



EFFECTIVE 31 January 2022

STANDARD TERMS FOR OFFERS TO PURCHASE GOVERNMENT OF CANADA MARKETABLE BONDS

1. The Minister of Finance hereby gives notice that all tenders submitted by authorized government securities distributors ("government securities distributors"), on or after the date set out above, to sell to the Government of Canada marketable Government of Canada bonds ("repurchase bonds") issued pursuant to the Financial Administration Act shall be subject to these *Standard Terms for Offers to Purchase of Government of Canada Marketable Bonds*.
2. Each tender shall be unconditional and shall be received by the Bank of Canada, acting on behalf of the Department of Finance Canada, **not later than the time**, and on the auction day, specified in the *Repurchase Operation Call for Tenders*, to which the tender is a response.
3. Government securities distributors and customers may submit competitive tenders only. Offers may be submitted by both government securities distributors and by customers, provided that, in the case of an offer by a customer, the customer has obtained a bidder identification number from the Bank of Canada prior to the tender. Offers by customers must be submitted through a government securities distributor and include the customer's bidder identification number. Where a government securities distributor submits offers, both on its own behalf and on the behalf of a customer with a bidder identification number, the offers on behalf of the customer must be listed separately from the distributor's own offers. A customer may also have its bonds sold to the Government of Canada as part of the offer submitted by a government securities distributor on the distributor's own behalf, in which case the customer is not required to have a bidder identification number.
4. For each targeted repurchase bond, neither the total amount of bonds offered by a government securities distributor on its own behalf nor the total amount of bonds offered by a customer with a bidder identification number may exceed the maximum total repurchase amount specified in the *Repurchase Operation Call for Tenders*. For each targeted bond included in the *Repurchase Operation Call for Tenders*, government securities distributors may submit up to five offers on their own behalf and up to five offers on behalf of each of their customers with a bidder identification number. Each offer must be stated in multiples of \$1,000 subject to the condition that each individual offer be for a minimum par value of \$1,000,000. Each offer shall state the yield to maturity to three decimal places. Government securities distributors shall not make an offer directly or indirectly on behalf of, or in concert with, any other government securities distributor.
5. The purchase price and payment required for each accepted offer will be determined on the basis of the accepted offer yields submitted. The calculation of the price for accepted offers will be carried to three decimal places on the basis of price per hundred, plus accrued interest if applicable.
6. Tenders shall be submitted to the Bank of Canada, acting on behalf of the Department of Finance Canada, via the *Bank of Canada Auction System* provided by the Bank of Canada. Neither the Minister of Finance nor the Bank of Canada shall bear any liability whatsoever for any errors in tenders received or for delays in the transmission of tenders. With the prior permission of the Bank of Canada, tenders may alternatively be submitted on the official tender forms.



7. The Minister of Finance reserves the right to accept or reject any or all offers, in whole or in part, including without limitation, the right to accept less than the total amount specified in the *Repurchase Operation Call for Tenders*.
8. All repurchase bonds delivered pursuant to offers from government securities distributors must be submitted free and clear of all liens, charges, claims, encumbrances, security interest, or other restrictions of any kind and a government securities distributor, in delivering repurchase bonds, is deemed to warrant and represent that all bonds delivered by it are so free and clear.
9. The auction results will be made available on the *Bank of Canada Auction System* on the day of the auction, and those submitting tenders may thereby confirm the acceptance or rejection, in whole or in part, of the submitted tenders.
10. The Bank of Canada is eligible without restriction to participate in each repurchase operation.
11. No fees or commissions will be paid by the Government of Canada in connection with these purchases of Government of Canada marketable bonds.
12. In taking delivery of the repurchase bonds from government securities distributors, the Bank of Canada will, until further notice, utilize CDSX provided by CDS Clearing and Depository Services Inc. ("CDS"). The delivery of repurchase bonds from a customer shall be settled through the government securities distributor who submitted the offer for the customer.
 - a. The purchase of repurchase bonds from a government securities distributor from whom an offer is accepted shall be effected through the settlement of a purchase in CDSX, involving the book entry transfer of repurchase bonds to the Bank of Canada's CDSX securities account from the CDSX securities account designated by the government securities distributor, in exchange for a CDSX funds transfer of the amount owing by the Government of Canada in connection with the purchase of the repurchase bonds.
 - b. Government securities distributors shall observe all applicable CDS Rules, Procedures, and User Guides for CDSX. Government securities distributors are responsible for the settlement, on the day stipulated in the *Repurchase Operation Call for Tenders*, of any accepted offers that they have submitted on their own behalf or on the behalf of a customer, and shall be liable to the Bank of Canada for any losses incurred as a result of those transactions failing to settle in CDSX.
13. Government securities distributors and customers must comply with Schedule A of the *Standard Terms for Auctions of Government of Canada Securities*.