CCMA T+1 Technical Readiness Update

This is the third bimonthly CCMA bulletin with progress on preparations by the organizations connecting and providing services to firms in all parts of Canada's capital markets. Have ideas or want to provide an update? Please email us at info@ccma-acmc.ca.

The latest from Fundserv

While Fundserv requires no development because it already supports T+1 processing:

- Manufacturers moving funds to T+1 will need to send Fundserv an updated FD file for each fund prior to the cut-off on Friday, May 24, 2024. While Fundserv will make a further T+1-supportive change to update in-cash transfer (ICT) transactions in v34 — two weeks following the industry transition to T+1 — this will have no effect on Fundserv members' ability to achieve the May 27, 2024 transition date (there are only roughly 300 ICT items a year).
- Fundserv will coordinate two test cycles in early 2024 to allow members (dealers and manufacturers) to complete end-to-end T+1 testing:
  - **First testing cycle:**   January 18, 2024 to January 26, 2024
  - **Second testing cycle:** February 8, 2024 to February 16, 2024
- A survey has been published on Fundserv's site asking for input on who will be participating in the testing cycles to help member firms identify testing partners. Fundserv members are asked to complete the survey if planning to participate.

Fundserv members can also check out the Fundserv T+1 reference page at: https://estandards.fundserv.com/secure/english/test_t1_transition.shtml.

RBC Investor Services reports all on track

RBC Investor Services (RBCIS) – providing custody, fund administration, cash management, foreign exchange, middle-office, and securities lending services – furnished the following technical readiness report:

- RBCIS is in the final stage of deploying mandatory technical and system adjustments.
- Its reporting and operating model assessments are now finalized.
- It is continuing to engage with clients one-on-one and in information sessions to address questions and discuss automation solutions.
- All changes to meet T+1 requirements are on track for completion and readiness for testing in January 2024.

National Bank Investments the first to announce...

National Bank Investments confirmed 100% of their mutual funds — no exceptions — will be settling on T+1 starting May 27, 2024.

SS&C is ready; your firm can be too

SS&C Technologies Canada Corp.'s SSCNet consolidates multi-product communications with multiple counterparties through a single channel via a real-time event-driven system. It's already more than T+1-ready for the May 27, 2024 start of T+1 trading, and SS&C crew members have turned to helping firms that are not yet prepared for the transition. SS&C is currently focused on its T+1 client outreach initiative with two goals:

- To identify problem points and help clients address them; and
- To ensure best practices are known and followed.

SSCNet's open architecture facilitates integration with trade order management, portfolio accounting, and settlements systems connecting investment managers, custodians, and broker-dealers, and also provides for access to information by third parties that clients choose. Enabling third-party access could help in the high-risk crunch time leading up to and just after T+1 implementation, when it's 'all hands on deck' time and extra resources may be needed to resolve breaks. Read more about SSCNet.

Underway – vendor-agnostic securities loan recall portal

TMX reports progress on its securities lending portal that will connect agent lenders and borrowers that are CDS participants directly or through vendors to communicate, receive, and upload recall notifications streamlining the process from the beneficial owner advising an agent lender of a recall need, to the agent lender to the borrower to process the recall. Since our last update, TMX reports that it expects to:

- Complete a portal prototype by the end of October 2023.
- Develop prototype and initiate vendor testing and alignment through November 2023.
- Vendor testing between November 2023 and March 2024.
- Make the portal available for end-to-end industry-wide T+1 testing in late winter/early spring 2024.

Industry representatives have said that proposed pricing for the new portal appears to be fairly affordable across the board at this stage for firms that sign up to indicate their intention to take advantage of the new service. This advantageous pricing may not last…