

# **Minutes of the Canadian Alternative Reference Rate Working Group**

Virtual, 26 July 2021, 11:30 a.m. to 1:30 p.m.

## **1. Introduction**

Members were welcomed to the call.

## **2. Refinitiv update**

Refinitiv provided an overview of their benchmark organization and benchmark administration framework, including their governance and control framework. They also provided an overview of the new CSA benchmark rule and discussed its impact to CDOR, including to Refinitiv, the six rate contributor banks, and the CDOR Oversight Committee. Refinitiv also discussed the timeline for these changes.

Refinitiv concluded by discussing other benchmarks it administers (or will soon administer) including term SONIA, SAIBOR, USD LIBOR cash fallbacks and the Tokyo Swap Rate and noted some existing design features and changes that arise from the LIBOR transition, benchmark regulation and other international benchmark standards.

## **3. International update**

Members [discussed](#) the CFTC Market Risk Advisory Committee's "SOFR First" market best practice, where interdealer trading conventions change to use SOFR as a default benchmark rather than LIBOR. The first phase of SOFR First, which scoped in interdealer linear swaps, began on July 26th, and members discussed early reports on the success of this initiative. Members also discussed the September 21<sup>st</sup> initiative to move interdealer cross currency basis swap conventions to reference risk-free rates instead of LIBOR for four currencies (CHF, GBP, JPY and USD). Members also discussed ARRC's fourth [SOFR Symposium](#), which was held on July 21<sup>st</sup>.

Members noted the Working Group on Euro Risk-Free Rates' [announcement](#) of an "€STR First Initiative" (wherein interdealer brokers change risk-free rate swap trading conventions from EONIA to €STR from 18 October).

Members also noted ESMA's public [consultation](#) on clearing and derivative trading obligations in light of benchmark transition.

## **4. Transition Subgroup**

The Subgroup leads noted that on July 6<sup>th</sup>, CARR [published](#) the results of its consultation and the recommended fallback language for FRNs referencing CDOR. Members discussed the draft CORRA fallback language being developed by the Fallbacks subgroup. Members also discussed draft CORRA FRN conventions and interbank swap conventions.

## **5. Credit Sensitive Subgroup**

Subgroup members discussed the preliminary results of its survey on the size and scope of CDOR and BAs. Work is now being done to ensure the accuracy of the data. The CDOR Submission workstream noted its progress in summarizing the results of its survey on CDOR submission frameworks and practices. The workstream focused on the BA market noted its upcoming workshops with bank treasuries, borrowers and investors to discuss the use of CDOR/BAs. Finally, the Loan Conventions workstream noted that it was finalizing a survey on CORRA loan conventions.

## **6. Other items**

The next CARR meeting will take place virtually on 30 August 2021.

## **List of attendees**

### **Market representatives**

Sandra Lau, AIMCO  
Douglas Paul, AIMCO  
John McArthur, Bank of America  
Philip Lunn, BMO  
Karl Wildi, Canadian Imperial Bank of Commerce  
Louise Stevens, CHMC  
Glenn Taitz, Invesco  
Tom Wipf, Morgan Stanley  
Dave Duggan, National Bank of Canada  
Jean-Sebastien Gagne, National Bank Financial  
Audrey Gaspar, OTPP  
Renaud de Jaham, PSP  
Bruce Wagner, Rogers Communications  
Anuj Dhawan, Scotiabank  
Brett Pacific, Sunlife  
Greg Moore, TD Bank

### **Guests**

Shirley Barrow, Refinitiv  
Robert Walton, Refinitiv  
Edward Kendrick, Refinitiv  
Brandon Meneguzzi, Refinitiv

### **Observers**

Philip Whitehurst, LCH  
Joshua Chad, McMillan LLP  
Adam Schneider, Oliver Wyman  
Pin Su, Oliver Wyman  
Alan White, Rotman School of Management

### **Bank of Canada**

Harri Vikstedt  
Wendy Chan  
Zahir Antia  
Kaetlynd McRae  
Thomas Thorn  
Andriy Stolyarov