

\$US/\$Cdn Exchange Rate for Oil Valuation

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
SK	June 26, 2017		Initial Release

Audience: All Saskatchewan Users

Purpose: To inform Industry that the Ministry of Economy (ECON) has developed an exchange rate policy that can be used as an acceptable method to convert transaction prices from \$US per barrel to \$Cdn per cubic metre for Petrinex reporting purposes.

Background: Oil sale transactions are often executed in \$US per barrel and the price needs to be converted by both the Royalty Tax Payer (RTP) and Purchaser to \$Cdn per cubic metre for purposes of reporting in Petrinex. Often times, the RTP and Purchaser perform the conversion independently without communicating with each other. In cases where they use different exchange rate assumptions, the result is a mismatch of reported pricing in Petrinex.

With the recent introduction of the OVE008 error, a mismatch of the reported RTP price and Purchaser price can lead to OVE008 errors which should otherwise be avoidable.

Key Messages: ECON expects the RTP and Purchaser to communicate and to agree on an appropriate exchange rate to use for converting \$US per barrel transaction prices to \$Cdn per cubic metre.

For reporting periods prior to May 2017, in situations where they don't agree on an appropriate exchange rate, ECON requests that both the RTP and Purchaser use the noon monthly average exchange rate as published by the Bank of Canada.



TIP

For reporting periods after April 2017, in situations where they don't agree on an appropriate exchange rate, ECON requests that both the RTP and Purchaser use the monthly average of the daily exchange rate as published by the Bank of Canada.

More information:

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