Bank of Canada announces the discontinuation of market functioning programs introduced during COVID-19

Bank of Canada/Central Bank of Canada/La Banque du Canada

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As overall financial market conditions continue to improve in Canada, use of the Bank of Canada's programs that were introduced in 2020 in response to the shock from COVID-19 to support the functioning of key Canadian financial markets, has declined significantly.

Reflecting the continued improvement in the general functioning of Canadian financial markets, the Bank is announcing the discontinuation of the Commercial Paper Purchase Program (CPPP), the Provincial Bond Purchase Program (PBPP), and the Corporate Bond Purchase Program (CBPP) on their originally announced end date. These programs were each activated for a term of 12 months.

The CPPP will be discontinued effective April 2, 2021, the PBPP will be discontinued effective May 7, 2021, and the CBPP will be discontinued effective May 26, 2021. The Bank does not currently plan to sell any of the securities acquired under these programs.

In addition, the Bank is announcing changes to its Term Repo operations and the Contingent Term Repo Facility (CTRF). Term Repo operations, currently conducted bi-weekly, will be suspended effective May 10, 2021 with the last operation scheduled on May 4, 2021. The Bank activated the CTRF for a period of 12 months and this facility will also be deactivated effective April 6, 2021 at the end of this period.

Finally, the Bank will publish transaction-level data from its discontinued asset purchase programs, including the names of individual issuers purchased, on June 29, 2021. Specifically, transaction-level data will be disclosed for the CPPP, PBPP, CBPP, Provincial Money Market Purchase Program (PMMP) and Bankers’ Acceptance Purchase Facility (BAPF).

This is in line with the Bank’s commitment to be transparent while protecting commercially sensitive information and trade-specific detail that could impact the effectiveness of these programs, lead to market distortion or impact the fair market value of the Bank’s purchases while these programs are operational.

The Bank regularly reports the results of its large-scale asset purchase programs. The total holdings of assets purchased through each program is available on the Bank’s weekly and monthly balance sheets. In addition, each program has a dedicated webpage where the terms and conditions, as well as results of purchase operations, are available.

The Bank will continue to monitor market conditions and remains committed to providing liquidity as required to support the functioning of the Canadian financial system. Any of the discontinued facilities can be restarted if necessary.
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