

Corporate Bond Purchase Program

Learn [about the program](#), access its [data](#) and [reporting](#), and find [key contacts](#) and [related notices](#).



Announcement: The Corporate Bond Purchase Program (CBPP) is discontinued.

Program details

The Corporate Bond Purchase Program (CBPP) supports the liquidity and proper functioning of the corporate debt market, by purchasing bonds through a tender process in the secondary market. A liquid and efficient market for Canadian-dollar corporate bonds allows companies, currently challenged by the impact of the COVID-19 pandemic, to continue to obtain necessary longer-dated financing to support their operations, ultimately aiding the Canadian economy. It also strengthens the pass-through of monetary policy actions to borrowers.

Corporate bond 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.

To support the flow of credit for corporate issuers in Canada, the CBPP will purchase eligible corporate bonds in the secondary market. Program purchases will be executed through a tender offer process.

- The program will hold up to a total of \$10 billion par value of eligible assets.
- The Bank's purchases will aim to reflect a reference portfolio based on sectoral shares of eligible assets outstanding. Actual holdings will depend on market conditions and what bonds are offered to the Bank through the tender offer process. As a result, the Bank's holdings will likely differ from the reference portfolio.
- The minimum tender amount per security (CUSIP) is \$1 million par amount.
- The program and its operations may be amended at any time if conditions warrant.

Buy-side participants who are either a “Portfolio Manager” registered with the securities commission of a Canadian province or territory, or a federally or provincially regulated Canadian pension plan, are eligible to participate in the program through authorized dealers – see details for the **buy-side participant tender process**. To register, buy-side participants should email the completed **buy-side CBPP registration form** to the Bank of Canada at cbppapplication@bankofcanada.ca.

Duration

The program will begin on May 26, 2020 and operate for 12 months from May 26, 2020 to May 25, 2021.

Eligible issuers

Eligible issuers are companies incorporated in Canada, excluding deposit taking institutions.

Eligible assets

CAD-denominated senior secured or senior unsecured corporate bonds issued by eligible issuers and included in the FTSE Canada 0+ Year Universe Bond Index Series.

- Eligible assets for purchase will have at least one rating of BBB Mid/BBB/Baa2 or higher for the senior unsecured rating or long-term foreign issuer credit rating assigned by any of DBRS Morningstar, Standard & Poor’s, Moody’s Investors Service, and Fitch Ratings, as of April 15, 2020.
- Eligible assets that are subsequently downgraded after April 15, 2020 and no longer retain at least one rating of BBB Mid/BBB/Baa2 or higher will continue to be eligible for the program provided they retain at least one rating of BBB Low/BBB-/Baa3 or higher.
- If an issuer fails to maintain at least one rating of BBB Low/BBB-/Baa3 or higher, it will no longer be eligible for purchase into the program.
- Eligible assets purchased in the secondary market will have a remaining term to maturity of 5 years or less at the time of purchase. Floating rate notes and sinking fund bonds will be excluded from eligibility.

In all cases eligibility may be subject to the Bank's discretion.

Issuer limits

On an issuer basis, the Bank will not hold more than 10% of the par value of eligible assets outstanding on April 15, 2020.

Pricing

The Bank will purchase eligible assets that satisfy the Bank's pricing and portfolio requirements and objectives. The Bank reserves the right to adjust its pricing and portfolio requirements and objectives to meet policy objectives.

Operations

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 bonds purchased through this program will aim to reflect a reference portfolio based on sectoral shares of eligible assets outstanding. Actual holdings will depend on market conditions and what bonds are offered to the Bank through the tender offer process. As a result, the Bank's holdings will likely differ from the reference portfolio.

Sector	Share of reference portfolio (% as of 2021-05-27)	Share of actual total holdings (% as of 2021-05-27)	Par value of actual total holdings (\$M as of 2021-05-27)
Communication	12.02	2.78	5.1
Energy	22.83	27.28	49.7
Financial	23.62	25.20	45.9
Industrial	13.09	12.44	22.6
Infrastructure	10.35	18.13	33.0
Real Estate	18.09	14.17	25.8
Total	100.00	100.00	182.1

As the CBPP has been discontinued, this table will no longer be updated. The aggregate market value of holdings of corporate bonds acquired through this program will be updated every Friday on the Bank's [weekly balance sheet](#).

Key contacts

Robert Pemberton
Managing Director
Head of Fixed Income
TD Asset Management

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Director
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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**

Corporate Bond Purchase Program expanded to buy-side participants October 6, 2020

In May, the Bank of Canada introduced a Corporate Bond Purchase Program (CBPP) to support the liquidity and proper functioning of the corporate debt market.

Content Type(s): **Press, Market notices** Source(s): **Corporate Bond Purchase Program**

Operational details for the Corporate Bond Purchase Program

May 19, 2020

As announced on April 15, 2020, the Bank of Canada is launching its Corporate Bond Purchase Program (CBPP), effective May 26, 2020.

Content Type(s): **Press, Market notices** Source(s): **Corporate Bond Purchase Program**

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