



NEWS RELEASE

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Canada's Central Counterparty for Repo: A Made-In-Canada, Street-Led Liquidity Success story

Toronto, ON, November 6, 2018 – The Investment Industry Association of Canada (IIAC) and the Canadian Derivatives Clearing Corporation (CDCC) commissioned a [Deloitte study](#), “The Development & Evolution of Canada’s Central Counterparty for Repo” to examine the clearing and netting system for repurchase transactions (repo). Since its launch in 2012 this system has contributed to improved transactional efficiency and market liquidity while better positioning domestic repo markets in future stressed market conditions.

“This solution, led by the street, is the first of its kind globally to integrate direct participation from the buy and sell side and deserves acknowledgement. It is a win not only for debt markets, but for the broader financial system and growth of the Canadian economy,” said Ian Russell, President and CEO, IIAC. “The need for a clearing body became urgent during the 2008 financial crisis, when the lack of liquidity in debt trading precipitated the end of two large US investment dealers. Canadian organizations such as Canadian Derivatives Clearing Corporation, its regulators and the Investment Industry Association of Canada came together and created a system that would provide liquidity needed to avoid this type of crisis in the future.”

Canada’s repo central counterparty clearing service (CCP) continues to evolve since its launch with the addition of buy-side participants and expanding the list of securities eligible for clearing. To continue to evolve and enhance its operations and infrastructure, the CDCC is in the process of addressing the following:

- The volume of cleared repos needs to increase for its stakeholders to realize full benefits;
- The CCP operations must be robust and efficient under all conditions to retain the trust of the members who rely on the utility as an integral part of their own operations. This requires an effective and efficient operating model properly governed and risk-assessed, supported by adequate resourcing;
- The CCP is an extension of each member’s business and providing interested members with a seat on the CCP’s various Committees provides them additional transparency.

The IIAC – Representing Canada’s Investment Dealer Firms

The Investment Industry Association of Canada (IIAC) is the national association representing the investment industry’s position on securities regulation, public policy and industry issues on behalf of our 120 IIROC-regulated investment dealer Member firms in the Canadian securities industry. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets. For more information, please visit www.iiac.ca.

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