

## ANNEX I

### Description of the Proposed Methodologies for Determining Notional Amount Derivatives Negotiated in Non-Monetary Amounts

	Column 1	Column 2
Product	Notional Amount based on the CDE Guidance	Notional Amount under the Regulatory Notional Methodology
Equity Derivatives		
Equity options and similar products	Product of the strike price specified in the contract and the number of shares or index units	Product of the delta-adjusted spot price at the time of the transaction and the number of shares or index units
Equity forwards and similar products	Product of the forward price specified in the contract and the number of shares or index units	Product of the forward price specified in the contract and the number of shares or index units
Equity dividend swaps and similar products	Product of the period fixed strike specified in the contract and the number of shares or index units	Product of the period fixed strike specified in the contract and the number of shares or index units
Equity swaps, portfolio swaps and similar products	Product of the initial price and the number of shares or index units	Product of the initial price and the number of shares or index units
Equity variance swaps and similar products	Variance amount	Variance amount
Equity volatility swaps and similar products	Vega notional amount	Vega notional amount
Equity CFDs and similar products	Product of the initial price and the number of shares or index units	Product of the initial price and the number of shares or index units
Commodity Derivatives		
Commodity options and similar products	Product of the strike price specified in the contract and the total notional quantity	Product of the delta-adjusted spot price specified in the contract and the notional quantity
Commodity forwards and similar products	Product of the forward price specified in the contract and the total notional quantity	Product of the forward price specified in the contract and the monthly notional quantity

		approximation
Commodity fixed/float swaps and similar products	Product of the fixed price specified in the contract and the total notional quantity	Product of the fixed price specified in the contract and the monthly notional quantity approximation
Commodity basis swaps and similar products	Product of the last available spot price at the time of the transaction of the underlying asset of the leg with no spread and the total notional quantity of the leg with no spread	The greater of (i) the product of the last available spot price at the time of the transaction of the underlying asset of leg 1 and the monthly notional quantity approximation of leg 1, and (ii) the product of the last available spot price at the time of the transaction of the underlying asset of leg 2 and the monthly notional quantity approximation of leg 2
Commodity swaptions and similar products	Notional amount of the underlying transaction	Notional amount of the underlying transaction
Commodity CFDs and similar products	Product of the initial price and the total notional quantity	Product of the initial price and the notional quantity

### Notes applicable to all derivatives

All conversions to monetary notional amounts, including all conversions to Canadian dollars, must be made at the time of the transaction.
For all derivatives with exercise optionality (e.g., swaptions) or volumetric optionality, the optionality must be assumed to be exercised and the regulatory notional amount would be determined as above.
For derivatives with multiple settlement periods, which settlement periods are not monthly, “monthly notional quantity approximation” is calculated as: $\left( \frac{\text{total notional quantity}}{\text{total number of days between effective date and maturity}} \right) \times \left( \frac{365}{12} \right)$
If applicable to the derivative, the notional amount must reflect any multipliers and option entitlements.
For derivatives whereby the quantity unit of measure differs from the price unit of measure, the price or total quantity must be converted to a unified unit of measure.
For basket-type derivatives, the notional amount of the derivative is the sum of the notional amounts of each constituent of the basket.
Any reference to a price, including a spot price, means the absolute value of the price. For example, a negative price must be treated as the absolute value of that negative price.

	Any reference to “spot price” means the quoted price in an active market for the underlying asset or, if no quoted price in an active market is available, the fair value of the underlying asset, as determined in accordance with the <i>Fair value hierarchy</i> set out in IFRS 13 <i>Fair Value Measurement</i> .
	Information relating to certain terms, including “delta adjusted-spot price” and “initial price” will be established in Appendix A of local and multilateral instruments relating to Trade Repositories and Derivatives Data Reporting. <sup>13</sup>

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<sup>13</sup> These instruments are Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting*, Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* and, in Québec, Regulation 91-507 respecting trade repositories and derivatives data reporting.