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

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**T+1 Operations Working Group**

**Agenda**

**March 9, 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 February 9, 2023**
2. **T+1 Steering Committee Update**
   1. **PTM Project Update**
   2. **Transition Date for Canada - discussion and approval**
   3. **CCMA – NI 24-101 Comment Letter - discussion and approval**
   4. **Transition Date FAQ**
3. **Issues for discussion**
   1. **OWG - 031 Trade Confirmation/Affirmation/Matching Process**
      1. **Buyside Task Force - Update**
4. **Other Business**
5. **Next Meeting April 13, 2023 at 11:00 AM ET**

**T1-OWG -** **Minutes of February 9, 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 January 12, 2023**

Keith on behalf of Sheera and Domenic reported that the Minutes from the last T+1 Operations Working Group meeting, held on January 12, 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 that the Steering Committee last met recently, due to thon January 12th. Keith did update on the following issues;

* Keith reported that the SEC is likely to make the formal announcement of a T+1 transition date next week. The SEC is not likely to make Labour Day 2024 the date, as preferred by the entire financial industry both here in Canada as well as the U.S. It appears that the SEC will selection either the end of Q1 2024, or an end of May 2024 as the transition date. Either one of these dates makes it very difficult for the Canadian market to transition into T+1 without some level of risk, and complications such as increased failed trades.
* Keith reported that CCMA will be issuing a new letter to the SEC later today, again putting forth the preference of Labour Day and the ramifications of going with an earlier date.
* Keith reported that the CSA had issued the consultation paper on National Instrument 24-101 and that this item was on the agenda for today’s meeting. Jamie Anderson of CCMA provided the following updates.
  + There had been a discussion on the 9 PM on TD vs the CCMA preferred time of 3:59 AM on TD+1. There now appears to be support for the 3:59 time as giving the Canadian industry the best opportunity to meet the requirements of the regulation.
  + There was also some feedback on the number of collection points for data to be collected. Jamie pointed out that the additional data points would provide valuable information in the future should the industry look to shorten the settlement period even more.
  + There were some edits to the wording relative to the comments on NI 81-102, where it was clarified that while we don’t have any issues under review, the industry wants to reserve in case issues arise later in the project.
  + Clarification in the letter to properly reflect the entities covered by the NI.
  + There was a request for clarification on if the repeal of the need to issue quarterly reports and if any penalties would be issued for those that are offside with the instrument. Jamie clarified that the regulator will want to be able to drill down where entities were not able to make the threshold.
  + There was a question about the final issuance of the National Issuance vs the need for development within the industry. If March 2024 is selected for transition, then development needs to be done ASAP, and if the CSA doesn’t issue the final rules till later, there may not be enough time to complete the development before transition. Keith reported that there is no set timeline for the final rules to be issued. However, he said that the CSA is well aware of concerns with transition dates.

1. **Issues for discussion**

Keith on behalf of Sheera and Domenic introduced the issues for discussion.

1. Kyndryl T+1 project update – Hagen Einspenner from Kyndryl provided an update. He reported that
   1. Analysis has been completed.
   2. No changes are required to their batch processes.
   3. Many changes made for the move to T+2 were beneficial to T+1 project, in that parameters are now updated to reflect the shorter settlement timeline vs hard coded changes.
   4. Client meetings continue to ensure any individual requests can be factored into the project.
   5. A new process has been identified to enhance the trade correction process as a result of the new intraday slices of exchange trades expected to be introduced by the time we move to T+1. This is expected to be finalized shortly.
   6. Working with clients on U.S. based activities.
   7. Working on a testing facility shortly.
   8. Development work will commence next month.
   9. All of their work has focused on delivering all development for a March 2024 transition date. If that date changes, they will need to evaluate.
2. Paramax T+1 project update – Allyn Howe from Paramax provided the following information relative to the Paramax readiness.
   1. All of Paramax processing today is done via messaging.
   2. Paramax has no limits based on Settlement Date, therefore no changes are required.
   3. There may need to make changes based on changing needs for their clients.
   4. They may need to adapt to changes based on changes by other infrastructure providers such as CDS and DTCC.
   5. Holiday processing will need to be undertaken as we move through the testing phase.
   6. There needs to be a review of the impact of trades being confirmed in the midnight to 4 AM timeframe, due to the fact that trades confirmed during this time will immediately be tried for settlement. Keith confirmed that an analysis will need to e undertaken to understand the implications on ACV, Lines of Credit, etc.
3. Buyside Taskforce T+1 update – Sheera and Fran Daly provided a brief update on the first meeting of the Taskforce.
   1. Good initial meeting
   2. Reviewed 24-101 changes for T+1
   3. Will have smaller groups to look for issues and solutions for improving affirmation rates.
   4. The hope is to have some discussion points at the next meeting scheduled for February 21st.
   5. Fidelity provided some statistics that identified that they report about 93% of their trades by 8 PM on the night of TD. However only 27% are affired overnight, while another 60% are affirmed by Noon on T+1. It was suggested that this latter number needs to be improved so that these affirmation can be completed by 3:59 AM on TD+1, in order to line up with the new NI 24-101. This is the area that the Buyside Taskforce should be focusing on.
4. **Other Business**

CDS indicated that DTCC has changed their position on how Buy In Intents are handled. CDS has always aligned with DTCC. That is that they will not shorten the period for Buy In intent. Keith said that this is reflected in OWG-019, which had been closed last summer. This issue is being re-opened, changed as identified, and then recommended for closure again. The members of the OWG agreed to the proposal by CDS.

1. **Next Meeting**

The next meeting of the CCMA - T+1 Operations Working Group will be scheduled for March 12, 2023, at 11:00 AM Eastern.

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| Anna Tyniec |
| Art Valdes |
| Ashtab Ruffudeen - HOOPP |
| Assane - Desjardins |
| Avery Primas (UB652RY) |
| Barb Amsden @CCMA |
| Barry McIntyre-TDSecurities |
| Bertina Tu |
| Bobbisue Edmondson (HUB) |
| Brandi Branson |
| Brent Blake |
| Brian Choy |
| Brian O'Leary |
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| David J. Tomlinson |
| David Petiteville @RBC |
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| Frank Battaglini |
| Franklin Lacroce OSC |
| Gary Stephenson |
| George Chung |
| Ha Luong - ATBIM |
| Hagen Einspenner - Kyndryl Canada |
| Halyna |
| Harry Li - Broadridge |
| Ian Graham |
| Ian Jamieson - TD (Ian) |
| Ian Upjohn |
| Iris Trotman |
| Ivy Sananikone - LBC (Ivy) |
| Jack Suficiencia |
| Jahangir Ahmad- AGF |
| James Gorman |
| Jamie Anderson |
| Jan Chung @ CIBC |
| Jane Crowder |
| Jason Golding |
| JC |
| Jeff Lunshof |
| Jeff Watches |
| jholjeva |
| Jim Newman at CIBC |
| Joanna |
| joer- RF Clearing |
| Johann Lochner - CDS |
| Jonathan Grenier |
| Jordana Pham |
| Julie Speichinger |
| Kaitlyn O'Donnell |
| Katherine Whitby - Societe Generale |
| Katherine Yu TDS |
| Katie Kovarovic |
| Katie Pennington |
| Katy - MDFM |
| Keith Evans - CCMA |
| Kevin Armstrong |
| Kim Killian (She/Her) | STL (CST) | CA Ops |
| Kimberly Creech |
| Kirsten Westrich |
| Laura Leitch |
| Lavanya CIBC |
| Linda Pajaujis - NT (Linda P) |
| Lisa Von Redden |
| Lotharius# Ana |
| Lou Lesnika |
| Luigi Fisico-SST (Luigi Fisico) |
| Lyndon James Citi (LJ13890) |
| Maria Cortina |
| Mark Borthwick |
| Marnie |
| Mazen Ghanem |
| McCormick# Kevin |
| MeanguE |
| Mee Chee Beutel - Broadridge |
| Michael Kenny |
| Michael Palmiotto |
| Michael Welch |
| Michelina |
| Mike Lowes |
| Mike Palmiotto |
| Mohit Arora |
| Natalia Markelova - BMO |
| Naudia (she/her/hers) |
| Nav Badhan |
| Nickey Deros |
| Nicole Gallimore |
| Nikita Patel |
| Nima Samandari (Manulife) |
| Niranjan BMO |
| Pascal Deslauriers - Desjardins |
| Pascal Potvin |
| Pat Dunwoody |
| Patrice Naughton |
| Patrick Owens- Edward Jones (Patrick Owens) |
| Pavithra Arcot |
| Phil Zywot CASLA/BNY Mellon |
| Pim |
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| Praveen Pillari |
| Ray Sheridan |
| Reinhard Keil |
| Rene Wade - Mackenzie Investments |
| Ricardo DaCosta - IRESS (Ricardo Dacosta) |
| Rick Frise |
| Ritesh Shah BMO Wealth (Ritesh Shah) |
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| Robert Argue |
| Rob Candido - TD |
| Roy Manio - Broadridge |
| ruell gomez |
| Sachin Mohindra |
| Safiya Bannister(she/her)- HOOPP |
| Sally Kwon TD |
| Sanil George (Soc Gen) |
| Sarah MacDonald |
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| Scott Abbott |
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| Sheera Badial - Canaccord |
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