

T+2

Legal and Regulatory Working Group (LRWG)

Agenda

December 17, 2015

2:00 PM ET (11:00 AM PT)

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| 1. Approval of the December 3, 2015 meeting minutes | Jamie Anderson |
| 2. Review of Issues | |
| a. SROs | |
| i. IIROC | Answerd Ramcharan |
| b. Custodians (Securities Lending) | Stasha Ninkovic |
| c. ATS Subscriber Agreements | LRWG |
| d. Exchanges | |
| i. CSE | Jamie Anderson |
| e. Clearing Agencies | |
| i. FundSERV | Charles Wang |
| f. Investment Funds | |
| i. NI 81-102 | Charles Wang |
| g. Individual Variable Insurance Contracts (seg funds) | Charles Wang |
| h. Investment Dealers (NI 24-101) | Keith Evans |
| 3. Review of unassigned issues and new issues | Jamie Anderson |
| 4. Issues completed to report to T2SC for approval | Jamie Anderson |
| 5. Other Business | |
| 6. Next Meeting – Thursday Jan. 14, 2016 @ 11am ET (8:00 AM PT) | |

Conference Details

In Person: 85 Richmond Street West, Toronto, ON
11th Floor - Executive Conference Room

Conference ID: 7312646#

Local Dial-in (416) 933-8665 Toll-free Dial-in: 1-888-402-9166

T+2 Legal and Regulatory Working Group

Minutes of the meeting held on

December 3, 2015

10:30 AM Eastern

Jamie Anderson of the CCMA welcomed all attendees to the meeting of the T+2 Legal and Regulatory Working Group (LRWG).

1. Approval of the November 20, 2015 meeting minutes

The minutes of November 20, 2015 distributed as part of the meeting package. Answerd Ramcharan from IIROC asked that the second reference to IIROC be correctly identified in section 6 on the last page of the minutes. With this one change made, the minutes were approved as written.

2. Review of draft LRWG mandate

A draft mandate had been emailed to all members in advance of the meeting. Jamie Anderson reviewed the details of the mandate.

Answerd Ramcharan asked if consultants were eligible to join the LRWG, and Keith Evans indicated that they were encouraged to participate in the Operations Working Group, but would not be prohibited from joining the LRWG if they wished.

Meg Tassie from BCSC asked that members be given a couple of days in order to more fully review the mandate. It was agreed that the members would complete that review in time for distribution of materials for the next T+2 Steering Committee (T2SC) meeting (to be held on December 17).

On the assumption that there will be no material changes forthcoming, the mandate was accepted.

3. Issue Log – recap of process

Jamie summarized the process to be used for reporting on LRWG Issues. He walked through the emailed Issue Log and summarized the details contained in the log (currently standing at 14 issues). Max Pare asked whether it would be possible to group the issues log into broad classifications, such as cash versus derivatives markets, and by type of entity (exchange, clearing agency, other marketplaces, SROs, etc.). Jamie replied that originally the log was grouped as such but since each entity (or regulatory and legislative instrument) would have their own specific process in terms of amendment, they were parsed into individual issues for ease of tracking. Jamie committed to ensure that the Issue Log covers the various categories noted by Max.

Jamie noted that cash market exchanges will have various rules needing amendment but was not sure about the derivatives exchanges such as the Montreal Exchange. Keith replied that he understood that most of the changes the ME needs to undertake are on the systems side. Meg asked whether the TSX also included the TSX-V. Jamie said he would have a separate entry for the TSX-V.

Jamie advised he had not yet looked at FundSERV rules for potential amendments. Keith advised that FundSERV said there were no rule changes required but there may be procedure amendments. FundSERV may be producing a paper on its analysis.

Keith noted that CDCC advised it had no rule amendments needed but it has not yet completed its analysis. CDCC plans to issue a white paper on its analysis.

Jamie also advised that the Issue Log will be provided to the T2SC from time to time for its approval concerning the various courses of action and completion thereof for each raised issue.

4. Issue 005 – NI 24-101 status update

Max Pare of the OSC provided a status update from the CSA perspective. He suggested to the LWRG that the CSA be a joint owner of the 24-101 issue with the CCMA. The CSA would be looking to the industry to jointly assess and determine whether any amendments were required. Keith Evans agreed with this approach, noting that 24-101 was also listed on the OWG log (next meeting on December 15). Max noted that the T+3 reference in the companion policy requires updating; Jamie noted that tables in several 24-101 forms required similar updates. Max advised that further analysis is required to address the current matching deadline of noon T+2 for non-North American trades. Jamie noted that the US does not make a distinction between domestic and foreign trades and that the new timeline for the US will be noon T+1. Keith noted that a related issue (allocation process for international trades) was also being tracked by the OWG (issue #6).

5. Issue 004 – NI 81-102 status update

Max also provided an update for 81-102. Max noted that the CSA has formed a group to look at 24-101 but did not include 81-102 within its scope. Max advised that he did pass along a note to his Investment Funds colleagues at the OSC (the Investment Funds branch is aware of the CCMA initiative). Max committed to finding out whether a person from the Investment Funds branch will attend the LRWG meetings. Meg volunteered to approach the MFDA to see if they would attend the LRWG meetings and agreed to forward appropriate contact details to the CCMA. Charles Wang of IFIC advised that IFIC would be looking at the various T+2 issues impacting investments funds (such as 81-102). Jamie inquired whether there were non-IFIC members that should be involved in the review process. Charles replied that FundSERV is leading a CCMA operations sub-group that

catches non-IFIC members. Keith added that any rule changes identified by the newly formed Mutual Funds Sub (Operations) Working Group (MFSWG) will be brought to the LRWG for tracking. Keith noted that most mutual funds fall within the IFIC or FundSERV domains but there may be some gaps (such as segregated funds). These products have been added to the MFSWG issue list.

6. New issues and assignment

Jamie asked whether there were any new issues to be raised. He noted at the outset that IIROC should be added to the list and committed to liaise with Answerd regarding his analysis conducted to date on the IIROC member rules. Answerd advised that IIROC has also undertaken a preliminary review of its member rules and changes would be required for accrued interest calculations, ex-dividend dates, etc. There may also be changes for IIROC standard agreements with its members.

Security Lending Agreements were identified as a potential area of change. Stasha Ninkovic from CIBC Mellon agreed to investigate and report back at the next meeting. Keith noted that there is a securities lending association that could be an owner of any needed amendments.

Meg Tassie suggested that the various ATS Subscriber Agreements be looked at as well. Jamie agreed to add it to the list.

Barb Amsden asked whether deposit brokers (and mortgage brokers) needed to be added for GICs. As these products settle on a T+1 basis, it is unlikely any changes would be required (however, from a due diligence perspective, this can be added to the Issue Log).

Meg asked whether the US securities list that was provided to the T2SC would be useful as an identification of issues mechanism. Keith responded that the list was produced by DTCC and may be too granular. Rather, it is hoped that the US implementation plan that is planned for release on December 18 would be instructive. Barb noted that IIAC has produced a securities list which has been shared with various industry participants.

Max noted it would be prudent to also record that listing agreements, manuals and policies should be reviewed for exchanges.

Max also suggested that the LRWG also identify legislation that may have T+3 references. In the US, FDIC and OCC have such references.

7. Next Meeting

Jamie thanked all in attendance for their time and said the next meeting is scheduled for Thursday Dec. 17, 2015 @ 2pm.

8. Other Business

There was no other business raised at this meeting.

List of Attendees

BCSC	Barinder Sidhu
BCSC	Meg Tassie
Broadridge	Sahil Buggal
CCMA	Keith Evans
CCMA	Barb Amsden
CCMA	Jamie Anderson (Chair)
CIBC	Julia Tomson
CIBC Mellon	Stasha Ninkovic
Computershare	Lara Donaldson
GMP Securities	Joe Riga
GMP Securities	Harold Walton
IFIC	Charles Wang
Infotech	Kim Barrett
IIROC	Answerd Ramcharan
Morgan Stanley	Brian Choy
OSC	Max Pare
TD	Brandon Buckley
State Street	Christine Henry