Bourse de Montréal Inc.

TO: Approved Participants
Chief Financial Officers
External Auditors

March 15, 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 rates apply until further notice:

- **United States – Dollar** remains at **1.40**%
- **Argentina – Peso** from **10.00**% to **16.00**%

The following national currencies have been replaced by the Euro:
Austria Shilling, Belgium Franc, Finland Markka, France Franc, Germany Mark, Greece Drachma, Ireland Punt, Italy Lira, Luxembourg Franc, Netherlands Guilder, Portugal Escudo, Spain Peseta.

You will find attached a **Margin Violation Summary Report** dated February 28, 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.: 036-2002

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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	**16.00**	**11/30/01**	**02/28/02**	**62**	**2**	**3.23**	**5.00**	**No**
AUSTRALIA – DOLLAR	3.00	11/30/01	02/28/02	62	1	1.61	5.00	No
BRITAIN – POUND	3.00	11/30/01	02/28/02	62	0	0.00	5.00	No
CZECK – KORUNA	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
DENMARK – KRONE	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
EURO	3.00	11/30/01	02/28/02	62	2	3.23	5.00	No
HONG KONG – DOLLAR	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
JAPAN – YEN	3.00	11/30/01	02/28/02	62	0	0.00	5.00	No
MALAYSIA – RINGGIT	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
MEXICO – NEW PESO	3.00	11/30/01	02/28/02	62	0	0.00	5.00	No
NEW ZEALAND – DOLLAR	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
NORWAY – KRONE	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
SAUDI ARABIA – RIYAL	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
SINGAPORE – DOLLAR	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
SWEDEN – KRONA	10.00	11/30/01	02/28/02	62	0	0.00	5.00	No
SWITZERLAND – FRANC	3.00	11/30/01	02/28/02	62	2	3.23	5.00	No
U.S. – DOLLAR	**1.40**	**11/30/01**	**02/28/02**	**62**	**1**	**1.61**	**5.00**	**No**

Source: Investment Dealers Association of Canada - Financial Compliance Division **Friday, March 8, 2002**