

Conference call details: 416-933-8665 or 1-888-402-9166 - Conference ID: 7312646#

- 1. Approval of Minutes from the meeting held on Feb. 15, 2022**
- 2. Matters arising from the minutes of the meeting held on Feb. 15, 2022**
- 3. Review of draft CCMA comment letter & SEC proposed amendments (re: T+1)¹**
- 4. Review of Issue Logs**
- 5. Other Business**
- 6. Next Meeting** April 12, 2022 at 11:00 AM ET

¹ <https://www.govinfo.gov/content/pkg/FR-2022-02-24/pdf/2022-03143.pdf>.

Jamie Anderson chaired the meeting and welcomed the attendees. He requested that all attendees email Keith Evans to confirm their attendance at the meeting.

1. Approval of the January 18, 2022 meeting minutes

The minutes were approved.

There were no matters arising from the meeting minutes.

2. Discussion of Proposed SEC Rule – Shortening the Securities Transaction Settlement Cycle

Jamie reported that on February 9, 2022 the U.S. Securities Exchange Commission unanimously approved the publication for comment of proposed amendments to the *Exchange Act* and the *Advisers Act* to shorten the securities transaction settlement cycle to T+1.

The comment period is the longer of: 60 days from the posting of the proposed amendments on the SEC website¹ or 30 days from publication in the Federal Register.² The proposed amendments were posted on the SEC website on February 9, 2022. The comment period expires Monday April 11, 2022 (unless the publication in the Federal Register results in a longer timeline i.e. the Federal Register publication date is later than March 11, 2022).

The proposed amendments [*Exchange Act* Rule 15c6-1(a)] would prohibit broker-dealers from conducting trades that do not settle by T+1 (unless otherwise expressly agreed to by the parties at the time of the transaction).³ This requirement would go into effect no later than March 31, 2024. Jamie noted that the T+1 transition deadline would likely be earlier than this with a possibility of February 20, 2024 (the day after President's Day which is a holiday for federal workers and all but 11 states). Keith Evans noted that a holiday long weekend would be the most likely choice for the transition, just as was done for the T+2 transition (September 5, 2017), with a view to avoid quarter ends, triple witching days, etc. The February 20, 2024 potential transition date aligns with the 2024 February holiday observed by many provinces (PEI, NS, NB, ON, MB, SK, AB, BC).

Jamie noted that the currently longer settlement cycle for primary offerings would also be transitioned to T+1 [*Exchange Act* Rule 15c6-1(c)]. The origin of the current Rule was to manage prospectus delivery obligations. However, with the "access equals delivery" standard now in place in the U.S., delivery of prospectus may be made through posting electronic documents and as such, a separate settlement cycle to enable delivery of physical documents is no longer required.

There are also proposed amendments impacting clearing agencies that are a central matching service provider [*Exchange Act* Rule 15c6-1(d)]. There would be a requirement that the clearing agency implement, maintain and enforce policies and procedures that facilitate straight-through processing and produce a publicly available annual report describing its current procedures and progress over the 12-month period as well as the steps intended in the next 12 months.

¹ <https://www.sec.gov/news/press-release/2022-21>.

² <https://www.federalregister.gov/>.

³ This includes equities, corporate bonds, mutual funds, ETFs, ADRs, and security-based swaps and options. It also covers purchases and sales of securities issued by investment companies (including mutual funds).

There are also proposed amendments requiring institutional trades be allocated, confirmed and affirmed as soon as technologically practicable and no later than trade date [*Exchange Act* Rule 15c6-2]. Under proposed amendments to the *Advisors Act* (Rule 204-2), registered investment advisers that are parties to these contracts will need to record confirmations received and allocations and affirmations sent.

3. Review of Issue Logs

There were no specific items raised in terms of the open issues logs. Jamie advised that the LRWG would work its way through the open logs as listed and would be seeking updates with the respective designated parties for the logs.

4. Proposed Closure of Issue Logs

a. Log # T1-LRWG5–NI 81-104 (*Alternative Mutual Funds*)

Jamie noted that most of NI 81-104 *Alternative Mutual Funds* was repealed, including Part 6 which referred to the settlement period in NI 81-102 Investment Funds. There are no references to settlement period and no amendments required; therefore the log can be closed. There were no objections raised by the LRWG to closing the log. Jamie said that the log will be reported to the T+1 Steering Committee for its consideration for closure.

5. Other Business

Jamie reported that the CSA had issued a CSA Staff Notice 24-318 *Preparing for the Implementation of T+1 Settlement* on February 3, 2022⁴, stating the regulators' support of the industry coordination efforts to move to T+1.

6. Next Meeting

March 15, 2022 at 11:00 AM ET

⁴ <https://www.osc.ca/en/securities-law/instruments-rules-policies/2/24-318/csa-staff-notice-24-318-preparing-implementation-t1-settlement>

Attendance Feb. 18, 2022	Organization	Member
	ASC	Jan Bagh
✓	ASC	Chad Conrad
	ASC	Harvey Steblyk
	Casgrain	Lysianne Guillemette
	Casgrain	Pierre Mital
	Casgrain	Andre Zanga
✓	CCMA	Jamie Anderson - CHAIR
✓	CCMA	Barb Amsden
✓	CCMA	Keith Evans
	CIBC	Carol Elmalem
	CIBC	Kapil Sharma
	CIBC Mellon	Carol Revoredo
✓	CIBC WM	Terry Moore
✓	IFIC	Janet Salter
✓	Invesco	Caroline Mingfok
✓	L&T Infotech	Kim Barrett
	L&T Infotech/IIFIC	Janaki Nagulan
	Morgan Stanley	Brian Choy
✓	National Bank	Anna Tyniec
	Northern Trust - Legal	Scott Kelly
	OSC	Aaron Ferguson
✓	OSC	Nick Hawkins
✓	OSC	Annetta Ho
✓	OSC	Frank Lacroce
	OSC	Emily Sutlic
	OSC	Stephanie Wakefield
	Questrade	Lawrence Horowitz
	RBC - IS	Alan Tonner
	Scotiabank	William Finn
	State Street	Christen Henry
	State Street	Rose Mark
	TD Asset Management	Jasvir Bhogal
	TD Wealth Governance & Control	Elodie Goncalves
	TMX	Alexandre Prince
	Torstone	Dave O'Marra
✓	Vanguard/CEFTA	Jessica Stern