

MEMBER REGULATION



INVESTMENT
DEALERS
ASSOCIATION
OF CANADA



ASSOCIATION
CANADIENNE DES
COURTIERS EN
VALEURS MOBILIÈRES

notice

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MR-121

December 13, 2001

ATTENTION:
Ultimate Designated Persons
Chief Financial Officers
Panel Auditors

Distribute internally to:

- Corporate Finance
- Credit
- Institutional
- Internal Audit
- Legal & Compliance
- Operations
- Registration
- Regulatory Accounting
- Research
- Retail
- Senior Management
- Trading desk
- Training

FX Margin Surcharge

In reference to IDA Regulation 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 IDA on a daily basis. For any foreign currency in which its exchange rate volatility exceeds defined parameters, there is an automatic margin surcharge required to be effective for a minimum of 30 days from the date of a notice to members.

Based on the volatility of the CDN dollar exchange rates, effective immediately, the following spot risk margin rate(s) apply until further notice:

- **U.S. Dollar – 1.2%**

Attached is the foreign exchange *Margin Violation Summary Report* as at November 30, 2001 listing all currencies presently in Groups 1- 3. The IDA 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 violation notice to Members was MR-107 dated October 24, 2001.

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