



Department of Finance  
Canada

Ministère des Finances  
Canada

# 2025-26 Debt Management Strategy

Canada

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## Introduction

The *2025-26 Debt Management Strategy* sets out the Government of Canada's objectives, strategy, and borrowing plans for its domestic and foreign debt program and the management of its official international reserves.

The *Financial Administration Act* requires that the Minister of Finance table, in each House of Parliament, a report on the anticipated borrowing to be undertaken in the fiscal year ahead, including the purposes for which the money will be borrowed and the management of the public debt, no later than 30 sitting days after the beginning of the fiscal year. The *2025-26 Debt Management Strategy* fulfills this requirement.

## Objectives

The fundamental objectives of debt management are to raise stable and low-cost funding to meet the financial requirements of the Government of Canada and to maintain a well-functioning market for Government of Canada securities.

The government is committed to managing the debt program in a prudent manner to ensure a balanced debt structure that contributes to maintaining the stability of debt costs and to reducing risks to the debt portfolio.

Having access to a well-functioning government securities market contributes to lower and less volatile costs for the government, ensuring that funds can be raised efficiently over time to meet the government's financial requirements.

The Debt Management Strategy provides transparency on the government's borrowing plans to support a liquid and well-functioning market for Government of Canada securities and ensures the long-term sustainability of the government's borrowing program.

The government closely monitors financial markets and will adjust issuance if necessary to appropriately respond to shifts in market demand or changes to financial requirements.

## Outlook for Government of Canada Debt

As a result of the government's responsible fiscal management, Canada continues to have an enviable fiscal and debt position relative to international peers. Canada is projected to have the lowest net debt-to-GDP ratio and is expected to have some of the strongest fiscal outcomes of G7 countries over the next five years. Rating agencies cite Canada's effective, stable, and predictable policymaking and political institutions, economic resilience and diversity, well-regulated financial markets, and monetary and fiscal policy flexibility as drivers of the strong credit profile. Canada is rated AAA (equivalent) by Moody's, S&P, and DBRS, and AA+ by Fitch.

## Planned Borrowing Activities for 2025-26

The projected sources and uses of borrowings for 2025-26 are presented in Table 1. The comparison of actual sources and uses of borrowings against projections will be reported in the *Debt Management Report for 2025-26*. This document will be released soon after the *Public Accounts of Canada 2026*, which will provide detailed accounting information on the government's interest-bearing debt.

## Sources of Borrowings

The aggregate principal amount of money to be borrowed by the government in 2025-26 is projected to be \$623 billion, 76 per cent of which will be used to refinance maturing debt. This level of borrowing is consistent with the current legislated limit of \$2,126 billion set out in the *Borrowing Authority Act* and the Governor-in-Council has approved an annual borrowing limit of \$733 billion for fiscal year 2025-26.

## Uses of Borrowings

Total borrowings include \$612 billion in Canadian currency and \$11 billion in foreign currency. These borrowings will be used to refinance \$471 billion of maturing domestic debt and \$5 billion foreign currency debt. It will also be used to fund projected financial requirements of \$147 billion, which includes \$30 billion to fund purchases of Canada Mortgage Bonds. Projected financial requirements include those forecast for 2025-26 in the 2024 Fall Economic Statement and measures announced since the Fall Economic Statement as of June 9, 2025.

Actual borrowings for the year may be higher or lower than expected due to economic and fiscal outcomes differing from projections, the timing of cash transactions, and other factors such as changes in foreign reserve needs and Crown corporation borrowings. To adjust for these unexpected changes in financial requirements, debt issuance can be altered during the year, typically first through changes in the issuance of treasury bills. The government may also adjust issuance for bonds in response to larger changes or shifts in market demand.

Table 1

**Planned Actual Sources and Uses for 2025-26**

Billions of dollars

<b>Sources of borrowings</b>	
Payable in Canadian currency	
Treasury bills <sup>1</sup>	296
Bonds	316
Total payable in Canadian currency	612
Payable in foreign currencies	11
<b>Total sources of borrowings</b>	<b>623</b>
<b>Uses of borrowings</b>	
<b>Refinancing needs</b>	
Payable in Canadian currency	
Treasury bills	285
Bonds	186
Total payable in Canadian currency	471
Payable in foreign currencies	5
<b>Total refinancing needs</b>	<b>476</b>
<b>Total financial requirement</b>	<b>147</b>
<b>Total uses of borrowings</b>	<b>623</b>
Net increase or decrease (-) in cash	0
Change in other unmatured debt transactions <sup>2</sup>	0

Source: Main Estimates, Department of Finance Canada calculations.

Notes: Numbers may not add due to rounding. In the uses of borrowings section, a positive sign denotes a financial requirement.

<sup>1</sup> Treasury bills are rolled over, or refinanced, a number of times during the year. This results in a larger number of new issues per year than the stock of outstanding at the end of the fiscal year, which is presented in the table.<sup>2</sup> Includes unamortized discounts on debt issues, accrued interest, obligations related to capital leases and other unmatured debt.

## 2025-26 Borrowing Program

In 2025-26, borrowing needs are expected to remain elevated, primarily reflecting funding needs for maturing debt as more than \$80 billion in five-year debt issued during the COVID-19 pandemic will mature in 2025-26.

In this context, the government will increase bond issuance across the curve, with lower relative treasury bill issuance to retain flexibility to respond to unexpected financing needs. The government will continue to monitor market functioning of these sectors and may adjust issuance as needed.

Table 2

**Projected Gross Domestic Issuance of Bonds and Bills for 2025-26<sup>1</sup>**

Billions of dollars, end of fiscal year

	2023-24	2024-25	2025-26
Treasury bills	267	285	296
2-year	86	94	120
3-year	6	-	-
5-year	47	63	84
10-year	47	63	84
30-year	14	17	24
Green bond <sup>2</sup>	4	4	4
<b>Total Bonds</b>	<b>204</b>	<b>241</b>	<b>316</b>
<b>Total Domestic Issuance<sup>3</sup></b>	<b>471</b>	<b>526</b>	<b>612</b>
Share of Long Bonds (10-year +) to Total Bonds	30%	33%	34%
Share of Treasury bills to Total Issuance	57%	54%	48%

Sources: Bank of Canada; Department of Finance Canada calculations.

Notes: Numbers may not add due to rounding.

<sup>1</sup> Issuance subject to expenditure availability and market conditions.<sup>2</sup> Green bond issuance may be higher or lower, according to market conditions.<sup>3</sup> Domestic gross bond issuance does not include \$11 billion of issuance in foreign currencies.

## Composition of Market Debt

The total stock of market debt is projected to reach \$1,619 billion by the end of 2025-26 (Table 3).

Table 3

**Change in Composition of Market Debt**

Billions of dollars, end of fiscal year

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Projected
Domestic bonds	1,031	1,038	1,081	1,163	1,293
Treasury bills	187	202	267	285	296
Foreign debt	14	16	22	28	30
<b>Total market debt</b>	<b>1,232</b>	<b>1,256</b>	<b>1,370</b>	<b>1,476</b>	<b>1,619</b>

Sources: Bank of Canada; Department of Finance Canada calculations.

Note: Numbers may not add due to rounding.

## Treasury Bill Program

On August 12th, 2025 the Government of Canada will terminate the 1-month treasury bill which was introduced on a temporary basis to support the Canadian money market's transition away from Bankers' Acceptances following the cessation of the Canadian Dollar Offered Rate (CDOR) in June 2024.

Market participants acknowledge that the introduction of the 1-month treasury bill was a prudent and beneficial action by the Government of Canada, but communicate that the product is no longer needed. Further, the government considers the 3-, 6- and 12-month tenors appropriately reflect the market demand for short-term government issuance.

## 2025-26 Bond Program

Annual gross bond issuance is planned to be \$316 billion in 2025-26, up from \$241 billion in 2024-25. Issuance will increase across the curve. The share of issuance in the long-end of the curve (10-year and 30-year) as a proportion of total bond issuance is expected to increase to 34 per cent from 33 per cent in 2024-25.

## Maturity Date Cycles and Benchmark Bond Target Size Ranges

Reflecting larger bond issuance, benchmark target size ranges in the 2-year, 5-year and 10-year sectors are higher relative to the levels announced in the *2024 Fall Economic Statement* (Table 4).

Table 4

### Maturity Date Patterns and Benchmark Size Ranges

Billions of dollars

	<b>Feb.</b>	<b>Mar.</b>	<b>May</b>	<b>June</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Nov.</b>	<b>Dec.</b>
2-year	26-34		26-34		26-34		26-34	
5-year		38-46				38-46		
10-year				38-46				38-46
30-year								22-32

Source: Department of Finance Canada.

Note: These amounts do not include coupon payments.

## Bond Auction Schedule

In 2025-26, there will be regular auctions of 2-, 5-, 10-, and 30-year bonds, with the number of planned auctions for each sector shown in Table 5. To accommodate a larger bond program, the number of auctions per quarter of 5-year and 10-year bonds has been increased to 4 (from 3), while the number of auctions per quarter of 30-year bonds remains unchanged. The actual number of auctions may be different from the planned number due to unexpected changes in borrowing requirements or shifts in market demand.

Table 5

### Number of Planned Auctions for 2025-26

<b>Sector</b>	<b>Planned Bond Auctions</b>
2-year	20
5-year	16
10-year	16
30-year	8

Source: Department of Finance Canada.

The dates of each auction will continue to be announced through the Quarterly Bond Schedule, which is published on the Bank of Canada's website prior to the start of each quarter.

## Green Bond Program

The Government of Canada established its green bond program in March 2022 to support the growth of the Canadian sustainable finance market.

In 2024-25, Canada met its Budget 2024 green bond issuance target of \$4 billion through two separate issuances – a \$2 billion re-opening in October 2024 of the 10-year bond first issued in February 2024, and a new issue of a \$2 billion, 7-year green bond in February 2025. Both transactions saw strong demand from green and socially responsible investors and attracted a mix of Canadian domestic and international investors.

Canada's green bond program continues to support the growth of the sustainable finance market in Canada and highlights Canada's investments in climate action and environmental initiatives. The government remains committed to regular green bond issuances.

## Management of Canada's Official International Reserves

The Exchange Fund Account (EFA), managed by the Minister of Finance on behalf of the Government of Canada, represents the largest component of Canada's official international reserves. It is a portfolio of Canada's liquid foreign exchange reserves and special drawing rights available to aid in the control and protection of the external value of the Canadian dollar and as a source of liquidity to the government, if needed. In addition to the EFA, Canada's official international reserves include Canada's reserve position held at the International Monetary Fund.

The government borrows to invest in liquid reserves, which are maintained at a level at or above 3 per cent of GDP. Net funding requirements for 2025-26 are estimated to be around \$6 billion but may vary as a result of movements in foreign interest rates and exchange rates.

The mix of sources used to meet the net funding requirements for the year will depend on a number of considerations, including relative cost and market conditions.

They include a short-term US-dollar paper program (Canada bills), medium-term notes, cross-currency swaps involving the exchange of Canadian dollars for foreign currency to acquire liquid reserves, and the issuance of global bonds.

Canada's issuance of foreign currency denominated debt is used exclusively to fund official international reserves. Global bonds denominated in US dollars or euros have been issued 13 times since 2009 with the most recent one being in March 2025.

Further information on foreign currency funding and the foreign reserve assets is available in the [Report on the Management of Canada's Official International Reserves](#) and in [The Fiscal Monitor](#).

## Bond Buyback Program

The government announced the resumption of the Government of Canada Cash Management Bond Buyback program in November 2022. This treasury management operation is intended to effectively manage the government's cash flows ahead of large bond maturities.

The government plans to continue conducting cash management bond buybacks in 2025-26.

## Cash Management

The core objective of cash management is to ensure that the government has sufficient cash available at all times to meet its operating and liquidity requirements.

As part of the prudent management of cash balances, the government reintroduced morning Receiver General auctions on February 21, 2024.

Aside from cash deployed in the morning Receiver General auctions, the government's cash is on deposit with the Bank of Canada, including operational balances and balances held for prudential liquidity. Periodic updates on the liquidity position are available in [The Fiscal Monitor](#).

## Prudential Liquidity

The government holds liquid financial assets in the form of domestic cash deposits and foreign exchange reserves to safeguard its ability to meet payment obligations, including coupon and principal payments, in situations where normal access to funding markets may be disrupted or delayed. The government's overall liquidity levels are managed to normally cover at least one month of projected net cash flows, including coupon payments and debt refinancing needs.