



## 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

*Contact:*

Answerd Ramcharan  
Specialist, Regulatory Policy  
416-943-5850  
[aramcharan@ida.ca](mailto:aramcharan@ida.ca)

**MR0457**

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Bruce Grossman  
Information Analyst, Regulatory Policy  
416-943-5782  
[bgrossman@ida.ca](mailto:bgrossman@ida.ca)

### **List of Floating and Tracking Error Margin Rates for Offsets Involving U.S. Index Products**

This Notice should be used in conjunction with Regulations 100.9 and 100.10 (Customer and Member positions in options, futures and other equity-related derivative products), which set out the minimum margin and capital requirements for customer and Member positions, respectively, relating to offsets involving qualifying index products.

Enclosed as Attachment #1, is a copy of the list of floating margin rates and tracking error margin rates for a number of U.S. index products, which has been prepared using data available up to the period ended February 28, 2007.

For other U.S. index products that have not yet been included on the attached list and whose U.S. OCC index options are based on a security or index that qualifies as a U.S. "Broad index stock group" as per NASD Rule 2520(f)(2)(D) the floating margin rate is 15.00%. In addition, the Association has set the minimum tracking error margin rates for these indices and their related index products as 2.50%.

The floating margin rates and tracking error margin rates for Canadian indices and products are published monthly by the Bourse de Montréal under the title "Futures Contract Margin Requirements, Index Products Floating Margin Rates, Currency Option Margin Rates and Tracking Error Margin Rates" at [http://www.m-x.ca/publi\\_circulaires\\_en.php](http://www.m-x.ca/publi_circulaires_en.php).

This list of floating margin rates and tracking error margin rates for U.S. index products, for the purposes of Regulations 100.9 and 100.10, is effective March 13, 2007.