



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

Call to Order

Attendees are requested to enter their (a) name, and (b) firm name in Zoom (those dialing in are requested to email the Chair to confirm their attendance)

- 1. Approval of Minutes from the meeting held on August 17, 2023**
- 2. Matters arising from the minutes of the meeting held on August 17, 2023**
- 3. Action Items**
- 4. Standardized Trade Matching Statement – revised**
- 5. FAQ - Trade Matching Trade Settlement - what type of trades are covered – revised**
- 6. Broker-to-Broker non-exchange trades, Trade matching quarterly compliant trade %**
- 7. Other Business**
- 8. Next Meeting** October 19, 2023 at 11:00 AM ET

Jamie Anderson chaired the meeting and welcomed the attendees. Attendees were requested to indicate 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 – July 20, 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 – July 20, 2023

There were no matters arising from the meeting minutes.

3. CCMA Updates

CSA Staff Notice 24-319 Regarding National Instrument 24-101 Institutional Trade Matching and Settlement – Update and Staff Recommendation¹

The CSA Staff Notice provided the CSA Staff recommendation that the industry-recommended 3:59 am ET deadline on T+1 for institutional trade matching be adopted by the CSA (the request for comments suggested 9 pm ET on T). It has not been approved by the regulators but gives great comfort to the industry so planning and development work can proceed with the recommended time in mind. Keith said he hoped that the final rule would be issued by late 2023 or early 2024.

Industry Trade Matching Statistics – updated CCMA comment letter re: Form 24-101F2 and Form 24-101F5 (7:30 p.m. ET for trade entry)²

The updated comment letter was sent to the CSA to recommend that the trade matching statistics production be aligned with the industry's best practice of 7:30 pm ET on T cut-off for trade entry of institutional trades (rather than 8 pm ET on T as suggested previously).

US Updates

Keith noted that industry testing in the US commenced on August 14, 2023.

The command center setup will be discussed in the US Industry Steering Committee being held on August 17, 2023. A command center was established for the T+2 project and was found to be helpful for the transition. It will likely be more critical as the transition dates differ for Canada and the US.

General

Keith noted that CCMA funding for the next year has been collected from participants.

¹ https://www.osc.ca/sites/default/files/2023-08/csa_20230810_24-319_update-staff-recommendation.pdf. <https://ccma-acmc.ca/en/wp-content/uploads/CCMA-Appraises-CSA-Staff-Notice-Supporting-Move-to-T1-2023-08-10.pdf>.

² https://www.osc.ca/sites/default/files/2023-08/com_20230725_24-101_ccma-updated.pdf.

4. Action Items

a) IIAC posting of Trade Matching Statement

CCMA had agreed to follow-up with the IIAC to determine if the standardized Trade Matching Statement ("TMS") was posted on the IIAC website. As of the meeting date, it has not been determined and additional follow-up will be conducted. The TMS is posted on the CCMA website.

b) Buy Side Task Force – clarity re: scope of NI 24-101

A meeting has been scheduled with the OSC to discuss the matter.

c) Mutual Funds – clarity re: funds moving to T+1

In the summer, there was an industry meeting at which a question was noted around the transition to T+1 – i.e. whether it was necessary.

CSA Staff Notice 81-335 was issued on December 15, 2022, it was noted that if the settlement cycle for listed securities is changed to T+1, CSA Staff were of the view that where practicable, mutual funds should settle their primary distributions and redemptions of their securities on a T+1 basis voluntarily.

There were no amendments proposed for NI 81-102 *Investment Funds*, thus providing flexibility for funds to choose to settle on a T+1 or T+2 basis (for instance, there may be potential operational difficulties for funds that have a significant portion of their assets settling T+2 or longer).

Funds that are moving to T+1 will send Fundserv a file with the specifics. CCMA requested that closer to the end of 2023 that Fundserv advise as to the number of funds that have indicated intention to move to T+1.

d) Discussion re: investment fund prospectuses

For T+2 project, IFIC had undertaken a review of a sample of prospectuses/contracts to determine if changes were required. The question arises if a similar exercise needs to be undertaken for T+1. An update will be provided at the next meeting. It is expected that no changes will be required. The settlement period for each fund is on Fundserv's website.

e) LRWG15 (MFDA 5.4.3) - Settlement Date on Transaction Confirmations – any amendments for sales compliance procedures

For T+2, the MFDA said it would be amending its sale compliance procedures to reflect the requirements for T+2. The question is whether these sale compliance procedures need to be amended for T+1. CIRO advised that an update will be provided at the next meeting.

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

CCMA has received a variety of questions concerning trade matching and the requirements under NI 24-101 and CIRO rules. An FAQ has been drafted to address these questions. Once finalized it will be posted on the CCMA website and sent out with a CCMA newsletter. Jamie advised it will also be sent directly to the CSA and CIRO to obtain their feedback.






6. Other Business

There was no other business.

7. Next Meeting

September 21, 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	Olga Svistoun
16.		BMO	Iris Trotman
17.		Casgrain	Alejandro Hozer
18.		Casgrain	Lysianne Guillemette
19.		Casgrain	Jonathan Lee
20.		Casgrain	Pierre Mital
21.		Casgrain	Andre Zanga
22.		CCMA	Barb Amsden
23.		CCMA	Jamie Anderson - CHAIR
24.		CCMA	Keith Evans
25.		CIBC	Maryam Bashir
26.		CIBC	Carol Elmalem
27.		CIBC	Halyna Fenkanyinhawryshko
28.		CIBC	Lavanya Gandhimohan
29.		CIBC	Vikram Gulati
30.		CIBC	Danny Leca
31.		CIBC	Terry Moore
32.		CIBC	Jim Newman
33.		CIBC	Kevin Ooi
34.		CIBC	Kapil Sharma
35.		CIBC Mellon	Frank Baron
36.		CIBC Mellon	Nick Douzenis
37.		CIBC Mellon	Carol Revoredo
38.		Connor, Clarke & Lunn	Patrick Robitaille
39.		CIRO	Muneeb Ahsan
40.		CIRO	Catherine Drennan

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

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

Action	Status
1. IIAC posting of the standardized Trade Matching Statement	In an OWG meeting, IIAC agreed to post the standardized TMS. The standardized TMS was provided to IIAC. It was posted on the IIAC website but the standardized TMS was changed by IIAC (removing reference to the IIAC and CIRO endorsements). CCMA confirmed that CIRO has no issue with regards to the reference of endorsement. A revised standardized TMS has been drafted (removing IIAC) and also made into a fillable form.
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>In BSTF meetings, 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.</p> <p>CCMA met with the OSC to provide background; OSC staff will be looking into the matter.</p>
3. Mutual Funds – clarity re: funds moving to T+1	Fundserv has been requested to provide a summary at the end of 2023 of the funds that have indicated their intention to move to T+1.
4. Discussion re: investment fund prospectuses	<p>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>
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.

NATIONAL INSTRUMENT 24-101 *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

TRADE MATCHING STATEMENT

To: All trade matching parties providing trade orders to, acting on behalf of, or executing a trade with:

<Legal Name of Trade Matching Party>

<Address>

“Entity”

This Trade Matching Statement is being provided in accordance with ***National Instrument 24-101 – Institutional Trade Matching and Settlement*** (“National Instrument”) and its ***Companion Policy 24-101CP*** (“Companion Policy”). It applies to all trades that are subject to the National Instrument.

I confirm that the Entity has established, maintains and enforces policies and procedures designed to achieve trade matching in accordance with the National Instrument.

<Name>

<Title – one of senior executive officers specified in s.
2.3(1)(c) of the Companion Policy>

<Signature or e-document-signed>

<Date signed>

Note:

1. This form has been provided and approved by the Canadian Capital Markets Association, and reviewed and endorsed by the Canadian Investment Regulatory Organization.
2. Complete fillable sections of form (including Entity’s letterhead or logo). Form may be signed digitally or with wet signature.

Question	Answer
1. What trades are subject to trade matching requirements under NI 24-101 <i>Institutional Trade Matching and Settlement</i> ?	Institutional trade matching (“ITM”) trades are trades for institutional client accounts that permit DAP/RAP ¹ through CDS, and settlement is completed by a custodian (i.e. other than the dealer executing the trade).
2. What are the NI 24-101 trade matching requirements for registered dealers and advisers?	They cannot execute/give an order to execute an ITM trade unless they have, maintain &and enforce policies and procedures designed to match these trades as soon as practical after the trade is executed and no later than the “established deadline”. ²
3. What are the NI 24-101 documentation requirements for registered dealers and advisers?	They cannot open an account for ITM trades or accept an order to execute an ITM trade for an account unless they have policies and procedures to encourage each trade matching party ³ to enter into a trade matching agreement or provide a trade matching statement .
4. <u>There is an updated Trade Matching Statement (“TMS”) that has been approved by the industry – do we need to obtain new TMS’s from existing clients?</u>	<p><u>There is a new TMS that has been approved by the CCMA and reviewed and endorsed by CIRO. The TMS is available on both the CCMA⁴ and the CIRO⁵ websites. For onboarding new clients, the updated TMS should be used.</u></p> <p><u>There is no requirement to obtain an updated TMS from existing clients.</u></p> <p><u>Firms should refer to NI 24-101 <i>Institutional Trade Matching and Settlement</i> and Companion Policy 24-101CP <i>Institutional Trade Matching and Settlement</i> for specific compliance obligations and expectations.</u></p>
4.5. Do registered dealers and advisers have to file exception reports?	<p>NI 24-101 has a requirement that if matched ITM trades (for both value and volume) for a calendar quarter are less than 90% for the “established deadline”, and exception report (including why the required matching was not achieved and the steps to be undertaken to correct) has to be provided to the securities regulatory authorities.</p> <p>However, there was a 3-year moratorium on this exception reporting commencing July 1, 2020. This moratorium was extended on July 2, 2023 and will end on the earlier of adoption of amendments to NI 24-101</p>

¹ Delivery Against Payment - Receipt Against Payment

² Currently by noon on T+1; CSA staff recommended the CSA approve an amendment to 3:59 a.m. on T+1.

https://www.osc.ca/sites/default/files/2023-08/csa_20230810_24-319_update-staff-recommendation.pdf. The industry has agreed to a best practice of ITM trade entry by 7:30 p.m. on T.

³ Registered advisors, registered dealers, institutional investors, and custodians.

⁴ **placeholder re TMS location for CCMA website**

⁵ **placeholder re CIRO Bulletin**

Question	Answer
	<p>(expected to coincide with the industry's transition on May 27, 2024) or January 1, 2025.</p> <p>Note that this exception reporting requirement has been proposed to be repealed by the CSA meaning the exception reports would no longer be required.⁶ Further note that the CSA has said this does not relieve firms from their other NI 24-101 compliance responsibilities.</p>
5-6. What reporting must the clearing agency do?	<p>It must deliver reporting to the securities regulatory authorities no later than 30 days after the end of a calendar quarter. The report includes aggregated matching trade statistics calculated as per NI 24-101. CDS <u>also</u> publishes these<u>aggregate</u> statistics on its website.</p>
6-7. What are the settlement requirements under NI 24-101?	<p>All trades (unless the counterparties agreed to a different settlement date) must settle<u>Dealers must have and enforce trade settlement policies and procedures so a trade settles</u> as per the standard settlement date established by CISO or the marketplace on which the trade was executed- <u>(unless the counterparties agreed to a different settlement date); otherwise the trade may not be executed.</u></p> <p>Canada is moving to T+1 in concert with the United States; CISO and marketplace rules will be aligned for this transition.</p>
7-8. Are there any types of trades that are exempted from the trade matching or settlement requirements?	<p>Trades in the following are not subject to the NI 24-101 requirements:</p> <ul style="list-style-type: none"> • newly issued securities or for which a prospectus is required to be sent or delivered, • a security to the issuer of the security, • connection with a take-over bid, issuer bid, amalgamation, merger, reorganization, arrangement or similar transaction, • accordance with the terms of conversion, exchange or exercise of a security previously issued by an issuer, • securities lending, repurchase, reverse repurchase or similar financing transactions, • investment funds (purchases governed by Part 9 or redemptions governed by Part 10 of NI 81-102 <i>Investment Funds</i>), • securities to be settled outside Canada, • options, futures, or similar derivative trades, and • negotiable promissory notes, commercial paper or similar short-term debt obligation that, in the normal course, would settle in Canada on T.

⁶ https://www.osc.ca/sites/default/files/2023-06/csa_20230615_24-930.pdf.

Question	Answer
	Note that trades in these securities may settle on a T+1 or shorter basis in any event as per their contractual or other requirements.
8-9. How do CISO rules apply in regards to the NI 24-101 requirements?	<p>If an SRO has rules dealing with the same subject matter as the NI 24-101 requirements (and these rules were vetted by the securities regulatory authorities), provided the SRO member complies with the SRO rules, the NI 24-101 requirements will not apply.</p> <p>As noted in the following, CISO has rules for broker-to-broker trades and as such, trade matching. NI 24-101 will apply to ITM trades <u>as CISO does not have ITM rules covering the same subject matter as the NI 24-101 requirements.</u></p> <p><u>There are also CISO requirements for ITM matching with respect to written trade confirmation suppression as described below.</u></p>
9-10. Does CISO have trade matching rules?	<p>Yes. The CISO rules (named Investment Dealer and Partially Consolidated Rules) have matching requirements for non-exchange trades. These trades are broker-to-broker, <u>(i.e. between two dealers)</u>, in CDS-eligible securities that have not been submitted to CDS's CNS service.⁷</p> <p><u>For written trade confirmation suppression, CISO also has requirements for ITM trade matching as described below.</u></p>
10-11. What is the CISO trade matching reporting requirement?	<p>Currently CISO requires exception reporting (including an action plan to remedy) where a dealer's broker-to-broker trade matching falls below 90% for a quarter.</p> <p>The percentage is calculated by dividing the total of a quarter's compliant trades (excluding "don't know" trades) by the total of a broker's non-exchange trades. Trades entered (or accepted) at or before 6:00 p.m. are considered compliant trades.</p> <p>Similar to the proposed repeal of the NI 24-101 quarterly reporting by registered dealers and advisers, CISO has proposed to repeal the broker-to-broker quarterly exception reporting for non-exchange trades (the requirement for 90% where a dealer's broker-to-broker trade matching will</p>

⁷ CISO Rule subsection 4751(1). Non-exchange trades are "[a]ny trade in a CDS eligible security (excluding new issue trades and repurchase agreement transactions and reverse repurchase agreement transactions) between two Dealer Members, which has not been submitted to the CDS continuous net settlement service by a Marketplace or an acceptable foreign marketplace. A non-exchange trade includes the dealer to dealer portion of a jitney trade that is executed between two Dealer Members that is not reported by a Marketplace or an acceptable foreign marketplace"

Question	Answer
	<p>remain in force falls below 90% for a quarter; however where the dealer's matching is below 90% for more than two consecutive quarters, CIRO may pursue disciplinary action.⁸</p> <p>CIRO will continue to monitor the statistics it receives from CDS for these trades.</p>
<p>11.12. How does trade matching impact written confirmations under CIRO rules?</p>	<p>ACurrently, a dealer does not need to send written trade confirmations to a client with a DAP/RAP account if, for:</p> <ul style="list-style-type: none"> ITM trades, the dealer has a quarterly compliant trade percentage \geq 85% for at least two of the last four quarters broker-to-broker trades, the dealer has been compliant for at least two of the last four quarters, and for any non-compliant reports filed in this period it, the quarterly compliant trade percentage has not been less than 85% <p><u>As noted in Question 11, CIRO has proposed to repeal the requirement to file non-compliant reports for matching falling below 90% in a quarter. Dealers will still be required to maintain a quarterly compliant trade percentage of greater than or equal to 85% for at least two of the last four quarters for both ITM trades and broker-to-broker trades, in order to suppress trade confirmations.</u></p>

⁸ https://www.osc.ca/sites/default/files/2023-04/newsro_20230420_notice.pdf.

Broker to Broker non-exchange trades Trade matching quarterly compliant trade percentage

Issue for discussion raised at OWG meeting 2023 09 14

Part B of IDPC Rule 4700 sets out the general trading and delivery requirements applicable to all transactions including requirements for Dealers to match non-exchange trades executed between Dealers (broker-to-broker). Dealers are required to enter, accept and reject these trades in an acceptable trade matching utility by 6pm on the day the trade is executed. We are not proposing to amend the 6pm cut-off time as this time is considered sufficient to support a T+1 settlement.

Proposal: To benefit from netting and novation at 10:30 PM, participants are required to send in allocations and confirm the broker-broker non-exchange trades by 7:30 PM while the 90% trade matching statistics are expected to be achieved by 6 PM. Suggest the timing for assessing compliance with 90% trade matching be set to 7:30 PM.