**T+1 Steering Committee (T1SC)**

**Meeting Information**

**Join Zoom Meeting**

https://us02web.zoom.us/j/83259537780?pwd=a2prVnlNZkEwL3EzbFpTTER1ZWFSUT09

Meeting ID: 832 5953 7780

Passcode: 650007

**Dial by your location**

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+1 646 558 8656 US (New York)

Meeting ID: 832 5953 7780

Passcode: 650007

**February 22, 2022 at 11:00 AM ET**

**T+1 Steering Committee (T1SC)**

**Agenda**

**Co-Chaired by:**

Jason O’Born – RBC

Keith Evans – CCMA

1. Approval of Minutes from the meeting held on January 25, 2022
2. SEC T+1 Notice - <https://www.sec.gov/rules/proposed/2022/34-94196.pdf>
   1. Update from Jamie Anderson
   2. Should Canada provide a Comment Letter?
3. Asset List (separately attached)
4. Project Timelines (see below)
5. Updated T+1 Steering Committee Membership (see below)
6. Working Group Reports
   1. Operations – Sheera Badial and Domenic Sgambelluri
      1. OWG-007 – Corporate Actions
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG-005 – NI 81-104 – Alternative Investment Funds
   3. Mutual Funds – Russ White
      1. TBD
   4. Education/Communications – Barb Amsden
      1. TBD
7. Issue Logs – Updates (if any)
8. Other Business
9. Next Meeting March 21, 2022 at 10:00 AM ET

**T1SC - Minutes of January 25, 2022**

Keith Evans of CCMA welcomed attendees to the T+1 Steering Committee meeting. He asked all members to send an email to him indicating their attendance at the meeting.

1. **Approval of the Minutes from the meeting held on December 16, 2021**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on December 16, 2021, 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. **Discussion with the OSC**

Keith introduced Jarrod Smith and Constance Wamala from the OSC. Jarrod said that the OSC, as part of their review for the potential changes to NI 24-101, needs to prepare a cost benefit analysis, under the Ontario Securities Act. The hope is that by the early summer of 2022, they can determine the expected costs associated with the changes as a result of NI 24-101, and they wish to utilize the input from members of the Steering Committee to determine reasonableness of their numbers. They plan on presenting their findings at a future meeting of the Steering Committee.

1. **T+1 Steering Committee Membership**

Keith referenced the pre-mailed meeting package and the draft list of members for the Steering Committee, where the membership is an ‘official’ list of members that could be called upon if a formal vote is required. Keith said that the CCMA Board had not yet approved the membership list. As such, the membership list, once approved, will be tabled at a subsequent Steering Committee meeting. He did say that the current version of the proposed membership lists includes two new members, as directed by the Steering Committee at the previous meeting. At the request of the members, Sam Farrell from Credit Suisse was added to ensure that Torstone (vendor) was represented on the Steering Committee. Likewise, it was recommended that a small, independent and self-clearing broker dealer be included to ensure the full range of members are represented on the Steering Committee. Andre Zanga, from Casgrain has agreed to be a member of the Steering Committee to fill this request.

1. **Working Group Reports**

Keith Evans asked the chairs of each of the working groups to provide an update on their respective working groups’ activities.

* 1. **Operations**: Sheera Badial provided the update to the Steering Committee. She reported that at the last meeting, the working group focused on Issue Log OWG-008. This issue deals with the lifecycle of a trade i.e. from reporting to reconciliation to correction to allocation to confirmation, where all of these functions are affected by the shortening of the settlement period from T+2 to T+1. The OWG members discussed two options:
     1. Keeping the current T+2 schedule and enhancing current processes, which would move Canada into unknown territory: the settlement of trades could take place before the trade correction process was complete, unless the corrections could be made outside the batch process, or
     2. Changing the deadlines/scheduler to require significantly more trades to be reported/corrected/ allocated before overnight batch settlement begins. However, this option would lead to a material amount of work, and undoubtedly would lead to larger upfront operational costs for some firms.

The working group concluded that while improving today’s trade/allocate/affirm rates makes sense under either choice:

* The first option - while the familiar process of using the current infrastructure and tightened processes may seem easier, safer, and cheaper, it is unlikely to provide sufficient comfort that Canada will be able to transition to T+1 at the same time as the U.S. in the first half of 2024 without an unpalatable increase in fails. This would be unacceptable from audit, risk, cost, and reputational perspectives.
* The second option including the moving deadlines for allocations, confirmations, any known corrections, and the start of the night-cycle batch process, to allow most trade reconciliations before the next business day starts on what will now be settlement date, has the greatest chance of long-term success with the fewest long-term downstream impacts. It keeps Canada aligned with the U.S, not only from a settlement point of view, but also from a stock exchange point of view, and so it keeps Canada positioned to move more easily to T+½ or T+0 in the future.

Sheera then asked for comments from the members. There were no questions, however several members supported the recommendation, indicating that this is the only option that makes sense for the Canadian members.

Sheera then asked for approval from the members of the Steering Committee. The request was passed with unanimous agreement.

* 1. **Legal:** Jamie Anderson reported that the LRWG Issue log current has about 70 items on it, with 21 being recommended for closure. Jamie said that the 21 Issues Logs were included in the meeting material, with a summary list of the issue logs, and separate tabs including more detail. Most of these items were identified as part of the previous T+2 project, and were closed during that project. The LRWG determined that these same issues can be closed for the T+1 project.

Jamie then asked for comments from the members. There were no comments or questions.

Jamie then asked for approval from the members of the Steering Committee. The request was passed with unanimous agreement.

* 1. **Mutual Funds**: Russ White said that the Mutual Fund working group would not be holding their first meeting until later this week. He said that he was confident in the ability of the Mutual Funds segment of the business to be ready to transition to T+1, since Fundserv already processes about 9% of the current eligible funds on a T+1 basis. He was also confident that the majority of the Issuers will be moving their issues to T+1 on the eventual transition deadline. However, there is some analysis to conduct with a couple of Issuers that may want to keep their issues at T+2. IFIC indicated that they will be using their Liquidity task Force to assist with the analysis.
  2. **Education**: Barb Amsden updated the group on the activities of the Communications and Education Working Group. She said that they have an excellent mix of marketing/communications/industry experts on the group. Their early focus is on a producing newsletters, updating FAQs, CCMA website, Webinars/Podcasts, and Project timelines.

1. **Issue Logs**

Keith reported there were no other updates with regards to the Issue Logs at this time.

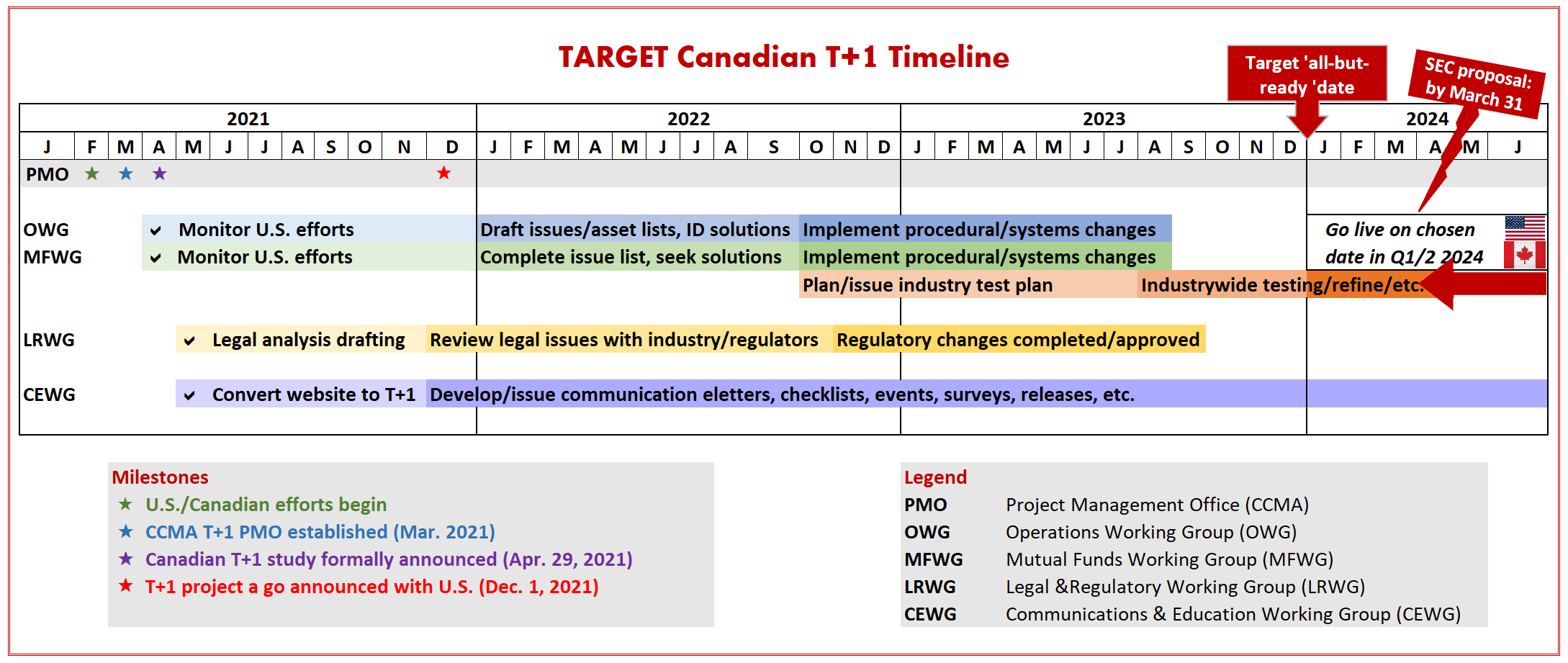
1. **Other Business**

John Abel from DTCC provided a quick update on the progress being made in the U.S. He said that their Steering Committee had not met in a while, but instead some sideline meetings were being held to try and determine solutions for some of the more challenging issues, such as Securities Lending, Corporate Actions and Prime Brokerage.

1. **Next Meeting**

The next meeting of the T+1 Steering Committee will be scheduled for February 22, 2022, at 11:00 AM Eastern.

|  |  |  |
| --- | --- | --- |
| **Attendance** | **Organization** | **Name** |
|  | AMF | Claude Gatien |
| **X** | AMF | Francis Coche |
|  | Bank of Canada | Stefan Caputo |
|  | Bank of Canada | Andre Usche |
| **X** | BlackRock | William Trieu |
| **X** | BMO | Keri Peacock |
|  | Broadridge | Mary Beth Law |
| **X** | Broadridge - US | Doug Gifford |
| **X** | Canaccord | Sheera Badial |
|  | Candeal | Jamie Grant |
|  | Casgrain | Andre Zanga |
| **X** | Casgrain | Pierre Mital |
| **X** | CCMA | Barb Amsden |
| **X** | CCMA | Jamie Anderson |
| **X** | **CCMA** | **Keith Evans - Co-Chair** |
| **X** | CDS | Johann Lochner |
|  | CETFA | Pat Dunwoody |
|  | CFA Canada | Michael Thom |
|  | CIBC | Carol Elmalem |
| **X** | CIBC | Kapil Sharma |
| **X** | CIBC | Danny Leca |
| **X** | CIBC | TJ Panth |
|  | CIBC | Shawn Fernandez |
|  | CIBC - WM | Charlena Gaulin |
|  | CIBC Mellon | Louis Lesnika |
| **X** | CIBC Mellon | Carol Revoredo |
| **X** | CIBC Mellon - CASLA | Zywot, Phil |
| **X** | Citi-Canada | Mei Yang |
|  | Citi - US | David Smith |
| **X** | Citi-US | Lyndon James |
| **X** | Connor Clarke | Mark Austin |
|  | Consultant | Jeff Carr |
|  | Cooperators | Mitra Raghubir |
|  | Co-Operators - Mutual Funds | Mehreen Hussain |
|  | Desjardins | Pascal Deslauriers |
| **X** | DTCC | John Abel |
| **X** | Fidelity | Robert Argue |
|  | Fidelity | Stephanie Leblanc-Mchenry |
| **X** | Fundserv | Russ White |
| **X** | IFIC | Pamela Egger |
|  | IFIC/L&T Infotech | Janaki Nagulan |
| **X** | IIAC | Jack Rando |
| **X** | IIROC | Catherine Drennan |
| **X** | L&T Infotech - Regulatory | Kim Barrett |
| **X** | Laurentian Bank | Hurillon, Anne-Claire |
|  | Laurentian Bank Securities | Jennifer Vachon |
| **X** | Manulife and CLHIA | Bill Devolin |
|  | National Bank | Nelson Dugre-Sasseville |
| **X** | Northern Trust | Domenic Sgambelluri |
|  | OSC | Aaron Ferguson |
| **X** | OSC | Jarrod Smith |
| **X** | OSC | Constance Wamala |
|  | OSC | Annetta Ho |
| **X** | OSC | Frank Lacroce |
| **X** | OSC | Stephanie Wakefield |
|  | Paramax | Allyn Howe |
|  | PMAC | Melissa Ghislanzoni |
| **X** | PWC | Samantha Paisley (CA) |
|  | Questrade | Andrew Kerrison |
|  | Questrade | Lulu Feng |
|  | RBC - IS | Cathryn MacKay |
| **X** | RBC - IS | John Riordon |
|  | RBC - IS | Isgar, Stephen |
| **X** | **RBC -CM** | **Jason O'Born - Co-Chair** |
| **X** | Scotia | Corey Cunningham |
| **X** | Statestreet | Denny Mendonca |
| **X** | Statestreet | Ivan Yang |
| **X** | TD | Rob Candido |
|  | TD Securities CASLA | Sumit Sharma |
|  | TMX | Amy Li |
| **X** | Torstone | Dave O’Marra |
|  | Torstone | Geddes, Daniel |
|  | Torstone | Mack Gill |
|  | Vanguard | Darnel Miller |



**T+1 Steering Committee (T1SC)**

**Membership List**

**Buy Side**

Mark Austin Connor, Clark and Lunn Financial Group

Melissa Ghislanzoni PMAC

Pamela Egger IFIC

**Custodian**

Louis Lesnika CIBC Mellon

Domenic Sgambelluri Northern Trust/Co-Chair OWG

John Riordon RBC Investor Services

Denny Mendonca State Street

**Sell Side**

Keri Peacock BMO

Sam Farrell Credit Suisse

Corey Cunningham Scotiabank

Charlena Gaulin CIBC

Stephanie Leblanc-Mchenry Fidelity Clearing

Andre Zanga Casgrain

Nelson Dugre-Sasseville National Bank

Jason O’Born RBC Capital Markets/Co-Chair T1SC

Sheera Badial Canaccord Genuity/Co-Chair OWG

Rob Candido TD Waterhouse

**Other**

\*Special Purpose Vote See note below

Barb Amsden CCMA/Chair CEWG

Jamie Anderson CCMA/Chair LRWG

Russ White Fundserv/Chair MFWG

Keith Evans CCMA/Co-Chair T1SC

\* The Co-Chairs of the T1SC are authorized to fill the ‘Special Purpose Vote’ position, for any or each vote required by the T+1 Steering Committee, with a candidate who: (i) is a subject matter expert on, or (ii) broadly represents the industry segment materially affected by, the particular issue to be voted on.