

Provincial Bond Purchase Program

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



Announcement: The Provincial Bond Purchase Program (PBPP) is discontinued.

Program details

The Provincial Bond Purchase Program (PBPP) aims to support the liquidity and efficiency of provincial government funding markets, by purchasing bonds through a tender process in the secondary market. It supplements the [Provincial Money Market Purchase Program \(PMMP\)](#). The asset manager for this program is BMO Global Asset Management. The amount of debt purchased for any given eligible issuer will factor in the share of the issuer's debt outstanding as well as the issuer's share of Canada's GDP.

Terms and conditions

See the full [terms and conditions](#) for this program.

Primary dealers for Government of Canada marketable bonds as listed on the Bank of Canada [website](#) are eligible to participate in the PBPP. Eligible dealers should contact [BMO Global Asset Management \(BMO GAM\)](#) to register.

Operational details

Purchases will be executed through a tender offer process. Authorized dealers will be provided advance notice before a tender date as to the eligible assets for tender. Dealers will communicate offers to sell notional amounts of eligible assets at a specified price to BMO GAM, at times determined by BMO GAM.

- There is no minimum rating requirement.
- The Bank will not purchase more than 20% of an issuer's eligible assets outstanding.
- The Bank's purchases will aim to reflect a reference portfolio based in equal weight on each province or territory's share of eligible bonds outstanding and their share of Canadian GDP. Each issuer's eligible

share will be recalculated on a monthly basis. Actual purchases will depend on what is offered through the tender offer process and may differ from the reference portfolio.

- The program will hold up to a total of \$50 billion par value of eligible assets.
- The program and its operations may be amended at any time if conditions warrant.

Duration

The program will begin on May 7, 2020 and operate for 12 months from May 7, 2020 to May 6, 2021.

Eligible assets

CAD-denominated bonds maturing on or before April 15, 2031 issued by or guaranteed by a provincial or territorial government that meet the criterion of sufficiently high quality as determined by the Bank.

A list containing eligibility information and decisions to impose additional risk mitigants for provinces whose securities are either directly issued or guaranteed is available on the [Bank's website](#). The program will purchase the eligible assets in the secondary market.

Non-guaranteed agency bonds, municipal bonds, real return bonds, floating rate notes, strip/residuals, T-Bills, and promissory notes issued by provinces or territories are ineligible for purchase in the program.

Eligible issuers

Eligible issuers are all Canadian provinces and territories and provincial and territorial guaranteed agencies.

Pricing

As purchases will be executed through a tender offer process, pricing will depend on market conditions. 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 which provides equal weight to each province or territory's share of eligible bonds outstanding and their share of Canadian GDP, while maintaining a cap of 20% of an issuer's eligible bonds outstanding, and total portfolio purchases of no more than \$50 billion.

Province	Share of reference portfolio (% as of 2021-05-10)	Share of actual total holdings (% as of 2021-05-10)	Par value of actual total holdings (\$M as of 2021-05-10)
Alberta	12.76	12.77	2,242.8
British Columbia	10.37	10.42	1,828.8
Manitoba	4.21	4.39	771.3
New Brunswick	1.96	1.90	333.4
Newfoundland and Labrador	1.87	1.88	330.1
Northwest Territories	0.02	0.03	5.0
Nova Scotia	1.79	1.78	313.4
Nunavut	0.01	0.00	0.0
Ontario	42.56	42.65	7,488.7
Prince Edward Island	0.20	0.18	31.6
Quebec	21.30	21.48	3,770.9
Saskatchewan	2.95	2.52	442.1
Total	100.00	100.00	17,558.0

As the PBPP has been discontinued, this table, including each province and territory's share of the reference portfolio, will no longer be updated. The aggregate market value of the holdings of provincial bonds acquired through the PBPP program will be updated every Friday on the Bank's [weekly balance sheet](#).

Key contacts

Kevin Gopaul

Managing Director
BMO Global 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](#)

Reporting on Provincial Bond Purchase Program purchases May 19, 2020

The Bank of Canada has updated its reporting on assets purchased for the Provincial Bond Purchase Program (PBPP). The PBPP supports the liquidity and efficiency of provincial government funding markets.

Content Type(s): [Press](#), [Market notices](#) Source(s): [Provincial Bond Purchase Program](#)

Operational details for the Provincial Bond Purchase Program April 30, 2020

As announced on April 15, 2020, the Bank of Canada is launching its Provincial Bond Purchase Program (PBPP), effective May 7, 2020.

Content Type(s): [Press](#), [Market notices](#) Source(s): [Provincial Bond Purchase Program](#)

Bank of Canada announces asset manager for Provincial Bond Purchase Program April 23, 2020

The Bank of Canada announced today that BMO Global Asset Management was selected as the asset manager for its Provincial Bond Purchase Program (PBPP).

Content Type(s): [Press](#), [Market notices](#) Source(s): [Provincial Bond Purchase Program](#)

Bank of Canada to Introduce a Provincial Bond Purchase Program

April 15, 2020

The Bank of Canada today announced its intention to introduce a Provincial Bond Purchase Program (PBPP) to further support the liquidity and efficiency of provincial government funding markets.

Content Type(s): [Press](#), [Market notices](#) Source(s): [Provincial Bond Purchase Program](#)