

January 31, 2025

Regulatory Oversight Committee (ROC)
rocsecretariat@ofr.treasury.gov

Re: Harmonisation of critical OTC derivatives data elements (other than UTI and UPI) – Revised CDE Technical Guidance (version 4) Consultative Document (October 2024)

Dear Sirs/Mesdames,

Staff of the Alberta Securities Commission¹ (ASC) (ASC staff) welcomes the opportunity to provide input on Version 4 of the CDE Technical Guidance and on the inclusion of the proposed revisions and new data elements to the September 2023 CDE Technical Guidance. This letter will provide input on some of the data elements specific to commodity derivatives. Alberta is the home jurisdiction of a majority of the large energy commodity firms in Canada and has expertise in the regulation of securities and derivatives related to energy commodities.

Responses to Questions

ASC staff do not have specific responses on any of the questions posed in the Consultative Document.

Input on Certain Data Elements

ASC staff would like to provide input for consideration with respect to section 2.9.1 Price and section 2.9.10 Spread.

Section 2.9.1 Price:

To improve clarity of meaning, we suggest revisions to the preamble and to each of the bullets under the Definition section following the words “This data element is not applicable to:”, as shown in the 2 examples below:

For each of the products below, price is interpreted as follows:

¹ The ASC is the regulatory agency responsible for administering the securities laws of the province of Alberta, Canada. The mission of the ASC is to foster a fair and efficient capital market in Alberta and to protect investors. As a member of the Canadian Securities Administrators (CSA), the council of the securities regulators of Canada’s provinces and territories, the ASC works to improve, coordinate and harmonize regulation of Canada’s capital market.

Commodity basis swaps: Price is the amount reported in the “Spread” data field. [*Note to ROC: could also add here the following: In the “Spread” data field, the reported value is either the spread on the floating leg or the difference between reference prices of the two floating leg indexes.*]

Commodity options: Price is the amount reported in the “Strike Price” and “Option Premium” data fields.

Section 2.9.10 Spread

We suggest that the Definition section is clarified to indicate the source of the reference prices (e.g. traded prices, benchmarks, averages, etc.). For commodity derivatives, there should be the provision of more detail regarding how the spread is calculated or derived (e.g. specify whether the settlement price is the difference between the last price of the January contract and a differential or is based on an average over time such as Western Canadian Select (WCS) price over a given month). Specifying this information will allow for consistency and transparency in commodity derivative data.

We look forward to consideration of these suggestions and welcome the opportunity to discuss this response with you. The views expressed in this letter are solely those of ASC staff.

Yours truly,

“signed”

Shane Wanotch
Manager, Derivatives Oversight

cc: Lynn Tsutsumi, Director, Market Regulation, ASC
Aditi Krishnan, Regulatory Analyst, Derivatives Oversight, ASC
Janice Cherniak, Senior Legal Counsel, Market Regulation, ASC