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# Bank of Canada Announces Term PRA Transactions

Notice - Tuesday, September 23, 2008, 09:30 (ET)



As part of its provision of liquidity in support of the efficient functioning of financial markets, the Bank of Canada announced today that it will enter into the following 84-day and 27-day term Purchase and Resale Agreements (term PRA) against an expanded listed of eligible securities: <sup>1</sup>

Amount	Transaction Date	Settlement Date	Maturity
\$2 billion	24 September 2008	25 September 2008	18 December 2008
\$2 billion	16 October 2008	17 October 2008*	13 November 2008

\* There is a \$2 billion Term PRA transacted on 19 September that matures on 17 October.

The list of eligible securities for these transactions is comprised of the following:

- Securities issued by the Government of Canada
- Government of Canada stripped coupons and residuals
- Securities guaranteed by the Government of Canada (including Canada Mortgage Bonds and NHA mortgage-backed securities with a minimum pool size of \$25 million)
- Securities issued or guaranteed by a provincial government
- Bankers' acceptances and promissory notes, including those of foreign issuers (maximum term, 364 days) with a minimum issuer credit rating of R1 (low) by the Dominion Bond Rating Service (DBRS), or A-1 (mid) by Standard and Poor's (S&P), or P1 by Moody's Investors Service (Moody's)
- Commercial paper and short-term municipal paper, including those of foreign issuers (maximum term, 364 days) with a minimum issuer credit rating of R1 (low) by DBRS, or A-1 (mid) by S&P, or P1 by Moody's
- Corporate, municipal, and foreign-issuer bonds with a minimum long-term issuer credit rating of A (low) by DBRS, or A- by S&P, or A3 by Moody's
- Special Deposit Accounts held at the Bank of Canada
- Asset-backed commercial paper (ABCP) of eligible programs, with a minimum of two credit ratings, at least two ratings that are either R1 (high) by DBRS, A-1 (high) by S&P, P1 by Moody's, or F1+ by Fitch Ratings
- Marketable securities issued by the United States Treasury (bills, notes, and bonds, including TIPS).

Securities used in the term PRA transactions will be subject to the same margin requirements as those applicable in SLF transactions.

These term PRA transactions will be transacted with Primary Dealers (PDs). <sup>2</sup> PDs will have the right to substitute the securities underlying the transaction on 23 October 2008 and on 20 November 2008 subject to notice by noon on the previous business day and in accordance with the Bank's Purchase and Resale Agreement.



The results of these operations will be announced on the Bank's web site at 10:15 (ET). The total amount of assets acquired on any day through term PRA operations will be announced on the Bank's web site by 16:45 (ET). The assets will also be reported on the Bank of Canada's balance sheet.

The Bank will continue to provide additional term liquidity as long as conditions in financial markets warrant.

For further information, please contact:

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1. The list is the same as the full list of securities eligible as collateral for the Bank's Standing Liquidity Facility (SLF) provided to participants in the Large Value Transfer System and is available at: <https://www.bankofcanada.ca/en/financial/securities.pdf>  

2. Primary Dealers are listed at [https://www.bankofcanada.ca/en/markets/markets\\_auct.html](https://www.bankofcanada.ca/en/markets/markets_auct.html) 

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