

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (THE “OSA”)**

AND

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED (THE “CFA”)**

AND

**IN THE MATTER OF
TERM CORRA**

AND

**IN THE MATTER OF
CANDEAL BENCHMARK ADMINISTRATION SERVICES INC. (“CBAS”)**

DESIGNATION ORDER

Background

The Ontario Securities Commission (the “**Commission**”) has received an application (the “**Application**”) from CBAS under the OSA and the CFA for a decision under the OSA and the CFA that:

- (a) Term CORRA be designated as a designated benchmark,
- (b) Term CORRA be assigned as a designated interest rate benchmark for the purposes of Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* (“**MI 25-102**”) and Ontario Securities Commission Rule 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* (“**OSC Rule 25-501**”), and
- (c) CBAS be designated as a designated benchmark administrator of Term CORRA.

Interpretation

Terms defined in the OSA, the CFA, National Instrument 14-101 *Definitions*, MI 25-102 or OSC Rule 25-501 have the same meanings in this decision, unless otherwise defined herein.

Representations

This decision is based on the following facts represented by CBAS:

1. The Canadian Dollar Offered Rate (“**CDOR**”), a designated interest rate benchmark, will cease to be published on June 28, 2024.
2. It is expected that market participants will use the Canadian Overnight Repo Rate Average (“**CORRA**”) as the alternative reference rate for most instruments that currently reference CDOR. CORRA is an existing interest rate benchmark administered by the Bank of Canada.
3. Term CORRA is a new interest rate benchmark that is intended to replace CDOR for certain instruments or, when appropriate, for related derivatives. Term CORRA is a forward-looking measurement of CORRA for 1- and 3-month tenors, based on market-implied expectations from CORRA derivatives markets. CBAS is the benchmark administrator of Term CORRA.
4. Term CORRA’s use will be limited initially through its licensing agreements to trade finance, loans and derivatives associated with loans (the “**use cases**”) but use cases may evolve over time.
5. It is anticipated that Term CORRA will be important for the successful transition of the Canadian loan and trade finance market from CDOR.
6. CBAS and Commission staff believe that Term CORRA should be designated as a designated benchmark (and assigned as a designated interest rate benchmark for the purposes of MI 25-102 and OSC Rule 25-501) and CBAS should be designated as the designated benchmark administrator of Term CORRA. After Term CORRA and CBAS are so designated, CBAS (as benchmark administrator of Term CORRA) will be required to comply with the applicable provisions of MI 25-102 and OSC Rule 25-501 in respect of Term CORRA.
7. CBAS has provided an undertaking to the OSC on certain matters, a copy of which is attached as Appendix A to this decision.

Decision

The Commission is satisfied that it is in the public interest to make this decision.

The decision of the Commission, pursuant to section 24.1 of the OSA and section 21.5 of the CFA, is that:

- (A) Term CORRA is designated as a designated benchmark,

- (B) Term CORRA is assigned as a designated interest rate benchmark for the purposes of MI 25-102 and OSC Rule 25-501, and
- (C) CBAS is designated as the designated benchmark administrator of Term CORRA.

Dated this 15th day of September, 2023.

“Grant Vingo”

Chief Executive Officer
Ontario Securities Commission

OSC File#: 2023/0098

APPENDIX A

Undertaking

To: Ontario Securities Commission (**OSC**)

Upon the designation by the OSC under applicable securities legislation of Term CORRA as a designated interest rate benchmark and of the undersigned, CanDeal Benchmark Administration Services Inc. (**CBAS**), as its designated benchmark administrator (the **Designation**), CBAS hereby undertakes to:

1. arrange for the oversight committee required by Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* (**MI 25-102**) and OSC Rule 25-501 (Commodity Future Act) *Designated Benchmarks and Benchmark Administrators* (**OSC Rule 25-501**), for Term CORRA as a designated interest rate benchmark (the **Oversight Committee**) to review and, when deemed appropriate, to make written recommendations (**Recommendations**) on the applicable documents (the **Documents**) for any of the following actions before they are implemented by CBAS:
 - any change to the license fees or license fee arrangements in respect of Term CORRA,
 - any amendments to any collaboration agreement between TSX Inc. (or any affiliate of TSX Inc.) and CBAS,
 - any amendments to an agreement between CBAS and an affiliate of CBAS, and
 - any change to the use cases for Term CORRA;
2. in connection with any Recommendations,
 - advise, in writing, the CBAS board of directors (the **CBAS Board**) and the OSC of any Recommendations before the Documents are finalized,
 - cause the CBAS Board to consider and approve or disapprove any Recommendations before the Documents are finalized, and
 - advise, in writing, the Oversight Committee and the OSC of the decision of the CBAS Board regarding the Recommendations before any action is taken to implement the decision of the CBAS Board;
3. establish, document, maintain and apply policies and procedures to:

- restrict trading by its employees, “DBA individuals” (as that term is defined in MI 25-102 and, in Ontario, OSC Rule 25-501) and members of the Oversight Committee in any securities, derivatives or instruments that use Term CORRA as a reference rate in a manner that is reasonably designed to meet the objectives set out in section 10 of MI 25-102 and OSC Rule 25-501, and
 - prohibit trading by its employees, DBA individuals and members of the Oversight Committee in CORRA futures traded on the Montréal Exchange given the role of those futures in the determination of Term CORRA;
4. inform any new member of the Oversight Committee of this undertaking forthwith after they become a member of the Oversight Committee;
 5. annually inform the Oversight Committee of this undertaking; and
 6. annually, at the same time as the information required under subsection 2(3) of MI 25-102 and subsection 2(3) of OSC Rule 25-501 is delivered, certify in writing to the OSC that it has complied with this undertaking.

This undertaking shall remain in force until the earliest of (i) the OSC notifying CBAS in writing that the undertaking is no longer required, (ii) the OSC revoking the Designation, or (iii) CBAS ceasing to carry on its business.

Dated this 11th day of September, 2023.

CanDeal Benchmark Administration Services Inc.

By: *“Louise Brinkmann”*

Name: Louise Brinkmann
Title: Head of Benchmark Solutions