Commercial Paper Purchase Program

Learn about the program, access its data and reporting, and find key contacts and related notices.

**Announcement:** The Commercial Paper Purchase Program (CPPP) is discontinued

**Program details**

The Canadian commercial paper market is a key source of short-term financing to support the ongoing needs of a wide range of firms and public authorities. The Commercial Paper Purchase Program (CPPP) supports the flow of credit to the economy by alleviating strains in Canada’s commercial paper markets.

Commercial paper purchases will be conducted by TD Asset Management (TDAM) on behalf of the Bank of Canada.

**Terms and conditions**

See the full terms and conditions for this program.

 Dealers wanting to use the CPPP should provide the name of their key contact for the program by email to TDAM.

**Duration**

The program will begin on April 2, 2020 and will operate for 12 months.

**Eligible issuers**

Any of the following issuers with an outstanding Canadian dollar-denominated commercial paper program:

- Canadian incorporated firms
- Canadian municipalities
- Canadian provincial agencies
Eligible issuers should access the program through their dealers.

**Eligible assets**

The program will purchase commercial paper, including asset-backed commercial paper, in the primary and secondary market, with a tenor of up to 3 months of sufficiently high quality, broadly equivalent to a minimum short-term credit rating of R-1 (high/mid/low).

**Issuer limits**

The maximum amount of a single issuer’s commercial paper that the program may hold at any time is limited to 1.25 times the greatest amount of CAD-denominated commercial paper that the issuer has outstanding on any day in the 12 months prior to the start of the program. The program will not purchase additional commercial paper from an issuer whose total commercial paper outstanding to all investors (including the program) equals or exceeds the program issuer limit described above.

**Pricing**

All purchases will be on a fixed rate basis set daily. The rate will be based on a spread above a reference rate, based on the current 3-month Canadian overnight index swap (OIS) rate. The spread will differ based on the credit rating of the issuer and will be updated as required in the table below at 4:00pm ET daily for the following day. The 3-month OIS rate will be determined by TDAM based on the rate posted at 11:00 ET on the Bloomberg CDSOC ticker. The Bank reserves the right to adjust its pricing to meet policy objectives.

<table>
<thead>
<tr>
<th>As of date</th>
<th>Rating</th>
<th>Spread to OIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2, 2020</td>
<td>R-1 High or R-1 Mid</td>
<td>130 basis points</td>
</tr>
<tr>
<td>April 2, 2020</td>
<td>R-1 Low</td>
<td>160 basis points</td>
</tr>
</tbody>
</table>

The Bank expects issuers to be able to access the program without any fees being charged by the dealer.

**Transaction-level data**

Our Valet API is designed to help you integrate your applications and processes with our data. For details, please see our documentation.

**Reporting**
The Bank reports its aggregate holdings of commercial paper acquired through this program every Friday on the Bank’s weekly balance sheet. The first results of this program will be reported on April 10, 2020.

**Key contacts**

**Robert Pemberton**  
Managing Director  
Head of Fixed Income  
TD Asset Management

**Mark de Guzman**  
Director  
Financial Markets Department  
Bank of Canada  
613-782-7245

**Related notices**

**Bank of Canada publishes transaction-level data for its discontinued asset purchase programs**  
June 29, 2021

As previously announced on March 23, the Bank is publishing transaction-level data for its discontinued asset purchase programs that were introduced to support key financial markets during the COVID-19 pandemic.

Content Type(s): Press, Market notices  
Source(s): Bankers’ Acceptance Purchase Facility, Commercial Paper Purchase Program, Corporate Bond Purchase Program, Provincial Bond Purchase Program, Provincial Money Market Purchase Program

**Bank of Canada announces the discontinuation of market functioning programs introduced during COVID-19**  
March 23, 2021

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.

Content Type(s): Press, Market notices  
Source(s): Bankers’ Acceptance Purchase Facility, Commercial Paper Purchase Program, Contingent Term Repo Facility, Corporate Bond Purchase Program, Provincial Bond Purchase Program, Provincial Money Market Purchase Program, Term Repo Operations
Operational details for the Commercial Paper Purchase Program March 31, 2020

As announced on March 27, 2020, the Bank of Canada is launching its Commercial Paper Purchase Program (CPPP), effective April 2, 2020.

Content Type(s): Press, Market notices Source(s): Commercial Paper Purchase Program

UPDATED: Bank of Canada to Introduce a Commercial Paper Purchase Program March 27, 2020

In order to support the continuous functioning of financial markets, the Bank of Canada is announcing the Commercial Paper Purchase Program (CPPP).

Content Type(s): Press, Market notices Source(s): Commercial Paper Purchase Program