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**BULLETIN NO. 2426, DECEMBER 13, 1997**

## **By-laws, Regulations, Policies and Forms**

### **Margin Offsets for Futures**

The Board of Directors of the Investment Dealers Association of Canada has approved the attached enactment of Regulation 100.4K, to be effective December 15, 1997.

Regulation 100.4K allows that, since the Government of Canada bond future contracts that are traded on the Montreal Exchange exhibit similar return distributions to those of the underlying Government of Canada bonds, the margin requirement for the following offset pairings be calculated as:

- (i) for an offset involving a long (short) position in Government of Canada futures (5 or 10 year) and a short (long) position in Government of Canada or U.S. Government bonds maturing within the next 3 to 11 years, margin will be provided on a "net" basis; and
- (ii) for an offset involving a long (short) position in Government of Canada futures (5 or 10 year) and a short (long) position in Provincial or Corporate bonds maturing within the next 3 to 11 years, margin will be provided on a "greater of" basis.

Any questions on the above should be addressed to Keith Rose, Vice President, Regulatory Policy at (416) 943-6907.

Lyn M. Gilchrist  
*Association Secretary*

**PLEASE DISTRIBUTE TO INTERESTED PARTIES IN YOUR FIRM**