



**TO: Approved Participants  
Chief Financial Officers  
External Auditors**

**February 13, 2002**

**NOTICE OF MARGIN RATE MODIFICATION  
ON FOREIGN CURRENCIES**

Paragraphs 5) C) and D) of article 7210 of the Rules of Bourse de Montréal Inc. provide for a foreign exchange margin surcharge mechanism which adjusts the margin rate for a currency in Groups 1, 2 or 3 if the volatility of the currency exceeds a predetermined volatility threshold. 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 approved participants.

Based on the volatility of the Canadian dollar exchange rates, the following spot risk margin rate apply until further notice:

- **United States - Dollar** from **1.20%** to **1.40%**

You will find attached a **Margin Violation Summary Report** dated January 31, 2002 listing all currencies in Groups 1, 2 and 3. The Self-regulatory Organizations monitor the volatility of all foreign currencies in these Groups and periodically issue notices concerning any change in the margin rates applicable to the currencies affected by such a change.

For further information, please contact Mr. Eric Bernard, Financial Analyst, Regulatory Division, at (514) 871-4949 extension 373.

Jacques Tanguay  
Vice-President, Regulatory Division

Encl.

Circular no.: 022-2002

**Security Volatility  
Margin Violation Summary Report**

Securities (FX / Bond / Equity / Index)	Margin Rate	Start Date	End Date	Trading Days	Offside Days	% offside	Violation Threshold	
ARGENTINA – PESO	10.00	11/02/01	01/31/02	61	3	4.92	5.00	No
AUSTRALIA – DOLLAR	3.00	11/02/01	01/31/02	61	1	1.64	5.00	No
AUSTRIA – SCHILLING	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
BELGIUM – FRANC	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
BRITAIN – POUND	3.00	11/02/01	01/31/02	61	1	1.64	5.00	No
CZECK – KORUNA	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
DENMARK – KRONE	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
EURO	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
FINLAND – MARKKA	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
FRANCE – FRANC	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
GERMANY – MARK	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
GREECE – DRACHMA	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
HONG KONG – DOLLAR	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
IRELAND – PUNT	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
ITALY – LIRA	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
JAPAN – YEN	3.00	11/02/01	01/31/02	61	0	0.00	5.00	No
LUXEMBOURG – FRANC	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
MALAYSIA – RINGGIT	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
MEXICO – NEW PESO	3.00	11/02/01	01/31/02	61	0	0.00	5.00	No
NETHERLANDS – GUILDER	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
NEW ZEALAND – DOLLAR	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
NORWAY – KRONE	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
PORTUGAL – ESCUDO	3.00	11/02/01	01/31/02	61	1	1.64	5.00	No
SAUDI ARABIA – RIYAL	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
SINGAPORE – DOLLAR	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
SPAIN – PESETA	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
SWEDEN – KRONA	10.00	11/02/01	01/31/02	61	0	0.00	5.00	No
SWITZERLAND – FRANC	3.00	11/02/01	01/31/02	61	2	3.28	5.00	No
<b>U.S. – DOLLAR</b>	<b>1.40</b>	<b>11/02/01</b>	<b>01/31/02</b>	<b>61</b>	<b>2</b>	<b>3.28</b>	<b>5.00</b>	<b>No</b>

Source: Investment Dealers Association of Canada - Financial Compliance Division

Friday, February 1, 2002

**Tour de la Bourse**  
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