



Final December 12, 2023 CEWG Minutes

1. Welcome, introductions

The meeting was called to order and CEWG members welcomed Monica Tanaka and Katie O'Dell from Scotia.

2. Draft minutes of the November 21, 2023 CEWG meeting

The draft minutes of the November 21 CEWG meeting were accepted as written. There was brief discussion of an outstanding action item, namely, was liquidity expected to be an issue. Jason Lau said that CAAT was relying on their custodians to be ready to assist and suggested that Ahren Estabrook might have a better sense. Barb Amsden agreed to contact him.

3. New T+1 news/information

- i. **Member updates:** Kim Welton provided a brief update on the November CIBC Mellon event at which the OSC, a lawyer, an ETF manager and Lou Lesnika (CIBC Mellon) had spoken. Attendance had been excellent and content very good, with excellent interaction between panel members and questions from the audience. Matt Latimer said that the agenda for the FMFD's December meeting had been overtaken by events and discussion of mutual fund dealer issues had been postponed. Pat Dunwoody said that CETFA expected to have a draft letter to the OSC asking for guidance on the use of cash for settlement completed next week, after which it would be shared with industry members before going to the regulator.
- i. **Updates – Canada:** Keith Evans said that there were 167 days remaining until May 27, 2024. Half the high-priority operational items were closed or essentially closed and the Operations Working Group would start testing in January (there was still time to sign up for testing with CDS; also, there had been some changes to and clarifications of CDS plans). Progress had been announced on the CDS securities lending portal, with service provider Purim and Equilend, and some bigger users, in the user acceptance testing (UAT) stage, with implementation expected in late March. The monthly charge at inception was \$300/month, which was believed to be affordable for even smaller-sized firms in the securities-lending market. Next on the OWG agenda was a review of medium-priority items.
- ii. **Updates – U.S.:** U.S. testing continued without notable problems. The Investment Company Institute (ICI) had held an event that Keith had attended. There remains concern among investment managers, particularly outside the North American time zones.
- iii. **Updates – International:** Keith had participated in an ACSDA T+1 webinar. Mexico is committed to a May 27 move to T+1 with Canada. Three other countries (Costa Rica, Salvador, Paraguay) were also moving to T+1. Chile and Peru may move to T+1 in 2025. The UK and EU are still debating T+1 with the intention to do what is good for them, not just because North America was moving to T+1. It is expected

that the UK and Europe will wait until the U.S., Canada, and Mexico have had a minimum of three to six months of experience before making a final decision to move to T+1, likely meaning a 2027 transition at the earliest.

iv. Event/article/other communications and education updates:

Keith Evans said that the CCMA was encouraging members to complete ValueExchange's third survey, which included new questions regarding planned changes to customer agreements, intentions regarding managing clients who consistently fail to affirm on time, and fail expectations. The FTF Bull Run Blog had published the guest CCMA blog. A proposal for a T+1 article, to be included in the April 2024 edition of the ACPM's *The Observer*, had been submitted to the ACPM Editorial Committee. The article for the CIPF would proceed once agreement on the mutual funds FAQ was complete.

4. For review, amendment, approval

Members discussed Draft 3 of the FAQ regarding how and when mutual fund settlement dates would be known. CCMA staff asked members to provide final comments on the draft mutual fund FAQs within the week so that the FAQs could be released in January. While the updated FAQs had been marked as for approval on the CEWG agenda, the CCMA would touch base with IFIC staff first before the FAQs were finalized.

5. For discussion

- i. **Announcement:** The CSA announcement with final NI 24-101 rule changes was expected in late December/early January. Members agreed that there should be a CCMA announcement following the release, acknowledging that final rule changes had been received – a designated high-priority issue – and, if the result was that the CCMA's recommended 3:59 ET on T+1 and administrative relief had been provided, expressing industry appreciation.
- ii. **Newsletter:** Members generally agreed with the list provided with the agenda of *T+1 Technical Update* topics.
- iii. **Updating Communications Plan for 2024:** This item would be discussed at the next CEWG meeting.

6. Other issues:

Note to Issuers: Halyna Fenkanyn-Hawryshko, CIBC, asked about the intended timing and use of the note to issuers encouraging them to avoid, where possible, the transition weekend and week after for corporate actions. CDS had requested CCMA's help preparing this note, and it also was usable as an FAQ (https://ccma-acmc.ca/en/t1-resources/faqs_t1/, #29). Halyna suggested, and members agreed that the likely best timing for member communication to their audiences was mid-late March or April – not too long before May 27 to lead to forgetfulness, but not too close to that date to cause problems for any deals already in play.

7. **Next meeting:** The next meeting was scheduled for January 9, 2024. There was a brief discussion of whether it was needed as it was just three weeks away, with holidays intervening, and testing results would not yet be available. Members agreed to meet to discuss the 2024 communications plan.

The meeting was adjourned.

Agreements			
1.	Members accepted the draft minutes as written.		
Action Items			
#	Description	Who	Status
1.	Contact Ahren as to whether buy-side liquidity issues, raised early on, remained of concern within the buy-side community	Barb	
2.	Follow up with CAAT's custodian regarding transition issues, including any concerns around liquidity around transition time	Jason	Done
3.	Provide comments to Barb on the draft issuer and mutual fund draft documents	Members	Received
4.	Provide final draft of issuer 'heads-up about May 27' bulletin to TMX for use with issuers, their advisors, other marketplaces and transfer agents	Barb	Done
From preceding meetings			
1.	Draft a short article for FTF News on Canada's readiness for T+1 for submission in late November.	Barb	Done
2.	Arrange discussion among Paniz, Matt, Christine, Pat Yianna, Alexandra, and David regarding communication of relevant fund-related information re settlement date	Barb	Still hoping to find a date!
3.	Extend media outreach once more concrete information is available	CEWG	Yianna and Alexandra
4.	Draft article for CIFP	Barb	Await answers on mutual funds before drafting

Meeting Attendees		
Hector	Toriz	AMF
Michael	Giancursio	BMO
Olga	Svistoun	BMO
Iris	Trotman	BMO
Laxman		BMO
Jason	Dear	BNS
Mauro	Lagana	CBA
Pat	Dunwoody	CETFA
Halyna	Fenkanyn-Hawryshko	CIBC
Kim	Welton	CIBC Mellon
Guylaine	Paquet	Desjardins
Matthew	Latimer	FMFD
Pamela	Egger	IFIC
Frank	Lacroce	OSC

Jason	Lau	PIAC/CAAT
Jason	Dear	Scotia
Judith	Marcelo	Scotia
Katie	O'Dell	Scotia
Monica	Tanaka	Scotia
Irina	Issakova	TDAM
LT		
Keith	Evans	CCMA
Barb	Amsden	CCMA