

Minutes of the Canadian Alternative Reference Rate Working Group

Teleconference, 27 July 2020, 11:30 a.m. to 1:00 p.m.

1. Review of international developments

The co-chairs discussed a [speech](#) by Edwin Schooling Latter (UK FCA) on an ISDA webinar that, among other things, outlined the FCA's proposed new powers to potentially address "tough legacy" contracts through the creation of a synthetic LIBOR. The co-chairs also discussed a similar legislative [proposal](#) made in the EU.

The co-chairs discussed the [launch](#) of a prototype term rate for SONIA by Refinitiv. Next, the discussion focused on the outcome of the switch in discounting and interest payments on collateral by EU CCPs from EONIA to €STR.

Finally, the co-chairs discussed the [calculation and publication](#) of Bloomberg's recently launched ISDA-designated fallback rates.

2. Subgroup updates

The Fallbacks subgroup provided an overview of its draft consultation document on fallback language for floating rate notes referencing CDOR. The Transition subgroup discussed its workplan for developing CORRA-in-arrears average rates and an index, which could similarly lead to a consultation document. CARR members also discussed how this work interacts with the work on a recommended in-arrears CORRA FRN methodology.

The Transition subgroup also provided an update on discussions with systems providers, and talked about a two-page document it drafted for communicating benchmark transition issues with the public. Members also discussed and approved the terms of reference for the Bank of Canada's CORRA Advisory Group.

The Accounting, Tax and Regulation subgroup provided an overview of its recent work.

3. Other items

The next CARR meeting will take place on 10 September 2020 by teleconference.

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
Joshua Chad, McMillan
Dave Duggan, National Bank Financial
Audrey Gaspar, OTPP
Jim Byrd, Royal Bank of Canada
Paul Hildebrand, Royal Bank of Canada
Alejandro Stanco, Scotiabank
John Gjata, Scotiabank
Michael Lin, TD Bank
Nicholas Jewitt, TD Bank

Observers

Jacques Caussignac, TMX

Bank of Canada

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