



MEMBER REGULATION

notice



ATTENTION:
Ultimate Designated Persons
Chief Financial Officers
Panel Auditors

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

Contact:

Jane Tan
Information Analyst, Regulatory Policy
416-943-6979
jt@ida.ca

MR0494

September 25, 2007

Bruce Grossman
Information Analyst, Regulatory Policy
416-943-5782
bgrossman@ida.ca

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:

Japanese Yen versus Canadian Dollar from 3.00% to 3.90%

Canadian Dollar versus U.S. Dollar from 1.8% to 2.4%

U.S. Dollar versus Canadian Dollar from 1.8 to 2.4%

Attached is the foreign exchange *Margin Violation Summary Report* prepared as at September 24, 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 MR0489 dated August 28, 2007.