



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:

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

MR0519

February 8, 2008

List of Securities Eligible for Reduced Margin

List of Securities Eligible for Reduced Margin (“LSERM”)

Enclosed as Attachment #1, is a copy of the List of Securities Eligible for Reduced Margin (“LSERM”), which has been prepared using data available for the quarter ended December 31, 2007. This list must be used to identify securities eligible for reduced margin as set out in Regulation 100.2(f)(iv) and 100.12(a) of the IDA Rule Book.

In an effort to improve the timeliness of the LSERM, the IDA will be reducing the number of activities it previously performed in making the LSERM a more comprehensive list of reduced margin securities. Consequently, a Member will now need to perform these activities if it wishes to identify other securities that qualify for reduced margin that are not on the LSERM. The two affected activities are:

- the check for options issued by the Options Clearing Corporation against Canada/United States interlisted securities
- the check for securities that are convertible or exchangeable into securities on the LSERM; margin for these securities should be calculated according to Regulation 100.21 *Maximum margin required for Convertible Securities*, which simply adds the conversion loss, if any, to the reduced margin rate.

This list supersedes the most recently issued LSERM, effective February 26, 2008 [which is ten business days following the issuance date of this Notice].