



By: TA | AP Brief

# Canada will be the headquarters for a future NATO-linked financial institution



Canada has been selected as the headquarters for a new, financial institution led by NATO and designed to reduce borrowing costs for members of the alliance, a senior government official said on Wednesday.

According to the official, the decision was reached after negotiations hosted by Canada involving nearly 20 founding members of NATO's proposed Defense, Security and Resilience Bank, or DSRB.

The financial institution is meant to help NATO members and partner countries meet their defense spending commitments and reduce borrowing costs for military spending by pooling credit strength.

The official spoke to The Associated Press on condition of anonymity as they were not authorized to speak ahead of an official announcement.

The official said they did not know which city in Canada would be the institution's headquarters.

Earlier, Ontario Premier Doug Ford cited a report about Canada being selected as the headquarters and pitched in a post on social media that it be in Toronto, saying it's "an opportunity to put Canada" at the center of global defense finance and manufacturing.

"As our nation's financial capital, with a skilled workforce and unparalleled global connectivity, there's no better place for the bank to be headquartered than Toronto," Ford said.

## Spending guideline

Canadian Prime Minister Mark Carney's government has said it will meet NATO's military [spending guideline](#).

NATO countries, including Canada, have pledged to spend 5% of their national GDP on defense.

## European allies and Canada have already been investing heavily in their armed forces

Carney said last year the government would meet the earlier 2% target this year, then later the same month committed Canada to reaching 5% by 2035.

European allies and Canada have already been [investing heavily](#) in their armed forces, as well as weapons and ammunition, since Russia launched an all-out invasion of Ukraine on Feb. 24, 2022.

U.S. President Donald Trump has previously complained that Canada doesn't spend enough on its military.