

Feedback form – Consultation on a potential new term interest rate to replace CDOR in certain financial instruments

Please e-mail a PDF of your response using this template to CARR-TARCOM-Consultation@bank-banque-canada.ca no later than June 13, 2022 with the subject line “Consultation Response”. All responses will be treated as confidential.¹ CARR will publish an anonymized summary of comments on the CARR website after the consultation period closes. We ask respondents to coordinate their responses across their organization to provide a single response per institution.

Respondent Name:	
Title:	
Contact email:	
Organization name	
Organization type:	
Industry	
Organization size (balance sheet assets or AUM):	
Gross asset or liability exposure to CDOR (excluding derivatives):	

¹ The Bank will maintain the confidentiality of all data it receives from third parties, except to the extent that the data may be public knowledge or in the event that the Bank is required by law to release the data. The Access to Information Act also provides for a number of grounds upon which the Bank can refuse to disclose third party information. For example, the Act provides that the Bank shall refuse to disclose any record requested that contains “information the disclosure of which could reasonably be expected to result in material financial loss or gain to, or could reasonably be expected to prejudice the competitive position of, a third party”. In the event that the Bank receives a request for data supplied by a third party, the Bank will consult with the third party, and the third party will be provided with the opportunity to make representations with respect to the confidentiality of the information being requested.

Question 1) Does your institution need a Term CORRA rate? If so, for what purpose and how would you use Term CORRA? Please be as explicit as possible.

Question 2) Besides bank lending and trade finance, are there other products or activities for which you would need a Term CORRA? If so, what are the key factors driving your need. Please be as explicit as possible.

Question 3) How would your institution be affected if the use of Term CORRA was restricted to use in loans and trade finance only, and not to derivatives hedging those loans (i.e. derivatives would be restricted to overnight CORRA compounded in-arrears)? Please be as explicit as possible.

Question 4) CARR is considering recommending that Term CORRA be limited to only the 1- and 3-month tenors. If only one of these tenors was available, which would you need and why?

Question 5) If Term CORRA was not available, would your institution use overnight CORRA? If not, could you please explain why and what other alternatives would you consider?

Question 6) Are there any aspects of the potential design of Term CORRA that you would like to comment on?

Question 7) Are there any aspects of Term CORRA not specifically asked about in this consultation that you would like to comment on?