

T+2 Communications and Education Working Group (CEWG) Proposed Agenda

Tuesday, June 17, 2016 – 2:00 PM ET / 11:00 AM PT

If your systems permit, click on WebEx Meeting Link

Meeting#: **809 862 899**; Password: **weare#1**

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1-650-479-3208; Access code: **809 862 899**

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Tips for the best-quality experience for all members:

1. Use headphones if at all possible
2. Put your line on mute unless speaking (remember: take off mute to speak!)
3. Never put your committee mates on hold with bad music! 😊

- | | |
|--|--------------|
| 1. Welcome and Attendance | Members |
| 2. Review/Approval of Draft May 17 Minutes
(Attachment 1 and Appendices A (Attendance), B (Rolling Action Items), C (Issues Log)) | Members |
| 3. Updates from Other Committees/Countries | CCMA/Members |
| i. Member updates | Members |
| ii. Updates re T2SC, MFWG, OWG, LRWG, UST2 | Keith/Kyle |
| iii. Update re outreach, vendors, website | Barb |
| 4. For Discussion/Approval | |
| i. T+2 readiness survey results (Canadian and U.S.)
(Attachment 2) | Members |
| ii. Draft PIAC article
(Attachments 3 (PIAC guidelines) and 4 (draft article) – to follow) | Members |
| iii. Topics for next newsletter | Members |
| <ul style="list-style-type: none"> • T+2 readiness survey results • CSA letter to registrants and expected consultation • Amended T+2 asset list • Portfolio manager checklist • Ask custodians, infrastructure, service providers about expected changes to timelines? • Other (roundtables)? | |
| 5. Other Issues as Raised | Members |
| 6. Next Meetings | |
| Tuesday, July 11, August 15, September 12, October 10, November 14, December 12 | |

T+2 Communications and Education Working Group (CEWG) Draft Minutes of May 17, 2016 Meeting

1. Draft May 3 Minutes

Members provided no suggested changes to the minutes of the May 3rd meeting.

2. Updates from Other Committees/Countries

- iv. **Member updates:** Laurie said that the basic T+2 intro mini-video would shortly be uploaded to the Smarten Up Institute website.
- v. **Updates re T2SC, MFWG, OWG, LRWG, and UST2:** Keith noted that the T2SC would be meeting the following week; the MFWG was meeting in the last week of May; the OWG was still working on the definition of readiness and the nature of confirming readiness, as well as testing. CDS and Fundserv expected to release their detailed test plans during the summer and this would be an important step forward. It seemed certain that the NI 24-101 Rule/guidance would be updated: the CSA release on the subject would also solicit comments on a broader range of issues than just technical changes to NI 24-101.
- vi. **Update re outreach:** Following an e-mail from the CCMA, the Pension Investment Association of Canada had taken T+2 involvement to their Board and the Board had requested a 1,500-word article that would reach a large audience. She asked for members who might have contacts in the pension community to identify possible people whose quotes could be included. Also, CCMA staff had met with an OSC representative who expected the CSA to issue a notice to registrants and then a staff notice reference to it the following week.

3. For Discussion/Approval

- **T+2 Readiness Survey:** Members discussed the draft survey questions briefly and agreed it was important to provide for confidentiality and ask respondents to answer honestly. The survey was to be short, put into SurveyMonkey for quick analysis, and tested with a few members. While later surveys may take care to (or will be managed through service providers to ensure) only one answer per firm, it generally was accepted that there could be more than one answer per firm

Action	Who
1. Provide feedback on draft survey questions	Members
2. Input and circulate survey to small group of members to test	Barb

- **CEWG Issues Log Update:** Barb mentioned that efforts were being made to combine the various tracking lists into the CEWG Issues Log that is periodically reviewed by the T2 Steering Committee. Members agreed that the committee could put forward as 'closed/complete' the CCMA website, one of five on the CEWG Issues Log.

Action	Who
3. Comment on any items in the updated CEWG Issues Log, e.g., identify any action items that have been completed or add new ones; confirm priority	Members
4. Combine original CEWG workplan and parts of rolling action item list with CEWG Issues Log	Barb

- Segment-specific checklists – one requested for PMs:** Barb said that the draft checklist was the result of a request for such a list and Members agreed that this would likely be welcomed as part of the effort to provide more industry-segment-specific assistance. Much of the material had come from Mark Austin’s presentation on April 20th and matters discussed by the other speakers at the CCMA’s April event. She asked for volunteers to review the document.

Action	Who
5. Comment on draft PM checklist	Members

4. Other Issues as Raised

None raised.

5. Next Meetings

Tuesday, July 11, August 15, September 12, October 10, November 14, December 12

Appendix A to Attachment 1

CCMA T+2 Communications and Education Working Group Attendance

Note: Please advise if you identify any names missing or errors

Mr.	Art	Valdes	BMO	Present
Mr.	Andrew	Jen	CIBC	Unable to attend
Mr.	Paul	Tamburro	CIBC	Unable to attend
Mr.	Brent	Merriman	CIBC Mellon	Present
Ms.	Merici	Young	Compass360 Consulting Inc.	Present
Ms.	Amie	Lauder	Franklin Templeton	Unable to attend
Mr.	Kyle	Bedeau	Fundserv	Unable to attend
Ms.	Diane	Gomes	GMP Securities	Rep'd by Joe
Mr.	Joe	Riga	GMP Securities	Present
Mr.	Harold	Walton	GMP Securities	Rep'd by Joe
Mr.	Blair	Munn	IFDS	Present
Mr.	Jack	Rando	IIAC	Unable to attend
Ms.	Colleen	Bronson	NBC	Unable to attend
Ms.	Laurie	Clark	Smarten Up Institute	Present
Mr.	Ivan	Yang	State Street	Present
Mr.	Brandon	Buckley	TD	Present
Mr.	Rob	Candido	TD	Unable to attend
Ms.	Tracey	Randell	TD	Unable to attend
Mr.	Zain	Yusuf	TD Securities	Unable to attend
Ms.	Carrie	Tuck	Vanguard	Unable to attend
Mr.	Keith	Evans	CCMA	Present
Ms.	Barb	Amsden	CCMA	Present
CCs				
Ms.	Karen	Copeland	BMO NB	
Mr.	Sahil	Duggal	Broadridge	
Ms.	Kratika	Paliwal	Broadridge	
Ms.	Marie-Eve	Dubé	Intact Investment Management, Canada	
Mr.	Walker	Wentworth	UBS	

Appendix B to Attachment 1
(updates in bold and italics)

Rolling Action Item List

Action	Who/Status
From May 17 Meeting	
1. Provide feedback on draft survey questions	<i>Done</i>
2. Input and circulate survey to small group of members to test	<i>Done</i>
3. Comment on any items in the updated CEWG Issues Log, e.g., identify any action items that have been completed or add new ones; confirm priority	Members
4. Combine original CEWG workplan and parts of rolling action item list with CEWG Issues Log	<i>Done</i>
5. Comment on draft PM checklist	Mark, Merici requested to help
From May 3 Meeting	
1. Add commentary to the Canadian settlement date wiki noting the pending T+2 changes	Barb
2. Contact IFIC/IFIC committee to discuss opportunity to elicit expected retail client expectations/concerns/education needs	Amie
From April 19 Meeting	
1. Send notices/request to circulate T+2 information to the service bureaus and vendors	<i>Done</i>
2. Approach regulators to offer to present on T+2	<i>Done verbally; follow-up note in draft</i>
3. Provide additional FAQs (with answers if possible) to add to the proposed list	<i>Draft</i>
From April 5 Meeting	
1. Update draft minutes to reflect April 22 Fundserv meeting	<i>Done</i>
2. Add 'presentation-in-a-box' to the agenda of a future meeting	<i>Added to issues list</i>
3. Follow up with individual members to help review that high-level issue log descriptions are worded in plain language	<i>Added to issues list</i>
From March 22 Meeting	Complete or on workplan
From March 8 Meeting	Complete or on workplan
From January 19 Meeting	Complete or on workplan
From January 5 Meeting	Complete or on workplan
From December 15 Meeting	Complete or on workplan
From December 1 Meeting	Complete or on workplan
From November 19, Meeting	
1. Provide list of known/expected industry events, dates if known	Members (ongoing)



T+2 Communications and Education Working Group Summary List of Issues (at June 9, 2016; updates or items requiring further discussion in boldface print; red checks indicate tasks completed)

#	Issue/Risk	Needed	Status	Comments
1.	Stakeholder T+2 awareness: Because of the breadth of firms T+2 affects, and the technical nature of T+2, there is a risk that T+2 will not be given the necessary firm priority until too late, affecting institutional and retail clients.	<ol style="list-style-type: none"> 1. Easy-to-understand and use <ol style="list-style-type: none"> a. list of affected products b. issues logs 2. How different industry segments will be affected 3. Expanded contact database 4. Effective segment awareness-building approaches <ol style="list-style-type: none"> a. Events, webinars b. FAQs c. Newsletters d. Media e. Surveys 5. Self-serve presentation with T+2 info 6. T+2 impact, if any, on institutional and retail clients 7. Work with regulators on supportive communications 	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> 1.a Released for comment 1.b Awaiting review 2. Draft checklist for PMs underway ✓ Direct contact, industry associations and other stakeholder approaches used to expand contacts significantly ✓ Industry (including third-party stakeholders – service providers, vendors, custodians, associations as conduits), government, regulatory, media plans complete 5. Under way 6. Just started 7. CCMA put forward proposed written notice to registrants; spoke to OSC CSA T+2 Chair from OSC requesting meeting with regulators to share challenges, survey results, discuss other joint efforts 	<ol style="list-style-type: none"> 1. Will help format and publicize ‘as-final-as-possible’ list 2. On June 17 agenda; other tools to be discussed 3. Contact list doubled Nov-May 2016; continues to grow 4. April 20, 2016 event; two newsletters and first FAQs issued; third-party conduits helping; surveys, newsletters, media releases, FAQs, issued) 5. 6. Hard to advance; must discuss 7. CSA released Staff Notice helping focus registrant attention
2.	CCMA website: The CCMA website when the T+2 project started was not user-friendly, nor able to be updated cost-effectively and flexibly, meaning key information a key dissemination point was weak at best.	<ol style="list-style-type: none"> 1. Simple easy-to-update website 2. All key content 3. User-friendly layout 4. Trained web update staff 	<ol style="list-style-type: none"> ✓ Complete ✓ Complete ✓ Complete ✓ Complete 	T2SC accepted closing of this issue; website will continue to be updated and improved
3.	Key stakeholder engagement: The CCMA	<ol style="list-style-type: none"> 1. Knowledge of industry segments to be approached? 	<ol style="list-style-type: none"> ✓ Complete – buy side, sell side, custodians, service 	

#	Issue/Risk	Needed	Status	Comments
	has a small and only part-time staff compared to a fulltime staff of four when initiated for T+1/STP in 1999, meaning a risk of staff limitations delaying progress.	<p>2. Contact database of key parties</p> <p>3. Request soliciting participation from key stakeholder associations/ organizations that can connect with all parts of the industry</p> <p>4. Main benefits for each industry segment affected, and their clients</p> <p>5. Process to stay connected when needed to achieve desired result</p>	<p>providers, vendors, infrastructure involved</p> <p>✓ Complete</p> <p>✓ Letter sent asking for support and feedback, with key T+2 links, to financial associations; newsletters circulated to them</p> <p>4. Overall benefits established; segment-specific ones in prep</p> <p>✓ Database, newsletters and requests for comments, as well as request for events</p>	
4.	Co-ordination with the U.S.: In light of the common T+2 deadline, Canada and the U.S. must both be ready at the same time, meaning not just systems/operations must be in synch, but also communications should be consistent.	<p>1. With whom should the CEWG connect?</p> <p>2. What messages should be delivered?</p> <p>3. How do the U.S. and Canadian T+2 secretariats best co-ordinate and remain in synch from a communications perspective?</p>	<p>✓ CCMA connected to DTCC's Crystal Levy-Bueno, J. Abel, A. Lotharius</p> <p>✓ Messages on benefits and timing are aligned, plus 'Canada must move to T+2 given integration with U.S.'</p> <p>3. Efforts to connect with UST2 from a communications perspective underway</p>	<p>1. UST2 website includes CCMA article</p> <p>3. A more formal connection should be discussed</p>
5.	Industry image/ reputation: Due to the U.S. being the bigger market, Canada could neither lead nor follow the U.S., which could leave the mistaken impression Canada would not make the transition successfully.	<p>1. Prepare standby statements/Qs&As to be ready for questions.</p> <p>2. Prepare approach for developing and releasing quick responses if needed</p> <p>3. Identify key data</p> <p>4. Be prepared with key spokespersons</p>	<p>✓ Completed</p> <p>✓ Completed; process set in place via CCMA ED and CEWG Chair with members as needed</p> <p>3. Under way</p> <p>✓ ED is spokesperson, with CCMA staff/committee chairs; CCMA Board</p>	<p>1. See FAQs on website</p> <p>2.</p> <p>3.</p> <p>4. ED media-trained on March 31, 2016</p>

SURVEY RESULTS

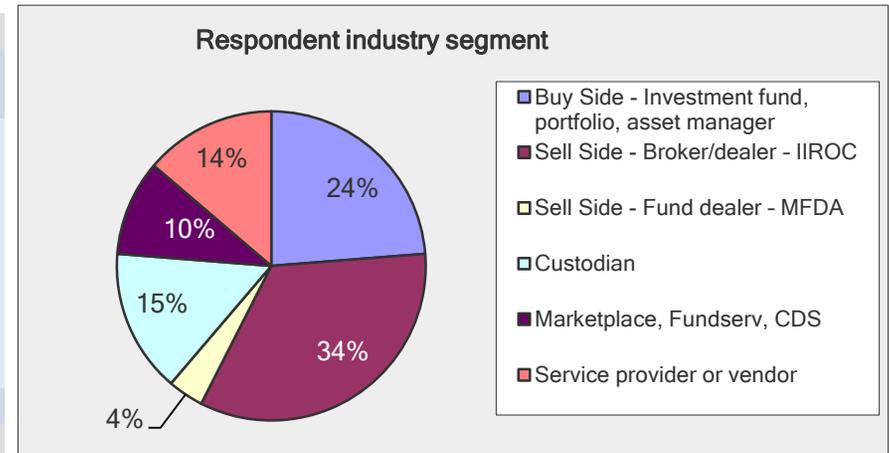
Attached is a four-page summary of the survey results, which we will discuss.

- We had a 20% response rate – responses were quite well spread among the buy and sell side, custodians, marketplaces/infrastructure and service providers/vendors.
- More respondents were large (50%), with the remainder quite evenly split between medium and small in size.
- Senior people at all respondents are aware of T+2 implications for their firm to a greater or lesser extent, with less awareness of trade entry and matching dates and key deadlines.
- The significant majority of respondents have a project manager or someone with this responsibility to some extent, most a plan and nearly three-quarters a budget. Apart from one respondent saying that analysis of the T+2 impact has not begun, respondents appear confident that they are progressing and/or that there will be little impact.
- Once questions about specific readiness steps are listed, there is greater variation in responses.
- The top three information sources are CCMA committees, CCMA website, and the CCMA newsletter, with association close behind.
- In all, 10% of respondents provided comments which generally indicate areas for desired additional work.

CCMA T+2 Readiness Survey - May 2016

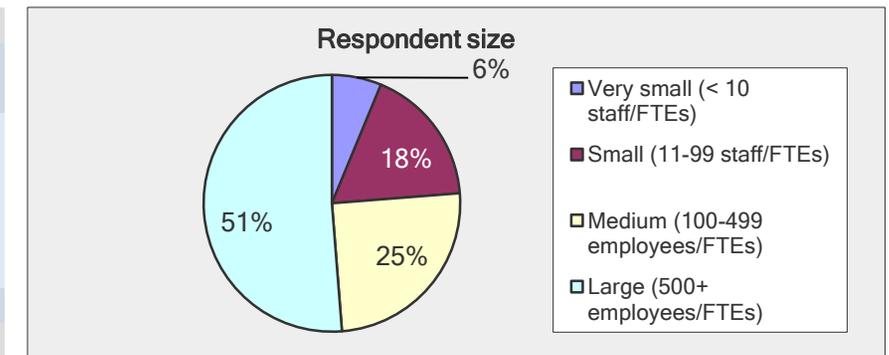
1. Please choose from the industry segment for which you are responding:

Answer Options	Response Percent	Response Count
Buy Side - Investment fund, portfolio, asset manager	24%	19
Sell Side - Broker/dealer - IIROC	34%	27
Sell Side - Fund dealer - MFDA	4%	3
Custodian	15%	12
Marketplace, Fundserv, CDS	10%	8
Service provider or vendor	14%	11
	100%	
<i>answered question</i>		80
<i>skipped question</i>		0



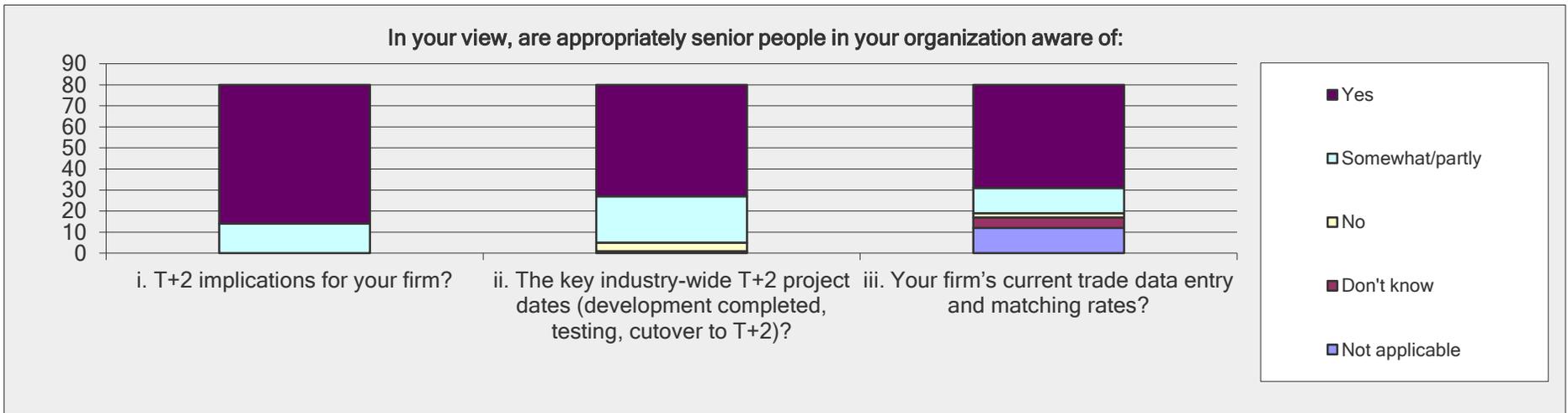
2. What size company best describes the company you work for?

Answer Options	Response Percent	Response Count
Very small (< 10 staff/FTEs)	6%	5
Small (11-99 staff/FTEs)	18%	14
Medium (100-499 employees/FTEs)	25%	20
Large (500+ employees/FTEs)	51%	41
	100.0%	
<i>answered question</i>		80
<i>skipped question</i>		0



3. In your view, are appropriately senior people in your organization aware of: (please select one answer per question)

Answer Options	Yes	As % of total less N/A	Somewhat/partly	As % of total less N/A	No	Don't know	Not applicable	Response Count
i. T+2 implications for your firm?	66	83%	14	18%	0	0	0	80
ii. The key industry-wide T+2 project dates (development completed, testing, cutover to T+2)?	53	66%	22	28%	4	1	0	80
iii. Your firm's current trade entry and matching rates?	49	72%	12	18%	2	5	12	80
Please elaborate if desired or enter N/A.								4
<i>answered question</i>								80
<i>skipped question</i>								0

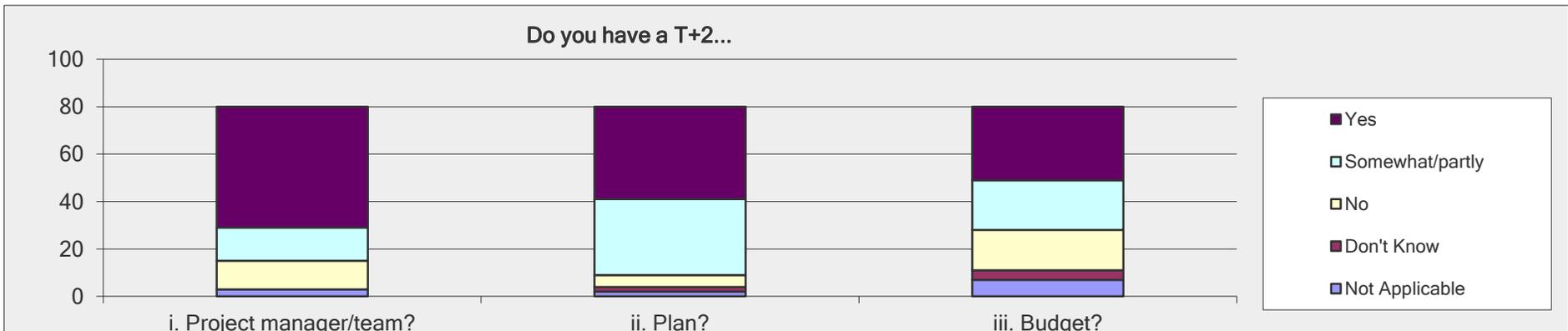


Please elaborate if desired.

1. Aware of the impending change, not fully aware of implications.
2. We have implemented Omgeo CTM and have been trading T+2 in Europe for over a year.
3. Not the bank's core business.
4. No matching required for mutual funds.

4. Do you have a T+2... (please select one answer per question)

Answer Options	Yes	As % of total less N/A	Somewhat/partly	As % of total less N/A	No	Don't Know	Not Applicable	Response Count
i. Project manager and team?	51	66%	14	18%	12	0	3	80
ii. Plan?	39	50%	32	41%	5	2	2	80
iii. Budget?	31	42%	21	29%	17	4	7	80
Please elaborate if desired or enter N/A.								13
<i>answered question</i>								80
<i>skipped question</i>								0



Please elaborate if desired or enter N/A.

1. We are working in conjunction with our transfer agent and Fundserv.
2. Already done in EMEA. Configurations required for US and CA migration.
3. Have not begun to analyze impact.
4. Finalizing requirements prior to an estimate being made available.
5. F16 budget set - F17 budget in progress
6. No changes required from investment ops side. Currently working on plan and budget for other business line but have no concerns.
7. Have a carrying broker but we are monitoring for our bond desk.
8. T+2 project and plan currently being developed. No budget assigned as of yet.
9. Completed Omgeo CTM implementation in 2014, already trading T+2 in Europe.
10. No impact on our operations, we can adapt the settlement conventions easily in our systems, whether we are issuing bonds, or buying.
11. Plan/budget finalization subject to industry utilities test system dates being finalized.
12. We feel the impact of T+2 to our business will be minimal.
13. N/A

5. Has your firm: (please select one answer per question)

Answer Options	Yes	As % of total less N/A	Somewhat/ partly	As % of total less N/A	No	Don't know	Not applicable	Response Count
i. Documented its business and systems process flows?	39	49%	31	39%	9	0	1	80
ii. Analyzed the gap between its current and the desired T+2 state?	31	40%	35	45%	12	0	2	80
iii. Reviewed the draft CCMA T+2 asset list?	53	66%	13	16%	8	6	0	80
iv. Discussed what you will require with infrastructure service providers, vendors?	24	35%	34	49%	9	2	11	80
v. Assessed the business impact of a shorter settlement cycle?	35	44%	33	42%	10	1	1	80
vi. Determined business process changes (with timelines for communicating information) are needed to move to T+2 settlement?	22	28%	45	57%	9	3	1	80
Please elaborate if you wish.								5

Comments

1. Business/technical process analysis to be finished within 1 month. Current indication is impact is low: organization areas need to be aware, but no significant changes to be made.
2. We operate in a fairly manual environment and volumes are relatively low as opposed to broker dealers. Therefore, the impact would be minimal.
3. Our products and systems are ready for T+2.
4. This change has a minimal impact on our business, systems, and processes.
5. N/A

6. How do you stay abreast of T+2 developments? (check all applying)		
Answer Options	Response Percent	Response Count
Association(s) my firm/I belong to	53%	42
CCMA committee(s)	80%	64
CCMA website	60%	48
CCMA newsletter	54%	43
Event	39%	31
UST2 website (www.UST2.com)	34%	27
Regulatory notices	48%	38
Information from legal, accounting professionals	15%	12
Other: please specify	10%	8
<i>answered question</i>		80
<i>skipped question</i>		0

- Other: please specify**
1. Staying in touch with industry colleagues
 2. Fundserv and IFIC working committees
 3. IFIC and other industry publications; SIFMA
 4. Newspaper and any other publications, blogs, etc.
 5. FundSERV
 6. Internal communications
 7. N/A

7. Please provide any ideas, questions, and comments, e.g., guidance, tools/information or support you'd like the CCMA to consider providing to help industry participants and stakeholders successfully adopt T+2 settlement, particular business issues, etc.

Answer Options	Response Count
	9
<i>answered question</i>	9
<i>skipped question</i>	71

Comments

1. Use other industry-specific groups to assist in distributing the message and the prep work required – MFDA, IFIC, etc.
2. There are benefits to doing an "end to end" test (order, fill, trade, clear, settle, and reconciliation at each point) for both exchange-traded instruments and mutual funds. However, CDS testing window is short and Fundserv testing window may or may not line up with CDS. Note that there is significant planning and work in getting 3 or more test systems connected (2 is relatively easy). CCMA should work with these industry utilities to provide longer test windows (similar to the US) or more test windows.

3. We need to start seeing more of the detailed changes that are taking place for regulations, securities trading and clearing, and industry testing. Ensure testing aligns with U.S. testing.
4. Ideas on how organization might be able to quantify the benefits from implied reduced operational, liquidity and market risks.
5. Having securities lending agreement with custodians, we have a concern regarding the capability of custodians to recall lending securities as per a sale. Even today, sending sale instruction by T+0 17h00 (for a T+3) max we experience delivery problems.
6. Please continue to send status updates and restating the timelines
7. Keep up the great work.
8. We would like CCMA to make available the meeting minutes documentation shortly after every CCMA working group meeting.
9. N/A

DTCC T+2 Membership Survey Results:

Survey period: April 2016
Surveyed population: 280 direct DTC and NSCC members
Survey respondents: 117 members

Survey questions:

1. *Have you secured a budget for the T+2 changes?*
 - Half replied “yes”
 - The remaining either answered “no” or did not answer the question.
 - Those that provided comments did not identify any problems. These members generally indicated they are in the process of securing budget or do not believe they needed to secure budget.
2. *Do you have a T+2 project lead/team?*
 - 77 replied “yes”
 - The remaining either answered “no” or did not answer the question
 - Those that provided comments did not identify any problems. These members generally indicated they are in the process of assembling a project team or do not believe one was needed.
3. *Have you received a copy of the “DTCC T+2 High-Level Test Approach Document?”*
 - Almost all members responded “yes”. Those members that responded “no” were provided a copy of the document.
4. *Have you received a copy of the “T+2 Industry Implementation Playbook?”*
 - Almost all members responded “yes”. Those members that responded “no” were provided a copy of the document.
5. *Will your firm complete its internal development by September 2016 as outlined in the industry playbook? If not, why and approximately when do you anticipate completing?*
 - About half replied “yes”
 - The remained stated:
 - They are working with service provider on the completion date
 - They would be ready later in 2016 or early 2017
 - They did not respond
 - None of the comments indicated any problems or concerns.
6. *Generally, where is your firm in preparation for T+2 implementation?*
 - 86 members responded
 - 50 Early Stage (i.e., still evaluating the impact)
 - 29 Mid Stage (i.e., planning and test preparation underway)
 - 7 Late Stage (i.e., ready to commence end-to-end industry testing)
7. *Do you believe the industry will meet the target 2017 implementation date?*
 - Two members responded “no”. DTCC is following-up with these members directly.

PENSION INVESTMENT ASSOCIATION OF CANADA

PIAC COMMUNIQUÉ AUTHOR GUIDELINES

(Approved by the Board of Directors December 20, 2010)

The following guidelines are provided to make the publication process one that helps you achieve your objective in communicating to PIAC members in the pension investment industry.

The Committee asks that the length of your article be approximately 1000 words, and limited to a maximum of 1500 words. The authors name, title and firm name will appear alongside the article.

Before you organize your thoughts, focus your ideas and begin writing your draft article, please remember to whom you are writing.

THE AUDIENCE

Communiqué is written and edited for members of the Pension Investment Association of Canada (PIAC) who represent plan sponsors. It provides coverage on pension investment issues and trends relevant to all sizes of pension plans across Canada and is published four times per year.

Most of our readers are chief investment officers and senior managers at both public and private sector plans across the country. Most of these readers have more than ten years of experience in the pension investment industry.

THE MIND SET

The Communiqué Committee is continually looking for a fresh approach to an old problem or a cost-effective solution to a new one. The use of case study material is encouraged whereby you can illustrate your points through examples and emphasize how you have applied your insights in a situation similar to those faced by PIAC members.

A case study of a process, a governance framework, or a solution becomes valuable to our readers when you focus on communicating the lessons learned rather than focusing on, for instance, describing the chronology of events. Thus the framework for your article should not be your case study but rather the how-to insights deduced from your experience and explained through your examples.

Our members are grateful for tools that help them solve problems or achieve new levels of understanding about their challenges, but the information needs to be readily applicable. PIAC prides itself on being a “mutual help” organization. Please provide practical advice that can be used by members. Furthermore, we request that authors please be objective in their presentation of ideas, avoiding sales pitches or mention of products and/or organizations except where necessary to the context of the article.

So, in writing from your experiences, please ask these kinds of questions:

- Why is this important for plan sponsors?
- How can other plan sponsors adapt what you have done?
- What kinds of pitfalls might they run into?
- What costs are involved?
- What other questions might the member want answered?