

17 September 2014

Introduction

Committee 7 on Commodity Derivatives (**Committee 7**) of the International Organization of Securities Commissions (**IOSCO**) is researching the potential effects of storage infrastructure on the integrity of the price formation process of commodity derivatives in member jurisdictions.

IOSCO has requested that the Alberta Securities Commission invite relevant entities to complete Committee 7's survey on this subject at <https://www.iosco.org/surveys/2014-Storage-Infrastructure/?page=signup>.

The results are expected to inform the development of international regulation of commodity derivatives markets.

Background

IOSCO's *Principles for the Regulation and Supervision of Commodity Derivatives Markets* (**IOSCO Principles**) state that "Key considerations that promote effective price convergence for a physically delivered commodities contract should include an analysis of deliverable supplies and locations, quality or grade of the deliverable commodity, inspection and certification procedures, size of the delivery unit, adequacy (including accessibility and financial condition) of delivery points and facilities, and the delivery process (timing, storage, transportation)." Committee 7 considers that robust and efficient storage infrastructure is central to maintaining the integrity of the price formation process of physically delivered commodities on regulated derivatives markets of IOSCO members, and to furthering the IOSCO Principles.

In order to more fully understand the relationship between storage infrastructure and price formation, and any issues arising from this, Committee 7 has resolved to explore this further. The survey is a fundamental part of its efforts. The scope of this project is to cover storage infrastructure that may impact the integrity of the price formation process of physically-delivered commodity derivatives on markets within the remit of IOSCO members.

Committee 7 wants to hear from as many relevant organizations as possible, including storage and market infrastructure providers, market participants and end users. There are no restrictions on who can answer the questionnaire.

Completing the survey

Interested parties should visit <https://www.iosco.org/surveys/2014-Storage-Infrastructure/?page=signup> to register to complete the survey. Respondents may complete all or part of the survey, and need not complete it in a single session.

After registering to complete the survey, you will receive a personalized email message including login details and contact information for any questions relating to the survey.

The closing date for responses is 31 October 2014.

Responses will be published on the IOSCO website.

Confidentiality

If you would like your survey responses held in confidence, you must indicate that by answering the first question of the survey accordingly. IOSCO has indicated that such responses will be treated as confidential. If you have questions regarding the survey, including with respect to confidentiality, contact IOSCO using the contact information that is provided at the time of registration.