



<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/>	Back-office - Options
<input type="checkbox"/>	Trading – Equity and Index Derivatives	<input type="checkbox"/>	Technology
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CIRCULAR
October 14, 2005

**FLOATING MARGIN RATES S&P/TSX 60 BASKET OF INDEX SECURITIES
AND INDEX PARTICIPATION UNITS**

Paragraph k) of article 9001 of the Rules of Bourse de Montréal Inc. (the Bourse) provides for a monitoring and adjustment mechanism of the floating margin rates that are applicable to index securities baskets or index participation units when the volatility of the closing prices of the index exceeds the margin rate set for such index. If the volatility of an index exceeds the floating margin rate that has been established for such index, the floating margin rate is then adjusted consequently for a minimum of twenty (20) working days from the date on which the approved participants are advised of such an adjustment. At the end of this twenty (20) working days period, the floating margin rate is then readjusted at a lower level if regulatory margin intervals calculations indicate a reduction of these intervals.

In reason of the recent volatility of the S&P/TSX 60 index, it is necessary to increase the floating margin rate applicable to baskets of index securities and index participation units related to the S&P/TSX 60 index. This new floating margin rate is effective immediately for a minimal period of twenty (20) working days as mentioned above and it replaces those which had been established in circular no. 144-2005 published by the Bourse on October 5, 2005.

FLOATING MARGIN RATES	BASKET OF INDEX SECURITIES		INDEX PARTICIPATION UNITS	
	PREVIOUS RATE	NEW RATE	PREVIOUS RATE	NEW RATE
S&P/TSX 60 Index	3.00%	4.00%	2.75%	4.00%

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