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

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**T+1 Operations Working Group**

**Agenda**

**November 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 October 12, 2023**
2. **T+1 Steering Committee Update**
   1. **General Update – Keith Evans**
   2. **CDS Risk Model**
      1. **Update on CNS Risk Model – Marco Carcasole from CDS**
      2. **Update on Cross-Border Services – Newton Hong from CDS**
3. **Issues for discussion**
   1. **ETF Task Force update – Jamie Anderson**
   2. **Review of Issue Log - Sheera/Domenic**
      1. OWG-001 CDS Test Plan – for closure
      2. OWG-005 NI-24-101 – for closure pending CSA Final Rule issuance
      3. OWG-009 Securities Lending – for closure
      4. OWG-031 Trade Entry/Confirm/Alloc/ Process – for closure

1. **Other Business**
2. **Next Meeting December 14, 2023 at 11:00 AM ET**

**T1-OWG -** **Minutes of October 12, 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 September 14, 2023**

Sheera Badial reported that the Minutes from the last T+1 Operations Working Group meeting, held on September 14, 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 activities of T+1.

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.
  + ETF Taskforce
  + Updated Asset List
  + CDS Test Plan
* ESMA has issued a document that is requesting input on the possible move to T+1/T+0. Public comments are due by the middle of December 2023. The final report is due late in 2024.
* IIAC has announced a meeting which will focus on the move to T+1 and T+0 by India. The meeting is scheduled for October 19th. IIAC members should reach out to IIAC for more information.

1. **Issues for discussion**

A – ETF Taskforce - Update – Sheera asked Jamie Anderson of CCMA to provide an update to the group. Jamie said that the ETFTF continues to meet monthly and he summarized their activities as follows:

* The current focus of the taskforce is to work on the ability to provide collateral as part of the ETF primary market process.
* In the short term the taskforce will work with the CSA to obtain a blanket order for exemption relief from NI 81-102 to clarify the ability to provide and accept collateral.
* The application is expected to be reviewed later this month before being submitted to the CSA for consideration.
* Also, using the language within NI 81-102 for securities lending as the basis for ETF Creation/Redemption processes exemptive relief will be familiar to the regulators; what type of collateral, and under what conditions collateral may be used, are expected to be part of the framework for the relief application.
* There has been communication and meetings with the regulators to raise awareness of the issue
* Targeting a joint CCMA/CETFA submission to the CSA.
* Objective is to obtain relief well in advance of the May 27, 2024 T+1 transition date

B – Issue Log update – Sheera introduced the following Issue Logs for discussion;

* + CDS Test Plan.
    - Johann Lochner and George Chung from CDS walked through the CDS Test Plan which was posted to the CDS Portal in late September, and distributed as part of the OWG meeting material.
    - The industry testing will start in early January and run through to the end of April. There will be four cycles run during this time and each cycle will be ‘a day in the life’ approach. All four cycles will be identical.
    - There will be functionality, including trade entry from exchanges, holiday processing, USD and CAD Payment Exchanges, double settlement days, etc.
    - To a question asked, CDS will be replicating the intraday exchange trade input during the industry test cycles.
  + CDCC update
    - Jesus Sanchez form CDCC updated the working group on some minor changes to their development work, not previously reported. The updated document was included with the distribution of the meeting material.
    - All changes will be ready for industry testing.
    - CDCC testing will take place in Cycles 3 and 4 of the CDS Test Plan.
  + Conversion Issues
    - Sheera reported that potential conversion issues need to be identified, discussed, and considered that may impact the transitional period.
    - There were no other issues for discussion brought forward during the meeting.
    - Sheera asked members to email herself, Domenic or Keith if they can think of anything that should be discussed.

C – Issues raised by JP Morgan – Sheera introduced the subject of issues raised by JP Morgan at the last OWG meeting. Sheera reminded members that they were to review these issues internally to determine if they warrant further discussion.

**Topic #1** Auto-confirming DP non-exchange trades at 2:30 PM (Lock In confirmation) on T

* It was agreed that since the industry decided in 2020 that the Lock In and M2 processes were not be continued once PTM is implemented, it made no sense to incorporate it into T+1 only to have it removed when PTM is implemented.
* If there is a need to reconsider this decision, members should direct that need to the PTM project team.

**Topic #2** Trade matching metrics and details - National Instrument 24-101 Institutional Trade Matching and Settlement

* Given that CDS will not have the time to make any changes prior to the implementation of T+1, members who wish to pursue this should be taking the issue to the SDRC of CDS for consideration.
* CDS agreed to consider adding a ‘slice’ at 3:59 AM to help with tracking progress as we get closer to the transition to T+1.

**Topic #3** Broker to Broker non-exchange trades Trade matching quarterly compliant trade percentage

* Jamie Anderson indicated that the 6 PM deadline has been in place since 2013 (prior to 2013, the matching deadline was within one hour of trade execution).
* CIRO had presented the proposed T+1 rule changes, and the LRWG and the T1SC agreed that no change were required. In addition, the Rule changes had gone unchallenged during the public comment period and are now awaiting final approval.
* The 6pm deadline was raised at the most recent LRWG meeting – there was no indication of support to amend the deadline.
* If changes are determined, CIRO would need to review and undertake further analysis and submit for public comment. Members should speak with CIRO if they want the 6pm deadline changed.

1. **Other Business**

* Barb Amsden of CCMA reviewed the latest changes to the T+1 Asset List. Members agreed to the changes, and recommended these revisions be presented to the CCMA T+1 Steering Committee for approval and then be posted to the CCMA website.
* There was a question sent in prior to the meeting about the determination of the settlement date for securities. Keith advised that if the security is traded in Canada, it is subject to the Canadian settlement rules.
* Andrew Parker of Torstone gave a presentation on their system capabilities and support for T+1.
* The presentation will be distributed with the Minutes of the meeting.

1. **Next Meeting**

The next meeting of the CCMA - T+1 Operations Working Group will be scheduled for November 9, 2023, at 11:00 AM Eastern.

**ATTENDEES**

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| --- |
| Abhishek Dawra (BNY Mellon) (Abhishek Dawra) |
| Adetoun Dinah |
| Aleksandar Mandic |
| Allan Bisessar - HOOPP |
| Alvin Lam - Scotiabank |
| Amit Gandhi |
| Amit Joshi |
| Amit Mahajan |
| Andrea Brake |
| Andrew Genovese |
| Andrew Malenowski |
| Andrew Parker |
| AndrewLedbury - kyndryl |
| Angie |
| Anil |
| Anna Meshcherova |
| Anna Tyniec |
| Annmarie Thompson |
| Arjun |
| Arman Sabanal FCC |
| Ashish |
| Ashtab Ruffudeen - HOOPP |
| Assane Ndoye - Desjardins |
| BA |
| Barb Amsden |
| Brandi Branson-EDJC |
| Brent Blake |
| Brian Choy |
| Butters, Doug |
| Calonda Brown |
| Carol Revoredo |
| Carolyn Sebek |
| Catherine Pal |
| CC |
| Chinmay(TD) |
| Chioma - BOC |
| Chong, Kelly |
| Christine Desjardins |
| Dan Brennan – FCC (Dan Brennan) |
| Daniel Bailey |
| Daniel Farley |
| Daniel Shu |
| Danny Leca CIBC |
| Darren Maguire |
| Dave O'Marra |
| David |
| David Connolly |
| David Petiteville @rbc |
| Deepak D. |
| Denis Drogan - IC |
| Dianne Duffy |
| Dipietro, Bruna |
| Dom Sgambelluri |
| Drew |
| dtf9284 |
| Dwayne |
| Edson Silva (Scotiabank) |
| Edward Ferry |
| Elaine Partridge |
| Elise Lu |
| Eric Man-chi-ming |
| erosoninha |
| Eugene Ing |
| Farhan - Questrade |
| Femisha - Questrade |
| Frank Baron - CIBC Mellon |
| Frank Battaglini |
| Franklin Lacroce OSC |
| Gail Henson |
| Geoff Baxter - TD |
| George Chung - CDS |
| Giancarlo |
| Ginelle Ciuffreda |
| grakovic |
| Greg Harris |
| Ha Luong |
| Habby Bauer - Capco (Habby Bauer) |
| Harman |
| Harry |
| Harry Li - Broadridge |
| Hector Toriz AMF |
| Henry - Broadridge |
| Himanshi Bansal |
| Ian Jamieson - TD |
| Ian Upjohn |
| Ivy Sananikone |
| Jaime Marasigan |
| Jakupovic, Milena |
| James Fernihough TDS |
| Jamie Anderson - CCMA |
| Jason Chung |
| Jason Dear-Scotiabank |
| Jason Golding |
| Jesus Sanchez |
| Joanna |
| Joe Mazzonna |
| Johann Lochner - CDS |
| JonesCathy @ CIBC |
| Judith Marcelo |
| Justin Finkelstein |
| Kaitlyn O'Donnell |
| Kapil Sharma - CIBC |
| Keith Evans - CCMA |
| Kevin |
| Kirsty McAllister |
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| Laura Leitch |
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| Leonard |
| Louis lesnika - CIBC Mellon |
| lyndon james - Citi |
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| Pascal Deslauriers - Desjardins |
| Pat Dunwoody |
| Patrick Owens |
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| Paul Jordan |
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| Ruell Gomez |
| Rui Ferreira - Torstone Technology |
| RuthO |
| Sachin Mohindra |
| Safiya Bannister(she/her)- HOOPP |
| Sai Rajesh Indugu |
| Sam |
| Sam Farrell |
| Sateesh Doniparthi |
| Satish Krovvidi - TDSI |
| Scott Abbott |
| Sharon Lund |
| Shaun Noorzay |
| Shaurattie |
| Sheera Badial - Canaccord |
| Simona Vaserman |
| Siv Angalakuduru(Scotiabank) |
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| Tara (ATB) |
| Tatjana |
| Theresa Trapp |
| Toni McMillion |
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| Wayne C. Cowell (Credit Suisse) |
| Welch, Michael |
| Winston Poh |
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| Zack Hijazi - Toronto - New |