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

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**T+1 Operations Working Group**

**Agenda**

**May11, 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 April 13, 2023**
2. **T+1 Steering Committee Update**
3. **Issues for discussion**
   1. **Overnight confirmation vs settlement – Approval Required**
   2. **ITP trade input cut off - 7:30 PM vs 8:00 PM – Approval Required**
   3. **CDS Test Plan – discussion/finalisation**
   4. **What are members doing with their OMS vendors – discussion**
   5. **IIAC - Trade Matching Statement – discussion**
   6. **‘New’ – ETF Task Force – Jamie Anderson**
   7. **Trade Confirmation/Affirmation/Matching Process**
      1. **Buyside Task Force - Update**
4. **Other Business**
5. **Next Meeting June 8, 2023 at 11:00 AM ET**

**T1-OWG -** **Minutes of April 13, 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 March 9, 2023**

Sheera Badial reported that the Minutes from the last T+1 Operations Working Group meeting, held on March 9, 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;

* 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 as a result of the PTM Oversight Committee meetings held earlier in the month, CDS issued a Bulletin to its Participants on March 31st, saying that they were suspending formal PTM Unscripted testing after the end of Cycle 2 at the end of May.
* This will allow the full focus on T+1 will start on June 1st.
* He also reported that the transition to T+1 will be on the current CDSX system.
* PTM will re-start after the implementation of T+1 in May 2024.
* CDS will be supporting Cycle 3 of Unscripted testing, until the end of July, for those firms that have separate resources dedicated to the PTM project.
* The CDS Bulletin was included in the meeting package.

1. **Issues for discussion**
2. T+1 Transition Date for Canada – Sheera reported that the OWG recommendation to the Steering Committee, for a T+1 transition date of May 27, 2024 for Canada was approved as presented.
3. National Instrument 24-101 Comment Letter update – Sheera reported that the OWG recommendation to the Steering Committee, for the submission of the CCMA Comment Letter for NI 24-101 was approved as presented. She also reported that the Comment Letter was submitted on the due date of March 17, 2023.
4. Securities Lending – Sheera asked Phil Zywot of BNY/Mellon to provide an update on activities associated with Sec Lending. Phil updated the group with the following information;
   1. Phil reported that CASLA has now made T+1 a priority issue.
   2. CASLA has formed a working group to deal with the issues. The main issues this working group is dealing with are;

* Getting information from beneficial owners to custodial banks in a timely manner, so that agent lenders can issue ‘recalls’ on T.
* Secondly, this will allow for the necessary amount of time to search for replacement securities for the loan which has been recalled.
* This work has, to date, focused on the following items;
  + - 1. Engaging third party providers to look for solutions to automate and streamline the recall process.
      2. Engaged the TMX group to help in the reduction of fails by pairing up those with inventory with those that need securities.
      3. Tracking recalled securities to monitor the progress
      4. Engaging with Sifma in the US to look for the benefits of how they are attacking the issues.

To a question asked, Phil reported that an automated solution is not likely to materially change current systems, but instead will automate and standardize the recall process within the existing infrastructure of the lending community.

1. Overnight Trade Confirmation – Sheera asked Fran Daly of CCMA to speak to the next two subjects.
   1. 7:30 vs 8:00 PM – Fran said that the OWG and the Steering Committee had previously approved the cut off for the submission of allocated ITP trades to be 8:00 PM ET on Trade Date. However, the 30 minute extension would require system changes to both CDS and vendor systems. Keith reported that both Broadridge and Kyndryl were prepared to make the changes if the industry deemed it necessary, however wants to make sure that there is a material benefit from the change. There was a good discussion on the subject. Sheera reported that the recommendation to the Steering Committee should be that we will change the previously approved 8:00 PM ET cutoff for ITP trades to be reported to CDS back to 7:30 PM ET to avoid the need for vendors and CDS to make system changes for very little gain. However, if the CSA were to approve 9:00 PM ET for trades to be confirmed instead of the industry requested 3:59 AM ET on T+1, then this will need to be revisited again.

**Keith suggested that this will be the industry position going forward, but that we will make the formal recommendation back to this committee next month. After next month’s meeting we will ask the members of the OWG to agree to this recommendation and asked that it be presented to the Steering Committee for approval at next month’s meeting.**

* 1. Overnight confirmation vs settlement – Sheera asked Fran to continue on with the next item. Fran reported that ITP trades submitted or confirmed within CDS after ‘Date Rollover’ at roughly 10:30 PM ET on Trade Date, will automatically attempt to be settled on a trade for trade basis, and not held to be part of the netted settlement (Batch Net Settlement or BNS) that runs at 4:00 AM ET on T+1. The recommendation is to ask CDS to make a system change to remove the ‘settlement trigger’ on all Client (i.e ITP) trades confirmed after the ‘Date Rollover’. By doing this, these trades will be included as part of the BNS.

**Keith suggested that this will be the industry position going forward, but that we will make the formal recommendation back to this committee next month. After next month’s meeting we will ask the members of the OWG to agree to this recommendation and asked that it be presented to the Steering Committee for approval at next month’s meeting**.

1. CDS Test Plan – Sheera asked CDS to provide an update on the Test Plan, which was included with the meeting material. George Chung of CDS said that the current plan is an overall approach to testing, and that the detailed scripts will be provided later. The purpose of this test plan will be to complete a couple of months of set up and connectivity of testing. That would be followed by four cycles of two-week tests. There was also a section of DTCC testing. CDS will be setting up a communication portal to share information with their participants. Sheera asked if the testing, currently scheduled for January 2024 leaves very little time to complete testing far enough in advance of the implementation date in May 2024. CDS said that January was selected to provide the industry to complete their development and UAT before starting industry testing. Sheera asked members to take this information back to their organizations and be prepared to discuss in more detail at the next meeting.

Sheera then asked if there is any need to do specific testing around the implementation weekend, where Canada and the US have separate implementation dates. CDS said that they are prepared to add some tests around this scenario, but it is probably more like a holiday processing test.

1. ValuExch Survey results – Sheera asked Barb Amsden of CCMA to provide an update. Barb reported that the link to the ValuExch survey webinar was available on the CCMA website under ‘Events’ and that short clips were also being posted to LinkedIn. She mentioned that the CCMA would be undertaking another survey this year on preparations, which would likely take place in September.
2. Buyside Taskforce update – Sheera asked Fran Daly of CCMA to provide an update on the activities of the Taskforce. Fran reported that;
   1. There was one additional fact-finding session held since the last update and the results are consistent with the previous sessions
   2. Sessions with small to mid-size clients are still outstanding but are being followed-up by the Custodians to expedite this item.
   3. The April 4th meeting of the Task Force was cancelled and the group will next meet on April 18th
   4. The statistics received from CDS are currently being analysed and will be presented for review at the upcoming April 18th meeting
3. **Other Business**

In answer to a question, Barb said that there had been some questions about the Asset List and that if anyone wanted to be part of a review of the US Asset List, they could contact Barb at bamsden@ccma-acmc.ca.

1. **Next Meeting**

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

**ATTENDEES**

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| --- |
| A B |
| AC Hurillon-Laurentian Bk Securities |
| Adnan Quader TD Securities |
| Aida Hasalla |
| Ali Jaffer |
| Allan Bisessar - HOOPP |
| Allyn Howe; Paramax |
| Alpa.Kalra@wellsfargo.com |
| Amit Gandhi |
| Amit Joshi |
| Amy Orban | STL (Central Time) |
| andrew wilson |
| Anna Campagnaro |
| Anna Tyniec |
| Annetta Ho |
| Antonio’s iPad |
| Assane Ndoye |
| Barb Amsden @CCMA |
| Bernd Schwericke |
| Brandi Branson |
| Brent Blake |
| Brian Choy |
| BTrudell - Broadridge-RPM |
| Butters# Doug |
| Calonda Brown |
| Carlos Recio |
| Carole F |
| Carolyn Sebek |
| Chelsey Morphy - Scotia |
| Chioma |
| Chong# Kelly |
| Chris Durham (Credit Suisse) |
| Cindy Boedefeld--OPS PMO--STL |
| Connie Tam (Credit Suisse) |
| Crowder# Sjane |
| Cynthia Parrillo |
| Dan Brennan — FCC (Dan Brennan) |
| Daniel Bailey |
| Daniella’s iPhone |
| Darren |
| Darshin Patel - BMO |
| Dave O'Marra-Torstone (Dave O'Marra) |
| David J. Tomlinson |
| Denny Mendonca |
| Dianne Duffy |
| Didier Sage - Desjardins (Didier Sage) |
| Dina Bartle |
| Dinesh |
| Dom Sgambelluri |
| dtf9284 |
| Edson Da Silva |
| Edwin |
| Elaine Partridge |
| Elise Lu |
| Elyssa Sahr |
| Ester Park (Credit Suisse) |
| Eve Pang |
| Farhan - Questrade |
| Feifan Zhou BMO |
| FERNAA7 |
| Fran Daly-CCMA (Francis Daly) |
| Frank Baron - CIBC Mellon |
| Frank Battaglini |
| Frank.Lavecchia@wellsfargo.com |
| Franklin Lacroce OSC |
| George Chung |
| Gilbert Akuja |
| Ginelle Ciuffreda |
| grakovic |
| Greg Harris |
| Greg Moroz |
| Ha Luong - ATBIM |
| Halyna |
| Hardik Shah |
| Harry Li - Broadridge |
| Helen L |
| Howard |
| Ian |
| Ian Jamieson - TD |
| Ian Upjohn |
| Iris Trotman |
| Ivy Sananikone - LBC |
| Jahangir Ahmad- AGF |
| Jamie Anderson |
| Jane Chan |
| jdufrene |
| Jeff Carr |
| Joanna Whittaker |
| joer- RF Clearing |
| Jonathan Grenier (SocGen) |
| JonesCathy @ CIBC |
| Jordana Pham |
| Jude Dant |
| Judith Marcelo |
| Kaitlyn O'Donnell |
| Katarina Savic |
| Kate Nowack |
| Katie Pennington |
| Katie Rigby |
| Keith Evans - CCMA |
| Kevin Shannon |
| Kim Dandurand |
| Kim Killian (She/Her) | STL (CST) | CA Ops |
| Kimberly Creech |
| Laura Leitch |
| Lavanya CIBC |
| Laxman |
| Liz Samson (she/her) |
| Loredana Salceda |
| Lotharius# Ana |
| Lou Lesnika - CIBC Mellon |
| Luedemann# Peter |
| Lyndon James |
| Mark Borthwick |
| Marnie Perepeluk |
| Mary Anne Palangio# CSE |
| Mathew Isaac |
| Matt Hucko |
| Mazen Ghanem |
| McCormick# Kevin |
| Mee Chee Beutel - Broadridge |
| Michael Lowes - TD Securities |
| Michael Schleich |
| Michael T |
| Michelina Crecco |
| Mieka Halliday-Gunn |
| Mike Cagayat |
| Mike Palmiotto |
| MS |
| Narry Teemal |
| Natalia Markelova |
| Natalie Roberge NBC |
| Neil Chakraborty KPMG |
| Nicole Coffey |
| Nicole Gallimore |
| Nicole Harling |
| Nikita Patel |
| Nima Samandari (Manulife) |
| Niranjan BMO |
| Nisha |
| Nishant |
| Olivier Demet (Credit Suisse) |
| Pascal Deslauriers - Desjardins |
| Patrice Naughton |
| Patricia Clarke |
| Patricia Neath |
| Patrick Owens |
| Pavan Mandaknallikar |
| Peter Altimas from BMO |
| Phil Zywot# CASLA/BNY Mellon |
| Philippe Beato - NBC |
| Pierre Mital - Casgrain |
| Pim |
| Praveen Pillari |
| Rags |
| Ray Sheridan |
| Ricardo Dacosta - IRESS (Ricardo Dacosta) |
| Richard King |
| Rick Frise |
| Roger Yin |
| Ross Smales |
| Roy Gamboa - TD |
| Roy Manio |
| Sachin Mohindra |
| Safiya Bannister(she/her)- HOOPP |
| Sam |
| Sanil George (Soc Gen) |
| Sarah Bauer |
| Sarah MacDonald |
| Sarah Speno |
| Sateesh Doniparthi |
| Sebastien |
| SHAHZA8 |
| Sharon Lund |
| Sheera Badial - Canaccord |
| SteblaiD |
| Stephen Gaon |
| Steve Liao |
| Steve Lim |
| Steve Menchions |
| Sumaiya Huq |
| Susan Byers |
| Timothy Gill |
| Tom Beaton CIBC Mellon |
| Toni McMillion |
| Tony Kalvik |
| Travas |
| UB652RY |
| Vasu Ganesan |
| Veronica Lee |
| Vijay |
| vincent bachelot |
| Vincenza Riga - Broadridge |
| Walter Raposo - Matchnow |
| Waqas Ahmed |
| Wayne C. Cowell (Credit Suisse) |
| Weijia Luan |
| Welch# Michael |
| Winston Poh |
| wyoung |
| ZHIJAZI |