

Applicable toward CPD Requirement

Two-Day Event!

September 18 & 19, 2014, Toronto

Inaugural

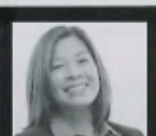
# Essentials of Derivatives

Strategies for negotiating, trading, hedging, reporting and compliance

Workshop Included: Derivative Reporting Requirements and Compliance



Course Leader  
Francesca  
Guolo,  
Goodmans LLP



Course Leader  
Candace  
Pallone,  
McCarthy  
Tétrault LLP



Jason Boggs,  
Pricewater-  
houseCoopers  
LLP



Tony  
Cancellara,  
Scotiabank  
Global Banking  
and Markets



Shahen A.  
Mirakian,  
McMillan LLP



Jason Kroft,  
Stikeman Elliott  
LLP



Kevin Fine,  
Ontario  
Securities  
Commission

Trevor Noronha,  
TD Bank Group

Paul Rand,  
Blake, Cassels  
& Graydon LLP

Michelle  
Schwartzberg,  
Bank of  
Montreal

Victoria Wilson,  
Bank of  
Montreal

## participating organizations

Blake, Cassels & Graydon LLP  
Bank of Montreal  
Goodmans LLP  
McCarthy Tétrault LLP  
McMillan LLP  
Ontario Securities Commission  
PricewaterhouseCoopers LLP  
Scotiabank Global Banking and Markets  
Stikeman Elliott LLP  
TD Bank Group

## who should attend

Chief Financial Officers, Treasurers,  
Controllers, Chief Compliance Officers,  
Vice Presidents, Directors & Managers of  
Finance and Accounting; Corporate Counsel;  
Advisors; Consultants; Regulators

## course highlights

- Get the latest on new proposals put forward by the OSC about derivatives reporting and trading
- Learn about the current derivatives market - the products, their uses and the risks
- Benefit from learning about best practices in derivatives deal negotiation and documentation
- Explore the use of foreign exchange derivatives in currency speculation and hedging FX exchange risk
- Hear about collateral management best practices
- Gain practical knowledge on equity derivatives structuring, pricing and hedging strategies
- Examine the clearing and settlement processes for derivative transactions

## COURSE LEADERS

### FRANCESCA GUOLO

Francesca Guolo is a Partner at **Goodmans LLP**. Her experience in the field of structured finance & derivatives encompasses interest rate, FX, credit and equity derivatives, monetizations, covered bonds, securities lending, debt trading, CDOs, and synthetic & asset-backed securitizations.

### CANDACE PALLONE

Candace Pallone is Counsel at **McCarthy Tétrault LLP**. She has extensive experience in all aspects of OTC derivative transactions, including the central clearing of OTC derivatives and repo transactions, and the regulation of OTC derivatives.

## CO-LECTURERS

### JASON BOGGS

Jason Boggs is a Partner at **PricewaterhouseCoopers LLP**.

### TONY CANCELLARA

Tony Cancellara is Senior Manager, Derivatives Compliance at **Scotiabank Global Banking and Markets**. He offers guidance with respect to exchange rules, Dodd Frank compliance, client suitability and the upcoming Canadian OTC challenges.

### KEVIN FINE

Kevin Fine is Director of the Derivatives Branch at the **Ontario Securities Commission**. He participates in a variety of national and international committees currently working on introduction of regulation of over the counter derivatives markets.

### JASON KROFT

Jason Kroft is a Partner at **Stikeman Elliott LLP**. His practice focuses financial products, structured finance, banking and secured finance covering a range of exchange-traded and over the counter derivative products.

### SHAHEN A. MIRAKIAN

Shahen A. Mirakian is a Partner at **McMillan LLP**. Shahen is involved in all aspects of structuring and documenting of a broad range of derivative products particularly equity and energy derivatives.

### TREVOR NORONHA

Trevor Noronha is Senior Counsel at **TD Bank Group**.

### PAUL RAND

Paul Rand is Counsel at **Blake, Cassels & Graydon LLP**. His practice involves all aspects of derivatives, securities financing arrangements and structured products, as well as regulatory matters significant to the financial services industry.

### MICHELLE SCHWARTZBERG

Michelle Schwartzberg is Senior Counsel in **Bank of Montreal's** Legal, Corporate and Compliance Group. She advises on derivatives matters, both transactional and regulatory as well as on the negotiation of ISDA Master Agreements.

### VICTORIA WILSON

Victoria Wilson is a capital markets derivatives lawyer at **Bank of Montreal**. She regularly advises on capital and collateral issues pertaining to OTC derivatives agreements.

# COURSE PROGRAM

## OVERVIEW OF DERIVATIVES PRODUCTS: TYPES, USES AND RISKS

There has been a rapid growth in the use and the number of types of derivatives being used in the market to assist in managing risks and structuring financing. This evolution of the derivative market has also brought increased complexity and regulation with regards to the products being offered. This session will provide an overview of the derivative market with a focus on the products, their uses and risks.

- Various financial derivative instruments currently used in the markets
- Applications of derivatives: derivatives as a tool in risk management and structured financings
- Exchange-traded vs over-the-counter derivative products
- Latest developments and trends in derivative market
- Procedures and processes involved in derivatives operations
- Clearing, derivative reporting and collateral management

## FRAMEWORK FOR DOCUMENTING DERIVATIVES

Documenting derivative transactions is highly complex and technical and will only grow more so as the types and applications of derivatives continues to increase. This session will use the International Swaps and Derivatives Association (ISDA) documentation as a basis to examine the framework for documenting derivatives.

- Main provisions of the Schedule to the ISDA Master Agreement
- Key negotiation issues and best practices
- Customizing the agreement to suit individual requirements
- The Credit Support Annex
- Provisions widely used to document derivatives transactions
- Critical deal terms and risks
- Practical and legal issues associated with documentation
- Impact of Canadian OTC Derivatives Rules on documentation

# COURSE PROGRAM

## FOREIGN EXCHANGE DERIVATIVES

This session will explore foreign exchange derivative that are used for currency speculation and arbitrage or for hedging foreign exchange risk.

- Major types of foreign exchange derivatives
- Relevant characteristics and uses of different types of FX derivative
- Identifying and quantifying currency risk to determine hedging needs
- Strategies for managing FX exposures
- Marking-to-market forward FX

## APPLICATION AND USES IN TRADING, HEDGING AND ARBITRAGE: MANAGING RISKS

Derivatives can be used to identify, isolate and manage the market risks in financial instruments and commodities for the purpose of hedging, speculating, arbitraging price differences and adjusting portfolio risks. This practical session will provide insight into the application and uses of derivatives in trading, hedging and arbitrage strategies.

- Common option trading strategies
- Directional and volatility trading strategies
- Creating synthetic long and short positions
- Arbitrage relationships
- Cash arbitrage

## DOCUMENTING COLLATERAL ARRANGEMENTS BETWEEN DERIVATIVE COUNTERPARTIES

Collateral arrangements associated with derivatives transactions have become more prevalent over time, in part as a means to address counterparty risk. This session will focus on:

- Customary collateral documentation
- Overview of the ISDA forms of Credit Support Annexes
- Key terms of such documentation

## STRUCTURE AND ROLE OF EQUITY DERIVATIVES

This session will provide practical knowledge on structuring, pricing and hedging strategies for equity derivatives.

- Role of equity derivatives: advantages and uses
- Equity derivatives products: equity forwards, futures, swaps and options
- More exotic equity derivatives and their uses
- Derivative hedging process: challenges and risks
- Practical limits of derivative models and their reliability
- Equity option pricing and risk

## CLEARING AND SETTLEMENT OF DERIVATIVES

This session will examine the clearing and settlement processes required to complete a derivative transaction.

- Clearing and settlement of derivatives: process used for clearing derivatives
- Role of the clearing house
- CSA model mandatory clearing rule
- Exemptions from clearing requirements
- OTC settlement vs. clearing exchange traded derivatives
- Confirmation process for OTC transactions & legal agreements
- Operational and legal mechanics involved in central clearing
- Trade reporting requirement compliance and challenges
- Contracts required for central clearing

## UPDATE FROM THE OSC

This discussion details a number of new proposals put forward by the OSC with respect to the reporting and trading of derivatives, including:

- Implementation of trade reporting in Canada
- Trade reporting requirements
- Adoption and practical implementation of new regulations in Ontario
- Electronic trading of derivatives

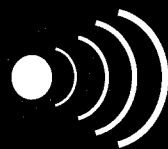
## WORKSHOP

### DERIVATIVE REPORTING REQUIREMENTS AND COMPLIANCE

The last couple of years has witnessed sweeping regulatory reforms to the derivative markets in Canada and globally. This workshop will examine the derivative regulatory framework, focusing on the impact of the latest reforms and derivative upon reporting requirements and compliance.

- Impact of over-the-counter derivative reforms
- Derivative reporting requirements and compliance.
- Global derivative reform initiatives and impact in Canada
- Developing cross-border issues in the global market
- Expected future developments
- Implementation issues

**webcast**



While nothing compares to the experience of attending the live event, with its enhanced networking opportunities and direct contact with leading experts, for those unable to attend in person FP provides a convenient option to still benefit from this unsurpassed learning experience:

FP's live interactive Webcasts allow you to actively participate in events, from downloading all material distributed by lecturers to asking speakers questions.

- This program can be applied towards 7 of the 12 hours of annual Continuing Professional Development (CPD) required by the Law Society of Upper Canada. Please note that these CPD hours are not accredited for the New Member Requirement.
- For Alberta lawyers, consider including this course as a CPD learning activity in your mandatory annual Continuing Professional Development Plan as required by the Law Society of Alberta.
- Attendance at this course can be reported as 7 hours of Continuing Professional Development (CPD) to the Law Society of B.C.
- The Barreau du Québec automatically accredits training activities held outside the Province of Quebec and accredited by another Law Society which has adopted MCLE for its members

# PROCEEDINGS

The "Proceedings" is your Web repository of learning resources for this event. It includes:

- the recording of the lectures at the forthcoming event itself, including documentation, slides and audio-visual;
- 25 or more carefully selected additional lectures (below), which are intended as a recommended enrichment of the course content, with many additional topics covered.

The price of the Proceedings (one user licence) is \$299 if you are attending in person or by Webcast; or \$799 otherwise.

## Identifying Embedded Derivatives and Accounting Treatment

Bhupender Gosain  
MNP LLP

## Taxation of Structured Products & Derivatives: Impact of Recent Tax Rules

Richard Marcovitz  
PricewaterhouseCoopers LLP

## Embedded Derivatives

Carmela Palotto  
KPMG LLP

## Practical Considerations to Taxation of Financial Products & Derivatives

Hersh Joshi  
Ontario Teacher's Pension Plan Board

## Taxation of Financial Products and Derivatives: Basic Principles

Mario M. Abrioux  
McCarthy Tétrault LLP

## Taxation of Structured Products & Derivatives

Lara Friedlander  
Osler, Hoskin & Harcourt LLP

## Latest Developments in the Derivatives Market & Regulation

Margaret Grottenthaler  
Stikeman Elliott LLP

## Tax & Reporting Issues Impacting the Use of Derivatives

Hugh Chasmar  
Deloitte & Touche LLP

## Disclosure Requirements for Financial Instruments

Kevin Moshal  
Grant Thornton LLP

## Fair Value Measurement of Financial Instruments

Melanie Russell  
Kalex Valuations

## Impairment and Credit Losses

Abhimanyu (Abhi) Verma  
KPMG LLP

## Financial Instrument Recognition, Classification and Measurement

Mahesh Narayanasami  
KPMG LLP

## An Overview of the Upcoming Changes to Hedge Accounting in IFRS 9

Kirsty Merath  
PricewaterhouseCoopers LLP

## Enhanced Disclosure Task Force, Overview of RF 10

Jennifer Zhao  
Ernst & Young LLP

## Hedge Relationships: Practical Considerations for Eligibility and Ineffectiveness

Diana H. Kurvers  
Scotiabank

## Accounting for Fair Value and Cash Flow Hedging Relationships

Barbara Yager  
KPMG LLP

## An Implementation Case Study: Meridian Credit Union

Bill Maurin  
Meridian Credit Union

## Financial Instrument Disclosures

Sona Ruparella  
BDO Dunwoody LLP

## Financial Instruments: Recognition, Classification and Measurement

Cynthia Yeung  
Ernst & Young LLP

## Currency Hedging

Perry Teperson  
Leith Wheeler Investment Counsel Ltd.

## Implementing Hedge Accounting Standards

Humayun Jafrani  
Ernst & Young LLP

## Testing Hedge Effectiveness & Managing Accounting Issues

Edward Lee  
PricewaterhouseCoopers LLP

## Establishing a Hedging Policy and Strategy in the Current Environment

Glen Chow  
Minacs Worldwide Inc

## Currency Hedging Policy Formulation for Canadian Investors

Sofia S. Assaf  
Mercer (Canada) Limited

## Developments in Financial Instruments

Lara G. Friedlander  
Osler, Hoskin & Harcourt LLP

**Registration:** To reserve your place, call Federated Press toll-free at 1-800-363-0722. In Toronto, call (416) 665-6868 or fax to (416) 665-7733. Then mail your payment along with the registration form. Places are limited. Your reservation will be confirmed before the course.

**Location:** Courtyard by Marriott Downtown Toronto, 475 Yonge Street, Toronto, ON, M4Y 1X7

**Conditions:** Registration covers attendance for one person, the supplementary course material as described in this document, lunch on both days, morning coffee on both days and refreshments during all breaks. The proceedings of the course will be captured on audio or video.

**Time:** This course is a two-day event. Registration begins at 8:00 a.m. The morning sessions start promptly at 9:00. The second day ends at 5:00 p.m.

**Cancellation:** Please note that non-attendance at the course does not entitle the registrant to a refund. In the event that a registrant becomes unable to attend following the deadline for cancellation, a substitute attendee may be delegated. Please notify Federated Press of any changes as soon as possible. Federated Press assumes no liability for changes in program content or speakers. A full refund of the attendance fee less 15% administration fee will be provided upon cancellation in writing received prior to September 4, 2014. No refunds will be issued after this date.

**Discounts:** Federated Press has special team discounts. Groups of 3 or more from the same organization receive 15%. For larger groups please call.

Payment must be received prior to September 11, 2014

Phone: 1-800-363-0722 Toronto: (416) 665-6868 Fax: (416) 665-7733

## TO REGISTER FOR ESSENTIALS OF DERIVATIVES

Name \_\_\_\_\_  
 Title \_\_\_\_\_ Department \_\_\_\_\_  
 Approving Manager Name \_\_\_\_\_  
 Approving Manager Title \_\_\_\_\_  
 Organization \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ e-mail \_\_\_\_\_  
 Please bill my credit card:  AMEX  VISA  Mastercard  
 # \_\_\_\_\_ Expiration date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Signature: \_\_\_\_\_  
 Payment enclosed:  Please invoice. PO Number: \_\_\_\_\_

## REGISTRATION COSTS

NUMBER OF PARTICIPANTS:   
 COURSE: \$1975  
 WEBCAST: \$1575\*  
 \* One user licence  
 COURSE + PROCEEDINGS:  
 \$1975 + \$299 = \$2274  
 WEBCAST + PROCEEDINGS: \$1874  
 PROCEEDINGS: \$799\*  
 \* One user licence  
 NOTE: Please add 13% HST to all prices.  
 Proceedings will be available 60 days after the course takes place  
 Enclose your cheque payable to Federated Press in the amount of:   
 GST Reg. # R101755163  
 PBN#101755163PG0001  
 For additional delegates please duplicate this form and follow the normal registration process