

Minutes of the Canadian Alternative Reference Rate Working Group

Toronto, 25 November 2019, 11:30 a.m. to 1:30 p.m.

1. Review of international developments

The co-chair provided members with an overview of the recent [speech](#) by the FCA's Director of Markets and Wholesale Policy on LIBOR cessation/representativeness and contractual fallback triggers, as well as the FCA's recent [Q&A](#) on conduct risk arising from LIBOR transition.

The co-chairs reviewed the recent [letter](#) by the co-chairs of the FSB's Official Sector Steering Group on benchmark reform to ISDA on pre-cessation triggers, as well as the related [results](#) of ISDA's 2019 consultation on pre-cessation triggers.

Members discussed the NY Fed's [statement](#) requesting public comment on proposed publication of SOFR averages and a SOFR index. They also discussed the US ARRC's recommended fallback [language](#) for residential adjustable-rate mortgages, and ARRC's [appendix](#) to its SOFR floating rate notes convention matrix.

2. Updates from subgroups

The Transition subgroup detailed the results of its recent calls with systems providers about their plans for dealing with benchmark transition issues. The CORRA production workstream provided an overview of their proposed [enhanced](#) methodology for CORRA after the Bank of Canada [becomes](#) administrator in 2020.

The Term Risk-Free Rate subgroup discussed their most recent draft of the upcoming survey to determine whether there is a need for a forward-looking term RFR in the Canadian market.

The Fallback subgroup provided an overview of the fallback language included in recent domestic and international debt issuance.

The Accounting, Tax and Regulation subgroup reviewed its draft Terms of Reference and sought potential members.

3. Other items

The co-chairs discussed recent outreach activities with Canadian market participants.

Members discussed potential improvements to CARR's website.

The next CARR meeting will take place on 16 December 2019.

List of attendees

Market representatives

Douglas Paul, AIMCO
John McArthur, Bank of America, Merrill Lynch
Nick Chan, BMO Capital Markets
Mario Pereira, BMO Capital Markets
Alex Prole, Canadian Imperial Bank of Commerce
Karl Wildi, Canadian Imperial Bank of Commerce
Louise Stevens, Canada Mortgage and Housing Corporation
Philip Whitehurst, LCH
Dave Duggan, National Bank Financial
Philippe Seyer-Cloutier, National Bank Financial
Audrey Gaspar, OTPP
Renaud De Jaham, PSP
Jim Byrd, Royal Bank of Canada
Alejandro Stanco, Scotiabank
Brett Pacific, Sunlife
Michael Lin, TD Bank
Nicholas Jewitt, TD Bank

Observers

Robert Cattana, TMX
Joshua Chad, McMillan

Bank of Canada

Harri Vikstedt
Mark Hardisty
Tamara Gomes
Thomas Thorn
Jesse Johal