



SUMMARY OF THE DISCUSSION

Toronto, November 6, 2025, 4:00 p.m. to 6:00 p.m.

The co-chairs informed members that this will be Rob Goobie's last CFIF meeting and that he will be replaced by Inderjit Takk, Vice-President, Head of Global Trading, iA. It was also announced that Harri Vikstedt will be retiring from the Bank of Canada at the end of the year and that Philippe Muller from the Bank of Canada will replace him as CIMPA co-chair in 2026. The committee expressed their gratitude for Mr. Gobbie and Mr. Vikstedt's contributions to the group.

1. Recent bond market developments

CFIF was joined by Vishwanath Tirupattur, Managing Director and Chief Fixed Income Strategist, Morgan Stanley for a discussion of credit markets conditions.

Mr. Tirupattur commented that current concerns associated with several high-profile cases in corporate credit are overstated in his opinion. He views these events as idiosyncratic incidents rather than a reflection of systematic issues. He noted that despite all the press around private credit stress on the back of First Brands Group and Tricolour Holding's bankruptcy protection filings, much of these companies outstanding debt was in the form of publicly traded and broadly syndicated loans and not in direct lending loans associated with private credit. According to Mr. Tirupattur, credit fundamentals are largely holding up.

The speaker pointed out that defaults in credit market are normal, and aggregate default rate, though somewhat elevated, are not far from historical average. Mr. Tirupattur and his team remain broadly constructive on credit. In his views, the market remains discerning about quality and leverage and there are no signs of overextension of credit in the market. He noted that easing in monetary policy, in the form of lower interest rates, expanding fiscal policy, and deregulation are additional supporting factors of the credit market.

2. Discussion on stablecoins

A representative from the Bank of Canada joined CFIF for a discussion on current developments in stablecoins.

The speaker began the presentation by outlining the key aspects of fiat-backed stablecoins and a stylized view of the stablecoin ecosystem. He noted that current use cases for stablecoins mainly centralized on settlement of crypto asset trading. Cross-border payments and remittance as well as decentralized finance (DeFi) collateral and on-chain lending are also examples of current use cases. Use of stablecoins for payment, however, remains insignificant. Policy makers globally are now working on regulation of

stablecoins. The [GENIUS Act](#) in the US and [MiCA](#) in the EU are two examples of such regulation. In Canada, [Budget 2025](#) also announced the government's intention to introduce legislation to regulate the issuance of fiat-backed stablecoins in Canada.

The speaker ended the discussion with a few open questions on financial stability and integrity issues including how anti-money laundering would be resolved, its potential impact on monetary sovereignty and monetary policy transmission. He also mentioned that some market players had raised concerns with respect to access and competition.

3. End of day trading activities

Two representatives from the Bank of Canada presented their work on late-day trading activity in the Canadian bond market.

Their work showed that late-day (around 4pm) bond trading has been growing, particularly on electronic platforms, and that the phenomenon appears across all major Canadian bond categories. Investment funds (e.g. mutual funds and ETFs) seem to be the driver behind this trend. The speakers observed that when bond indices rebalance, investment funds' late-day trading activities tend to increase, possibly due to the fund managers' desire to limit their tracking error against the revised index composition. They also observed that investment funds' late-day trading activities increase when share creation rise, potentially due to the desire to limit market risks.

CFIF members generally agreed that late-day trading has been increasing in Canadian bond markets and that risk management practice, in the form of tracking error and market risk reduction, is a major driver of the trend. Members noted that so far this is not negatively impacting market functioning and that it provides a liquidity window at the end of the day to adjust positions.

4. CIMPA update

CIMPA co-chairs informed CFIF that a total of 14 firms will be live on CCMS by early November. With a number of large pension funds and a second custodian potentially going live by the end of the year. The launch of the Secured General Collateral (SGC) Notes is targeted for late-November, and work is underway to enable initial margin pledge to CDCC via the tri-party framework. The CIMPA co-chair added that the Bank of Canada aims to go live on CCMS in Q4 2026 and ultimately conduct all of its monetary policy market operations through CCMS.

The co-chairs also provided an update on various CIMPA subgroups.

The Fail fee governance subgroup held its first meeting in October. The group's current focus is to finalize the remaining calibration of the fail-fee framework and support the development of CDS reporting infrastructure.

The Standardize baskets subgroup continues to work with TMX and Clearstream to finalize the standard Government of Canada (GoC) general collateral (GC) basket template. In parallel, the subgroup is coordinating with CIRO to ensure accurate Market Trade Reporting System (MTRS) reporting of CCMS basket trades, which is critical for capturing all GoC repo trades for the potential inclusion in the CORRA

calculation. Related work on NHA MBS has begun to simplify and standardize these products within current CCMS capabilities to help foster the development of a more active Canadian NHA MBS market.

CORRA based money market floating rate BDN workstream held its inaugural meeting in October. The group is working on a standardize issuance term sheet and mapping end-to-end workflows and legal due diligence for the product. They are also working with CDS on required enhancements to their processes and systems.

The Canadian Derivatives Clearing Corporation (CDCC) has announced that it will be working to expand central counterparty (CCP) repo clearing in Canada over the next several years. To support this work, CIMPA will launch a dedicated subgroup on repo central clearing in early 2026 to support the work on improving the Canadian central clearing infrastructure. The co-chairs asked CFIF members to send nominations for the subgroup. The co-chairs also asked relevant non-CFIF stakeholders interested in participating in the work to contact the CIMPA secretariat at [add email].

5. CORRA sunset review

A Bank of Canada representative summarized the 2025 CORRA Sunset Review Recommendations. The review recommends no change to CORRA's calculation methodology at this time, but that an ad hoc review should be considered later as CCMS adoption progresses and the GoC GC basket trades gain traction. The only recommended modification was to the Minimum Volume Threshold (MVT) used to determine when the fallback methodology would be used instead of the actual CORRA calculation. The recommendation was to make the MVT dynamic, instead of the current static \$3 billion, calculated daily as 30 percent of the 5-day moving average of CORRA trimmed volumes.

CFIF endorsed the recommendation. Next step is to seek approval from the Bank of Canada CORRA Oversight Committee and publish the final report on the Bank of Canada website. Subject to approval, the plan is to implement the MVT change in early 2026.

6. Other business

The co-chair informed members that CFIF will host a pre-hedging workshop in December in light of IOSCO's final [report](#) on pre-hedging.

The dates for 2026 CFIF meetings were tabled with the agenda.

Meeting participants:

CFIF members:

Jim Byrd, RBC Capital Markets, Co-Chair
Brian D'Costa, Algonquin Capital
Nick Chan, BMO Capital Markets
Roger Casgrain, Casgrain & Company Limited
Karl Wildi, CIBC World Markets
Pablo Suarez, Citi Canada
TJ Sutter, Connor, Clark & Lunn Investment Management
Bronwyn Ward, CPP Investment Board
Philippe Ouellette, Fiera Capital
Rob Goobie, HOOPP
Luc Fortin, Montreal Exchange
Jason Lewis, Ministry of Finance, Province of British Columbia
Chris Miller, National Bank Financial
Vinayak Seshasayee, PIMCO
Jason Cope, Polar Asset Management Partners
Elaine Lindhorst, TD Asset Management

Item 1

Vishwanath Tirupattur, Morgan Stanley

Bank of Canada:

Toni Gravelle, Co-Chair
Wendy Chan, Secretariat
Annick Demers
Jean-Philippe Dion
Umar Faruqui
Grahame Johnson
Sheryl King
Stéphane Lavoie
Andreas Uthemann
Rishi Vala
Harri Vikstedt