

Minutes of the Canadian Alternative Reference Rate Working Group

Hybrid, 27 March 2023, 11:30 a.m. to 12:30 p.m.

1. Introduction

Members were welcomed to the meeting. The co-chairs noted that only three months remain until the end of the first phase of CARR's transition. After end-June this year, market participants are expected to cease booking new CDOR exposures except for loans, or any derivatives that hedge loans or that reduce CDOR risk exposure.

The co-chairs noted that the meeting had been shortened to one hour given the reduced agenda.

2. International update

Members discussed the [results](#) of ARRC's 9 March meeting, including work on the DTCC LIBOR Replacement Index Communication Tool, which is intended to facilitate communication of rate changes in contracts referencing USD LIBOR.

LCH noted that in April it would begin converting outstanding USD LIBOR cleared swaps to SOFR OIS equivalents on a cash-compensated basis as part of the two-phased approach. It was also noted that CME will convert the outstanding Eurodollar futures open interest for contracts that expire after June 2023 to SOFR on April 14.

3. CDOR transition status

CARR members discussed CARR's [weekly derivatives statistics](#) and how these statistics related to their experience in trading these instruments. It was noted that the closing out of CDOR positions may, at times, inflate the relative importance of CDOR as compared to CORRA when measured by notional flow. Members broadly discussed the CDOR transition, which appears to be occurring smoothly.

4. CARR subgroup updates

The Cash Securities subgroup noted its continued work on refining its paper on legacy securities based on CARR members comments.

The Derivatives subgroup discussed additional CORRA-related capabilities that would be added by Bloomberg towards the end of March.

The Term CORRA subgroup noted the results of MX's RFP for market makers for 1-month CORRA futures. National Bank and RBC will serve as market makers for these instruments. TMX and CanDeal continue to work on setting up the administration and calculation of Term CORRA.

The CORRA Loans subgroup briefly discussed its loan remediation paper and its CORRA loan liquidity paper, both of which continue to be drafted.

The ATR subgroup noted that ATR continues its work in relation to both Term CORRA and tough legacy securities.

The Operations and Infrastructure subgroup co-chairs discussed their vendor survey and CDOR transition impact assessment checklist.

The Communications and Outreach subgroup noted continued outreach events and work on the [CARR-TMX webcast series](#). So far, webcasts on the overall transition, the derivatives transition, and the cash securities transition have been released.

5. Other items

The next CARR meeting will take place on 24 April 2023.

List of attendees

Market representatives

Jason Chang, AIMCO
John McArthur, Bank of America
Carol McDonald, BMO
Karl Wildi, CIBC
Louise Stevens, CMHC
Carl Edwards, Desjardins
Alan Turner, HSBC
Tom Wipf, Morgan Stanley
Mike Manning, Ontario Financing Authority
Audrey Gaspar, OTPP
Andrew Bastien, PSP
Guillaume Pichard, Quebec Ministry of Finance
Jim Byrd, RBC Capital Markets
Elaine Wright, Samuel, Son & Co.
Anuj Dhawan, Scotiabank
Brett Pacific, Sunlife
Derek Astley, TD Bank

Observers

Ann Battle, ISDA
Philip Whitehurst, LCH
Joshua Chad, McMillan LLP
David Duggan, National Bank Financial
Robert Catani, TMX

Subgroup co-leads

Nicholas Chan, BMO
Jacqui Szeto, Canso
Jacqueline Green, CIBC
Daniel Parrack, CIBC
Philip White, LSEG
Elodie Fleury, National Bank
Lisa Mantello, Osler
Robin Das, RBC Capital Markets
Sarah Patel, Scotiabank
Natalia Zand, Scotiabank
Alison Perdue, TD Securities
Ange Shi, TD Securities

Bank of Canada

Harri Vikstedt
Wendy Chan
Zahir Antia
Danny Auger
Yumeng Yang
Thomas Thorn