

Minutes of the Canadian Alternative Reference Rate Working Group

Toronto, April 23, 2018, 11:30 a.m. to 1:30 p.m.

1. Review of global work on interest rate benchmarks

A summary of the work under way in other jurisdictions to develop new risk-free or nearly risk-free reference rates was presented. Members noted the importance of learning from these groups to help with the work of CARR.

2. Updates from subgroups

The co-chairs of the scope of work subgroup provided members with a draft data collection template to be used to determine the size and scope of financial products that currently reference existing Canadian benchmark rates. Members provided feedback on the breadth of the data collection tool, and the co-chairs agreed to finalize the template following the meeting.

The alternative rates subgroup presented members with an update on the work under way to identify and evaluate possible alternative Canadian overnight reference rates. Members discussed the attractiveness of each option presented and outlined areas requiring further work. Members were also asked to discuss the presented options with their respective internal teams.

Both subgroups will provide a status update at the next meeting.

3. Discussion on fallback recommendation

Due to time constraints, members agreed to discuss fallback recommendations at the next meeting.

4. Timeline and milestones

Due to time constraints, members agreed to discuss timelines and milestones at the next meeting.

5. Other

The next CARR meeting is scheduled for May 28, 2018.

6. List of attendees

Market representatives

Doug Paul, Alberta Investment Management Corporation
John McArthur, Bank of America Merrill Lynch
Nick Chan, Bank of Montreal
Mario Pereira, Bank of Montreal
Louise Stevens, Canada Mortgage and Housing Corporation

Karl Wildi, Canadian Imperial Bank of Commerce
Alex Prole, Canadian Imperial Bank of Commerce
David McKinnon, Manulife
Daniel Duggan, National Bank of Canada
Simon Labrosse, National Bank of Canada
Jason Chang, Ontario Teachers' Pension Plan
Ed Devlin, PIMCO
Renaud de Jaham, PSP Investments
Jim Byrd, Royal Bank of Canada
Paul Hildebrand, Royal Bank of Canada
Alejandro Stanco, Scotiabank
Patrick Russett, Scotiabank
Brett Pacific, Sun Life Financial
Nicholas Jewitt, TD Bank
Mike Lin, TD Bank

Observers

Glenn Goucher, CDCC
Luc Fortin Montréal Exchange
Philip Whitehurst, LCH
Joshua Chad, McMillan

Bank of Canada

Harri Vikstedt
Paul Chilcott
Scott Kinnear
Zahir Antia
Samantha Sohal