

Minutes of the Canadian Alternative Reference Rate Working Group

Virtual, 25 April 2022, 11:30 a.m. to 1:30 p.m.

1. Introduction

Members were welcomed to the call.

2. International update

CARR members discussed the FSB's April [statement](#) "welcoming a smooth transition away from LIBOR". This statement 1) provided a stock-take of the end-2021 transition resulting from the cessation of all GBP, EUR, CHF, and JPY LIBOR tenors, as well as the 1-week and 2-month USD LIBOR tenors; and 2) provided key messages for 2022 and 2023, and the need to transition away from the remaining USD LIBOR tenors. Members discussed the USD LIBOR transition, including the transition of liquidity from Eurodollar to SOFR futures.

3. CAG update

CORRA Advisory Group (CAG) chair provided an overview of CAG's role in providing insight, to CARR and the Bank of Canada, on the structure and functioning of the Canadian repo market. He noted that CAG is also tasked in recommending any changes to CORRA calculation methodology should this be necessary due to changes in the underlying repo market. The CAG chair and the Bank of Canada presented an update to tom-next (tomorrow-to-next day) repo discussion at the last meeting. Members were asked to provide their institutions view on whether these types of repo transactions should be potentially included in CORRA's calculation, if their share of repo activity rises further, and the process for any such inclusion.

4. CARR subgroup updates

Subgroup co-chairs were asked to provide updates of their progress.

The Cash Securities subgroup noted that its four workstreams were making good progress on their work in cataloguing and reviewing existing cash securities that mature after CARR's recommended end date for CDOR to determine the extent to which CDOR-linked securities are potentially "tough legacy" (i.e. have no or weak fallback language).

The Derivatives subgroup has identified potential dates for "CORRA-first" initiatives for interbank derivatives, with interbank vanilla interest rate swaps moving to a CORRA quoting convention in early January 2023 and interbank non-linear and cross-currency basis swaps moving to a CORRA quoting convention in late March 2023.

The Loans subgroup continues to work on developing fallback language for BA facilities and is working closely with legal experts from the Accounting, Taxation, and Regulation subgroup.

The Communications and Outreach subgroup is working with several subgroups on communication material, including with the Term CORRA subgroup on its upcoming public consultation on Term CORRA.

The Infrastructure and Operations co-chairs noted that they had worked with Bloomberg to fix its CORRA Compounded Average published rate to include a larger number of decimal places. The subgroup noted its ongoing work on the upcoming vendor readiness survey and CARR members discussed potential avenues for capturing the widest range of applicable vendors.

The Accounting, Taxation, and Regulation subgroup noted that they were working with several working groups to resolve legal and accounting issues.

5. Term CORRA

The Term CORRA Subgroup co-chairs noted that the draft consultation document had been circulated to CARR members for comment. Members discussed the ideal length of the consultation period and agreed on four weeks. The co-chairs then discussed the potential methodology for calculating term CORRA. The thinking around the rate's potential structure had evolved to focus on a futures-based model using both transactions and the central limit-order book.

6. CARR milestones

Members discussed the status of a roadmap document that would be published by CARR if Refinitiv announced the cessation of CDOR. The document would outline a plan for Canada's transition from CDOR, including specific milestones for various products referencing CDOR. Members also discussed the [UK](#) and [US](#) transition plans. The Communications and Outreach subgroup will continue to work with relevant subgroups to finalize this roadmap.

7. Other items

The next CARR meeting will take place virtually on 24 May 2022.

List of attendees

Market representatives

John McArthur, Bank of America
Carol McDonald, BMO
Luke Francis, Brookfield
Karl Wildi, Canadian Imperial Bank of Commerce
Louise Stevens, CHMC
Yassir Berbiche, Desjardins
Alan Turner, HSBC
Glenn Taitz, Invesco
Tom Wipf, Morgan Stanley
Jean-Sebastien Gagne, National Bank Financial
Mike Manning, Ontario Financing Authority
Audrey Gaspar, OTPP
Andrew Bastien, PSP
Guillaume Pichard, Quebec Ministry of Finance
Jim Byrd, RBC Capital Markets
Anuj Dhawan, Scotiabank
Brett Pacific, Sunlife
Greg Moore, TD Bank

Observers

Ann Battle, ISDA
Philip Whitehurst, LCH
Joshua Chad, McMillan LLP
David Duggan, National Bank Financial
Alan White, Rotman School of Management
Robert Catani, TMX

Subgroup co-leads

Nicholas Chan, BMO
Jacqui Szeto, Canso
Jacqueline Green, CIBC
Daniel Parrack, CIBC
Philip White, LSEG
Lisa Mantello, Osler
Christopher Abe, RBC Capital markets
Robin Das, RBC Capital Markets
Sarah Patel, Scotiabank
Ariane Stren, Scotiabank
Alison Perdue, TD Securities

Bank of Canada

Harri Vikstedt

Wendy Chan

Zahir Antia

Danny Auger

Andriy Stolyarov

Thomas Thorn