



## CCMA T+1 Technical Readiness Update

This is the first issue of a bimonthly CCMA bulletin focussed on technical issues and solutions in industry efforts to move to T+1. It's been said that the end-to-end securities processing chain is only as strong as its weakest link... no one wants to be *that* link We'll be asking marketplaces, custodians, service bureaus, and technology vendors to provide short, non-marketing updates every second month so the community can remain current on where the industry as a whole is in preparing for the move to next-day settlement. Have ideas? Send them to us at [info@ccma-acmc.ca](mailto:info@ccma-acmc.ca) And thanks to our first volunteers.



### The latest on testing dates/regions

What	Test Region <sup>i</sup>	Available
Participants can start <b>internal testing</b> of system changes by first contacting CDS with their test plan so CDS can confirm what can or can't be done in the region; also, upon a participant's request, CDS will manually load exchange trades but other exchange-trade specific processing will be limited)	C2 – currently available for clearing and settlement related to non-exchange trades ( <b>Note:</b> The C2 region won't have CDSX T+1-related changes (e.g., no exchange trade files or hourly intraday processing functions) until after September 2023)	Now
Participants start <b>connectivity testing</b>	Z1	October 2, 2023
Participants start <b>industry testing</b> (4 cycles)	Z1	January 8, 2024



### Broadridge The latest on testing dates/regions

What	Test Region	Available
<b>BPS</b> – Clients can login to unique T1 Test Region. Clients can test a set of documented functions, set up test accounts, etc.	Unique T1 test region, separate from normal QA and separate from T1 U.S.	Now; with CDS connections Fall 2023
<b>Dataphile</b> – Clients subscribed to QA platforms will use current environment for T1 testing.	Current QA environments will be connected to CDS Z1 when CDS advises readiness, expected Fall 2023.	Now; with CDS connections Fall 2023
<b>T0 – Trade Reconciliation Product</b> – Available to Broadridge BPS and Dataphile clients <b>as well as non-Broadridge clients</b> . Using intraday CDS messages and house trades will enables T0 reconciliation of trades.	Can be connected to any client QA region.	Configuration work necessary; timing TBD; Statement of Work engagement by client required



## **Progress towards securities lending automation**

Progress has been made with TMX/CDS which are now in the process of building a recall portal, with testing planned to start later this summer. As well, third-party providers have either built or enhanced recall management tools to allow for automated recalls for securities lending. They are working in conjunction with TMX/CDS so that where securities lending counterparties use different providers, the parties will be able to connect through the TMX/CDS portal/hub.



## **Ready for business acceptance testing**

The Unitrax Transfer Agency platform, which integrates with Fundserv and manages mutual, segregated, and pooled funds among other products, is fully available for all clients to commence their T+1 settlement Business Acceptance Testing (BAT). Fund attribute updates to T+1 settlement cycles are end-user configurable and can be managed independently by each client. However, system support is available by reaching out to your Relationship Management team contact for large volume systematic updates for BAT testing.



## **Preparing for development**

CSE T+1 development will be completed before the CDS industry testing commences. CSE, which will participate in industry testing, is awaiting the final specifications on the file format for development.



## **Preparing for industry testing**

Cboe Canada (the new business name of the NEO Exchange) continues to work with CDS to ensure operational readiness for industry testing.



## **Reminder from CSA Staff**

Staff of the Canadian Securities Administrators (CSA) published [CSA Staff Notice 24-318 – Preparing for the Implementation of T+1 Settlement](#) on February 3, 2022, in order to increase industry awareness to shorten the standard settlement cycle for most trades in securities from two days after the date of trade (T+2) to one day after the date of trade (T+1). CSA Staff continue to be of the view that shorter settlement cycles can help reduce settlement risk and have the potential to improve operational efficiencies for the industry. With the May 27, 2024 implementation day soon approaching, CSA Staff continue to attend and monitor industry forums organized by the CCMA and other stakeholders to keep abreast of developments and remain informed of industry readiness.

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<sup>i</sup> A test region is a dedicated environment (separate from the production region) requiring configuration and data set-up to test new or updated software after development and before being put into production. Test regions can be internal or external so firms can test with counterparties or as part of cross-industry testing.