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

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**T+1 Operations Working Group**

**Agenda**

**July 13, 2023 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 8, 2023**
2. **T+1 Steering Committee Update**
3. **Issues for discussion**
   1. **Review of Issue Log discussion on June 22, 2023 - Sheera/Domenic**
   2. **ETF Task Force update – Jamie Anderson**
   3. **Trade Matching Statement – Jamie Anderson**
   4. **CDCC – T+1 Derivative impact – Jesus Sanchez**
   5. **F/X initial discussion – Jason O’Born**
4. **Other Business**
   1. **Presentation by SSImple – 15 minutes at Noon – Bill Meenaghan**
5. **Next Meeting August 10, 2023 at 11:00 AM ET**

**T1-OWG -** **Minutes of June 8, 2023**

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 11, 2023**

Domenic Sgambelluri reported that the Minutes from the last T+1 Operations Working Group meeting, held on May 11, 2023, 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. **T+1 Steering Committee Update**

Keith provided an update on the last T+1 Steering Committee meeting.

Keith reported as follows;

* Keith said that CCMA would be collecting another round of funding. This funding would be collected as part of the CDS July billing cycle, where the funds will be taken in mid August. Keith said that this collection of funds will be enough funds to complete both the T+1 project in 2024, as well as to the end of the PTM project.
* There are a few items on today’s agenda that were part of the Steering committee, so he said they would be covered later in the meeting.
* Keith also reported that no response has been provided as yet by the CSA on our Comment Letter on NI 24-101.
* Keith update on the recent Sifma Conference. He reported that the US issues for T+1 appear to be virtually identical to those we are challenged with here in Canada.

1. **Issues for discussion**

A – Buyside Taskforce “Final” Report – Sheera introduced the issue and asked Fran Daly of CCMA to provide an update to the group.

Fran said that the final report had been distributed with the meeting package for this meeting. He reported as follows.

* There were 13 individual meetings with buyside firms.
* That buyside firms were reporting simultaneously to the sellside and the custodians.
* That buyside firms were reporting between 90 and 97% of their trade allocations on Trade Date.
* Custodians were reporting that they have the ability to automatically confirm trades when the confirmations come in from the buyside.
* Current processing timelines including Client/Custodians reporting deadlines and any SLA’s need to be reviewed and amended to ensure that trade reporting by the broker/dealer is close to or at 100% in sufficient time for the custodians to confirm the trade if the expected CSA deadline for confirmed trades of 3:59am on T+1 is to be met.
* There were six recommendations on this issue.
  1. Custodians review and update Client agreements and client reporting deadlines to meet the new CSA deadlines. These changes should be implemented at least 6 months prior to the May 2024 transition date.
  2. Custodians revise client agreements to require that all institutional clients regardless of size report allocations in an electronic format (FIX, Swift etc.) either through internal proprietary systems, custodian proprietary systems or vendor solutions.
  3. Custodians develop/implement reporting solutions to track the receipt of Client instructions vs the receipt of trade notification messages from CDS and follow-up with clients for corrective action as required.
  4. Custodians develop/implement reporting solutions to track the frequency and volume of mismatches and follow-up with clients for corrective action as required.
  5. CDS generate the alternate view of the STP reporting stats monthly at the Custodian level rather that an aggregate industry level commencing at least 6 months prior to the May 2024 transition date. CCMA Operations Working Group Monitor these reports and follow up if no significant incremental improvement in trade confirmations is observed during this period.
  6. Institutional clients and Broker Dealers review and revise/update current technologies (including Order Management Systems, messaging solutions, etc.), processes and procedures to ensure that trade/allocation details are communicated so that transactions are entered in CDSX at the earliest opportunity to facilitate the trade confirmation process.

***Members of the OWG unanimously agreed to recommend these action items to the T+1 Steering Committee for approval***

**NI 24-101**

* Fran the reported that CCMA prepared a summary document titled “Parties subject to National Instrument 24-101 regarding
  1. The document provides an overview of NI 24-101 and it’s Companion Policy with regards to the requirements and guidance for trade matching parties. Trade matching parties that are Registered Dealers and Registered Advisers are required to have policies and procedures to achieve 90% matching no later than the trade matching deadline and must encourage their trade matching counterparts to enter into a trade matching agreement or provide a trade matching statement.
  2. Various investment managers have advised that they do not fall into the category of “Adviser” under securities law and as such are not legally required to implement the trade matching procedures. However, these investment managers have indicated that they have instituted processes to voluntarily meet the matching requirements and intend on continuing to meet these requirements. While it is encouraging that such voluntary participation is occurring, the lack of mandatory trade matching requirements for all trade matching parties has the potential to cause serious barriers to achieving timely trade matching, especially in a T+1 or shorter environment.
* There was one recommendation on this issue.
  1. That CCMA should request clarity from the CSA as to the scope of NI 24-101 with respect to: investment managers that are not advisers, and custodians. To the extent that the CSA is of the view that these entities should be subject to the mandatory requirements (as Registered Advisers and Registered Dealers are), it should be proposed that NI 24-101 be amended.

***Members of the OWG unanimously agreed to recommend this action item to the T+1 Steering Committee for approval***

* Fran reported that a Final decision from the CSA on the NI 24-101 deadline is needed as soon as possible. The uncertainty of the required deadline presents issues for all parties in getting the required resources to be able to engage in the projects that will be necessary to address the need for faster confirmation of trades.
* There was one recommendation on this issue.
  1. It is recommended that CCMA continue its efforts to obtain a final decision on the acceptability of the proposed 3:59am deadline and the issuance of the final version of the revised instrument at the earliest opportunity.

**Members of the OWG unanimously agreed to recommend this action item to the T+1 Steering Committee for approval**.

B – ETF Taskforce - Update – Sheera asked Jamie Anderson of CCMA to provide an update to the group. Jamie said that the ETF Taskforce had held an initial meeting. Since that meeting a separate meeting with the OSC was held to discuss the various pain points with the Creation and Redemptions processes of ETF. Mainly of the issues identified could be resolved with the ability of industry players to use collateral mechanism in order to allow for the creation and/or redemption of the ETF, where all of the underling assets are not available at the same time. A longer term solution is also considered the best solution, where an entity such as CDS to provide a centralized and automated system for ETFs.

The OSC is supportive of investigating these issues, and has asked for information on how the US processes (using collateral, etc.) and the legal basis on which this is done. Jamie reported that the Taskforce would be reviewing these details.

C – Trade Matching Statement – Jamie updated the OWG on the status of the Trade Matching statement, where the statement use to be on the IIAC website, but subsequently dropped by the industry. Jamie indicated that if this were to be available again on the IIAC website, some minor changes to reflect T+1 would be necessary.

Jamie asked if there is interest by the members to have CCMA to update the statement and have it posted on the IIAC website again. Members in the industry are interested in having this posted again on the IIAC website.

CCMA agreed to update the Statement, and to ask IIAC to post again. This issue does not require T+1 Steering Committee approval.

D – OWG T+1 Issue Log – Sheera introduced the Issue Log prioritization issue. She said that in the meeting package, the proposed ranking of issues has been suggested. It is expected that the High priority items MUST be done before T+1, while the medium and low priority items are nice to have but not mandatory.

It was suggested that we cannot focus on all 39 issues at once, but need to focus on the select few that provides the greatest impact on T+1.

Sheera has asked that members review the high priority issues internally and be prepared to agree on the list at a new meeting to be scheduled in two weeks’ time on June 22nd.

1. **Other Business**

There were two presentations provided to the group.

One presentation was provided by SS&C, on their SSCNet product, which links all parties to a trade, while the second presentation was provided by Broadridge on their same day trade reconciliation product.

***Post meeting note:*** The two presentation packages were included in the distribution of the Minutes from this meeting.

1. **Next Meeting**

The next meeting of the CCMA - T+1 Operations Working Group will be scheduled for July 13, 2023, at 11:00 AM Eastern.

**ATTENDEES**

|  |
| --- |
| AC Hurillon-Laurentian Bk Securities |
| Adnan Quader TD Securities |
| Allan Bisessar - HOOPP |
| Allyn Howe; Paramax |
| Amit Joshi BMO |
| Amy Fisher |
| Amy Orban | STL (Central Time) |
| Ana Lotharius# |
| Andrea M. Mahar (Credit Suisse) |
| Andrew LaFemina - TD Securities |
| Angad Chadha |
| Anna Campagnaro |
| Anna Tyniec |
| Art Valdes |
| Ashley S |
| Ashtab Ruffudeen - HOOPP |
| Avery Primas |
| Barb Amsden |
| Barry McIntyre - TDSecurities |
| Brandi Branson |
| Brent Blake |
| BTrudell - Broadridge-RPM |
| Calonda Brown |
| Carole F |
| Caterina Saviano# |
| Cheick NBC |
| Chelsey Morphy - Scotia |
| Chioma - BOC |
| D Steblai - Broadridge |
| Dan Brennan – FCC (Dan Brennan) |
| Daniel Bailey |
| Daniel Farley |
| Daniel Shu |
| Darren Maguire |
| Dave O'Marra - Consultant |
| David J. Tomlinson |
| David Petiteville @RBC |
| David Rocco |
| DaviesD |
| deepak |
| Denny Mendonca  Dianne Duffy – Morgan Stanley |
| Dina Bartle |
| Dipietro# Bruna |
| dtf9284 |
| Edwin |
| Elaine Partridge |
| Emma Baliat |
| Ester Park - Consultant at First North |
| Evelyne Decary |
| Farhan - Questrade |
| Fran Daly -CCMA (Francis Daly) |
| Frank Baron - CIBC Mellon |
| Frank Battaglini |
| Franklin Lacroce |
| Freddy Wahby Girgis |
| George Chung (CDS) |
| gferreira |
| Gilbert A |
| Ginelle Ciuffreda |
| grakovic |
| Ha Luong |
| Halyna |
| Harry Li - Broadridge |
| Henry - Broadridge |
| Jaime Marasigan |
| Jamie Anderson |
| Jason Golding |
| JC |
| jdufrene |
| Jeff Lunshof |
| Jeff Watches |
| Johann Lochner CDS - |
| Jonathan Grenier (SocGen) |
| JonesCathy @ CIBC |
| Jordana Pham |
| Jude Dant |
| Judith Marcelo |
| Kaitlyn O'Donnell |
| Katarina Savic |
| Katie Pennington |
| Katie Rigby |
| Keith Evans - CCMA |
| Kelly Chong |
| Kelly Reynolds @Hillsdale |
| Kevin |
| Kimberly Creech |
| korzechowski |
| Kristen Little |
| Laura Leitch |
| Lavanya CIBC |
| Laxman |
| Layla Sharmin |
| Lettice Nesbit |
| Liam Rodenburg |
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| Manjula Sharma |
| Mark Borthwick RBC |
| Mark Cicero- BMO |
| Mark Jarrett |
| Mary Anne Palangio# CSE |
| Mathew Isaac |
| Matt Efinger |
| McCormick# Kevin |
| mcculgle |
| Meaghan Li |
| Mee Chee Beutel - Broadridge |
| Melissa Clayton |
| Michael Cagayat |
| Michael Kenny / TDW Canada |
| Michael Lowes - TD Securities |
| Michelina Crecco |
| Mieka Halliday-Gunn |
| Mike Palmiotto |
| Natalie Roberge NBC |
| Naudia (she/her/hers) |
| naughtpa |
| Navin Manda# Navin |
| Neil Chakraborty |
| Nick Douzenis |
| Nikita Patel |
| Niranjan BMO |
| NS |
| Olga Svistoun BMO |
| Pat Dunwoody |
| Patricia Neath |
| Patrick Owens |
| Paul Adair - Lysander Funds |
| Paul Garnavos |
| Pavan Mandaknallikar |
| Phil Zywot# CASLA/BNY Mellon |
| Philippe Beato - NBC |
| Pierre Mital |
| Praveen Pillari |
| prem |
| Raghuram Garapati |
| Rags |
| Ray Sheridan |
| Rene Wade - Mackenzie Investments |
| Ricardo Dacosta - IRESS (Ricardo Dacosta) |
| Richard Frise |
| Richard King |
| Rob Candido |
| Robert Argue |
| Roger Yin |
| Roy Gamboa - TD |
| Roy Manio |
| Ryan Chen |
| s\_badial |
| Safiya Bannister(she/her)- HOOPP |
| Sanil George (Soc Gen) |
| Sateesh Doniparthi |
| Satish Krovvidi - TDSI (Satish K) |
| Scott Abbott |
| SHAHZA8 |
| Sharon Lund |
| Sobhi |
| Stanley Ai |
| Stephen Isgar |
| Steve Lim |
| Steve Menchions |
| TAE5098 |
| Tammy Savinkoff |
| Thad Spiker |
| Thomas Chong (HOOPP) |
| Thomas Koprowski |
| Tom |
| Toni McMillion |
| Tony Kalvik |
| Veronica Lee |
| Victor Quan |
| Vincenza Riga - Broadridge |
| Vishal Hingane  Walker Wentworth - UBS |
| Walter Raposo - MATCHNow |
| Waqas Ahmed |
| Weijia Luan |
| Wendy Chen |
| Winston Poh |
| wyoung |
| ZHIJAZI |