

Minutes of the Canadian Alternative Reference Rate Working Group

Toronto, 27 January 2020, 11:30 a.m. to 1:30 p.m.

1. Review of international developments

The co-chairs discussed recent developments in Australia which, similar to Canada, operates as a multi-rate jurisdiction (BBSW and AONIA). Structural differences between Australian and Canadian markets were discussed, as well as recent RMBS issuance referencing AONIA.

The co-chairs then provided a debrief on the FSB Official Sector Steering Group's recent meeting in London, as well as the state of progress of LIBOR jurisdictions in their transition preparations. The co-chairs discussed recently-released letters to ISDA from the [UK FCA](#) and [Ice Benchmark Administration](#), as well as ISDA's [response](#). Also discussed was the LCH [consultation](#) on amending its rulebooks to include automatic triggers in the event a relevant authority determines a benchmark to be non-representative.

2. Updates from subgroups

The Term Risk-Free Rate subgroup co-chairs discussed the potential survey on determining whether there is a need for a forward-looking term RFR in the Canadian market. Members agreed that the best approach to discuss the issue was through targeted small roundtables with key stakeholders. The Subgroup will prepare a more detailed plan to discuss with CARR at the next meeting.

The Transition subgroup provided an overview of recent calls with system providers and noted an additional firm they would like to speak with. The Bank of Canada is still on track to begin administering CORRA in H2 2020. At the same time, MX should be able to begin offering CORRA futures around the time when the Bank of Canada begins administering CORRA.

The Fallback subgroup provided an update on global developments in legal fallback language.

The Accounting, Tax and Regulation subgroup detailed its first call, outlining the issues and next steps for the group.

3. Other items

The co-chairs discussed upcoming outreach activities with Canadian market participants, including with the MBSIA.

The next CARR meeting will take place on 24 February 2020.

List of attendees

Market representatives

Douglas Paul, AIMCO
Nick Chan, BMO Capital Markets
Mario Pereira, BMO Capital Markets
Alex Prole, Canadian Imperial Bank of Commerce
Karl Wildi, Canadian Imperial Bank of Commerce
Philip Whitehurst, LCH
Dave Duggan, National Bank Financial
Philippe Seyer-Cloutier, National Bank Financial
Audrey Gaspar, OTPP
Ed Devlin, PIMCO
Andrew Bastien, PSP
Jim Byrd, Royal Bank of Canada
Paul Hildebrand, Royal Bank of Canada
Alejandro Stanco, Scotiabank
Brett Pacific, Sunlife
Michael Lin, TD Bank
Nicholas Jewitt, TD Bank

Observers

Jacques Caussignac, TMX
Robert Cattan, TMX
Joshua Chad, McMillan

Bank of Canada

Harri Vikstedt
Mark Hardisty
Tamara Gomes
Zahir Antia
Jesse Johal
Thomas Thorn