

## Developing a Forward-looking Term CORRA benchmark



Dear Client,

As previously communicated, the Canadian Dollar Offered Rate (CDOR) will cease to be published on June 28, 2024, and the Canadian Overnight Repo Rate Average (CORRA) is the alternative risk-free rate being proposed as replacement benchmark.

On January 11, 2023, the Canadian Alternative Reference Rate working group (CARR) released a [market notice](#) announcing certain important developments with respect to the advent of a Term CORRA rate, consisting essentially of the following publications:

1. [Consultation on a potential new term interest rate to replace CDOR in certain financial instruments: Summary of results](#)
2. [Term CORRA Methodology - CARR Recommended Approach](#)
3. [The administration of Term CORRA](#)
4. [CARR's approved uses for Term CORRA](#)

Along with these announcements, we are pleased to inform you that CARR is partnering up with TMX to host a series of [CDOR Transition Webcasts](#) bringing together various panelists, leading banking industry and market experts to share their insights and perspectives on the benchmark reform in Canada and provide practical advice and guidance to the market as we operationalize the transition away from CDOR.

We strongly recommend that you visit [CARR's website](#) and register for this series of webcast events to stay informed on key industry developments and understand the impact that these and related announcements may have on your business activities. You can register with TMX [here](#) to get access to the webcasts as soon as they become available.

If you have any questions about the CDOR transition, or any of this information, please do not hesitate to contact your Bank of Montreal representative. You can also submit questions to the CARR Working Group at [CARR-WG@bankofcanada.ca](mailto:CARR-WG@bankofcanada.ca) to be considered for an FAQ session in one of the upcoming webcasts.

### **About CARR**

Canada established CARR, a working group sponsored by the Canadian Fixed-Income Forum, to coordinate Canadian interest rate benchmark reform. CARR's mission is to ensure Canada's interest rate benchmark regime is robust, resilient, and effective in the years ahead. Over the coming transition period,

CARR will support the transition from CDOR to CORRA as a key financial benchmark, including working to potentially create an IOSCO-compliant Term CORRA rate.

Visit [CARR's website](#) for up-to-date information on the transition, including all of CARR's key documents, and to sign-up to receive email updates from CARR.

**Additional Resources:**

- Information on CDOR transition roadmap and milestones can be found [here](#)
- To contact the IBOR Transition Office: [IBOR.TransitionOffice@bmo.com](mailto:IBOR.TransitionOffice@bmo.com)

\* Registered trademark of Bank of Montreal in the United States, Canada and elsewhere.

*View Important Disclosure Statements [HERE](#)*