NOTICE TO MEMBERS

No. 2003 - 020
April 24, 2003

ACCEPTABLE MARGIN DEPOSITS FOR SHORT CALL OPTIONS

Government of Canada bond options (OBK & OBZ)

The following is a list of Government of Canada bonds which are acceptable as deposit of underlying for offset against marginable short call positions on Government of Canada bond options (OBK & OBZ).

Rule A-708 (1) (b) reads in part:

"Government of Canada bonds which:

(i) are the underlying bond; or
(ii) have been deemed acceptable by the Corporation."

That is bonds which:

(i) have higher coupon rates;
(ii) have an aggregate face value at maturity of at least $ 1,000,000,000;
(iii) trade at premium of $ 5 greater than the underlying bond; and
(iv) mature no sooner than 2 years prior to the underlying bond.

Underlying Bond		Acceptable Margin	
OBK- Government of Canada	9% March 1, 2011	10.25%	March 15, 2014
		10.50%	March 15, 2021
		9.75%	June 1, 2021
OBZ- Government of Canada	8% June 1, 2023	9.75%	June 1, 2021
		9.00%	June 1, 2025

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Options on Government of Canada bond futures (OGB)

The following is a list of Government of Canada bonds which are acceptable as deposit of underlying for offset marginable short call positions for options on Government of Canada bond futures (OGB).

Rule A-708 (1) (b) reads in part;

"Government of Canada bonds which:

(i) are the underlying bond; or
(ii) have been deemed acceptable by the Corporation."

Underlying contract	Acceptable Margin	
CGB June 2003	6%	June 1, 2011
	5.25%	June 1, 2012
	5.25%	June 1, 2013
CGB September 2003	6%	June 1, 2011
	5.25%	June 1, 2012
	5.25%	June 1, 2013
CGB December 2003	6%	June 1, 2011
	5.25%	June 1, 2012
	5.25%	June 1, 2013
CGB March 2004	6%	June 1, 2011
	5.25%	June 1, 2012
	5.25%	June 1, 2013

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