



Medium-term strategy and 2020 workplan

29 January 2020

CFIF – what we do

- ❖ The Canadian Fixed-Income Forum (Forum) is a senior level industry-wide committee established by the Bank of Canada to discuss developments in fixed-income market structure and functioning, market practices, and related policy issues. The goals of the Forum are to:
 - enhance the efficiency and resilience of the Canadian fixed-income market;
 - improve the quality, clarity and market-wide understanding of Canadian fixed-income trading practices;
 - evaluate and propose changes to market infrastructure;
 - communicate any recommendations and analysis to oversight authorities, regulators, industry groups and other market participants as needed.
- ❖ The Forum will not discuss monetary policy or policy issues directly relating to the size and distribution of the federal government's debt programme which are covered through other fora.

CFIF accomplishments since 2015

- ❖ 2016: Survey of market liquidity, transparency and market access
- ❖ 2018: Establishment of CARR
 - 2019: Revised CORRA methodology
- ❖ Deep dives
 - Corporate bond market functioning
 - Impact of high frequency trading
- ❖ Ongoing outreach with industry stakeholders
 - Impact of prudential reforms
 - Bond market transparency
 - Mortgage market transparency

Workplan discussion: some filtering questions

- ❖ Can we divide cleanly between conjunctural discussions and policy projects?
 - Are CFIF meetings appropriately balanced between the two?
 - How to balance between timely updates on conditions and medium-term trends?

- ❖ What is the best way to move each discussion topic forward?
 - Guest speakers versus member presentations?
 - Use of virtual networks with specialists?

CFIF work plan for 2020 – potential topics for conjunctural discussion

Theme	Description
Trends in market liquidity	<ul style="list-style-type: none">• Review of market liquidity analysis• Developments in credit markets• Update on CFIF survey on market liquidity, transparency and access
Market structure - trends and impacts	<ul style="list-style-type: none">• Automated trading platforms• Impacts of (prudential/conduct) regulation• Bond market transparency• Repo markets
Market infrastructure – impacts and developments	<ul style="list-style-type: none">• Role of CCPs• Changes in collateral management/optimization
Market themes and investment strategies	<ul style="list-style-type: none">• ESG investment strategies and products• Impact of an increase in “fallen angels”• Growth in fixed income mutual funds/ETFs

CFIF work plan for 2020 – policy projects

Theme	Description	Deliverables
Benchmark reform	CARR focus on transition from CDOR to CORRA	Quarterly updates to CFIF
Market structure	GoC Market Functioning SG	Quarterly updates to CFIF
Mortgage market transparency	Developing a public database for mortgage data	Semi-annual updates

Meeting logistics and membership

❖ Meetings

- Member approval of meeting dates

❖ Promoting intra-meeting discussions amongst specialists

- Greater use of virtual networks for info sharing with specific topics (see conjunctural discussion topics)
- Specialists (led by CFIF member) to surface new issues/trends for CFIF members to consider
- Eg, specialist group of infrastructure experts, regulatory experts

Meeting dates for approval

- ❖ January 29 (Toronto)
- ❖ April 21 (Toronto)
- ❖ June 16 (Toronto)
- ❖ September 15 (Ottawa)