



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 September 21, 2023**
- 2. Matters arising from the minutes of the meeting held on September 21, 2023**
- 3. Action Items**
- 4. Issue Logs**
 - **T1LRWG-19 - Guidance on the regular settlement date to be used for certain foreign exchange hedge trades – CIRO**
 - **T1LRWG-9 – Investment Funds (determination of non-Fundserv cleared funds – communication of settlement period to investors)**
 - **T1LRWG-21, 21(b) – CDS**
 - **T1LRWG-22 – CDCC**
 - **T1LRWG-30, 31, 32, 33, 34 – TSX Rule Book, TSX Company Manual, MX, TSX-V Rule Book, TSX-V Corporate Finance Manual**
- 5. Other Business**
- 6. Next Meeting November 16, 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 – August 17, 2023

The meeting minutes were approved as amended to correct the reference to the UK (the recommendation on shortening the settlement cycle is expected the end of summer 2023 [not 2024]).

2. Matters arising from Meeting Minutes – August 17, 2023

There were no matters arising from the meeting minutes.

3. Action Items

The open actions items were reviewed and updates provided.

Action Item 1: IIAC posting of the standardized Trade Matching Statement

The fillable form version of the TMS has been developed, removing the IIAC endorsement language in the notes to the form. It was noted that a consistent approach across the industry is preferred and that one version of the TMS is used whether posted on the CCMA, CIRO, or IIAC websites.

CIRO will be issuing a bulletin concerning the new trade matching statement fillable form and will also include the form itself. CCMA will post a link on its website to the new fillable form. IIAC will be requested to remove the TMS form current on its website and change the posting to a link to the CIRO bulletin.

Action Item 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

OSC is looking into the matter and will get back to the CCMA.

Action Item 3: Mutual Funds – clarity re: funds moving to T+1

There was nothing new to report – Fundserv will report closer to the end of 2023. Keith noted that the fund manufacturer sends a fund update file to Fundserv regarding the settlement cycle for the fund – it can be sent at any time. This is a communication issue for the industry and investors. The preference is to be clear as possible as to the settlement cycles.

Action Item 4: Discussion re: investment fund prospectuses

This item is noted from Issue Log LRWG-9. In the T+2 project, it was determined that a MFWG recommended checklist need not be prepared for the T+3 to T+2 transition because a significant communication and effort had been made regarding the T+2 transition (for the fund industry) i.e. IFIC's review of prospectuses/contracts, IFIC's T+2 communication, MFDA T+2 bulletin, CCMA communication, surveys from various stakeholders, and pending CSA communication on funds.



For T+2, it was determined that changes to prospectuses and contracts were not required. In response to the same question for T+1, it was reported that there are no regulatory requirements 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. Thus, it is up to each fund manufacturer to review their documents.

Fundserv cleared funds have their settlement date indicated on the Fundserv website.

Additional work will be conducted to determine the universe of non-Fundserv cleared funds and the process for communicating settlement cycles. At this point, CCMA does not know what funds do not clear through Fundserv (excluding ETFs that trade in the secondary market on marketplaces).

Action Item 5: LRWG15 (MFDA 5.4.3) - Settlement Date on Transaction Confirmations – any amendments for sales compliance procedures

There was nothing new to report.

4. Standardized Trade Matching Statement – revised

The LRWG reviewed a previous version of the standardized TMS. The revised version is substantively the same; the main difference is the removal of the IIAC endorsement in the notes at the bottom of the form.

The TMS has been made into an interactive fillable pdf. It can be completed online including insertion of the logo or letterhead of the entity that is completing the form. It has been confirmed to meet accessibility requirements.

CIRO will be issuing a bulletin about the TMS and will include the form as an attachment.

There were no concerns or comments on the TMS.

5. FAQ - Matching & Settlement - What type of trades? - What are the requirements? – DRAFT 2023 Aug 17

The FAQ is a revised version of the document that the LRWG received. Some amendments have been made based on discussions with the CSA and CIRO. An additional question was also added in the FAQ.

There were no concerns or comments on the FAQ.

6. Broker-to-Broker non-exchange trades, Trade matching quarterly compliant trade %

Jamie advised that this matter was raised by JP Morgan at the Sept. 14, 2023 OWG meeting.



The institutional trade matching deadline as agreed to by the industry as a best practice is 7:30 PM ET. The broker-to-broker trade matching deadline for non-exchange trades is 6:00 PM ET. JP Morgan asked whether the broker-to-broker deadline could be changed to align with the 7:30 PM ET deadline.

Muneeb noted that the 6:00 PM ET broker-to-broker trade matching deadline has been in place since 2013 (previously it was within one hour of trade execution). Given the time it has been in place and the lack of an issues around it, CIRO is not considering any changes to the rule.

Keith reported that various participants have advised that there is no much, if any, support to line up the two deadlines. Changing the broker-to-broker trade matching deadline to 7:30 PM ET would require firms to have staff working until that time.


















There were no comments supporting the recommendation.













7. Other Business

Jamie reported the ETF task force agreed that a request should be made to the CSA to obtain clarity around the provision of collateral in the create process for ETF units (where there is a failure to deliver one or more of an ETF's underlying basket of securities).

8. Next Meeting

October 19, 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	William Finn


Attendance	Organization	Member
83. 	Scotiabank	Alvin Lam
84.	Scotiabank	Chesley Morphy
85.	Scotiabank	Julia Piergeti
86.	Scotiabank	Sean Steele
87.	Société Générale Capital Canada Inc.	Augustin Deprez
88.	Société Générale Capital Canada Inc.	Maxime Frézal
89.	Société Générale Capital Canada Inc.	Louis-Philippe Nadeau
90.	Société Générale Capital Canada Inc.	Marc-Antoine La Rochelle
91. 	Société Générale Capital Canada Inc.	Anna Wong
92.	State Street	Christen Henry
93.	State Street	Rose Mark
94.	TD	Marlene Costa
95.	TD	Jasvir Bhogal
96.	TD	Ellen Lee
97. 	TD	Veronica Lee
98.	TD	Riyaad Munshi
99.	TD	Naudia Nelson
100.	TD	Kenneth Poon
101.	TD	Rajiv Ranjan
102.	TD	Aamir Shahzad
103.	TD	Lucy Vetro
104.	TD	Katherine Yu
105. 	TD Wealth	Paul Garnavos
106.	TD Wealth Governance & Control	Elodie Goncalves
107.	TMX	Alexandre Prince
108.		Dave O'Marra
109.	Vanguard/CEFTA	Jessica Stern
110.		Chris Madden
111.		Jane Chan
112. 		Laxman
113.		Ashley S.
114. 		Judith Marcelo
115.		Sophie
116.		Will Gruska
117. 		(514) 706-8183

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. 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>
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. Discussion re: investment fund prospectuses	<p>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.</p> <p>For Fundserv settled funds, the settlement cycle is indicated on Fundserv's website: https://www.fundserv.com/industry-resources/fund-profiles/</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
	Additional work will be conducted to determine the universe of non-Fundserv cleared funds and the process for communicating settlement cycles.
5. LRWG15 (MFDA 5.4.3) - Settlement Date on Transaction Confirmations – any amendments for sales compliance procedures	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.

	T+1	
	Legal and Regulatory Working Group	
Issue: LRWG - 16	Canadian Investment Regulatory Organization	Proposed amendments
	IIROC guidance notice GN-4800-21-001 - <i>"Regular settlement date to be used for certain foreign exchange hedge trades"</i>	GN-4800-23-0001 Guidance on the regular settlement date to be used for certain foreign exchange hedge trades
Status	OPEN	
Description:	<p>To determine the regular settlement date (for margin purposes) for certain foreign exchange hedge trades. References to T+2 and Dealer Member Rule 800.27.</p> <p>GN-4800-21-001 on Oct. 14, 2021 (effective Dec. 31, 2021). https://www.iiroc.ca/news-and-publications/notices-and-guidance/regular-settlement-date-be-used-certain-foreign-exchange-hedge-trades-0</p> <p>Note: This was first issued July 18, 2017 (Notice 17-0152; (https://www.iiroc.ca/news-and-publications/notices-and-guidance/regular-settlement-date-be-used-certain-foreign-exchange-hedge-trades) and replaced IIROC - IDA MR0366 (http://www.iiroc.ca/RuleBook/MRNotices/2005/MR0366_en.pdf), dated August 19, 2005 (re: settlement date for f/x hedges). Guidance note update: On September 5, 2017, the investment industry will move from a trade date plus three business days (T+3) settlement cycle to a trade date plus two business days (T+2) settlement cycle (see Notice 17-0133). As a result, Guidance Note 17-0152 regarding the regular settlement date to be used for certain foreign exchange hedge trades for margin purposes, will replace Guidance Note MR0366 and be effective on September 5, 2017.</p>	

French versions of notices:	<p>GN-4800-21-001 https://www.ocrcvm.ca/nouvelles-et-publications/avis-et-notes-dorientation/date-de-reglement-normal-utiliser-pour-certaines-operations-de-couverture-de-change-0</p> <p>Notice 17-0152: http://www.ocrcvm.ca/Documents/2017/96a6ab8c-665d-413c-9e7d-a166f129c72c_fr.pdf.</p> <p>Notice: 17-0151: http://www.ocrcvm.ca/Documents/2017/0bb3309c-22cf-4d28-bda2-a9a0c3cbb24b_fr.pdf</p>	
GN-4800-21-001	<p>Executive Summary</p> <p>The objective of this Guidance Note is to determine for margin purposes the regular settlement date to be used for certain foreign exchange hedge trades. This Guidance Note will be effective on September 5, 2017.</p> <p>The notes and instructions to Schedules 4 and 5 of IIROC Form 1 require Dealer Members (Dealers) to provide margin for trades with either acceptable counterparties or regulated entities (as defined in the general notes and definitions to Form 1) on a trade equity deficiency basis, commencing on the regular settlement date of the trade. Sections 4805 and 4808 of the IIROC Rules set out “regular settlement dates” for trades involving certain debt and equity securities as follows:</p>	<p>1. Executive Summary</p> <p>The Canadian Investment Regulatory Organization (CIRO) is publishing guidance to provide clarity on the regular settlement date to be used for certain foreign exchange hedge trades when determining the settlement date margin requirements for foreign currency trades with acceptable counterparties and regulated entities.</p> <p>This guidance is effective May 27, 2024.</p>

GN-4800-21-001 (cont.)	<p>Security type</p> <p>Government of Canada treasury bills - Regular Settlement date: Trade date (T) [Sub-clause 4805(1)(i)(a)]</p> <p>Government of Canada bonds (other than treasury bills) having an unexpired term to maturity of three years or less - Regular Settlement date: Two clearing days after trade date (T+2) [Sub-clause 4805(1)(i)(b)]</p> <p>Government of Canada bonds (other than treasury bills) having an unexpired term to maturity of longer than three years - Regular Settlement date: Two clearing days after trade date (T+2) [Sub-clause 4805(1)(i)(c)]</p> <p>Provincial,municipal,corporation & other bonds or debentures - Regular Settlement date: Two clearing days after trade date (T+2) Sub-clauses 4805(1)(ii)(a) and 4805(1)(iii)(a)]</p> <p>Other certificates of indebtedness - Regular Settlement date: Two clearing days after trade date (T+2) [Sub-clause 4805(1)(iii)(a)]</p> <p>Stock - Regular Settlement date: Two clearing days after trade date (T+2) [Sub-clause 4808(2)]</p> <p>The regular settlement date for foreign exchange spot trades is not specified in the IIROC rules. Most foreign spot trades settle on either trade date (T) or one clearing day after trade date (T+1).</p>	[*section removed*]
---	--	---------------------

GN-4800-21-001 (cont.)	2. Issue ... To address the foreign exchange risk, many Dealer Members enter into a foreign exchange spot trade to lock-in the Canadian dollar amount of the transaction. In most cases the trade date and settlement date for the foreign exchange spot trade will be the same as those of security transaction being hedged (i.e., T and T+2 , respectively, for a foreign exchange hedge of a stock trade). For margin purposes, the question that arises is what is the “regular settlement date” for these foreign exchange hedge trades? Should it be: T+1, the settlement date for most foreign exchange spot trades; or the regular settlement date for the security transaction that is being hedged (i.e., T+2 for a foreign exchange hedge of a stock trade)?	2. Rules related to regular settlement date The regular settlement date for foreign exchange spot trades is not specified in the Investment Dealer and Partially Consolidated (IDPC) Rules. Most foreign currency spot trades settle on either the first business day after trade date (T+1) or the second business day after trade date (T+2). Sections 4805 and 4808 of the IDPC Rules set out regular settlement dates for trades involving certain debt and equity securities. For most debt securities, the regular settlement date is T+1, whereas the regular settlement date for equity securities is the settlement date generally accepted according to industry practice for the market in which the transaction occurs. Dealer Members (Investment Dealers) are required to provide margin for trades with acceptable counterparties and regulated entities (as defined in the general notes and definitions to IDPC Form 1) on an equity deficiency basis, commencing on the regular settlement date of the trade in accordance with the notes and instructions to Schedules 4 and 5 of IDPC Form 1.
		3. Foreign exchange spot trades When an Investment Dealer executes an unhedged trade in a foreign currency denominated security, it assumes the following risks on trade date: <ul style="list-style-type: none">• security specific market risk• foreign exchange risk, since the trade must be settled in a currency other than Canadian dollars. To address the foreign exchange risk, many Investment Dealers enter into a foreign exchange spot trade to lock-in the Canadian dollar amount of the transaction. While in most instances the trade date and settlement date for the foreign exchange spot trade will be the same as those of the security transaction being hedged, there may be instances where there is a mismatch between the settlement dates. For example, the foreign exchange hedge trade may settle on T+1 but the foreign currency denominated security transaction may settle on T+2.

GN-4800-21-001 (cont.)	<p>Guidance</p> <p>In the absence of a specifically defined “regular settlement date” in the IROC rules for foreign exchange spot trades, we are of the view, that for margin purposes, that the “regular settlement date” to be used for the following foreign exchange spot trades is to be one of the following:</p> <ul style="list-style-type: none">· T+2, where the trade has been entered into in order to hedge the foreign exchange risk associated with a trade in a foreign currency denominated security that is listed in sub-clauses 4805(1)(i)(c), 4805(1)(ii)(a) and 4805(1)(iii)(a) and subsection 4808(2) and the trade date for the foreign exchange spot trade is the same as the trade date of the foreign currency denominated security· T+2, where the trade has been entered into in order to hedge the foreign exchange risk associated with a trade in a foreign currency denominated security that is listed in sub-clause 4805(1)(i)(b) and the trade date for the foreign exchange spot trade is the same as the trade date of the foreign currency denominated security· T+1, in all other instances....	<p>4. Guidance on regular settlement date</p> <p>For margin purposes, the regular settlement date to be used for the foreign exchange spot trades should be the same regular settlement date as the foreign currency denominated security, where the trade date for the foreign exchange spot trade is the same as the trade date of the foreign currency denominated security. For example, the regular settlement date of the foreign currency spot trade is:</p> <ul style="list-style-type: none">• T+1, where the foreign currency spot trade hedges the foreign exchange risk associated with a trade in a foreign currency denominated security that has a regular settlement date of T+1 (e.g. foreign security within North America),• T+2, where the foreign currency spot trade hedges the foreign exchange risk associated with a trade in a foreign currency denominated security that has a regular settlement date of T+2 (e.g. foreign security outside North America). <p>In all other instances, the regular settlement date is T+1 when determining margin for a foreign exchange spot trade.</p> <p>Subsequent to this regular settlement date, where the counterparty to the foreign exchange spot trade is either an acceptable counterparty or a regulated entity, the trade must be margined on an equity deficiency basis, in accordance with the notes and instructions to Schedules 4 and 5 of the IDPC Form 1.</p>
		<p>5. Applicable Rules</p> <p>IDPC Rules this Guidance Note relates to:</p> <ul style="list-style-type: none">• section 4805,• section 4808,• Notes and instructions to Schedule 4 of IDPC Form 1, and• Notes and instructions to Schedule 5 of IDPC Form 1.

GN-4800-21-001 (cont.)	5. Previous Guidance Note This Guidance Note replaces Notice 17-0152 - Guidance Note - Regular settlement date to be used for certain foreign exchange hedge trades.	6. Previous Guidance Note This Guidance Note replaces GN-4800-21-001 Guidance Note - Regular settlement date to be used for certain foreign exchange hedge trades.
Discussion notes	4805(1)(i)(c) - Canada Bonds, Canada Guaranteed Bonds > 3 years 4805(1)(ii)(a) - provincial bonds or debentures 4805(1)(iii)(a) - munis, corporates, MBS 4808(2) - exchange-listed shares; unlisted registered shares 4805(1)(i)(b) - Canada Bonds, Canada Guaranteed Bonds =< 3 years	
Is there more work to be done:		
Date of original posting:	17-Friday-Dec-2021	
Revised date:	16-Monday-Oct-2023	
Completed by the Working Group:	19-Thursday-Oct-2023	
Passed to another Working Group?	No	
Closed by T1SC:		