

T+1 Communications and Education Working Group (CEWG)

Draft Minutes

Tuesday, November 8, 2022 – 11:00 am ET/8:00 am PT

1. Welcome and introductions

Members welcomed Stuart Schady, Canadian Securities Exchange, to the CEWG. A contact within the exchange/ATS community will be helpful to CEWG work. **Note:** See attached list of meeting participants, agreements, and action items.

2. Draft minutes of September 13 CEWG Meeting

The draft minutes of the September 13 CEWG meeting were accepted as written. The items identified for action by the day's meeting had been completed or were on the day's agenda.

3. New T+1 news/information

i. Association update

- CCMA staff thanked Alexandra Decata, CIBC Mellon, for connecting the CCMA to the ValueExchange (see below) and said that a link to the latest CIBC Mellon T+1 white paper had been added to the CCMA website. The CCMA website also now linked to the 'T+1 and pension funds' article, a collaboration with Ahren Estabrooks and Jason Lau, published on November 1 by the ACPM in both languages.
- Pat Dunwoody said that the CETFA Board had agreed not to press for changes to National Instrument 81-102 so that fund managers/sponsors can make whatever adjustments are needed without having to obtain regulatory exemptions. Exemptions had been required for the T+3 to T+2 move. She clarified that for the purposes of trading in the secondary market, ETFs will move to T+1 with other traded securities.
- Paniz Ghazanfari reported that T+1 had come up in Advocis Symposium panel discussions, generally in the area of liquidity. The CCMA thanked Paniz for her arranging to include a T+1 ad in the Symposium brochure.
- Stephen Isgar, RBCIS, mentioned T+1 committee work of the Association of Global Custodians. CCMA staff is meeting the AGC committee November 18.

ii. Canadian and U.S Updates

- Keith Evans said that the Canadian marketplace is in a holding pattern as there is no confirmed implementation date, and no timeline for publishing one

beyond a hazy reference to something being released by the SEC by the end of Q1 2023. Tom Price, SIFMA, had spoken with Keith Evans again a few days previously to discuss further efforts to press for a date, which had already been requested in an October 10 letter to the SEC asking for confirmation of a Labour Day 2024 implementation: this letter had been cosigned by nine organizations, including SIFMA, the AGC and CCMA. A further hindrance is continued uncertainty regarding CDS's PTM project, which may need to be tested in mid-late 2023, while T+1 testing must start no later than this timeframe to meet the SEC's current Q1 2024 T+1 deadline.

- Keith mentioned his October presentation to Canadian DTCC participants: in informal discussion that followed, peers in different firms were unanimous that none have formal projects or resources assigned because of the lack of SEC certainty, suggesting renewed CEWG efforts to build urgency are needed.
- The CSA consultation document(s) (NI 24-101 rule change and some reference to NI 81-102) are to be released in the fall, implying within the five weeks prior to December 21. He added that one question that may need to be answered is what would be the implications if there were no changes to National Instrument 81-102. Do CCMA members need to compensate for this in any way? How will communications take place? The CCMA will respond to any documents released. Pamela Egger asked whether the CCMA might take a different position from IFIC and the CETFA. Keith clarified that the CCMA's goal is to ensure all parties are aware of all material impacts and that the CCMA would be undertaking some research to get a better sense of this. In answer to a further question, the research is likely to be informal discussions with different potentially affected parties regarding the impacts of not all securities moving to T+1. Any decisions to be made with respect to a response to the CSA will be made at the T1 Steering Committee level; the CEWG will have a role in reviewing communication of what is decided.
- A Bank of Canada debt markets committee had issued for comment a consultation paper proposing government debt fails tracking and fees. This is not a T+1 dependency, but may provide some incentive for some firms to undertake efforts that ultimately would lower fail rates in a T+1 environment.
Action: Barb to circulate AFME and fails consultation papers.

iii. International news

- Keith mentioned that there had been T+1 activity in European markets, which previously had questioned whether the benefits of moving to T+1 outweighed costs. While there is more interest/expectations regarding T+1 now, Europe, has its own regulatory implementation challenges and would not be able to move to T+1 in 2024. CEWG member Mark Austin had moved back to Europe and shared with the CCMA an Association for Financial Markets in Europe (AFME) white paper on T+1 considerations. Steve mentioned there had also been some discussion of T+1 and T+0, as well as TFlex (undefined but understood to be some variation), at a recent SIBOS conference.

iv. Event/other updates

- CCMA meeting with AGC on November 18.

4. For review, amendment, approval

N/A

5. For discussion

i. ValueExchange survey: Barb provided background on the survey (see 3.i above), which was being prepared by a credible third party and would survey North-American participants and beyond. Members provided a range of comments, including the need to have a short and catchy lead as to why completing the survey is important, the benefits of doing the survey in early December to have results for the beginning of the New Year (and January will be as busy as December), survey format and sharing options, need to replace jargon/abbreviations, etc. **Action:** Barb to recirculate the draft survey; members to provide any additional comments by the end of the week.

ii. November 2022 newsletter topics: Reference to the joint letter to the SEC re timing, OWG non-exchange-trade cut-off decision, how do each firm's trade pattern vary throughout the day compared to the industry average, AFME paper, any rule updates, and possible reference to the fails tracking and fee proposal. Members discussed whether the newsletter should wait for the expected CSA document release or not. Barb suggested that, as the CSA may still not release its document(s) for comment at the start of December, and because of the importance of those rules, it would be advisable to continue with the regular bimonthly newsletter and have the CSA release be covered in a single-purpose announcement.

iii. Ideas for new FAQs, podcast/webinar, generic T+1 PowerPoint, etc.

Action: Members to provide feedback on content/format of any/all of these communications tools.

6. Other issues as raised

None raised.

7. Summary of action, next steps, and next meeting

Tuesday, December. 13, 11:00 am ET/8:00 AM PT; **Note:** Please check this is in your calendar.

Agreements			
1.	N/A		
Action Items			
#	Description	Who	Status
1.	Circulate AFME and fails consultation papers.	Barb	Done
2.	Recirculate draft ValueExchange survey Provide any additional comments on the survey	Barb Members	Done Some received
3.	Provide FAQ ideas; review issue log and provide suggested updates to the CCMA by email	Members	
From preceding meetings			
4.	Follow up with the IIAC for an IIAC member to help co-ordinate communications with the broker-dealers.	Barb	Email sent

#	Description	Who	Status
5.	Extend media outreach once more concrete information is available	CEWG	To be added to future agendas
6.	Help on the Buyside Checklist	Travis	TBD
7.	Manage podcast or blog/Qs&As re buyside liquidity issues	Merici	TBD

Meeting Attendees

Paniz	Ghazanfari	Advocis
Jason	Lau	CAAT
Liz	Naumovski	Caldwell Securities
Troy	Sy	Caldwell Securities
Vikram	Gulati	CIBC
Kapil	Sharma	CIBC
Frank	Baron	CIBC Mellon
Pat	Dunwoody	CETFA: Canadian ETF Association
Stuart	Schady	CSE: Canadian Securities Exchange
Pamela	Egger	IFIC: Investment Funds Institute of Canada
Pira	Kumarasamy	IFIC: Investment Funds Institute of Canada
Annetta	Ho	OSC: Ontario Securities Commission
Frank	Lacroce	OSC: Ontario Securities Commission
Steve	Isgar	RBC Investor Services
Brent	Blake	State Street
Dave	O'Marra	Torstone Tech
Keith	Evans	CCMA: Canadian Capital Markets Association
Barb	Amsden	CCMA: Canadian Capital Markets Association