



MEMBER REGULATION

notice



ATTENTION:
Ultimate Designated Persons
Chief Financial Officers
Panel Auditors

Please distribute internally to:
Credit
Internal Audit
Legal and Compliance
Operations
Regulatory Accounting
Retail
Senior Management
Trading Desk

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MR0450

February 5, 2007

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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 from 2.10% to 1.40%

Attached is the foreign exchange *Margin Violation Summary Report* prepared as at February 1, 2007 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 MR0403 dated June 14, 2006.

