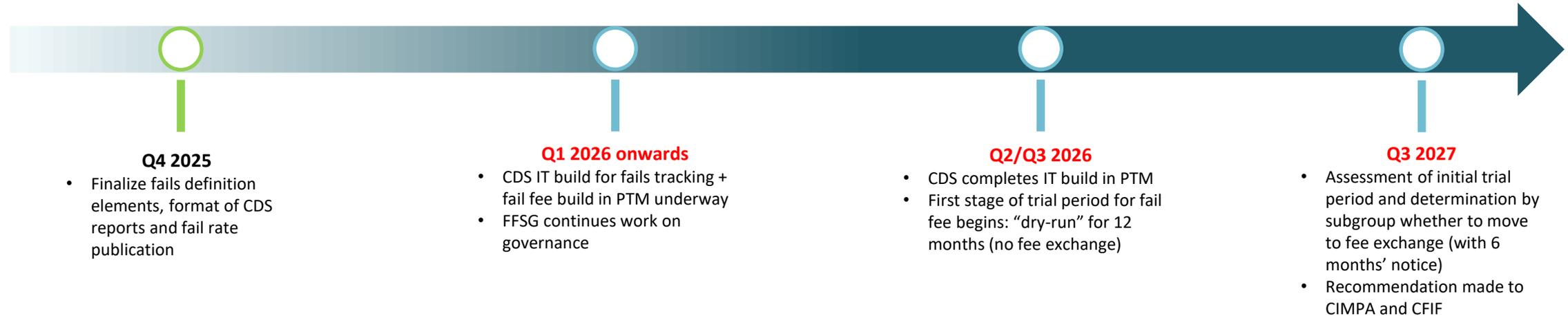


The background of the slide is a photograph of a modern building's metal framework. The structure consists of a complex grid of dark metal beams that recede into the distance, creating a strong sense of perspective. The sky is a clear, bright blue with some light, wispy clouds. The overall aesthetic is clean, modern, and architectural.

CIMPA Fail Fee Subgroup

Jan 15, 2026

Revised (red) timeline for fail fee trial period and specific Subgroup tasks



Completed: Prep Phase

Completed tasks

- Finalized subgroup membership
- Reviewed fail definition (exclude USD trades) and data elements for fail framework monitoring
- Reviewed/refined elements of proposed CDS fails report for completeness
- Finalized format of CDS public fails reporting

Build and Dry-run Stage of Trial Phase

Tasks

- Get updated cost estimates from CDS (carry-over from Prep Phase)
- Set up BoC website for the fail fee and Bloomberg Index (carry-over from Prep Phase)
- Develop and publish associated best practices, incl. on:
 - Treatment of partial fails
 - Bilateral claims process
 - Dispute resolution
 - Abuse avoidance
 - Fee pass-through
- Investigate potential tax implications of fail fee payments to non-Canadian entities
- Finalize calibration of dynamic component threshold
- Work with CDS/OSC on CDSX rulebook changes
- Produce a report reviewing the Dry-run Stage and recommend whether to proceed with fee exchange