



**Terms and Conditions of the Overnight Standing Purchase and Resale
Agreement (PRA) Facility**

Operation details:	Eligible participants will have access to an overnight standing PRA facility at the Bank rate, subject to pre-specified limits.
Eligible counterparties:	Primary Dealers (PDs) for Government of Canada securities.
Process to access facility:	Participants must inform the Bank of their interest to access the facility by phone before 2:00 pm ET on the day of the request. This must also be confirmed by fax.
Limits:	The daily limit per counterparty is \$300 million.
Eligible securities:	Marketable securities issued by the Government of Canada are eligible as securities for these transactions.
Notification of securities to be used:	<p>Counterparties must notify the Bank of Canada of the securities that will be offered for sale by 2:00 pm ET on the trade date.</p> <p>The Bank of Canada will fax the counterparty confirmations, setting out the specific terms of the transaction, including the securities.</p>
Margins:	<p>Eligible securities in these Overnight Standing PRA transactions will be subject to the same margin requirements as those applicable in the Standing Liquidity Facility.</p> <p>See Margin Requirements at: http://www.bankofcanada.ca/en/financial/securities.pdf</p>
PRA rate calculation:	The PRA rate for a transaction will be applied to the purchase price of the securities on an actual/365 day basis.
Coupon and principal payments:	All coupon and principal payments received by the Bank of Canada on the purchased securities during the term of the transaction will be kept by the Bank of Canada. The final settlement amount will be adjusted, as required, to account for these receipts in accordance with the Bank of Canada's Purchase and Resale Agreement.

**Counterparty
settlement
instructions:**

Securities shall be delivered to the Bank of Canada by 3:00 p.m. ET through CDSX on the settlement day of the transaction, on a delivery of securities versus payment of funds basis. Securities to be delivered shall be confirmed with and priced by the Bank of Canada prior to delivery.

The securities sold to the Bank must be repurchased for the Amount Due on Repurchase, as determined in accordance with the Purchase and Resale Agreement, by 3:00 pm ET on day T+1.

Bank of Canada CDS settlement CUID is BOCB.

Legal arrangements:

Eligible counterparties must have made the appropriate legal arrangements with the Bank of Canada, including entering into the Bank's standard form Purchase and Resale Agreement, with appropriate proof of signing authority.

The Bank of Canada reserves the right to change the terms of subsequent Overnight Standing PRA transactions by posting a revised version of these Terms and Conditions.