - Krona
10. United Kingdom - Pound

Group 3

1. Czech Republic - Koruna
2. Denmark - Krone
3. Hong Kong - Dollar
4. Hungary - Forint
5. Malaysia - Ringgit
6. Poland - Zloty
7. Saudi Arabia - Riyal
8. Singapore - Dollar

Group 4

All other foreign currencies not included in Groups 1 through 3.