**CCMA - T+1 Operations Working Group**

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**T+1 Operations Working Group**

**Agenda**

**July 14, 2022 at 11:00 AM ET**

**Co-Chaired by:**

Sheera Badial of Canaccord Genuity

Domenic Sgambelluri of Northern Trust

1. **Approval of Minutes from the meeting held on June 9th, 2022**
2. **Update from the T+1 Steering Committee.**
   1. **General Update**
   2. **CDS Job Scheduler**
   3. **Buy ins**
3. **Issues for discussion**
4. **OWG - 005 NI 24-101**
5. **OWG - 006 International Clients - allocations etc.**
6. **OWG - 014 Virtual Matching Utilities (CTM/SSCNet)**
7. **OWG - 028 Trade Entry - Non Exchange Trades**
8. **OWG - 029 Trade Correction**
9. **OWG - 030 Block Trade Allocations**
10. **OWG - 031 Trade Confirmation/Affirmation/Matching Process**
11. **OWG - 034 Client Communications**
12. **Other Business**
13. **Next Meeting August 11, 2022 at 11:00 AM ET**

**T1-OWG -** **Minutes of June 9, 2022**

Keith Evans of CCMA welcomed attendees to the T+1 Operations Working Group meeting. Keith then turned the meeting over to Domenic Sgambelluri and Sheera Badial.

1. **Approval of the Minutes from the meeting held on May 12, 2022**

Sheera reported that the Minutes from the last T+1 Operations Working Group meeting, held on May 12, 2022, were distributed with the meeting package. There were no additions, subtractions or material corrections requested by members, therefore the Minutes of the meeting were approved as presented.

1. **Update from the T+1 Steering Committee**

Sheera asked Keith to provide an update on the last T+1 Steering Committee meeting.

Keith updated the working group on the CCMA Steering Committee’s meeting from May 30th. He said that OWG-025 Issue Log associated with the Asset List was discussed and approved by the Steering Committee, based on the recommendation of the OWG. This list has now been posted on the CCMA website for public comment. Other updates discussed included, US project timelines, the 4th CCMA T+1 Newsletter which was issued on May 31st, along with a short 7-minute T+1 awareness survey. Keith asked all members to complete the survey to help establish a baseline of awareness. This will help us track the progress throughout the project.

1. **Review of Issue Log**
2. OWG-013 – CDS Job Scheduler: Sheera introduced Fran Daly of CCMA, who has been undertaking a review of the current CDS job scheduler timelines. The result of this review will lead to a new set of proposed timelines that will allow for trades to be ready for settlement by the end of Trade Date.

Fran referred to the document distributed to members prior to the meeting.

The following recommendations were presented, discussed, and unanimously approved by members of the OWG for recommendation to the T+1 Steering Committee for approval.

***i - Exchange Trade Processing and Reconciliation***

**Recommendations**

* Reporting of Exchange Trades to CDS should be changed to require Marketplaces to deliver intra-day batch files on an hourly basis commencing at 10:00 on trade date to reduce the post-market close 5.5-hour file processing time CDS currently requires.
* CDS should commence the generation and delivery of the Exchange Trade messages/files to Service Bureaus/Vendors/Participants to correspond to the hourly schedule of intra-day files.
* Service Bureaus/Vendors/Participants should deliver Exchange Trade Reconciliation files to CDS by 19:30 to allow for the generation of the Exchange Trade Reconciliation report prior to Date Rollover.

**Implications for Stakeholders**

* Implementing this recommendation will require significant process and timeline changes at Marketplaces, CDS, Service Bureaus, Vendors, and Participants. It will also affect downstream delivery of service to their respective clients. All parties are encouraged to investigate and implement the use of automation (either in-house or outsourced) to address and reduce the impact of these changes.

***ii – Non-Exchange Trade Processing***

**Recommendation**

* National Instrument 24-101, *Institutional Trade Matching and Settlement*, currently requires that 90% of trades by value and volume are to be reported and confirmed by noon on T+1. In order to achieve the benefits of an accelerated settlement cycle, the timelines in NI 24-101 need to be adjusted for a T+1 settlement environment. The optimum time would appear to be achieving 90% of matching by 03:59 on T+1 before the commencement of the CNS/BNS process (or its successor process), which is currently at 04:00 on T+1.
* Custodians have the processes and technology in place to confirm trades on receipt of instructions from clients. The issue that needs to be addressed is the timely delivery of settlement instructions to custodians.

**Implications**

* This recommendation will require significant process changes between brokers, custodians and their clients, and all parties are encouraged to investigate and implement the use of automation (either in-house or outsourced) to address the current shortfalls.

***Iii - International Trade Processing and Reconciliation***

CDS’s International Trade Processing and Reconciliation Service (ITRS) compares the Inbound Universal Trade Capture (UTC) files from DTCC with the inbound International Trade files received from Service Bureaus/Vendors/Participants. The DTCC files are received throughout the day commencing 08:00 (on T) to 00:15 on T+1. The inbound files from Service Bureaus/Vendors/Participants are received between 20:00 to 21:30 on T. CDS outbound reports (after processing all files) are delivered by 00:30 on T+1.

**Roadblocks/Recommendation/Implications**

At the present time, there are no proposed changes to DTCC’s schedule for the delivery of the UTC files to CDS as part of the US T+1 Initiative so it is expected that the current CDS schedule for this service will remain unchanged

***iv – Cross Border Services***

Cross Border Services [i.e., Northbound and Southbound (Free-of-payment Security Movements) transactions] are processed real-time while online services are available at both CDS and DTCC. There is no batch processing functionality supporting these transactions. Transactions are reported for T+0 settlement. In the case of northbound movements, if the transaction pends on T due to lack of security positions, it is dropped by DTCC as part of their day-end process. For Southbound movements that pend on T due to lack of security positions, the transaction is rescheduled by CDS for settlement on the next business day.

**Roadblocks/Recommendation/Implications**

* There are no recommended changes proposed for transactions using the Cross Border Services as the current settlement date is already T+0 and there are no batch processes required to permit the transactions to settle.

1. OWG-003 – ETF Create and Redeem Sheera deferred this topic to the next meeting.
2. OWG-019 – Buy Ins – Sheera, and Johann from CDS updated the members on the proposed changes to the Buy In process. Johann pointed out that essentially Buy Ins are a post settlement activity. However, as a result of the shorter settlement period, the U.S was modifying their process, and CDS was proposing to match these changes here in Canada. The members disused the topic and recommendations based on the following proposal;

**Current CDS Buy-in process:**  
 Buy-in intent can be submitted on T+2 :  
- From prior to 4:00 PM 4:45 PM EST. The intent will be executed Notification Date plus 2  
- Between 4:45 PM and 7:30 PM EST. The intent will be executed Notification Date plus 3  
**Future Buy-in process in a T+1 environment:**   
Buy-in intent can be submitted on T+1:  
- From prior to 4:00 PM 4:45 PM EST. The intent will be executed Notification Date plus 1.  
- Between 4:45 PM and 7:30 PM EST. The intent will be executed Notification Date plus 2.

The recommendations were presented, discussed, and unanimously approved by members of the OWG for recommendation to the T+1 Steering Committee for approval.

1. **Other Business**

Sheera asked members to contact Sheera, Domenic or Keith to have Issue Logs that they believe should be a high priority for the OWG to review.

1. **Next Meeting**

The next meeting of the T+1 Operations Working Group will be scheduled for July 14, 2022, at 11:00 AM Eastern.

|  |  |  |
| --- | --- | --- |
| **In Attendance** | **Organization** | **Name** |
|  |  |  |
| X | AGF | Michael Kwok |
|  | ATB | Ha Luong |
|  | Aviso | Shwetha Venkataramaiah |
| X | Aviso | Wilson Young |
|  | Aviso | Winston Poh |
|  | BlackRock | Meaghan Li |
| X | BlackRock | William Trieu |
|  | BMO | Andrew Winter |
| X | BMO | Art Valdes |
| X | BMO | Joanne Whittaker |
|  | BMO | Natalia Markelova |
| X | Broadridge | Bryan Trudell |
|  | Broadridge | Dean Manchip |
|  | Broadridge | Lilea Chong |
|  | Broadridge | Roy Garafano |
| X | Broadridge | Srikar Basava |
| X | Broadridge | Vincenza Riga |
| X | Broadridge | MeeChee Beutel |
| X | Canaccord Genunity | Sheera Badial **Co-Chair** |
| X | Canaccord Genunity | Brenda McIntyre |
| X | Canada Life | Linda Mosthaf |
|  | Casgrain | Andre Zanga |
|  | Casgrain | Pierre Mital |
| X | CCMA | Barb Amsden |
| X | CCMA | Fran Daly |
| X | CCMA | Keith Evans |
|  | CDCC | Ana May |
| X | CDS | Johann Lochner |
| X | CDS | George Chung |
|  | CETFA | Pat Dunwoody |
| X | CI | Deborah Carlyle |
|  | CIBC | Carol Elmalem |
| X | CIBC | Mary Upchurch |
| X | CIBC | Mike Walchuk |
|  | CIBC | Danny Leca |
|  | CIBC | Glen McCullough |
| X | CIBC | Maryam Bashir |
| X | CIBC | Vikran Gulati |
| X | CIBC | Jan Chung |
| X | CIBC | Lavanya Gandhimohan |
| X | CIBC | Glenn McCullough |
|  | CIBC | Jim Newman |
| X | CIBC | Kapil Sharma |
|  | CIBC | Mike Zellermayer |
|  | CIBC Mellon | Jale Wright |
|  | CIBC Mellon | Jennifer Cheung |
|  | CIBC Mellon | Louis Lesnika |
|  | CIBC Mellon | Nick Douzenis |
| X | CIBC Mellon | Phil Zywot |
| X | CIBC Mellon | Carol Revoredo |
|  | CIBC WM | Susan Fleming |
|  | Citi - US | David Smith |
| X | Citi - US | Lyndon James |
|  | Computershare | Donna McLaughlin |
| X | Computershare | Helen Lau |
| X | Connor Clarke | Mark Austin |
| X | Connor Clarke | Nikita Patel |
| X | Consultant | Tony Kalvik |
|  | Cooperators | Mitra Raghubir |
|  | Co-Operators/Mutual Funds | Mehreen Hussain |
| X | Credit Suisse | Ester Park |
| X | Credit Suisse | Wayne Cowell |
| X | CSE | Mary-Anne Palangio |
|  | Desjardins | Franck Herve Mpondo Eboa |
| X | Desjardins | Jonathan Maurice |
| X | Desjardins | Cesar Valderrama |
|  | Desjardins | Mario Honein |
| X | Desjardins | Pascal Deslauriers |
|  | Deutsche Bank | Vijay-K Ag |
|  | DTCC | Ana Lotharius |
| X | Fidelity | Robert Argue |
| X | Fidelity | Dan Brennan |
| X | Goldman Sachs | Anit Patel |
|  | Goldman Sachs | Lauren Diekroger |
|  | Goldman Sachs | Mustafa Al Niama |
| X | Goldman Sachs | Sachin Mohindra |
| X | Hillsdale | Kelly Reynolds |
| X | IFDS | Grant Bellamy |
|  | IFIC/L&T Infotech | Janaki Nagulan |
|  | Invesco | Austin Dukes |
|  | Invest PSP | Ali SaÃ¯b |
|  | Invest PSP | Caroline Rossa |
|  | Invest PSP | Charles Marois |
|  | Invest PSP | Elvira Federico |
|  | Invest PSP | Jason Fook Lun |
|  | Invest PSP | Lynne Carbonneau |
|  | Invest PSP | Nicholas Cadotte |
|  | Invest PSP | Victor Quan |
|  | Invest PSP | Vincent Brykczynski |
|  | Jefferies - USA | Christopher Buencamino |
|  | Jefferies - USA | Dennis Jiu |
| X | Kyndryl | Andrew Ledbury |
| X | Kyndryl | Anna Campagnaro |
|  | L&T Infotech | Kim Barrett |
|  | Laurentian Bank | Pim Manirath |
|  | Merrill Lynch - BofA | Doug Butters |
| X | Morgan Stanley | Dianne Duffy |
| X | Morgan Stanley | Mazen Ghanen |
| X | Manulife | Nima Samandari |
| X | National Bank | Anna Tyniec |
| X | National Bank | Natalie Roberge |
|  | National Bank | Nelson Dugre-Sasseville |
|  | National Bank | Tom Zorbas |
|  | NEO Exchange | Joacim Wiklander |
| X | NEO Exchange | Natalie Panasiuk |
| X | Northern Trust | Domenic Sgambelluri  **Co-Chair** |
| X | Ontario Teachers | Sameer Punja |
|  | OSC | Aaron Ferguson |
|  | OSC | Annetta Ho |
|  | OSC | Emily Sutlic |
| X | OSC | Frank Lacroce |
|  | PSP Investments | Domenica Giannini |
| X | Questrade | Farhan Kazi |
|  | RBC - IS | Anthony Codreanu |
|  | RBC - IS | Bruno Olivieri |
|  | RBC - IS | Cathryn MacKay |
|  | RBC - IS | David Cosway |
|  | RBC - IS | Harpinder Mangat |
|  | RBC - IS | Jay Gill |
| X | RBC - IS | John Riordon |
|  | RBC - IS | Junah Park |
|  | RBC - IS | Kerry Phippen |
|  | RBC - IS | Nadia Lall |
|  | RBC - IS | Rukshana Nanji |
|  | RBC - IS | Stephen Isgar |
|  | RBC - IS | Vito Mazzoli |
| X | RF Clearing | Jeff Carr |
|  | RF Clearing | Joe Riga |
|  | Scotia | Adam Usajewicz |
|  | Scotia | Corey Cunningham |
|  | Scotia | Kurt Sylvan |
|  | Scotia | Victor Chow |
|  | Scotia | Mike Bieley |
|  | SS&C Technologies | Frank Battaglini |
| X | SS&C Technologies | Ginelle Ciuffreda |
|  | SS&C Technologies | Paul Skuriat |
|  | StateStreet | Brent Blake |
|  | StateStreet | Denny Mendonca |
| X | StateStreet | Ivan Yang |
| X | Sunlife | Ali Jaffer |
|  | Sunlife | Sameer Jamal |
|  | TD | Barry McIntyre |
|  | TD | Brad Taylor |
|  | TD | Jorge Lanca |
|  | TD | Ian Jamieson |
|  | TD | Kevin Fraites |
| X | TD Asset Management | Ana Liz Fernandez |
|  | TD Asset Management | Jasvir Bhogal |
| X | TD Asset Management | Julie Sandwell |
|  | TD Asset Management | Marnie Perepeluk |
|  | TD Securities | Claudia Paradis |
| X | TD Securities | Geoff Baxter |
| X | TD Securities | Aamir Shahzad |
|  | TD Securities | Mike Hefford |
|  | TD Securities | Rob Candido |
|  | TD Securities | Sumit Sharma |
|  | TD Securities | Tim Paxton |
|  | TMX | Alexandre Prince |
|  | TMX | Antonio Discenza |
|  | TMX | Mark Jarrett |
|  | TMX | Amy Li |
| X | TMX/MX | Marc Broomfield |
| X | Torstone | Dave O'Marra |
|  | Torstone | Daniel Geddes |
|  | Torstone | Mack Gill |
|  | UBS | David Ferguson |
| X | UBS | Gurkirat Badalia |
| X | UBS | Abhishay Gupta |
| X | USB | Jamie Marasigan |
|  | USB | Marc Sobolewski |
|  | USB | Walker Wentworth |
|  | Vanguard | Darnel Miller |
| X | Wells Fargo | Darin Bauguss |
|  | Wells Fargo | James Gnall |
|  | Wells Fargo | Melanie Porcelli |
|  | Wells Fargo | Raul Zamudio |
|  | Wells Fargo | Meera Saj |
|  | Wells Fargo | Erik McCarrin |
|  | Wells Fargo | Melanie Porcelli |
| X | Wells Fargo | Frank Lavecchia |
| X | Wells Fargo | Rob Fasanello |