

Issue 2 – May 24, 2016

T+2: What's New

**Help
Wanted**

Request for Comments on CCMA 'T+2 Asset List'

One of the key questions in preparing for the move to T+2 is exactly which currently T+3-settling investments are affected. The CCMA is asking for feedback on a list prepared by our CCMA committee members regarding what we believe to be all the asset types in Canada affected by the shortened settlement cycle. To assist in the review, this 'request for comments' has an appended list from the UST2 Industry Steering Committee's T+2 Implementation Playbook of only those securities expected to move to T+2. Neither list is 'final' (in fact, the U.S. community is reviewing an updated version of the list) and so the lists should be used with caution for planning purposes. **By Friday, June 3** (date extended from May 27), please carefully review and send your comments, exceptions, and recommendations on the CCMA's [draft 'T+2 Draft CCMA Canadian T+2 Asset List'](#) to info@ccma-acmc.ca.

Worried about the Weak Link in the Securities Processing Chain?

There's one thing the CCMA can do for you, and one thing you can do for the CCMA to help forge a strong end-to-end T+2 securities processing chain.



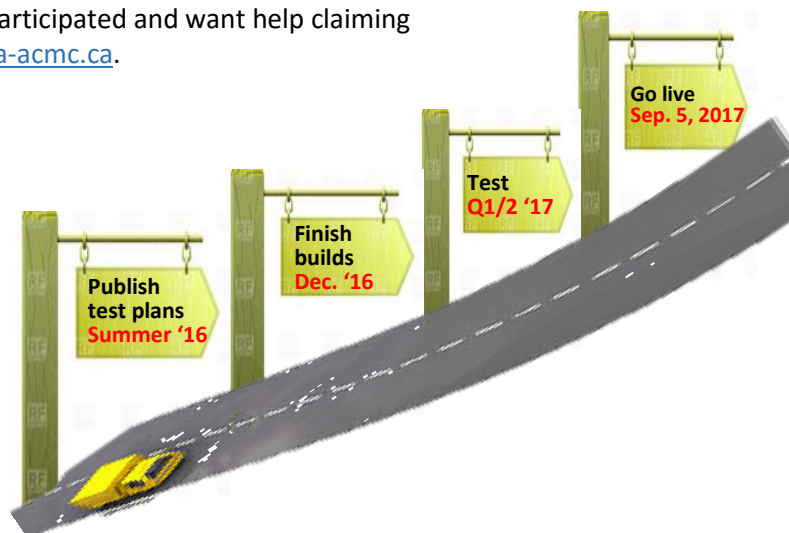
- For industry members unsure where to start, or where they are compared to other firms preparing for T+2, the CCMA has put together a [T+2 Readiness Self-Assessment Checklist](#). This tool is a brief summary of steps to help Canadian capital markets participants get ready for the shorter securities settlement cycle. It sets out the high-level common-sense milestones that firms can use to develop a project plan, and it allows industry members to benchmark their progress against their plan. All segments of the investment industry in Canada can expect that, as time passes, there will be short surveys to measure progress towards a smooth transition on September 5, 2017 to the new T+2 standard settlement cycle in Canada for equities, long-term debt and most mutual funds. No one wants to find that they'll be the weakest link.
- As for what you can do beyond getting your firm ready on time, **check out the 'To Dos' below**.

Countdown to T+2

On April 20, 165 people from 94 companies attended the CCMA's 'Countdown to T+2' event in person or by [webcast](#) (just the [slides](#) also are available). If you participated and want help claiming continuing education credits, please e-mail info@ccma-acmc.ca.

And the answer is...

The CCMA is surveying all committee members on where they think their firm is in terms of the T+2 project. The survey's dual goals are to create a benchmark against which we can measure industry progress and to help plan future CCMA efforts. Please respond candidly to survey questions by **June 3**: all individual responses will be kept **strictly confidential** and only overall results will be communicated to the community with a plan of action for the coming months. If you don't get a survey, please visit the CCMA website [Resources](#) page.





Updates from Our American Counterparts

DTCC issued a requirements document on March 31, outlining the T+2 client-facing changes that Omgeo, NSCC and DTC need to make. DTCC then scheduled conference calls to review the document and address questions. A working group has discussed proposed amendments to the original UST2 list of the cash investment products expected to change from settling on T+3 to T+2 and a review of derivatives products is now underway. Members are reviewing an updated list that will be made available as soon as public. The U.S. has begun the next phase of industry test planning, and intends to publish a detailed test plan document by the end of June 2016. U.S. regulators, FINRA, the Municipal Securities Rulemaking Board (MSRB) and NASDAQ, have published proposed rule changes for comment, with the MSRB rules now final. DTCC continues to discuss rule changes with the Securities and Exchange Commission (SEC).

From Canada's CDS and Fundserv

CDS released a high-level draft external CDS user test plan, which has been approved for further detailed development. Fundserv's overall test plan is in progress, and is expected to include T+2 testing with the regular Fundserv development release (V27) in the Spring of 2017. Both CDS's and Fundserv's detailed test plans should be completed by the end of June or early July 2016. No critical infrastructure issues have been identified to date. The work of the CCMA's steering committee and four working groups is continuing and identified issues are being addressed.

'To-Dos'

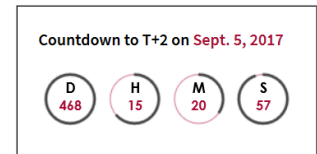
- **Spread the T+2 word:** Share this newsletter with colleagues and counterparties. Being ready alone is like the sound of one hand clapping. Thanks to the [Portfolio Management Association of Canada](#) and the [Pension Investment Association of Canada](#) for helping the CCMA reaching PMAC and PIAC members!
- **Send in your T+2 questions:** The CCMA is updating its 'T+2 and What It Means for You' [FAQs](#). Send new questions for which you'd like replies to info@ccma-acmc.ca.



Pension Investment Association of Canada
Association canadienne des gestionnaires de caisses de retraite

Tips

- Check out the days remaining on the CCMA's [T+2 Countdown Clock](#)
- Contact CCMA Executive Director [Keith Evans](#) if your association is planning a conference at which the CCMA can provide an update, or if you would like a breakfast seminar on T+2 tailored for your industry segment.



Tools

- Issue Logs for the CCMA working group, updated monthly, can be found in the right-hand bar of each CCMA [committee](#) page.
- What is old can be **GOLD**: visit the CCMA [archives](#) and scan some analyses done early in the century on the then-planned move to T+1. While much has changed since that time – and there's a big difference between going to T+2 and T+1 – detail-oriented team members can check out past white papers on corporate actions, securities lending, and retail trade processing to see if there is something forgotten, or that can be gleaned.

To Come

- The 'final' Canadian "T+2-Asset List" comprising the security types moving from a T+3 to a T+2 standard settlement cycle is expected to be published in June, 2016.
- A "T+2-in-a-Box" presentation for use in introducing T+2 to colleagues and clients is also expected to be issued before July.