

## Feedback form – Consultation on a potential implementation of a fee for failing to settle Government of Canada bond and T-bill trades

**Please e-mail a PDF of your response using this template to [gmf-fmg-consultation@bank-banque-canada.ca](mailto:gmf-fmg-consultation@bank-banque-canada.ca) no later than December 9<sup>th</sup>, 2022 with the subject line “Consultation Responses”.** All responses will be treated as confidential. CFIF will publish an anonymized summary of comments on the CFIF website after the consultation period closes. We ask respondents to coordinate their responses across their organization to provide a single response per institution.

Respondents are encouraged to provide general feedback on whether they support the initiative in Question 1. Additional comments may be entered in Question 14. Questions that are not applicable to an institution can be left blank.

Respondent Name:	
Title:	
Contact email:	
Organization name	
Organization type:	Choose an item.

**Question 1: Do you support the introduction of a fee for failure to settle GoC transactions? If not, please explain.**

**Question 2: Are the parameters of the fail fee (e.g., level of the fee, thresholds for the dynamic component) appropriate for the GoC market? If not, please explain.**

**Question 3: Are monthly exchanges of fail fee payments appropriate? If not, at what frequency should they occur?**

**Question 4: Is the communication of a "warning" or "activation" appropriate as described? If not, please explain.**

**Question 5: Is the bilateral claim process appropriate for capturing fails from non-DvP transactions? If not, please explain.**

**Question 6: Are there any situations where the fee, as proposed, would duplicate financial penalties already levied for non-delivery of a GoC security by, e.g., market infrastructure providers? If yes, please explain.**

**Question 7: Is the information that will be provided by CDS to its members sufficient? If not, please explain.**

**Question 8: Does the proposed pass-through approach of the fail fee beyond direct CDS participants ensure a level playing field in the GoC market? If not, please explain.**

**Question 9: Is there any further information that custodians and other fiduciaries need to collect or pass on a fee to clients? If yes, please explain.**

**Question 10: Do you support the proposed structure of the trial period? If not, please explain.**

**Question 11: Do you agree with a notice period of 6 months prior to potentially activating payment exchange? If not, please explain.**

**Question 12: Are the governance considerations appropriate? If not, please explain.**

**Question 13: Are there any other aspects of the fail fee or market functioning that the governance group should monitor? If yes, please explain.**

**Question 14: Additional comments**