

FAQs – Division of BCAS User Types¹

Effective: September 2, 2025

Q: What is happening to the Bank of Canada Auction System (BCAS)? What is the motivation for this change?

BCAS is receiving an update, whereby there will now be two types of BCAS user who can enter bids at Government of Canada (GoC) securities auctions: BCAS users for the government securities distributors' (GSDs or dealers) own bids, and BCAS users for the bids of customers participating in auctions via the dealer. A third BCAS user type, where a dealer's staff member may observe all bidding but not input any bids, will also be available (see below).

This update is to make BCAS and the auction process for GoC securities more in line with, and to build on, the principles contained in the Canadian Investment Regulatory Organization's (CIRO) [Rule 7100](#), which concerns dealer code of conduct. By dividing BCAS users into separate types, an additional level of protection is afforded to customers' bidding information during auctions.

Q: How will this impact existing BCAS users?

In short, a BCAS user for a dealer's bids will not be able to view the dealer's customers' bids, and vice versa, until after the release of auction results. Following the release of auction results, the traders who place bids for the dealer may be informed of the customers' auction orders, so as to best meet customer needs on the secondary market. Dealers will decide which staff to assign to either dealer-bid BCAS users and customer-bid BCAS users.

Q: Can any type of BCAS user see both the dealer's bids and the dealer's customers' bids?

Yes, dealers may request that designated BCAS user(s) have 'read' access for both the dealer's bids and the dealer's customers' bids during an auction. However, these users would not be able to input bids themselves into BCAS and must not allow for any bidding information to be shared between the two other types of BCAS user.

BCAS users with visibility into both the dealer's own bidding and that of its customers are envisioned to be a dealer's compliance, management, and/or operations staff.

Q: How will these BCAS user types be onboarded?

¹ This FAQ is provided for convenience only, to guide market participants through the BCAS update made as part of the [changes to Canada's Debt Distribution Framework](#) (effective September 2, 2025). In the event of a conflict between this document and the [Standard Terms for Auctions of Government of Canada Securities](#), the Standard Terms will prevail.

Bank of Canada representatives (alias: fmdmfisup@bank-banque-canada.ca) will be reaching out to each GSD, well before the BCAS update date, to confirm their BCAS users of each type. All onboarding will be run through that alias.

Q: Are any changes being made outside of BCAS?

Yes, to support this BCAS upgrade, the [Standard Terms for Auctions of Government of Canada Securities](#) will be amended² to require that each GSD's head of fixed income (or equivalent) and an authorized representative of its compliance office jointly submit an [annual attestation](#) to the effect that, to the best of their knowledge, no customer bidding information has been shared between the BCAS users for dealer bids and customer bids.

The first attestation will cover the period from September 2, 2025 (effective date) to October 31, 2026. Subsequent attestations will cover the period from start of November to end of October the next year, coinciding with the annual cycle for the [Annual Certificate of Compliance](#).

As part of this change, the Bank of Canada will be monitoring each auction more closely and running more internal checks.

Q: How should a dealer handle auction bid orders from customers who themselves do not have a Bidder Identification Number (BIN)?

Only GSDs and customers with a BIN may participate in auctions for GoC securities.

Should an investor without a BIN approach a dealer asking to place bids at a GoC security's auction, the dealer should forward the customer to the relevant [Bank of Canada forms](#) for requesting a BIN. Alternatively, the dealer could seek to meet this customer's needs after the auction in the form of secondary market trades.

If the investor persists in not wishing to seek a BIN for auction orders, it should be made explicitly clear to the investor that any order at the auction does not constitute an actual bid at the auction. Any such order should be treated as a secondary market order by both the dealer and its client.

Q: How frequently can a BCAS user type be switched (e.g., from dealer-only to customer-only, or vice versa)?

This should be done as infrequently as possible, and only to reflect permanent staffing changes or special circumstances (e.g., extended vacations and leaves, persistent short staffing, etc.).

² The [new Standard Terms](#) will come into effect on September 2, 2025.

Q: Does this mean trading desks can't speak to customers about their thoughts on how auctions will go?

No, these changes are not meant to preclude dealer sales and trading desks from sharing market colour and thoughts around auctions with their customers. However, trading desks should not intentionally attempt to encourage the sharing of bidding intentions (e.g., amounts and rate levels) by their customers.

To help illustrate the spirit of the intentions behind the BCAS change, the following examples have been provided. They are in no way meant to be exhaustive, given the permutations of communication scenarios, but rather are meant to serve as guidelines around expectations to ensure compliance with Canada T&Cs for auctions of GoC securities. Based on these guidelines, each dealer [sales/trading/compliance] should use their best judgment on how much (if at all) they need to review and/or alter their institutional set-up to ensure compliance.

Scenario #1

Customer

11:30:58 *10s seem really bid today going into the auction, what is going on?*

Dealer Trader

11:31:10 *Indeed, the belly of the curve has been well bid all week. 5s10s30s are 1.5 bps richer since last week and we've seen good real money and fast money buying all week in the sector so it feels like there should be good demand at the auction given the recent flows.*

Customer

11:31:50 *Thanks for the colour. I am thinking of participating in today's auction.*

Dealer Trader or Sales

11:31:51 *If you wish to submit a bid through us at today's 10y auction, please reach out to your sales on a side chat, separate from trading, to place your order*

Comment: Customers should be encouraged and reminded to place orders at auctions away from persistent chats that include trading staff.

Scenario #2

Customer

09:30:58 *The front end is trading weak. What is going on?*

Dealer Trader

09:31:10 *The strength of the US data is really making fixed income trade quite weak since last week, and just dragging Canada with it. Despite the bear flattening, we've seen better buying of 2s and bills. Clients are using the opportunity to buy the dip in the front end. So, all of this bodes well for the 3s, 6s, and 12s auction this morning.*

Dealer Trader

09:31:15

You've bought a lot of bills in the last week, are you going to bid your usual amount at the auction in 3s and 6s?

Comment: In this case, a trader intentionally asking about auction intentions (e.g., sizes) that can potentially lead to conflicts of interests or manipulative and deceptive practices, is not allowed. Sales can ask clients about their bidding intentions; however, it should be done away from trading staff (e.g., in a persistent group chat with sales, clients, and trading)

Scenario #3

Customer

11:30:58 *I knew it. Market is rallying and the curve flattening. I'm going to add to my position, I will bid another 100m 10s at 3.53% through you guys. Can you confirm?*

Dealer Trader or Sales

11:31:10 *Thanks for the order. As a reminder, for us to comply with CRO rules, we need to ensure client orders are separated from trading for auctions. Next time can you please place your order via sales in a separate chat, away from our trading team.*

Comment: Unsolicited talking of one's book by clients can happen and wouldn't normally be deemed as leading to conflicts of interests given the communication in this case is unsolicited. In situations like this, customers should be reminded to place their orders via the dealer's sales team. Continued, habitual sharing of auction order intentions (even if non-intentional by customers) may be deemed as not adhering to rules for auction participation outlined in the Standard Terms. It would be best practice for dealers to educate their customers on the rules around placing auction orders with them.

Scenario #4

Customer

11:30:58 *10s seem really bid today going into the auction, what is going on?*

Trader

11:31:10 *Indeed, the belly of the curve has been well bid all week. 5s10s30s are 1.5 bps richer since last week and we've seen good real money and fast money buying all week in the sector so it feels like there should be good demand at the auction given the recent flows.*

Customer

11:31:50 *Where do you think 10s will clear today at the auction?*

Trader

11:31:55 *The flows in secondary have been very strong this morning as it looks like there has been some decent short covering as well. My best guess is they clear at 3.29%.*

Comment: The above communication scenario is permissible. Again, the BCAS change is not meant to discourage the sharing of market colour and thoughts and opinions on levels and flows with customers.