

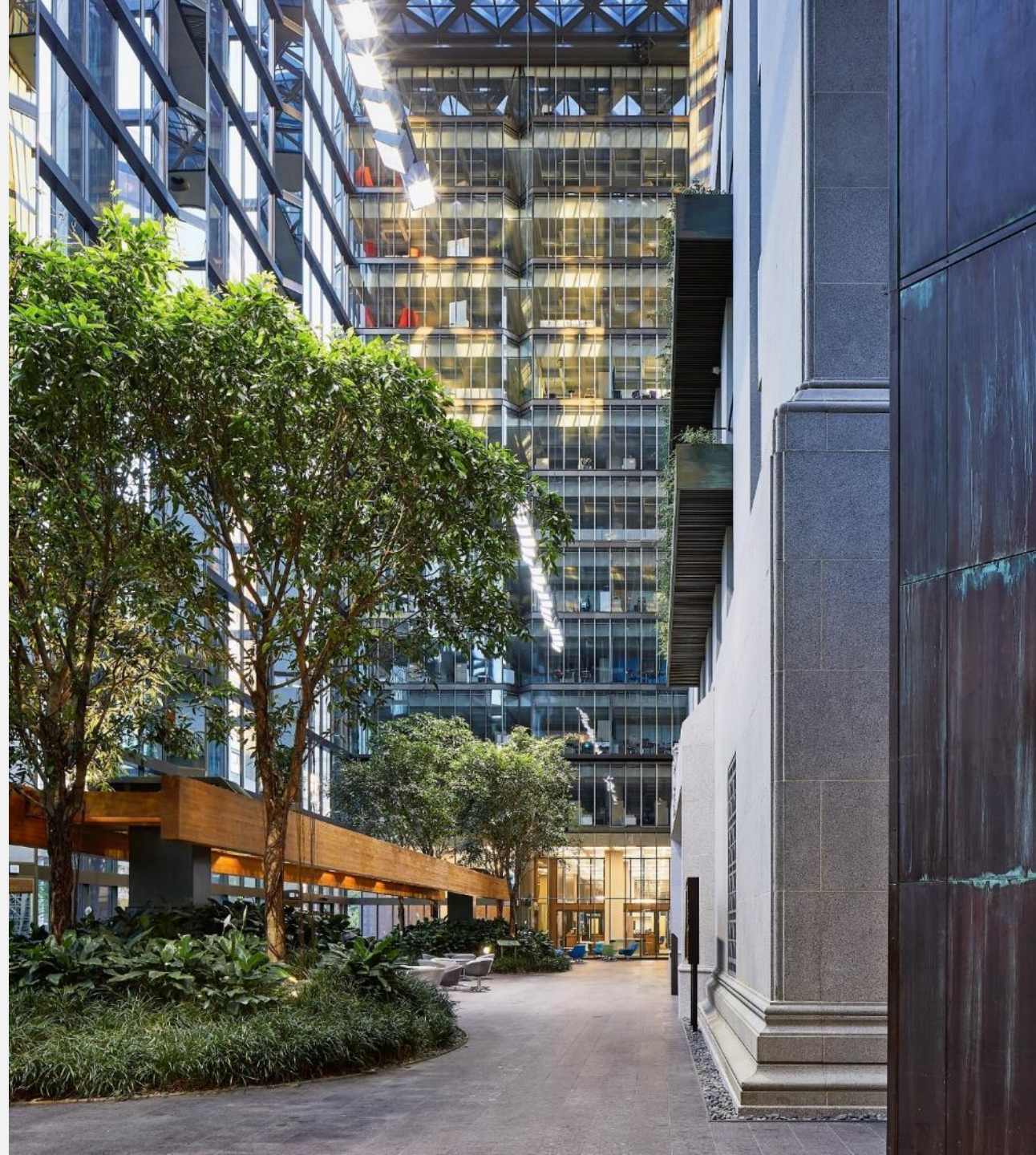
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CORRA Advisory Group

Overview of CAG Terms of Reference

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What is the CORRA Advisory Group (CAG)?

- The Bank of Canada became the administrator of CORRA in June 2020. As part of its role as administrator, the Bank set up an internal CORRA Oversight Committee.
- The **CAG has been established to advise the Oversight Committee on any potential adjustments to the CORRA methodology**, stemming from changes in repo market functioning and from any emerging methodology issues, as well as on any changes undertaken as part of regular methodology reviews.
- **CAG has been initially established as a subgroup of the Canadian Alternative Reference Rate working group (CARR).**

CAG's key objectives:

- **Assess if CORRA continues to represent the underlying overnight general collateral funding rate for Government of Canada securities as collateral**
- Provide insight on the structure and functioning of the Canadian repo market as it relates to the calculation of CORRA
- Raise awareness of emerging methodological issues
- **Propose and/or provide feedback on any changes to the CORRA calculation methodology** including the type of repo transactions (term and collateral) included in CORRA and publication process
- **Provide feedback on and support industry and public consultations on proposed changes to the CORRA methodology**
- Review CORRA documentation and reports for accuracy and clarity of communication
- Contribute to the mandatory review of CORRA methodology every 5 years, as required by the CORRA sunset provision

Member responsibilities

- **Members are expected to dedicate the necessary time and resources to CAG's work.** They should actively attend and participate in meetings, including presenting their analysis of CORRA and related markets.
- Any CAG member with approval of the chair may:
 - › propose additional analysis of the underlying repo market, including further analysis by the Bank of Canada using data not available to CAG members such as MTRS2 data.
 - › propose changes to the CORRA calculation and publication methodology.
- Any recommendations from CAG to the Bank's CORRA Oversight Committee will be done on a majority support basis. Recommendations that could lead to material changes to CORRA must be also supported by the CAG chair and by CARR.
- All CAG members are expected to help execute public or targeted consultations and to promote trust in CORRA as a robust, reliable and representative risk-free reference rate in Canada.
- **Finally, members must be aware of their obligations under the Competition Act** and avoid the disclosure of any competitively sensitive information. Members should inform chair of any Competition Act concerns of which they become aware and which arise from CAG's discussions.

CAG membership details

- We have tried to ensure CAG's membership is representative of CORRA stakeholders. The membership list was circulated with the meeting invite.
- Members are appointed for a minimum term of 3 years and membership will periodically rotate between various stakeholders.
- CAG's chair will be appointed by the existing CAG members and, upon CARR's approval, will serve a minimum term of 3 years, with the possibility of renewal.
- The CAG chair will be an observer member of CARR.

Other

- CAG will meet semi-annually. Additional meetings may be called by the chair as required.
- CAG's terms of reference and its list of members will be published on the CARR website, along with documents pertaining to meetings, including agendas and minutes.

A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are arranged in a way that they appear to converge towards the top of the frame, creating a sense of height and scale. The glass reflects the sky and clouds, adding to the visual complexity. A semi-transparent dark grey horizontal band is positioned across the middle of the image, serving as a background for the text.

Thank you!