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Operational details for the secondary market purchases of Government of Canada securities

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Operational details for the secondary market purchases of Government of Canada securities

Notice - Friday, March 27, 2020, 09:30 (ET)

As announced on March 27 2020, the Bank of Canada is launching a program to purchase Government of Canada securities in the secondary market. This program is intended to address strains in the Government of Canada bond market and to enhance the effectiveness of all other actions taken so far.

The effective start date is 1 April 2020. Program details are as follows:

- Purchases will begin with a minimum of \$5 billion per week across the yield curve. The program will be adjusted as conditions warrant but will continue until the economic recovery is well underway.
- Operations will be conducted daily.
- The operations will be cash purchases conducted via reverse auctions.

Following the launch of this program, the Bank will discontinue the Government's repurchase operations (both cash and switch buybacks) and cash management bond buyback operations done as fiscal agent. The Bank's secondary market purchases will provide significant support to the liquidity and efficiency of the government bond market, reducing the need for these fiscal agent operations.

The Bank will announce specific operational details (including maturity sectors, timing and the basket of eligible securities) ahead of each week's operations through its regular Call for Tenders process.

The Bank continues to monitor market developments closely and remains committed to supporting the liquidity and efficient functioning of the Government of Canada bond market.

Scott Kinnear

Director
Financial Markets Department
Bank of Canada
613 782-7723

Mark de Guzman

Director
Financial Markets Department
Bank of Canada
613 782-7245

Media Relations

Bank of Canada
613 782-8782