



Meeting link: <https://us02web.zoom.us/j/87648777622?pwd=VEtxRytEVHBrUjdDNFBtaTd0T2NKZz09>

Call to Order

Attendees are requested to enter into Zoom their:

- (a) name, and
- (b) firm name

Those dialing in by telephone are requested to email the Chair to confirm their attendance.

1. **Approval of Minutes from the meeting held on October 19, 2023**
2. **Matters arising from the minutes of the meeting held on October 19, 2023**
3. **Action Items**
4. **Issue Logs**
 - (a) **Recommend for Closure**
 - **T1LRWG-16 – CIRO - Guidance on the regular settlement date to be used for certain foreign exchange hedge trades**
 - **T1LRWG-17 - CIRO – Corporation Investment Dealer & Partially Consolidated Rules**
 - **T1LRWG-19 - CIRO – UMIR**
 - (b) **Review**
 - **T1LRWG-16 – NEO – Trading Policies**
 - **T1LRWG-17 – NEO – Listing Manual**
5. **Other Business**
6. **Next Meeting** **December 21, 2023 at 11:00 AM ET**

Jamie Anderson chaired the meeting and welcomed the attendees. Attendees were requested to indicate in Zoom their (a) name, and (b) firm; those telephoning in to the video meeting were requested to email Jamie or Keith Evans to confirm their attendance.

1. Approval of Meeting Minutes – September 21, 2023

The meeting minutes were approved.

2. Matters arising from Meeting Minutes – September 21, 2023

There were no matters arising from the meeting minutes.

3. Action Items

The open actions items were reviewed. Any updates will be reflected in the action items tracking document.

4. Issue Logs

- **T1LRWG-19 - Guidance on the regular settlement date to be used for certain foreign exchange hedge trades – CIRO**

Muneeb Ahsan of CIRO reported that the guidance has been updated to align with the T+1 standard settlement cycle. The guidance states that when entering into a foreign exchange spot trade to hedge a foreign denominated security, if the foreign denominated security is on a T+1 cycle, the hedging foreign exchange spot trade will also settle on a T+1 basis.

The guidance will be issued October 26, 2023 with an effective date of May 27, 2024.

- **T1LRWG-9 – Investment Funds (determination of non-Fundserv cleared funds – communication of settlement period to investors)**

Jamie requested that LRWG members advise as to the universe of non-Fundserv cleared investment funds and how the settlement date is communicated to investors, to the extent LRWG members have such information.

- **T1LRWG-21, 21(b) – CDS**

CDS has identified external procedure amendments required for T+1. These align generally with those indicated in the issue log. CDS external procedure amendments must be approved by the CDS Strategic Development Review Committee and the regulatory authorities. CDS plans to table the proposed amendments with the SDRC in November 2023 and subsequently to its regulatory authorities on a technical/housekeeping basis (i.e. no public comment period would be required).

- **T1LRWG-22 – CDCC**

CDCC has advised its rule amendments will be tabled with the CDCC Board in October 2023 and subsequently to its regulatory authorities on a technical/housekeeping basis (i.e. no public comment period would be required).

- **T1LRWG-30, 31, 32, 33, 34 – TSX Rule Book, TSX Company Manual, MX, TSX-V Rule Book, TSX-V Corporate Finance Manual**

TMX has advised that work will commence on the T+1 amendments in early 2024.

Jamie noted that the exchange amendments generally should be done sooner than later to communicate to the industry that T+1 is proceeding.

5. Other Business

Keith reported he attended an IIAC webinar concerning India's shortening of its securities settlement cycle (from T+2 to T+1). There were many similarities to the Canadian experience to date and ultimately India's transition was successful – hopefully similar success will be achieved in Canada. The meeting was being recorded and should be available for IIAC members.

Muneeb advised that the approval bulletin for the T+1 amendments to the CIRO IDCP Rules and UMIR will issued October 26, 2023 with an effective date of May 27, 2024. There was a question concerning the transition date – if that changed, how would the effective date be handled. Muneeb advised that the bulletin addresses implementation and if there was a different date, the effective date would be moved accordingly.













Jamie noted that it has been raised that the exchanges will need to issue guidance to their issuers to avoid setting corporate actions/entitlements to take effect around the May 27, 2024 transition date. This was done for the T+2 project.


















Jamie reported that for the ETFTF, CCMA is trying to obtain data concerning primary market fails and how it would impact secondary market fails.


Jamie requested that if LRWG members have knowledge of the *Investment Company Act of 1940* (US) and how collateral is addressed to get in touch with him.

6. Next Meeting

November 16, 2023 at 11:00 AM ET

Attendance		Organization	Member
1.		AMF	Julie Boyer
2.		AMF	Francis Coche
3.		AMF	Francis Pignoti Pana
4.		AMF	Herman Tan
5.		AMF	Hector Toriz
6.		ASC	Jan Bagh
7.		ASC	Chad Conrad
8.		ASC	Harvey Steblyk
9.		BMO	Claudia Ardeleanu
10.		BMO	Michelina Crecco
11.		BMO	Adetoun Dinah
12.		BMO	Michael Giancursio
13.		BMO	Natalia Markelova
14.		BMO	Svetlana Perunova
15.		BMO	prem
16.		BMO	Olga Svistoun
17.		BMO	Iris Trotman
18.		Casgrain	Alejandro Hozer
19.		Casgrain	Lysianne Guillemette
20.		Casgrain	Jonathan Lee
21.		Casgrain	Pierre Mital
22.		Casgrain	Andre Zanga
23.		CCMA	Barb Amsden
24.		CCMA	Jamie Anderson - CHAIR
25.		CCMA	Keith Evans
26.		CIBC	Maryam Bashir
27.		CIBC	Carol Elmalem
28.		CIBC	Halyna Fenkanyhawryshko
29.		CIBC	Lavanya Gandhimohan
30.		CIBC	Vikram Gulati
31.		CIBC	Danny Leca
32.		CIBC	Terry Moore
33.		CIBC	Jim Newman
34.		CIBC	Kevin Ooi
35.		CIBC	Kapil Sharma
36.		CIBC Mellon	Frank Baron
37.		CIBC Mellon	Nick Douzenis
38.		CIBC Mellon	Carol Revoredo
39.		Connor, Clarke & Lunn	Patrick Robitaille
40.		CIRO	Muneeb Ahsan
41.		CIRO	Catherine Drennan

	Attendance	Organization	Member
42.		CIRO	Bruce Grossman
43.		Desjardins	Zachary Carmel
44.		Desjardins	Gino Cimetta
45.		Desjardins	Francine Duchesne
46.		Desjardins	Lafleche Montreuil
47.		Desjardins	Éric Primeau
48.		Desjardins	Jean-Gabriel Vigneault
49.		DTCC ITP	Tasneem Novak
50.		DTCC	Vikash Saunders
51.		DTCC	Patricia Wong
52.		E&Y Canada	Esmail Enjilela
53.		E&Y Canada	Stephen Gaon
54.		E&Y Canada	Alexandra Nestyurkina
55.		E&Y Canada	Chris Pimentel
56.		E&Y Canada	Gaurang Sardana
57.		E&Y Canada	Thad Spiker
58.		Edward Jones	Todd Stevenson
59.		Fidelity	Ashley Ramnaraine
60.		IFIC	Pamela Egger
61.		IFIC	Janet Salter
62.		Invesco	Caroline Mingfok
63.		L&T Infotech/IFIC	Janaki Nagulan
64.		L&T Infotech	Kim Barrett
65.		Manulife	Bill Devolin
66.		Morgan Stanley	Brian Choy
67.		Morgan Stanley	Mazen Ghanem
68.		National Bank	Anna Tyniec
69.		Northern Trust - Legal	Scott Kelly
70.		OSC	Matthew Andreacchi
71.		OSC	Aaron Ferguson
72.		OSC	Nick Hawkins
73.		OSC	Annetta Ho
74.		OSC	Frank Lacroce
75.		OSC	Michael Tang
76.		OSC	Emily Sutlic
77.		OSC	Stephanie Wakefield
78.		Questrade	Lawrence Horowitz
79.		RBC	Allan Laurent
80.		RBC - IS	Alan Tonner
81.		RBC	John Coyle
82.		Scotiabank	Siv Angalakuduru

Attendance	Organization	Member
83. 	Scotiabank	Jason Dear
84.	Scotiabank	William Finn
85. 	Scotiabank	Alvin Lam
86.	Scotiabank	Chesley Morphy
87.	Scotiabank	Julia Piergeti
88.	Scotiabank	Sean Steele
89.	Société Générale Capital Canada Inc.	Augustin Deprez
90.	Société Générale Capital Canada Inc.	Maxime Frézal
91. 	Société Générale Capital Canada Inc.	Louis-Philippe Nadeau
92.	Société Générale Capital Canada Inc.	Marc-Antoine La Rochelle
93. 	Société Générale Capital Canada Inc.	Anna Wong
94.	State Street	Christen Henry
95.	State Street	Rose Mark
96.	TD	Marlene Costa
97.	TD	Jasvir Bhogal
98.	TD	Ellen Lee
99. 	TD	Veronica Lee
100.	TD	Riyaad Munshi
101.	TD	Naudia Nelson
102.	TD	Kenneth Poon
103.	TD	Rajiv Ranjan
104.	TD	Aamir Shahzad
105.	TD	Lucy Vetro
106.	TD	Katherine Yu
107. 	TD Wealth	Paul Garnavos
108.	TD Wealth Governance & Control	Elodie Goncalves
109.	TMX	Alexandre Prince
110.		Dave O'Marra
111.	Vanguard/CEFTA	Jessica Stern
112.		Chris Madden
113.		Jane Chan
114. 		Laxman
115.		Ashley S.
116. 		Judith Marcelo
117.		Sophie
118.		Will Gruska
119. 		Mike Salter

Action	Status
1. IIAC posting of the standardized Trade Matching Statement	<p>May 23, 2023: At the T1SC, IIAC agreed to post the standardized TMS if there was interest by the OWG.</p> <p>June 8, 2023: OWG indicated its desire to have the standardized TMS posted on the IIAC website.</p> <p>June 29, 2023: The updated standardized TMS was provided to IIAC.</p> <p>The TMS was posted on the IIAC website but changed by IIAC (removing reference to the IIAC and CIRO endorsements).¹ CCMA confirmed that CIRO has no issue with regards to its reference of endorsement and that may be retained. A revised standardized TMS has been drafted (removing IIAC's endorsement) and also made into an interactive fillable pdf.</p> <p>Sept. 28, 2023: CIRO Bulletin issued with fillable TMS form.² Link is also accessible from the CCMA website (see What's New).</p> <p>Sept. 29, 2023: Link to CIRO Bulletin and TMS form emailed to IIAC for posting.</p> <p>Oct. 24, 2023: IIAC advised at the T1SC meeting that it will be issuing a newsletter noting the CIRO Bulletin link and fillable TMS form.</p>
2. Buy Side Task Force – clarity re: scope of NI 24-101 with respect to investment managers that are not advisers, and custodians. (whether these entities are subject [or should be subject] to the mandatory requirements)	<p>June 27, 2023: As described in the BSTF report approved by the T1SC, some investment managers such as pension funds have indicated that they are not advisers under securities law and are not registered advisers. However, they are voluntarily meeting the requirements under NI 24-101. T1SC requested that the CCMA seek clarity from the regulators.</p> <p>Aug. 22, 2023: CCMA met with the OSC to provide background and seek clarity; OSC staff will be looking into the matter.</p>
3. Mutual Funds – clarity re: funds moving to T+1	<p>July 25, 2023: Fundserv has been requested to provide a summary at the end of 2023 of the funds that have indicated their intention (by file submission to Fundserv) to move to T+1.</p>
4. LRWG-9 – Investment Funds (determination of non-Fundserv cleared funds – communication of settlement period to investors)	<p>For Fundserv settled funds, the settlement cycle is indicated on Fundserv's website: https://www.fundserv.com/industry-resources/fund-profiles/</p> <p>Oct. 19, 2023: Request to LRWG members for input regarding universe of non-Fundserv cleared funds and the process for communicating settlement cycles.</p>
5. LRWG-15 (MFDA 5.4.3) - Settlement Date on Transaction Confirmations – any amendments for sales compliance procedures	<p>Sept. 21, 2023: CIRO has confirmed that it will be updating its compliance review process in advance of the T+1 implementation date to reflect that T+1 settlement is optional for mutual funds under NI 81-102. CIRO will advise closer to the implementation date regarding status.</p>
6. LRWG-21(a), 21(b) – CDS	<p>Oct. 19, 2023: CDS has identified procedure amendments – these align generally with those indicated in the issue log. Being tabled with SDRC in November 2023, then submitted to the regulatory authorities on a Technical/Housekeeping basis.</p>


¹ <https://iiac-accvm.ca/wp-content/uploads/2023/08/Standardized-Trade-Matching-Statement-NI-24-101-2023-June-13.pdf>.

² <https://www.ciro.ca/news-room/publications/national-instrument-24-101-trade-matching-statement>. French: <https://www.ocri.ca/salle-de-presse/publications/declaration-relative-lappariement-des-operations-norme-canadienne-24-101>.

Action	Status
7. LRWG-22 – CDCC	Oct. 19, 2023: Rules changes being tabled with CDCC Board by end of October 2023, then submitted to the regulatory authorities on a Technical/Housekeeping basis.
8. LRWG-30, 31, 32, 33, 34 – TSX Rule Book, TSX Company Manual, MX, TSX-V Rule Book, TSX-V Corporate Finance Manual	Oct. 19, 2023: Work is expected to commence by TMX in early 2024.
9. ETFTF – data for primary market fails, impact on secondary market	Oct. 19, 2023: A request to the LRWG for information concerning these items.
10. Collateral and the <i>Investment Company Act of 1940</i>	Oct. 19, 2023: A request to the LRWG for information concerning this item.


Action Items Pending Closure	Status
1. LRWG-16 - Guidance on the regular settlement date to be used for certain foreign exchange hedge trades – CIRO	Oct. 19, 2023: Updated guidance bulletin issued Oct. 26, 2023. https://www.ciro.ca/news-room/publications/guidance-regular-settlement-date-be-used-certain-foreign-exchange-hedge-trades
2. LRWG-17 – CIRO – Corporation Investment Dealer & Partially Consolidated Rules	Oct. 19, 2023: Bulletin indicating regulatory approval published Oct. 26, 2023. https://www.ciro.ca/news-room/publications/amendments-umir-and-idpc-rules-facilitate-investment-industrys-move-t1-settlement
3. LRWG-19 – CIRO – UMIR	Oct. 19, 2023: Bulletin indicating regulatory approval published Oct. 26, 2023. https://www.ciro.ca/news-room/publications/amendments-umir-and-idpc-rules-facilitate-investment-industrys-move-t1-settlement

Closed Action Item	Status
1. Discussion re: investment fund prospectuses	Sept. 21, 2023: IFIC has advised that there is no regulatory requirement relating to disclosure in prospectuses, Fund Facts or ETF Facts which require disclosure of settlement periods for purchases and sales of mutual fund units or ETFs. It is each fund manager's decision as to whether to include such disclosure where it is not required.

	T+1	
	Legal and Regulatory Working Group	
Issue: LRWG37	Neo Exchange Inc. - Trading Policies	
Status	OPEN	https://www.cboe.ca/documents/en/trading-data/neo-trading-policies-20220429.pdf
Description:	Current Trading Policies	Suggested Amendments
12.03 Settlement of the Exchange Trades of Listed Securities	(1) Unless otherwise provided by the Exchange or the parties to the trade by mutual agreement, trades of Listed Securities on the Exchange must settle on the <u>second</u> settlement day following the trade.	(1) Unless otherwise provided by the Exchange or the parties to the trade by mutual agreement, trades of Listed Securities on the Exchange must settle on the second <u>first</u> settlement day following the trade.
12.03 Settlement of the Exchange Trades of Listed Securities (2) Notwithstanding Section 12.03(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:	(a) trades in Listed Securities made on a when issued basis: (i) prior to the <u>second</u> trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and (ii) on or after the second trading day before the anticipated date of issue of the security must settle on the second settlement day after the trade date, provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;	(a) trades in Listed Securities made on a when issued basis: (i) prior to the second trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and (ii) on or after the second trading day before the anticipated date of issue of the security must settle on the second <u>first</u> settlement day after the trade date, provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;

<p>12.03 Settlement of the Exchange Trades of Listed Securities</p> <p>(2) Notwithstanding Section 12.03(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:</p>	<p>(b) trades in Listed Securities that are rights, warrants and instalment receipts:</p> <p>(i) on the <u>second</u> trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date,</p> <p>(ii) on the first trading day before the expiry or payment date, must be made as cash trades for next day settlement,</p> <p>(iii) on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and</p> <p>(iv) selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;</p>	<p>(b) trades in Listed Securities that are rights, warrants and instalment receipts:</p> <p>(i) on the second trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date,</p> <p>(i) on the first trading day before the expiry or payment date, must be made as cash trades for same next day settlement,</p> <p>(ii) on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and</p> <p>(iii) selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;</p>
<p>12.03 Settlement of the Exchange Trades of Listed Securities</p> <p>(2) Notwithstanding Section 12.03(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:</p>	<p>(c) cash trades in Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first settlement day following the trade; and</p>	<p>(c) cash trades in Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first settlement day following the trade; and</p>
<p>12.03 Settlement of the Exchange Trades of Listed Securities</p> <p>(2) Notwithstanding Section 12.03(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:</p>	<p>(d) cash trades in Listed Securities for same day settlement must be settled by over the-counter delivery no later than 2:00 p.m. on the trade day.</p>	<p>(d) cash trades in Listed Securities for same day settlement must be settled by over the-counter delivery no later than 2:00 p.m. on the trade day.</p>
<p>12.03 Settlement of the Exchange Trades of Listed Securities</p>	<p>(3) Notwithstanding Section 12.03(1), a trade on the Exchange may specify delayed delivery, which gives the seller the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery will be at the option of the seller within thirty days from the date of the trade.</p>	<p>(3) Notwithstanding Section 12.03(1), a trade on the Exchange may specify delayed delivery, which gives the seller the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery will be at the option of the seller within thirty days from the date of the trade.</p>

Major discussion points:	T+2 amendments were submitted as housekeeping.	
Systems or Parameter changes:		
Internal Procedures or Process Amendments:		
Is there more work to be done:		
Date of original posting:	17-Friday-Dec-2021	
Revised dates:	13-Monday-Nov-2023	
Completed by the Working Group:		
Passed to another Working Group?		
Closed by T1SC:		

	T+1	
	Legal and Regulatory Working Group	
Issue: LRWG -38	Neo Exchange - Listing Manual	
Status	OPEN	https://www.cboe.ca/documents/en/listings/neo-listing-manual-20220519.pdf
Description:	Listing manual & listing agreement for all listed issuers	
6.01 Dividends or Other Distributions s. 6.01(2)	The Exchange may use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., one trading day before the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date. See Section 6.02.	Suggested Amendments The Exchange may use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., one trading day before on the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date. See Section 6.02.
6.02 Due Bill Trading	(2) Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence one trading day prior to the Record Date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.	(2) Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence one trading day prior to on the Record Date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.
6.02 Due Bill Trading	(4) The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., one trading day before the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.	(4) The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., one trading day before on the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

Section 7.09(4) Rights Offerings.	A Listed Issuer must finalize the terms of the rights offering and obtain clearance from all applicable securities regulatory authorities at least seven trading days prior to the Record Date for a rights offering. “Ex” trading will begin <u>two trading days prior to</u> the Record Date, meaning purchasers on and after that date will not be entitled to obtain rights certificates. Trading in the rights will begin on the first day of “ex” trading in the Listed Securities. If insufficient notice is given, the Exchange will require the Listed Issuer to delay the Record Date. Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See Section 6.02.	A Listed Issuer must finalize the terms of the rights offering and obtain clearance from all applicable securities regulatory authorities at least seven trading days prior to the Record Date for a rights offering. “Ex” trading will begin two trading days prior to <u>on</u> the Record Date, meaning purchasers on and after that date will not be entitled to obtain rights certificates. Trading in the rights will begin on the first day of “ex” trading in the Listed Securities. If insufficient notice is given, the Exchange will require the Listed Issuer to delay the Record Date. Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See Section 6.02.
Section 7.15(2) Stock Subdivisions (Stock Splits)	Subject to Section 7.15(3), the securities will begin trading on a split basis <u>one trading day prior to</u> the Record Date for a stock subdivision accomplished by stock dividend.	Subject to Section 7.15(3), the securities will begin trading on a split basis one trading day prior to <u>on</u> the Record Date for a stock subdivision accomplished by stock dividend.
Is there more work to be done:		
Date of original posting:	17-Friday-Dec-2021	
Revised dates:	13-Monday-Nov-2023	
Completed by the Working Group:		
Passed to another Working Group?		
Closed by T1SC:		