

Overview of the Standard Terms for Government of Canada's Modified Auction for Ultra-Long Bonds

Characteristics	Overview
Bidders	<ul style="list-style-type: none"> • Government securities distributors (GSDs) can bid directly through the <i>Communication, Auction and Reporting System (CARS)</i>. • Customers can bid indirectly through GSDs. • Customers may submit bids through multiple GSDs.
Auction Size	<ul style="list-style-type: none"> • Maximum auction size will be specified in the Call for Tenders.
Bond Maturity Date	<ul style="list-style-type: none"> • Bond maturity date will be specified in the Call for Tenders.
Pricing Mechanism	<ul style="list-style-type: none"> • Uniform pricing (successful bids are allocated at the cut-off yield).
Auction Allocation Process	<ul style="list-style-type: none"> • Non-competitive bids are accepted first. • Competitive bids are accepted in rising order of yield until full issuance amount is allotted.
Bidder Identification Number (BIN)	<ul style="list-style-type: none"> • To bid, customers require a Regular BIN or an ultra-long BIN. • Customers with an ultra-long BIN can only bid at ultra-long bond auction.
Competitive Auction Limit	<ul style="list-style-type: none"> • GSDs and customers both have a maximum competitive bidding limit of 40 per cent of the total tender size on their own behalf. • The aggregate bids submitted by a government securities distributor on its own behalf and on behalf of its customers cannot exceed 70 per cent of the maximum auction size indicated in the Call for Tenders.
Non-Competitive Auction Limit	<ul style="list-style-type: none"> • GSDs can bid up to \$3 million non-competitively. • Each customer can bid non-competitively for a maximum of \$5 million. • The sum of non-competitive bids submitted by a government securities distributor on behalf of its customers and its own behalf cannot exceed \$13 million.
Net Position Reporting	<ul style="list-style-type: none"> • GSDs and customers are not required to report their net position of ultra-long bond holdings at any time.
Compliance	<ul style="list-style-type: none"> • GSDs and customers are not required to complete an annual compliance report for their participation in ultra-long bond auctions.
Minimum Bidding Obligation	<ul style="list-style-type: none"> • GSDs and customers do not have a minimum bidding obligation. • The Bank of Canada is eligible without restriction to participate in each auction. However, there are no current plans for the Bank of Canada to participate in ultra-long bond auctions.
Call for Tenders	<ul style="list-style-type: none"> • Official call for tender will be issued at least one business day (at 15:30) prior to the auction. • Any call for tenders for ultra-long bonds would be communicated outside of the <i>Quarterly Bond Schedule</i> during the course of the fiscal year.
Bidding Format	<ul style="list-style-type: none"> • Bids will be placed in the form of yields.
Number of Bids per Auction Participant	<ul style="list-style-type: none"> • GSDs and customers can submit up to seven competitive bids.