

# CIMPA Fail Fee Subgroup

## Update

Oct 16, 2025

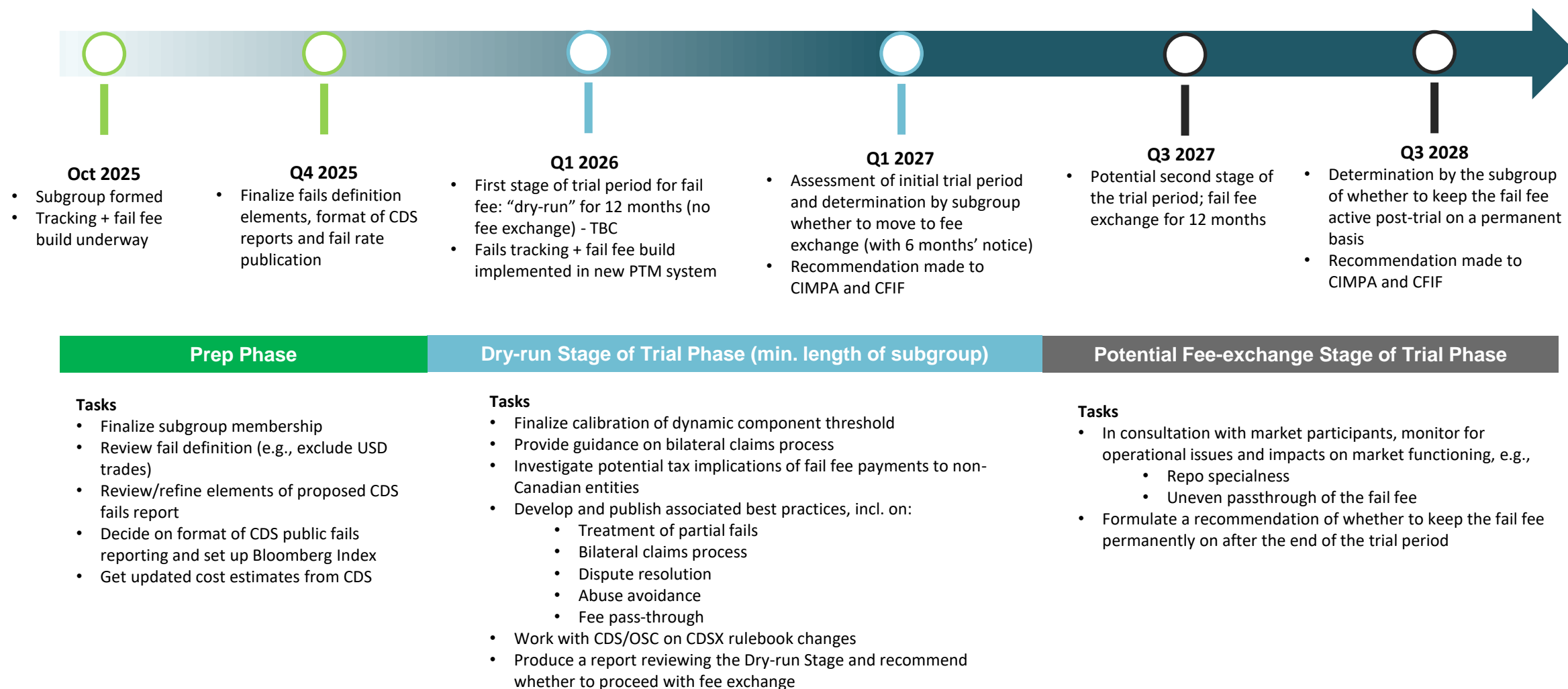
# Mandate, ToR, Composition

- ❖ The Fail Fee Subgroup held its inaugural in-person meeting on Oct 6
  - Meetings will be bi-weekly (mostly virtual)
- ❖ Mandate of the Subgroup (from draft ToR):
  1. Finalize the remaining calibration aspects of the fail fee framework and support CDS's infrastructure build
  2. Develop and administer the governance of the framework during the trial period and in steady state, if required. This includes monitoring the trial period and making recommendations to CIMPA/CFIF on potential improvements, as well as when to activate fail fee payments
  3. Develop and maintain best practices and documentation for the framework

Does CIMPA have any views on the proposed mandate, ToR and subgroup composition?

	Name	Institution
	<b>Co-Chairs</b>	
1	Ciaran Dayal	Scotia
2	Michael Mueller	Bank of Canada
	<b>Members - Buyside</b>	
3	Philippe Lapalme	PSP
4	Gordon Neill	OTPP
	<b>Members - Dealers</b>	
5	Angus McMillan	RBC
6	Ted Avramidis	TD
7	Aaron Carter	CIBC
8	Amit Gandhi	BMO
9	Sabrina Wang	NBF
10	Andre Zanga	CASG
11	Maxime Vives	DESJ
	<b>Members - Custodian/Agent Lender</b>	
12	James Thursfield	CIBC Mellon
13	Ali Emadi Moghaddam	RBC IS
	<b>Members – Infrastructure</b>	
14	Louise Waterhouse	CDS
	<b>Members - Industry Associations</b>	
15	Todd Evans	SIMA
	<b>Additional Supporting Members/Observers</b>	
	Loren Rita	CIBC
	Nadia Lall	RBC IS
	Imran Sheri	RBC IS

# Tentative timeline for fail fee trial period and specific Subgroup tasks (non-exhaustive)

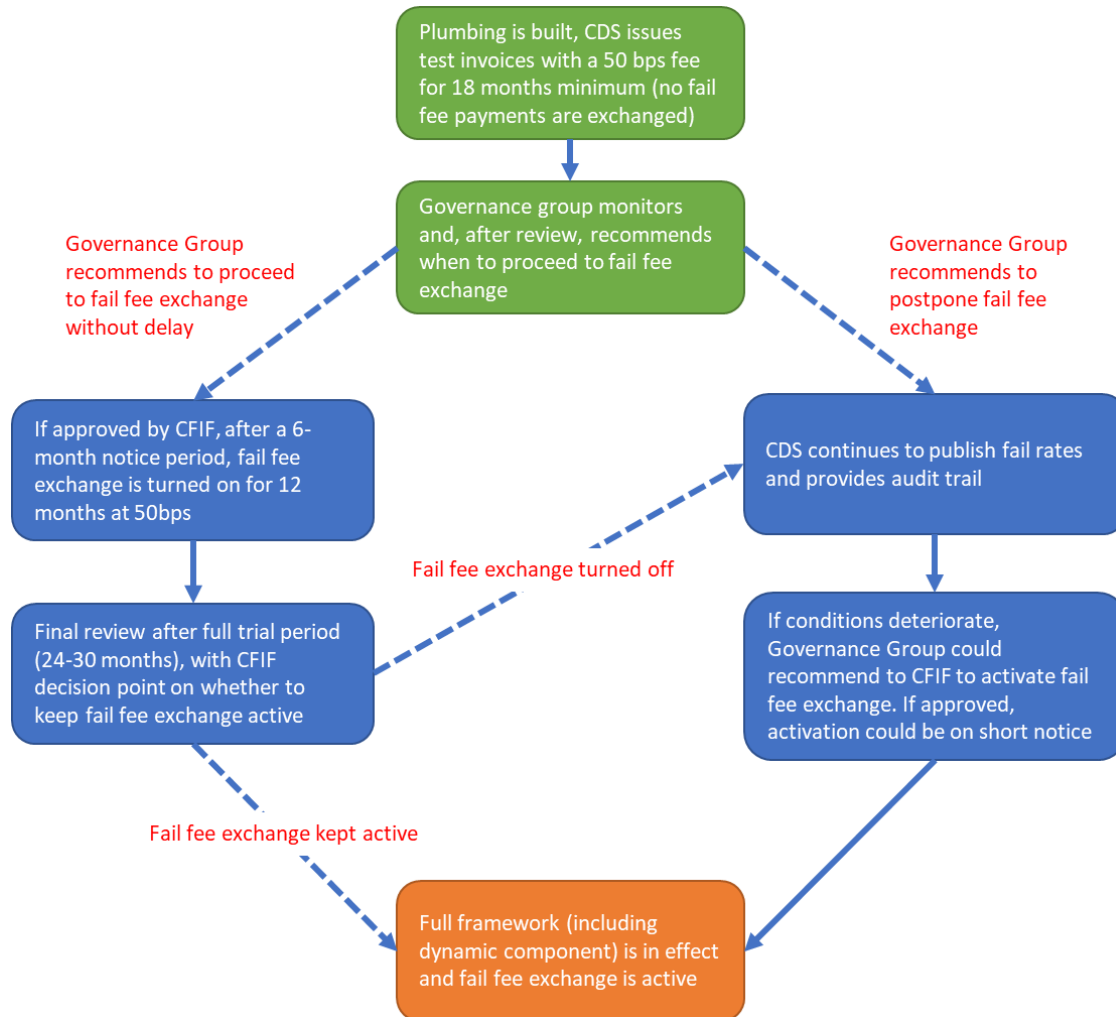


# Appendix

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# Trial period for the fail fee framework and potential transition to steady state



Features	Rationale
<ul style="list-style-type: none"> <li>Decision points to ensure appropriateness</li> <li>Subgroup to recommend to CIMPA/CFIF when to proceed with fee exchange and whether to keep it active</li> </ul>	<ul style="list-style-type: none"> <li>Custodians and other fiduciaries may require infrastructure builds to facilitate fee pass-through to clients</li> <li>These builds would have to occur during the dry-run and would therefore not benefit from lessons learned</li> <li>Revised setup operationalizes the important central CDS infrastructure, but provides flexibility on when to turn on the fee exchange</li> </ul>
<ul style="list-style-type: none"> <li>Subgroup monitoring to identify and remedy any issues arising during implementation</li> </ul>	<ul style="list-style-type: none"> <li>While the framework has been developed carefully and consultatively, the Subgroup will monitor for any issues during the trial phase and recommend adjustments, if necessary</li> </ul>