

# FUNDAMENTALS OF DERIVATIVES

## Live Webcast

Register and receive live access to the webcast and 120-days access to the archived recording.

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

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 products and services
- ISDA Master Agreements: detailed overview of documentation structure and provisions
- Over the Counter (OTC) derivatives
- Taxation issues
- Reform of major interest rate benchmarks

Register today at:

[osgoodepd.ca/derivatives2020](https://osgoodepd.ca/derivatives2020)

## Program Chairs

**Cathy Ma**

Director, Derivatives Global  
Product Specialist, Scotiabank

**Nadeem Siddiq**

Senior Legal Counsel, Scotiabank

## Date and Time

**December 1, 2020**

9:00 a.m. – 5:00 p.m. EST

**December 2, 2020**

9:00 a.m. – 1:30 p.m. EST

**Online Replay:**

February 18-19, 2021

## Location

Online – Live, Interactive

# 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 will 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 taxation of derivatives
- Regulatory and benchmark reforms

## 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

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## Agenda

Tuesday, December 1, 2020

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

10:15 a.m.

**Wellness Break**

10:30 a.m.

**Asset Classes**

This 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

**12:30 p.m.**

## Lunch

**1:30 p.m.**

## ISDA Master Agreements

As the breadth and complexity 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.

**3:45 p.m.**

## Wellness Break

**4:00 p.m.**

## Central Clearing of Derivatives

Negotiating private bilateral contracts allowing users to manage their exposure to credit risk is another facet of derivatives practice. Topics include:

- The credit derivatives market and how they are used
- 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

**5:00 p.m.**

## Day One Adjourns

**Wednesday, December 2, 2020**

**9:00 a.m.**

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

The panel will explain and discuss the recent history and future trajectory of OTC derivatives regulatory reform, providing program delegates with a critical understanding of where this market is currently situated and where it's heading. 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.

**11:00 a.m.**

## Wellness Break

**11:15 a.m.**

## Taxation of Derivatives

Discussing key issues in the taxation of derivatives, this session will also address important new developments you need to know. Topics include:

- Tax considerations
  - economic versus legal substance – economic realities
  - basic principles, specific anti-avoidance rules and the general anti-avoidance rule
  - how are derivatives used to achieve certain tax results?
- Tax certainty and risk management
- A changing tax landscape
- Recent legislative developments
- Recent judicial developments

**12:15 p.m.**

## Wellness Break

**12:30 p.m.**

## Benchmark Reform

On an international level, reform initiatives concerning major financial benchmarks are ongoing. As the world moves to alternative benchmark rates and away from LIBOR, regulators and market participants will be challenged by the impact these reforms will have on derivatives transactions and debt capital markets. The panel will address the key features of the reforms and what the market can expect.

**1:30 p.m.**

## Program Concludes

# Chairs

**Cathy Ma**  
Director, Derivatives Global  
Product Specialist, Scotiabank

**Nadeem Siddiq**  
Senior Legal Counsel, Scotiabank

# Faculty

**Srijan Agrawal**  
Director, Regulatory Strategy and  
Engagement, Strategy and Transformation,  
RBC Capital Markets

**Gregory L. Aronson**  
Senior Counsel, Derivatives, TD Bank Group

**Douglas Donahue**  
Partner, Linklaters LLP

**Kevin B. Kelly**  
Senior Counsel, Ontario Ministry of Finance,  
Legal Services Branch

**P. Jason Kroft**  
Partner, Stikeman Elliot LLP

**Lisa Mantello**  
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**Greg O'Donohue**  
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**Candace Pallone**  
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**Edward Ra**  
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Group

**Catherine Shamie**  
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BMO Financial Group

**J.R. Strain**  
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Documentation, RBC Capital Markets

**Mike R. Tallim**  
Associate, Cassels Brock & Blackwell LLP

**Brad Tate**  
Director, Legal – Capital Markets, OMERS

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# Registration Details

## Fee per Delegate

**\$1,295 plus HST**

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Fee includes online attendance, electronic program materials and 120-day, on-demand access to program archive. Group discounts and financial assistance available.

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## 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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