

**TO: Approved Participants
Futures Contracts Principals
Futures Traders
Restricted Trading Permit Holders**

December 13, 2001

FUTURES CONTRACTS - MARGIN REQUIREMENTS

Bourse de Montréal Inc. monitors futures margin rates on an ongoing basis and updates these rates when market conditions justify it. Considering the recent changes in these conditions, the Risk Management Committee, in collaboration with the Canadian Derivatives Clearing Corporation ("CDCC") has recently determined that futures contracts margin rates, in the case of speculators and hedgers, be modified as follows:

FUTURES CONTRACTS	MARGIN TYPE	PREVIOUS RATE	NEW RATE
BAX - Three-month Canadian Bankers' Acceptance	Speculator	\$850	\$750
	Hedger	\$800	\$700
SXF - S&P Canada 60 Index	Speculator	\$5,600	\$5,800
	Hedger	\$5,300	\$5,500
CGB - Ten-year Canadian Government Bond	Speculator	\$1,800	\$3,000
	Hedger	\$1,700	\$2,900
CGF - Five-year Canadian Government Bond	Speculator	\$1,700	\$3,100
	Hedger	\$1,600	\$2,900
FNT - Nortel Networks Corporation	Speculator	27.25%	25.75%
	Hedger	24.25%	22.75%

The following is a summary of the various margin rates for the futures contracts listed at Bourse de Montréal Inc.:

MARGIN TYPE	FUTURES CONTRACTS				
	BAX	SXF	CGB	CGF	FNT
SPECULATOR ¹ (simple position)	\$750	\$5,800	\$3,000	\$3,100	25.75 % ²
HEDGER ¹ (simple position)	\$700	\$5,500	\$2,900	\$2,900	22.75 % ²
SPREADS	\$151	\$600	\$75 CGB/CGF: \$370	\$370	\$200

1. The "Speculator" designation applies to all clients, except acceptable institutions, acceptable counterparties, regulated entities and bona fide hedgers, as defined in the Rules and Policies of the Bourse.
2. The margin requirements for the FNT are defined as a percentage and must be applied by using the future contract settlement price.

These new margin requirements **will be effective Friday, December 14, 2001.**

For further information, please contact Yves Cloutier, Supervisor, Market Surveillance, Regulatory Division, at (514) 871-3525.

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