

THOMSON REUTERS

Canadian Dollar Offered Rate (CDOR) Administrator Code of Conduct

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1 – Background

- 1.1 CDOR is a financial benchmark in Canada that is calculated on the basis of certain bid side rates submitted by a group of major Canadian banks.
- 1.2 In January 2013, IIROC published its review of CDOR supervisory practices which included key areas for enhancement to strengthen the integrity of and confidence in CDOR, including:
 - 1.2.1 specific documented criteria for participation in the rate setting process;
 - 1.2.2 more explicit documentation regarding the definition, calculation methodology and transparency of CDOR; and
 - 1.2.3 documented regulatory expectations for participants' supervision of rate-setting activity and controls to prevent potential manipulation.
- 1.3 In July 2013, IOSCO published the IOSCO Principles, with the objective of creating an overarching framework of principles for benchmarks used in financial markets by articulating policy guidance and principles for benchmark-related activities that will address conflicts of interest in the benchmark-setting process, as well as transparency and openness when considering issues related to transition.
- 1.4 The Canadian Authorities have been working to promote and enhance a CDOR oversight framework to address the issues raised in the IIROC review and to ensure that CDOR is compliant with the IOSCO Principles:
 - 1.4.1 In January 2014 OSFI, consistent with its mandate and expertise, assumed responsibility for supervising the governance and internal controls surrounding the rate submission process within CDOR Submitters. The final CDOR benchmark-setting submissions guidelines were published by OSFI in September 2014 titled "Guideline E-20 - CDOR Benchmark-Setting Submissions".
 - 1.4.2 In its February 11, 2014 federal budget, the Government of Canada announced its intention to amend the Bank Act to include a regulation-making authority covering bank submissions to financial benchmarks. This amendment (415.3) came into effect in June 2014.
- 1.5 As an interim measure, the Canadian Authorities requested the CDOR Submitters to propose and implement provisional self-imposed oversight arrangements for the CDOR rate-setting process by:
 - 1.5.1 developing and publishing a code of conduct outlining the responsibilities of CDOR Submitters and minimum standards for internal controls, as well as the methodology for determining CDOR; and
 - 1.5.2 conducting an invitation for proposals process to identify a Person to undertake and perform the CDOR Administrator Responsibilities.
- 1.6 The CDOR Submitters did accede to such request by the Canadian Authorities, and, keeping the Canadian Authorities informed throughout the process, did (a) develop a Submitter Code of Conduct for CDOR, which was published in June 2014, and (b) identify Thomson Reuters as the Person to undertake and perform the CDOR Administrator Responsibilities.
- 1.7 The Thomson Reuters Entities have 30 years of experience designing, calculating and distributing financial benchmarks. As of the Effective Date, the Thomson Reuters Entities are administrator or calculation agent for more than 80 benchmarks, and Thomson Reuters has declared its capability, willingness and intention to undertake and perform the CDOR Administrator Responsibilities in accordance with the CDOR Administrator Performance Standard.



2 – Interpretation

- 2.1 Capitalized terms used herein and not otherwise defined will have the meaning set out in Appendix A (Defined Terms).
- 2.2 This CDOR Administrator Code of Conduct shall be effective as of December 31, 2014 (the “Effective Date”) and will remain in effect until the first of the following to occur: (a) the CDOR Administrator ceases to receive Submissions in respect of CDOR in its capacity as Calculation Agent for CDOR from the CDOR Submitters; (b) the CDOR Administrator withdraws from its role as CDOR Administrator in accordance with Section 3.2 (the period from the Effective Date until such occurrence, the “Tenure”).
- 2.3 **This CDOR Administrator Code of Conduct does not create any contractual or quasi-contractual relationship between any Person and Thomson Reuters or any other Thomson Reuters Entity and must not be construed to have created such relationship.**



3 – Administration of CDOR

- 3.1 The CDOR Administrator hereby adopts and issues this CDOR Administrator Code of Conduct and undertakes at all times during its Tenure to perform the CDOR Administrator Responsibilities in accordance with the CDOR Administrator Performance Standard.
- 3.2 The CDOR Administrator may wish to withdraw from its role as Administrator for CDOR, and may do so following meaningful consultation with the applicable Canadian Authorities, in any of the following circumstances:
 - 3.2.1 it has served as the Administrator for at least five years following the Effective Date and wishes to retire from such role;
 - 3.2.2 there have been changes in Applicable Law which impose a significant incremental burden on the CDOR Administrator or any of its Affiliates that facilitate the CDOR Administrator's performance of the CDOR Administrator Responsibilities; or
 - 3.2.3 the CDOR Administrator's performance of the CDOR Administrator Responsibilities has been frustrated by the acts or omissions of the CDOR Submitters,

provided, however, that in any such circumstance, prior to withdrawing from the role of Administrator for CDOR, the CDOR Administrator has provided reasonable notice to the Independent Oversight Committee and, if applicable, has complied with the requirements in the IOSCO Principles relating to the cessation of benchmarks and preparation therefor. For avoidance of doubt, upon any such withdrawal, subject to any arrangement that may be approved or otherwise supported by the applicable Canadian Authorities, the CDOR Administrator will cease serving as Administrator, Calculation Agent and Publication Agent for CDOR.

- 3.3 The CDOR Administrator will publicly issue a written statement confirming its undertaking of the CDOR Administrator Responsibilities, and will post and maintain during its Tenure a copy of this CDOR Administrator Code of Conduct on its public website.
- 3.4 The CDOR Administrator will publicly disclose a statement regarding the extent of its compliance with the IOSCO Principles as it relates to CDOR not later than June 30, 2015, and annually thereafter during its Tenure. In support of such statements, the CDOR Administrator will appoint an independent internal or external auditor in compliance with the IOSCO Principles to review and report on such compliance.
- 3.5 Throughout its Tenure, the CDOR Administrator will have not less than one employee based in Canada dedicated to supporting the performance of the CDOR Administrator Responsibilities and the administration of other Canadian benchmarks.
- 3.6 The CDOR Administrator will publish and maintain this CDOR Administrator Code of Conduct and the CDOR Submitter Code of Conduct in both English and French.



4 – Submitter Code of Conduct

- 4.1 The CDOR Administrator will adopt the CDOR Submitter Code of Conduct as the Submitter Code of Conduct for CDOR in accordance with Section 5.1.3. The CDOR Administrator will maintain systems and controls reasonably designed to ensure that the rates submitted by the CDOR Submitters and used to calculate CDOR have been prepared in a manner that is consistent with the CDOR Submitter Code of Conduct.
- 4.2 The CDOR Administrator will establish, maintain and undertake consultation processes that provide the opportunity for meaningful input from the CDOR Submitters before amending or replacing the CDOR Submitter Code of Conduct, and, following completion of such consultation processes, will provide the CDOR Submitters not less than 90 days' prior written notice of the implementation of any such proposed amendment or replacement of the Submitter Code of Conduct, except to the extent that, in any particular circumstances, such consultation processes or notice period, as the case maybe, would result in the CDOR Administrator being unable to perform the CDOR Administrator Responsibilities in accordance with the CDOR Administrator Performance Standard, in which case the CDOR Administrator will undertake such consultation processes with, and provide such prior notice to, the CDOR Submitters as are, so far as possible, consistent with the foregoing while allowing the CDOR Administrator to perform the CDOR Administrator Responsibilities in accordance with the CDOR Administrator Performance Standard.



5 – Independent Oversight Committee

- 5.1 The CDOR Administrator will establish and maintain the Independent Oversight Committee and the Independent Oversight Committee Terms of Reference and will undertake consultation processes with the Independent Oversight Committee, all on a basis that is consistent with the IOSCO Principles, to allow the Independent Oversight Committee the opportunity to review and provide challenge and meaningful input regarding:
- 5.1.1 all aspects of the CDOR determination process, including consideration of the features and intended, expected or known usages of CDOR and the materiality of identified existing or potential conflicts of interest and means of addressing same;
 - 5.1.2 fees and other remuneration to be charged by the CDOR Administrator for licensing, access and use of CDOR (including Real-Time CDOR Rates);
 - 5.1.3 the adoption of, and any amendment to or replacement of, the CDOR Processes and the CDOR Submitter Code of Conduct, and any amendment to or replacement of, this CDOR Administrator Code of Conduct;
 - 5.1.4 the adoption of the Independent Oversight Committee Terms of Reference and any amendment thereto or replacement thereof; and
 - 5.1.5 any other material issues regarding the CDOR Administrator Responsibilities;

except to the extent that, in any particular circumstances, such consultation processes would result in the CDOR Administrator being unable to perform the CDOR Administrator Responsibilities in accordance with the CDOR Administrator Performance Standard, in which case the CDOR Administrator will undertake such consultation processes with the Independent Oversight Committee as are, so far as possible, consistent with the foregoing while allowing the CDOR Administrator to perform the CDOR Administrator Responsibilities in accordance with the CDOR Administrator Performance Standard.

- 5.2 The CDOR Administrator will offer representation on the Independent Oversight Committee to individuals from each of the existing CDOR Submitters, the Canadian Authorities and other stakeholders identified by Thomson Reuters; provided, however, that the CDOR Administrator may cause the rights of the individuals from the CDOR Submitters to vote on matters to be limited or restricted (including making such individuals non-voting observers) if such limitations or restrictions are reasonably necessary to preserve the quality or integrity of CDOR or the CDOR determination process or in order for the CDOR Administrator to perform the CDOR Administrator Responsibilities in accordance with the CDOR Administrator Performance Standard. Notwithstanding the foregoing, the CDOR Administrator may, in consultation with the Independent Oversight Committee, make changes to the composition of the Independent Oversight Committee if, due to changes in Applicable Law, the CDOR Administrator, acting reasonably and in good faith, determines that it is necessary or demonstrably prudent to make such changes in order to comply with Applicable Law.
- 5.3 The CDOR Administrator will establish and maintain the Independent Oversight Committee, the function and composition of which and the Terms of Reference for which, will be appropriate to: (a) provide effective scrutiny of the CDOR Administrator and oversight of the CDOR design and the integrity of the CDOR determination and control framework; and (b) prohibit individuals from the CDOR Submitters from participating in the review of matters related to the addition of Persons as new CDOR Submitters and the fees and other remuneration charged in relation to licensing, access and use of CDOR.



6 – Publication and Fees

- 6.1 **Real-Time CDOR Rates.** The CDOR Administrator will, or will cause the Publication Agent for CDOR to, make the Real-Time CDOR Rates available during its Tenure for use on a real time basis: (i) through various service offerings of the CDOR Administrator or other Thomson Reuters Entities, and (ii) through Authorized Third Party Redistributors.
- 6.2 **Delayed CDOR Rates.**
- 6.2.1 During its Tenure, the CDOR Administrator will permit Authorized Third Party Redistributors to display Delayed CDOR Rates on one or more public websites or other public electronic sources.
- 6.2.2 Within ninety (90) days of the Effective Date and thereafter during its Tenure, the CDOR Administrator or a Thomson Reuters Entity designated by the CDOR Administrator will, or will require a third party engaged by the CDOR Administrator or the designated Thomson Reuters Entity to, make Delayed CDOR Rates available to the public on one or more public websites or other public electronic sources (which, for avoidance of doubt, will not require any person accessing or using such Delayed CDOR Rates to procure any other data, information, product, service, solution or equipment from any Thomson Reuters Entity), at no cost or expense to any person accessing or using such Delayed CDOR Rates. Each Delayed CDOR Rate will be made available as of 4:00 PM Eastern Time on the day of publication, for a period of not less than five Business Days.
- 6.3 **Historical CDOR Rates.** The CDOR Administrator shall make the Historical CDOR Rates available during its Tenure through the following distribution channels: (a) through Authorized Third Party Redistributors, and (b) directly to clients that have entered into an appropriate licence agreement for bulk Historical CDOR Rates, which rates will be provided in one or more common, standard data format(s) and through common technological means that do not require any such client to procure any other data, information, product, service, solution or equipment from any Thomson Reuters Entity (such means may include, for example, email, FTP (file transfer protocol) or SFTP (secure file transfer protocol)). Nothing herein shall limit the CDOR Administrator's right to make Historical CDOR Rates available as part of a broader service offering of the CDOR Administrator or any Thomson Reuters Entity.
- 6.4 For a 180 day period following the Effective Date (the "Standstill Period"), the CDOR Administrator will permit all Persons who are authorized to access or use CDOR rates through the CDOR Administrator or any Thomson Reuters Entity to continue to access and use CDOR rates on the same basis and terms and conditions (including price) that were applicable as of the Effective Date; provided that, to the extent that such CDOR rates are offered by the CDOR Administrator or any Thomson Reuters Entity as part of a broader service offering, the CDOR Administrator and the Thomson Reuters Entities have the right to modify pricing and any other terms and conditions with respect to such broader service offering so long as such modification is not directed at access to or use of CDOR rates. For greater certainty, during the Standstill Period, the CDOR Administrator and the Thomson Reuters Entities are not prevented from entering into legal agreements with any Person that modify the basis and terms and conditions (including price) upon which Persons are permitted to access and use CDOR rates, provided that such modified basis and terms and conditions do not become effective until the expiration of the Standstill Period. In addition, during the Standstill Period, the CDOR Administrator will not apply any end user fees or charges in respect of CDOR rates received by an end user through an Authorized Third Party Redistributor or require any such end user to remit any such end user fees or charges.
- 6.5 At all times during its Tenure, the CDOR Administrator may set fees or other charges in respect of the licensing of, access to and use of CDOR (including Real-Time CDOR Rates), provided that: (i) any fees and other charges for CDOR are commercially reasonable and are set in accordance with pricing principles that are fair, reasonable and non-discriminatory; and (ii) the CDOR Administrator establishes, maintains and undertakes processes which provide for meaningful input from the Independent Oversight Committee in relation to such fees and other charges for CDOR.



- 6.6 At all times during its Tenure, the CDOR Administrator will not increase or otherwise modify the terms of any fees or other charges for CDOR charged by the CDOR Administrator in respect of licensing of, access to or use of CDOR (including Real-Time CDOR Rates) unless it has provided: (i) not less than 90 days prior written notice to the Independent Oversight Committee and an opportunity for the Independent Oversight Committee to provide meaningful input in relation thereto; and (ii) reasonable prior written notice to all Subscribers.



Appendix A – Defined Terms

Capitalized terms used in this document but not otherwise defined are defined in the following table.

Term	Definition
Administrator	has the meaning given to it in the IOSCO Principles.
Affiliate	means, with respect to any Person, any other Person who directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, such Person, and includes any Person in like relation to an Affiliate.
Applicable Law	means, with respect to any Person, property, transaction, event or other matter, (a) any U.K. or Canadian constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, or other requirement having the force of law, (b) any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Authority, and (c) any published policy, standard or guideline of any Canadian regulatory authority (for greater certainty, whether federal or provincial) which although not necessarily having the force of law, is regarded by such Canadian regulatory authority as requiring compliance as if it had the force of law, in each case, applicable to and having jurisdiction over such Person, property, transaction, event or other matter. For greater certainty, the IOSCO Principles per se are not, and are deemed not to be, an Applicable Law.
Authority	means: (a) U.K. or Canadian government (whether administrative, legislative, executive or otherwise and whether federal, provincial or otherwise); (b) any U.K. or Canadian agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality (whether federal, provincial or otherwise) having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government; (c) any U.K. or Canadian court, tribunal, commission, individual, arbitrator, arbitration panel or other body (whether federal, provincial or otherwise) having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and (d) any other body or entity created under the authority of any of the foregoing and having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government; and “Authorities” has a corresponding meaning.
Authorized Third Party Redistributor	means a third party market data vendor or redistributor that has entered into an appropriate licence agreement with the CDOR Administrator or any Thomson Reuters Entity for the redistribution of CDOR.
Business Day	means any day that Schedule 1 banks under the Bank Act (Canada) are open for business in Toronto, Ontario, Canada.
Calculation Agent	has the meaning given to it in the IOSCO Principles.
Canadian Authorities	means some or all of the Bank of Canada, the federal Department of Finance, OSFI, the Ontario Securities Commission and the Autorité des marchés financiers and any other Authority or Authorities that may, during the Tenure of the CDOR Administrator, have jurisdiction over the Administration (as such term is defined in the IOSCO Principles) of CDOR or the making of Submissions by the CDOR Submitters.
CDOR	means the Canadian Dollar Offered Rate for differing maturities.
CDOR Administrator	means the Administrator in respect of CDOR, whose responsibilities, for greater certainty, include those of Publication Agent and Calculation Agent in respect of CDOR and may not be assigned or delegated to any third Person, from time to time, being Thomson Reuters as of the Effective Date.
CDOR Administrator Code of Conduct	means this code of conduct regarding the undertaking and performance by the CDOR Administrator of the roles and responsibilities of the CDOR Administrator, as same may be amended or replaced from time to time by the CDOR Administrator in accordance with this CDOR Administrator Code of Conduct.
CDOR Administrator Performance Standard	means the undertaking and performance of the CDOR Administrator Responsibilities: (a) in a manner that is compliant in all material respects with the IOSCO Principles, taking into consideration the concept of proportional application as set out therein, (b) in a manner that complies with this CDOR Administrator Code of Conduct, (c) in a manner that complies with the CDOR Processes, and (d) in a manner that complies with Applicable Law in effect from time to time, and in the event of any conflict or inconsistency between



Term	Definition
	or among the IOSCO Principles, this CDOR Administrator Code of Conduct, the CDOR Processes and Applicable Law, in the following order of priority: item (d), item (a), item (b), and item (c).
CDOR Administrator Responsibilities	mean the duties and responsibilities of the CDOR Administrator, including responsibility for all stages of the CDOR administration process and the calculation and dissemination of CDOR.
CDOR Processes	means the CDOR methodologies and procedures adopted by the CDOR Administrator in accordance with Section 5.1.3 of this CDOR Administrator Code of Conduct, as same may be amended or replaced from time to time by the CDOR Administrator in accordance with this CDOR Administrator Code of Conduct.
CDOR Submitter Code of Conduct	means the CDOR Code of Conduct originally developed by the CDOR Submitters in 2014 in response to IIROC Administrative Notice 13-0010—"IIROC Review of CDOR supervisory practices" dated January 2013 and the IOSCO Report, as amended by the CDOR Administrator and as adopted by the CDOR Administrator in accordance with Section 5.1.3 of this CDOR Administrator Code of Conduct, as same may be further amended or replaced from time to time by the CDOR Administrator in accordance with this CDOR Administrator Code of Conduct.
CDOR Submitters	means the banks making Submissions for the purposes of determining CDOR from time to time, being Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, HSBC Bank Canada, National Bank of Canada, Royal Bank of Canada and The Toronto-Dominion Bank as of the Effective Date.
Control	means, with regard to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of securities, by contract or otherwise.
Delayed CDOR Rates	means the then-current day's published CDOR rates from and after 4:00 PM Eastern Time on the day of publication.
Effective Date	has the meaning set out in Section 2.2.
Historical CDOR Rates	means (a) the then-current day's Delayed CDOR Rate; (b) all CDOR rates published on or after the Effective Date and prior to the then-current day; and (c) all CDOR rates published prior to the Effective Date in the possession or control of the CDOR Administrator on the Effective Date.
IIROC	means the Investment Industry Regulatory Organization of Canada.
including	means including without limitation and " include " and " includes " have a corresponding meaning.
Independent Oversight Committee	means the oversight committee to be established and maintained by the CDOR Administrator pursuant to this CDOR Administrator Code of Conduct, which, in addition to CDOR, may carry out the oversight function for similar benchmarks.
Independent Oversight Committee Terms of Reference	means the terms of reference for the Independent Oversight Committee to be adopted and maintained by the CDOR Administrator pursuant to this CDOR Administrator Code of Conduct, as same may be amended or replaced from time to time by the CDOR Administrator in accordance with this CDOR Administrator Code of Conduct.
IOSCO	means the International Organization of Securities Commissions.
IOSCO Principles	mean the Principles for Financial Benchmarks set out in the IOSCO Report.
IOSCO Report	means the July 2013 Final Report of the Board of IOSCO FRO 7/13.
non-discriminatory	means the practice of offering materially similar terms to all parties who are similarly situated.
OSFI	means the Office of the Superintendent of Financial Institutions Canada.
Person	is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, an Authority, and the executors, administrators or other legal representatives of an individual in such capacity.
Publication Agent	has the meaning given to "Benchmark Publisher" in the IOSCO Principles.
Real-Time CDOR Rates	means, on any Business Day, the CDOR rates for that day as determined by the CDOR Administrator in its capacity as Calculation Agent, until such CDOR rates become Delayed CDOR Rates, all in accordance with this CDOR Administrator Code of Conduct.
Standstill Period	has the meaning set out in Section 6.4.



Term	Definition
Submissions	has the meaning given in the IOSCO Principles.
Submitter Code of Conduct	has the meaning given in the IOSCO Principles.
Subscriber	has the meaning given in the IOSCO Principles.
Tenure	has the meaning set out in Section 2.2.
Thomson Reuters	means Thomson Reuters Benchmark Services Limited, a subsidiary of Thomson Reuters Corporation.
Thomson Reuters Entities	means Thomson Reuters and its Affiliates, and “ Thomson Reuters Entity ” means any one of them, as the context dictates.
usage	in reference to any Person’s usage of Real-Time CDOR Rates or Historical CDOR Rates, is to be broadly interpreted and includes, where applicable and appropriate, access to, reference to or other usage of such of Real-Time CDOR Rates or Historical CDOR Rates by such Person for its own purposes and the aggregation and/or distribution to any other Persons of such of Real-Time CDOR Rates or Historical CDOR Rates by such Person for any purpose, including a commercial purpose; and “ use ” and “ used ” shall have a corresponding meaning.

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