

CCMA T+2 Transition Update Call

Noon, Friday, September 1, 2017

Keith Evans provided the following updates:

1. Keith reported that no issues had surfaced overnight from any of the infrastructure providers.
2. He noted that following the previous day's meeting he had circulated an e-mail with a link to a FinOps article with five last-minute tips; attached a DTCC T+2 Testing Summary, with cumulative data through DTCC's 14 T+2 test cycles, and a link to the CSA T+2 regulatory amendments on NI 81-102.
3. He referred to comments he had made the previous day that final National Instrument (NI) 81-102 (and 81-104) rule changes – made public just earlier that day – supported the move to T+2. A closer review of the document showed that the formal coming-into-force date of the amendments is November 14, 2017 (Note: Due to the time needed for the full regulatory approval process, however, the notice reiterates the regulators' expectation that implementation will take place September 5, 2017 as expected). Also, the notice excludes British Columbia and Saskatchewan (although the notice was released by the full CSA), however, it is expected that this will not be an issue (Note: Different jurisdictions have different approval processes).
4. Keith said he would be participating in the first U.S. Command Center call at 4:30 p.m. More material had been circulated by the UST2 group, however, it was simply updates to material previously circulated. The U.S. has scheduled one call a day from September 1-3; two calls on Monday, the 4th; three calls a day on Tuesday and Wednesday; reducing over the rest of the week. A phone bridge will remain open all day on Tuesday the 5th and 6th, and will be live from 7 am - 12 pm Thurs. morning in case anyone has questions.
5. A question had arisen at the preceding Canadian call as to whether the U.S. calls were open to anyone; Keith will ask and, if yes, circulate the relevant dial-in information.
6. Russ White, Fundserv confirmed that approximately a further 500 codes had been updated to T+2 and the transition preparations continue to go smoothly. A member asked about the 2,000 or so funds that had not been heard from. Russ confirmed that although Fundserv did not know what percentage of these were

81-102 funds, there was broad comfort with the high percentage of funds confirmed as shortening to a T+2 settlement cycle. He referred to the notice accompanying the recently released NI 81-102 amendments, which mentioned the need of some funds to seek relief if their underlying securities remained all or largely T+3-settling. The Notice allows for this, and states that commission Staff are prepared to consider relief.

7. At the September 2nd Canadian call, Keith will provide an update on the September 1st U.S. afternoon call.