

18 August 2021

IBOR Fallbacks

Technical Note – Amendment to Fixed Spread Adjustments of CAD CDOR 6M & 12M tenors

Amendment to Fixed Spread Adjustments of CAD CDOR 6-month & 12-month Tenors

On 12 November 2020, the administrator for CDOR issued a public statement that it will cease to provide the 6-month and 12-month CDOR tenors (the “Relevant Tenors”) from 17 May 2021 onwards and that the last day of publication for the Relevant Tenors will be 14 May 2021. At the time of the announcement, no successor administrator was identified that will continue to provide such tenors.

Under the [IBOR Fallback Rate Adjustments Rule Book \(the “Rule Book”\)](#), a 'Tenor Cessation Trigger Date' occurred. Accordingly, the Spread Adjustment Fixing Date for the Relevant Tenors is 12 November 2020. The Spread Adjustments for the Relevant Tenors were announced as 0.49323% (6-month) and 0.54790% (12-month), respectively.

Subsequently it was discovered that four erroneous data points in the historical data series of CDOR values were used in the calculation of the Spread Adjustments. Values were incorrectly included for non-business days of 11 November 2015, 25 December 2015, 28 December 2015 and 1 January 2016.

The impact is less than half of one basis point in both cases. The Fixed Spread Adjustments are generally not expected to be used in the calculation of an applicable fallback rate under Supplement 70 to the 2006 ISDA Definitions and related documentation until around 15 November 2021 for the 6-month tenor and 13 May 2022 for the 12-month tenor (i.e., dates that are 6 months and 12 months, respectively, from the Tenor Cessation Trigger Date). Therefore, in accordance with section 5.4 of the Rule Book, BISL has determined to re-state the previously announced Fixed Spread Adjustments. Details of the amended values are set out in Figure 1 below.

All indicative fallback history, including the Spread Adjustments, for all CAD CDOR tenors that included the use of these four erroneous data points has also been re-stated.

Note that the decision to re-state took into consideration the fact that the applicable fallbacks generally are not expected to apply until the dates set forth above and the relatively small number of contracts that reference these tenors. This decision should not be viewed as precedent for any subsequent determinations to re-state. For the avoidance of doubt, BISL re-affirms the Fixed Spread Adjustments for the five LIBOR rate sets and all tenors, as announced on 5 March 2021, as final and binding.

Figure 1

List of impacted IBOR Fallbacks

IBOR	Tenor	Old Ticker (to be deprecated)	New Ticker	Old Spread Adjustment (%)	Revised Spread Adjustment (%)
CAD CDOR	6 Months	SCDOR06 Index	YCDOR06M Index	0.49323	0.49375
CAD CDOR	12 Months	SCDOR12 Index	YCDORIY Index	0.54790	0.54820

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