

Minutes of the Canadian Alternative Reference Rate Working Group

Toronto, 24 February 2020, 11:30 a.m. to 1:30 p.m.

1. Review of international developments

The co-chairs discussed the US ARRC's [consultation](#) on swaptions. Swaptions are non-cleared options that can deliver cleared interest rates swaps (or settle in cash), and thus will be affected by CCPs' move from LIBOR to SOFR discounting.

The co-chairs discussed UK authorities' work to [encourage](#) the switch from LIBOR to SONIA for sterling interest rate swaps from March 2.

Members were debriefed on the US Alternative Reference Rate Committee's recent work, including work on the "legislative solution" for contracts under New York law that reference LIBOR but have no fallback language, as well as ARRC's work on establishing transition goals ahead of end-2021. Members also discussed the state of progress in the SOFR market.

2. Update on ISDA consultation

The co-chairs discussed ISDA's consultation on ([published on 25 February](#)), and the discussion around it at ISDA's conference in New York the previous week.

3. Updates from subgroups

The Term Risk-Free Rate subgroup co-chairs discussed their plan for targeted small roundtables with key stakeholders, which members supported. The Subgroup will present a list of potential groups to cover in these roundtables at a following CARR meeting.

The Transition subgroup discussed a draft description of CORRA intended to be included on Bloomberg's landing page for global risk-free rates (RFR<GO>). The Bank of Canada discussed its recent [announcement](#) that it will begin administering CORRA on 15 June 2020. MX discussed its upcoming roadshows related to its [CORRA futures product](#).

The Fallback subgroup and Accounting, Tax and Regulation subgroup provided updates on recent global developments.

4. Other items

The co-chairs discussed CARR's composition in relation to its 2020 workplan.

The next CARR meeting will take place on 30 March 2020. [March CARR meeting was cancelled due to COVID-19.]

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
Louise Stevens, CHMC
Philip Whitehurst, LCH
Dave Duggan, National Bank Financial
Audrey Gaspar, OTPP
Ed Devlin, PIMCO
Eric Ruest, 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
Greg Moore, TD Bank

Observers

Jacques Caussignac, TMX
Joshua Chad, McMillan

Bank of Canada

Harri Vikstedt
Mark Hardisty
Tamara Gomes
Zahir Antia
Maksym Padalko
Thomas Thorn