

FUNDAMENTALS OF DERIVATIVES

Program Chairs

Cathy Ma

Director, Derivatives Global
Product Specialist, Scotiabank

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Senior Legal Counsel,
Scotiabank

Dates and Time

December 9, 2019

9:00 a.m. – 4:45 p.m. EST

December 10, 2019

9:00 a.m. – 1:00 p.m. EST

Location

**Osgoode Professional
Development**

1 Dundas St. West, 26th Floor
Toronto, ON

Register today at:

[osgoodepd.ca/
derivatives](https://osgoodepd.ca/derivatives)

Learn about the key principles and documentation requirements for today's complex and dynamic derivatives market

OsgoodePD's **Fundamentals of Derivatives** is a comprehensive program invaluable to both the practitioner who is new to the subject and the seasoned professional alike.

Gain a thorough understanding of the key principles, best practices and documentation requirements you need to confidently deal with the issues in today's complex and rapidly growing derivatives market, including:

- The derivatives market and its products and applications
- Underlying assets in derivatives
- ISDA Master Agreements: detailed overview of documentation structure and provisions
- Over the Counter (OTC) reform initiatives
- Proposed new CSA rules and framework

PLUS! Attendees receive sample ISDA Master Agreements for hands-on learning.

Fundamentals of Derivatives

The number of corporations, financial institutions and asset managers turning to derivatives to better manage risk and increase returns continues to grow.

Derivatives are becoming more complex and so too are the manifold changes to documentation and associated legal issues. If you are involved in any way in today's evolving derivatives market, it is critical that your market and product knowledge are completely up-to-date.

This unique course is designed to help the newcomer build a knowledge base and understand the nature, structure, and application of the broad range of derivatives, while also providing an update for those who want a comprehensive refresher. Essential issues and topics will be covered, including:

- Understanding the application of derivatives in trading, hedging and arbitrage
- Documenting derivative transactions using the ISDA Master Agreement and Schedule
- Common types of underlying assets and practical considerations
- Key developments in OTC regulatory reform and new CSA rules

Who Should Attend

- Derivatives traders
- Derivatives documentation staff
- Securities lawyers
- In-House counsel at financial institutions, insurance companies, oil and gas companies, mutual fund companies, pension funds
- Lawyers practicing in banking and finance, mutual funds, commercial law
- Fund managers, private bankers and investment advisors
- Compliance professionals
- Heads of trading
- Structured finance personnel
- Financial regulators

Agenda

Monday, December 9, 2019

9:00 a.m.

Introduction by Course Chairs

9:10 a.m.

Introduction to Derivatives

Swaps and derivatives have become a vital tool in risk management and structured financings, and are used in an infinite variety of ways by commercial and government entities to manage financial and business risks. This session will provide you with an overview of the derivatives market and the products and applications used by today's market players, covering:

- What are derivatives and how are they used
- Applications in trading, hedging, arbitrage and structured products

10:30 a.m.

Refreshment Break

10:45 a.m.

ISDA Master Agreements

As the breadth and structure of derivatives evolves, so too does the complexity of associated documentation and legal issues. Understanding the terminology and purpose of derivatives documentation is vital in order to properly reflect the terms of arrangements between parties to avoid potentially costly errors. This session provides an overview from expert counsel of the International Swaps and Derivatives

Association (ISDA)'s documentation architecture and a detailed explanation of the provisions of the master agreements widely used to document derivatives transactions, as well as the practical and legal issues associated with their use.

12:00 p.m.
Luncheon

1:00 p.m.

Asset Classes

The Monday afternoon session will delve into the most common types of underlying assets for derivatives: interest rates, currencies/foreign exchange, equities, and credit. A panel of seasoned practitioners will describe the structures, markets, and unique issues for these products:

Interest Rate and Currency Swaps

- Fundamental rationale and structures, including swaps, forwards, options
- Pricing considerations
- Common applications and emerging issues

FX Derivatives

- FX market overview
- Forwards, options, straddles, swaps

Equity Derivatives

- What are they and how are they used?
- Major users
- Types of products:
 - forwards and futures
 - key terms and concepts in options
 - basic options – vanilla calls and puts; American vs. European style
 - equity forwards, futures and swaps

- OTC products

Credit Derivatives and Central Clearing

- Market use and operation
- Credit default swaps
- definitions
- credit events
- termination, assignment by novation
- Uses and benefits: investments applications and yield enhancement
- Recent development and key issues
- Clearing and settlement

(Note: A 15 minute refreshment break will be held during this session.)

4:45 p.m.

Day One Adjourns

Tuesday, December 10, 2019

9:00 a.m.

**OTC Derivatives Regulatory Reform:
Where We've Been and Where We
Are Going**

A panel will explain and discuss the recent history of OTC derivatives regulatory reform, providing program delegates with a critical understanding of where this market is heading in the future. Canadian markets are evolving alongside the G-20's ongoing commitment to reform OTC derivatives markets, while the size of the markets continue to grow. The panel will analyze current regulatory rules for clearing, reporting, and margin, while also considering what further new rules and amendments are expected that could significantly impact Canadian markets, discussing:

- History of reform (9:00 a.m. to 9:30 a.m.)
- Mandatory clearing (9:30 a.m. to 10:00 a.m.)
- Trade Reporting (10:00 a.m. to 10:45 a.m.)
- Margin (11:00 a.m. to 12:00 p.m.)

(Note: A 15 minute refreshment break will be held during this session.)

12:00 p.m.

**Proposed CSA Derivatives
Registration Rule and Business
Conduct**

The program concludes with a spirited panel discussion on the Canadian Securities Administrators (CSA)'s proposed initiatives in setting out a new comprehensive framework for the registration of participants in OTC markets in Canada, and establishing a variety of business requirements and duties for participants. These major initiatives are intended to create a strong investor protection regime, promoting greater transparency and accountability in the markets. The panel will explain the proposed new rules and provide their expert analysis on how they will impact dealers, advisers, legal counsel and participants.

1:00 p.m.
Program Concludes

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Aaron Unterman
Senior Legal Counsel (Derivatives),
Ontario Securities Commission

NEW! This program counts towards the Osgoode Certificate in Canadian Securities Law and Practice.

You must complete all required programs, set out below, within 2 years to receive the Osgoode Certificate:

- Canadian Securities Law and Practice, June 3, 10, 17 and 24, 2020
- Toronto Stock Exchange and TSX Venture Exchange, November 6 – 7, 2019
- Fundamentals of U.S. Securities Law, November 14, 2019
- Fundamentals of Derivatives, December 9 – 10, 2019

Register for all programs and take advantage of bundled pricing.

Registration Details

Fee per Delegate

\$1,295 + HST

Newly Licensed (2016 – 2019): 50% of regular rate

Fees include attendance, program materials, lunch and break refreshments. Group discounts are available. Visit www.osgoodepd.ca/group-discounts for details. Please inquire about financial assistance.

Program Changes

We will make every effort to present the program as advertised, but it may be necessary to change the date, location, speakers or content with little or no notice. In the event of program cancellation, York University's and Osgoode Hall Law School's liability is limited to reimbursement of paid fees.

Cancellations and Substitutions

Substitution of registrants is permitted at any time. If you are unable to find a substitute, a full refund is available if a cancellation request is received in writing 14 days prior to the program date. If a cancellation request is made with less than 14 days notice, a \$75 administration fee will apply. No other refund is available.



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10h 35m (9h 30m Substantive; 1h 5m Professionalism)

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