



**IFTA BALLOT
4-2022**

Sponsor(s)

Canadian Provinces
IFTA Program Compliance Review Committee (PCRC)

Date Submitted

February 23, 2022

Proposed Effective Date

Upon Passage

Manual Sections to be Amended (January 1996 Version, Effective July 1, 1998, as revised)

Articles of Agreement Section *R1230.200

Subject

Canadian Interest Rate Calculation

History/Digest

The Canadian interest rate is based on the Canadian Federal Treasury Bill rate. There are multiple Canadian Federal Treasury Bill rates based on the length of the bill (1-month, 3-month, 6-month, and yearly). Each of these can have a different interest rate. Rates can adjust weekly. During the 2021 PCRC reviews of the Canadian Provinces the PCRC learned that the Canadian Jurisdictions used various methods and Canadian Federal Treasury Bill rates when calculating the Canadian interest rate, which could result in differing interest rates used by the Canadian Jurisdictions.

Full track ballot #02-2010 amended the U.S. interest rate, specifying the basis for the U.S. interest rate and directed the Repository to publish the annual rate jurisdictions are to assess.

A meeting invitation was extended to representatives of the 10 Canadian Provinces. Representatives from IFTA Inc., the PCRC, and NL, PE, ON, QC, SK, MB, and MB met via a Teams Meeting on 3/22/22. A draft ballot outlining quarterly interest rates, based on a Bank of Canada 3-month Canadian Federal Treasury Bill rate plus 2 percent rounded to the next whole number, was discussed. The Provincial representatives suggested using a Bank of Canada 1-year interest rate in the interest calculation with the first Bank of Canada 1-year Federal Treasury Bill rate published in November 2022 to be used in the calculation of the Canadian Interest Rate for 2023.

The PCRC recommends the use of the 1-year Bank of Canada Federal Treasury Bill rate in the Canadian interest calculation.

Furthermore, the PCRC recommends the Repository publish the Canadian interest rates similar to how the U.S. interest rates are published.

Intent

The intent of this ballot is to amend the IFTA Articles of Agreement so the Canadian interest rate will be consistent for all Canadian Jurisdictions.

1 **Interlining Indicates Deletion; Underlining Indicates Addition**

2
3 Articles of Agreement
4 R1230 Interest

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6 *[Sections .100, .300, and .400 remain unchanged]*

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8 **.200 Canadian Jurisdiction Interest Rate**

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10 For a fleet based in a Canadian jurisdiction, interest shall accrue at a rate equal to the 1-year Canadian
11 Federal Treasury Bill rate, as published by the Bank of Canada on the first date that a rate is published in
12 November of the year prior to which the interest rate will apply, plus two percent rounded up to the next
13 whole percentage point and adjusted ~~every calendar quarter~~ annually. Interest shall accrue monthly at
14 $1/12^{\text{th}}$ of this annual rate. The Repository shall notify Jurisdictions by December 1.
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