

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Proposed Amendments to the IIROC Rules and Form 1 Regarding the Floating Index Margin Rate Methodology – Request for Comment

REQUEST FOR COMMENT

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROPOSED AMENDMENTS TO THE IIROC RULES AND FORM 1 REGARDING THE FLOATING INDEX MARGIN RATE METHODOLOGY

IIROC is publishing for public comment proposed amendments to the IIROC Rules and Form 1 (collectively, **Proposed Amendments**) regarding the floating index margin rate methodology (**Methodology**) applicable to qualifying Canadian and U.S. index products.

IIROC's existing Methodology calculates lower than optimal margin rate requirements during long periods of low market volatility but results in sharp increases in margin rates during intermittent periods of high market volatility. The Proposed Amendments are required to reduce this procyclicality in the Methodology.

The Proposed Amendments:

- introduce floor margin rates for qualifying Canadian and U.S. index products, and
- codify current practices, including IIROC's discretionary authority to limit sharp increases in floating index margin rates, if needed.

A copy of the IIROC Notice, including the Proposed Amendments, is also published on our website at www.osc.ca. The comment period ends on June 27, 2022.