

REFINITIV BENCHMARK SERVICES (UK) LIMITED

Announcement Following Public Consultation

6-Month and 12-Month Tenor Cessation

Contribution Window Amendment

Canadian Dollar Offered Rate (CDOR)

Issue Date: 12 November 2020

© Refinitiv 2020. All Rights Reserved.

Refinitiv, by publishing this document, does not guarantee that any information contained herein is or will remain accurate or that use of the information will ensure correct and faultless operation of the relevant service or associated equipment. Neither Refinitiv, nor its agents or employees, shall be held liable to any user or end user for any loss or damage (whether direct or indirect) whatsoever resulting from reliance on the information contained herein. This document may not be reproduced, disclosed, or used in whole or part without the prior written consent of Refinitiv.



1. Introduction

CDOR is a daily benchmark reference rate for Bankers' Acceptance borrowings ("BAs"). CDOR is administered by Refinitiv Benchmark Services (UK) Limited ("RBSL") in accordance with the EU Benchmarks Regulation (Regulation (EU) 2016/1011, "EU BMR"). As Administrator, RBSL is responsible for collecting input data, determining and publishing the Benchmark, and for all aspects of governance, oversight, compliance and integrity of the Benchmark.

RBSL is authorized and regulated in the UK by the Financial Conduct Authority ("FCA"), FCA Reference Number 610678. RBSL is an Authorized Benchmark Administrator as listed on the European Securities and Markets Authority ("ESMA") Register, pursuant to Article 34 of the EU BMR.

On 4th September 2020, RBSL issued a consultation in respect of possible changes to CDOR under consideration. These changes and the feedback received are summarised in Section 2 and the decisions reached by RBSL are detailed in Section 3.

2. Summary of Proposed CDOR Changes and Feedback Received

The consultation issued on 4th September 2020 requested feedback from users and stakeholders in CDOR on the potential impact of two possible changes to CDOR under consideration by RBSL.

CDOR Change 1: Cessation of the 6-month and 12-month CDOR tenors subject to an evaluation of their viability in accordance with the RBSL Cessation Policy¹.

CDOR Change 2: An introduction of a delay of three months in the publication of individual contributions following the determination of each daily CDOR rate, with contributions to be published in batches at the end of each relevant month.

The key feedback received in respect of CDOR Change 1 was that any decision to cease publication of the 6-month and 12-month tenors should be accompanied with a suitable notice period between the announcement of the cessation and the effective date of the cessation.

The key feedback received in respect of CDOR Change 2 was as follows.

¹ For the avoidance of doubt, the remaining tenors (1-month, 2-months, 3-months) are not subject to an evaluation or any cessation.

- Publication of individual contributions to CDOR simultaneously with the daily publication of CDOR provides a level of transparency to CDOR users into the determination of CDOR and therefore into the spread between CDOR and the rates at which BAs trade in the secondary market.
- Such transparency may serve to facilitate market dynamics in determining the spread between CDOR and BAs in the secondary market or strengthen the anchoring of CDOR contributions in actual transactions.
- Transparency acts to introduce a degree of accountability for CDOR contributors to the market.
- The publication of contributions plays a role in facilitating internal controls for CDOR contributors.
- The objective of maintaining the independence of CDOR contributions while maintaining a level of transparency might be achieved by publishing anonymized CDOR contributions at the same time as the daily publication of CDOR and publishing the identities of contributors with a delay.

3. CDOR Changes To Be Implemented

RBSL, having considered both the feedback received and the comments and recommendations from the independent CDOR Oversight Committee, now announces the following.

- Calculation and publication of the 6-month and 12-month CDOR tenors will cease from Monday 17th May 2021 onwards. The last day of publication for the 6-month and 12-month CDOR tenors will be Friday 14th May 2021. The 1-month, 2-month and 3-month tenors will not be affected by this action.
- No decision will be taken at this stage regarding the introduction of a delay in the publication of individual contributions to CDOR. RBSL will continue to consider this possible change in further detail.

In addition, RBSL issued a public consultation in 2018 on five points regarding the CDOR methodology. Implementation of one of these points, a change to the submission window for contributions, was not implemented at that time pending a further review of the CDOR methodology. RBSL now announces the following.

- The submission window for contributor banks to make contributions shall be amended from the current 09:40am ET to 10:14:59am ET to 09:40am ET to 10:10:00am ET. The CDOR publication time of 10:15 am ET will remain unchanged. This change will take effect on and from Monday 14th December.



4 Contact Details

Any questions regarding this announcement should be sent to index_queries@refinitiv.com and include 'CDOR' in the email title.

