

CCMA Announces Canadian T+1 Start Date: Monday, May 27, 2024

March 14, 2023 (Canada): Canada and the U.S. are committed to transitioning to a shorter standard securities settlement cycle – down from two days to one day after trade date (from T+2 to T+1). Given the interconnected nature of North-American markets, and the importance of interlisted securities that trade in both Canadian and American markets, Canadian participants (investment managers, broker/dealers, custodians, exchanges, depositories, and their service bureaus) had two choices: implement changes to move to a shorter settlement cycle with the U.S. or adjust to the fact that American counterparts have moved to T+1. The U.S. Securities and Exchange Commission (SEC) mandated Tuesday, May 28, 2024, after the Memorial Day long weekend, as the T+1 transition date for U.S market participants.

While welcoming the announcement of an implementation day a year after the SEC’s proposed rule changes were announced, the choice of May 28, 2024 (rather than the more widely supported Labour Day 2024 long weekend) meant that Canadian securities market participants had another decision to make, because Canadian markets are open for business on Monday, May 27, 2024 and U.S. ones are not.

The Canadian industry reviewed the pros and cons of options for investors in Canada and the capital markets firms that they rely on, achieving the following consensus:

- The last date securities will be traded on the current two-day standard in Canada and the U.S. will be Friday, May 24, 2024.
- Capital markets participants in both countries will make the required systems changes to support a shortened standard securities settlement cycle on the May 25/26, 2024 weekend.
- The first day of T+1 trading will be the next business day in both countries: Monday, May 27, 2024 in Canada and Tuesday, May 28, 2024 in the U.S.

Reasons for this decision are:

- For Canadian firms to transition to T+1 on Tuesday, May 28, 2024 along with the U.S., systems changes would need to be implemented overnight between May 27 and May 28, rather than over the weekend. The risks associated with this option were unacceptably high.
- Trading volumes in Canada are historically lower when the Canadian market is open, and the U.S. is closed. Expected lower volumes should help make the Canadian transition easier.
- Canada and the U.S. have ‘holiday processing’ experience managing differences caused by one market being closed while the other is open.
- There is sufficient time before implementation in May next year for Canadian market participants to address the few remaining challenges identified.

The table below shows the impact of the above for stakeholders in both countries, with both markets returning to the same trading/settlement cycle on Thursday, May 30, 2024.

 Canada Settlement Cycle T+1 Transition Timeline						
Friday May 24, 2024	Saturday May 25, 2024	Sunday, May 26, 2024	Monday May 27, 2024	Tuesday May 28, 2024	Wednesday May 29, 2024	May 30 on, 2024
Last T+2 Trade Date	Conversion Weekend	Conversion Weekend	First T+1 Trade Date	Double Settlement Date	Trade and settle T+1	Trade and settle T+1
 U.S. Settlement Cycle T+1 Transition Timeline						
Friday, May 24, 2024	Saturday, May 25, 2024	Sunday, May 26, 2024	Monday, May 27, 2024	Tuesday, May 28, 2024	Wednesday May 29, 2024	May 30 on, 2024
Last T+2 Trade Date	Conversion Weekend	Conversion Weekend	Markets closed Conversion Weekend	First T+1 Trade Date	Double Settlement Date	Trade and settle T+1

For more information, please contact:

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About the CCMA

The [Canadian Capital Markets Association](#) (CCMA) is a national, federally incorporated, not-for-profit organization launched in 1999 to identify, analyze and recommend ways to meet the challenges and opportunities facing Canadian and international capital markets. The CCMA's mandate is to communicate, educate and help co-ordinate the different segments of the investment industry on projects and initiatives spanning multiple parts of Canada's capital markets. Participating under the CCMA's co-ordinating umbrella are dealers, custodians, asset managers and industry associations; exchanges and securities infrastructure entities, including The Canadian Depository of Securities (CDS) and Fundserv; back-office service providers and vendors; and other stakeholders.