

MEMBER REGULATION



INVESTMENT DEALERS
ASSOCIATION OF CANADA

notice



ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

Contact:

J. Tan: (416) 943-6979 – jt@ida.ca

A. Ramcharan: (416) 943-5850 – aramcharan@ida.ca

MR0224

July 9, 2003

ATTENTION:

Ultimate Designated Persons
Chief Financial Officers
Panel Auditors

Distribute internally to:

- o Corporate Finance
- v Credit
- o Institutional
- v Internal Audit
- o Legal & Compliance
- v Operations
- o Registration
- v Regulatory Accounting
- o Research
- o Retail
- o Senior Management
- v Trading desk
- o 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 – 2.50%**

Attached is the foreign exchange *Margin Violation Summary Report* prepared as at July 9, 2003 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 surcharge notice to Members was MR0216 dated May 26, 2003.