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

**Meeting Information**

**Time: July 26, 2022 11:00 AM Eastern Time (US and Canada)**

**Join Zoom Meeting**

**https://us02web.zoom.us/j/83350749421?pwd=YlBoSkRiSFg1Y21WQmt1RGVZRWlBUT09**

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**Passcode: 4CZCsF**

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

**July 26, 2022 at 11:00 AM ET**

**Agenda**

**Co-Chaired by:**

Jason O’Born – RBC

Keith Evans – CCMA

1. Approval of Minutes from the meeting held on June 28, 2022
2. General Industry Update
3. TBD
4. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
   3. Mutual Funds - Russ White
      1. MFWG Update
   4. Education/Communications - Barb Amsden
      1. CEWG Update
5. Other Business
6. Next Meeting August 23, 2022 at 11:00 AM ET

**T1SC - Minutes of June 28, 2022**

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

**1 - Approval of the Minutes from the meeting held on May 30, 2022**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on May 30, 2022, 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.

**2 – General industry update**

Keith Evans provided a general update on the status of the T+1 project. He mentioned that the SEC in the U.S had not yet issued their final rule notice relative to the T+1 timelines. Keith said that there is a possibility that the SEC will include a definitive date for the transition to T+0 at the same time. He expects this information to be issued later in the summer or in the fall of this year.

Keith reported that Europe held a conference recently on T+1, where the general consensus was that T+1 was complex, expensive and lacked obvious benefits to Europe. Keith mentioned that there have been other conferences on the subject that at least acknowledged that further review was necessary. He said that even if Europe decided to move to T+1, it would be highly unlikely to occur at the same time as Canada and the U.S.

**3 – OSC cost/benefit review of NI 24-101**

Keith reported that he had received feedback from the OSC on their review of the cost/benefit to potential T+1 changes to NI 24-101.The OSC had sent a communication that indicated they had a chance to review and investigate the feedback received at the April T+1 Steering Committee meeting, and that they are of the view it is no longer necessary to revisit this topic. This was due to being able to incorporate the feedback into a revised analysis. They thanked the CCMA and the industry participants for their input on the subject.

**4 – Working Group Reports**

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

**A - Operations**: Sheera Badial of Canaccord Genuity reported that the primary focus of the last meeting of the OWG was on two subject;; Buy Ins, and the CDS Job Scheduler realignment process.

Sheera said CDS has recommended that it will align its Buy In processes with the changes being implemented in the U.S.

Sheera summarized the recommendation as follows;

Current CDS Buy-in process:

* Buy-in intent can be submitted on T+2 :
* 1) From prior to 4:00 PM EST 4:45 PM EST. The intent will be executed Notification Date plus 2 (N+2)
* 2) Between 4:45 PM EST and 7:30 PM EST. The intent will be executed Notification Date plus 3 (N+3)

Future Buy-in process in a T+1 environment:

* Buy-in intent can be submitted on T+1:
* 1) From prior to 4:00 PM EST 4:45 PM EST. The intent will be executed Notification Date plus 1 (N+1)
* 2) Between 4:45 PM EST and 7:30 PM EST. The intent will be executed Notification Date plus 2 (N+2)

After a brief discussion, members of the T+1 Steering Committee unanimously approved the proposed changes to the Buy in process.

Sheera then introduced the subject of the CDS Job Scheduler. She asked Fran Daly of CCMA to summarize the recommendations.

In addition to the support from CDS, Fran thanked marketplaces, vendors, and participants for their assistance and input to the recommended changes to the CDS Job Scheduler as follows:

Exchange Trade Processing and Reconciliation:

*Recommendations*

* Reporting of Exchange Trades to CDS be changed to require Marketplaces to deliver intra-day batch files on an hourly basis commencing at 10:00 on trade date to reduce the 5.5-hours post market close file processing time that CDS currently requires.
* CDS commence the generation and delivery of the Exchange Trade messages/files to Service Bureaus/Vendors/Participants to correspond to the hourly schedule of intra-day batch files.
* Service Bureaus/Vendors/Participants to deliver Exchange Trade Reconciliation files to CDS by 19:30 to allow for the generation of the Exchange Trade Reconciliation report prior to Date Rollover.

*Implications for Stakeholders*

* Implementing this recommendation will require significant process and timeline changes at Marketplaces, CDS, Service Bureaus, Vendors, and Participants. It will also affect downstream delivery of service to their respective clients. All parties are encouraged to investigate and implement the use of automation (either in-house or outsourced) to address and reduce the impact of these changes.

Non Exchange Trade Processing and Reconciliation:

*Recommendation*

* National Instrument 24-101, *Institutional Trade Matching and Settlement*, currently requires that 90% of trades by value and volume are to be reported and confirmed by noon on T+1. In order to achieve the benefits of an accelerated settlement cycle, the timelines in NI 24-101 need to be adjusted for a T+1 settlement environment. The optimum time would appear to be achieving 90% of matching by 03:59 on T+1 before the commencement of the CNS/BNS process (or its successor process), which is currently at 04:00 on T+1.
* Custodians have the processes and technology in place to confirm trades on receipt of instructions from clients. The issue that needs to be addressed is the timely delivery of settlement instructions to custodians.

*Implications for Stakeholders*

* This recommendation will require significant process changes between brokers, custodians and their clients, and all parties are encouraged to investigate and implement the use of automation (either in-house or outsourced) to address the current shortfalls.

International Trade Processing and Reconciliation & Cross Border Services

*International Trade Processing and Reconciliation*

Roadblocks/Recommendation/Implications

* At the present time, there are no proposed changes to DTCC’s schedule for the delivery of the UTC files to CDS as part of the US T+1 Initiative so it is expected that the current CDS schedule for this service will remain unchanged.

*Cross Border Services*

Roadblocks/Recommendation/Implications

* There are no recommended changes proposed for transactions using the Cross Border Services as the current settlement date is already T+0 and there are no batch processes required to permit the transactions to settle.

There were several questions asked about the proposed changes.

One question related to ITP trades that might be ‘confirmed’ for settlement between midnight and 4 AM on T+1, and that they could be triggered for settlement prior to the batch netting process that starts at 4 AM. Fran and Keith indicated that this is something that will require further investigation to determine if this in fact an issue that needs to be further evaluated for possible changes to either CDS processes or within vendor systems.

A question was asked about the possible changes to NI 24-101 and how that would be handled. Keith said that once the OWG recommend the appropriate changes to the NI and the Steering Committee approves the recommendation, then the LRWG will work with the CSA to implement the recommendation.

A question was asked about rule changes within IIROC. Keith and Jamie advised that work will be commenced with IIROC shortly..

After a brief discussion, members of the T+1 Steering Committee unanimously approved the proposed changes to the CDS Job Scheduler.

Sheera and Keith thanked Fran Daly for his work and leadership in completing this important task.

**B - Legal:** Jamie Anderson reported that the LRWG held a meeting during the month of June. He reported that the working group is in a holding pattern at the moment, as much of their work will require input from other working groups (such as OWG for NI 24-01, etc.) for guidance.

**C - Mutual Funds:** Russ White said that the Mutual Fund working group had recently met and continues with their review of activities related to T+1. He specifically mentioned that they had closed 4 logs, and reviewed another 12. The major item being worked on at the moment by the ‘Liquidity’ working group of IFIC to determine how Mutual Funds will deal with the market moving to T+1. This work is expected to be completed later this year. Keith mentioned that IFIC is working with the CSA on possible changes to NI 81-102. If the CSA indicates a move to T+1 for Funds under this NI, there will no choice but to move to T+1.

**D - Education:** Barb Amsden updated the group on the activities of the Communications and Education Working Group. She reported that the current undertaking is to complete the work on the short survey and review of the proposed Asset List changes, both are due to be completed this week. She also reported that the next Newsletter will be issued at the end of July.

**4 – Other Business:** Keith reported that Lynn Higgins, formerly of Canaccord Genuity had recently passed away. He said that Lynn had been a very active member of activities of both CCMA as well as CDS. She will be missed.

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee will be scheduled for Tuesday July 26, 2022, at 11:00 AM Eastern.

|  |  |  |  |
| --- | --- | --- | --- |
| **Attendance** | **Organization** | **Name** |  |
|  | AMF | Francis Coche | Observer |
| **X** | Bank of Canada | Pooja Kumar | Observer |
| **X** | Bank of Canada | Stefan Caputo | Observer |
|  | Bank of Canada | Andre Usche | Observer |
|  | BlackRock | Meaghan Li |  |
|  | BlackRock | William Trieu |  |
| **X** | BMO | Keri Peacock |  |
| **X** | BNY Mellon - CASLA | Phil Zywot | Observer |
| **X** | Broadridge | Mary Beth Law | Observer |
| **X** | Broadridge | Henry DeLange | Observer |
| **X** | Broadridge - US | Doug Gifford | Observer |
| **X** | Canaccord | Sheera Badial |  |
|  | Candeal | Jamie Grant | Observer |
| **X** | Casgrain | Andre Zanga |  |
|  | Casgrain | Pierre Mital |  |
| **X** | CCMA | Barb Amsden |  |
| **X** | CCMA | Fran Daly |  |
| **X** | CCMA | Jamie Anderson |  |
| **X** | **CCMA** | **Keith Evans - Co-Chair** |  |
| **X** | CDS | Johann Lochner | Observer |
|  | CETFA | Pat Dunwoody | Observer |
|  | CFA Canada | Michael Thom | Observer |
|  | CIBC | Carol Elmalem |  |
| **X** | CIBC | Danny Leca |  |
| **X** | CIBC | Jim Newman |  |
| **X** | CIBC | Vikran Gulati |  |
| **X** | CIBC | Kapil Sharma |  |
| **X** | CIBC | Lavanya Gandhimohan |  |
|  | CIBC | Shawn Fernandez |  |
|  | CIBC | TJ Panth |  |
|  | CIBC - WM | Charlena Gaulin |  |
|  | CIBC Mellon | Louis Lesnika |  |
| **X** | CIBC Mellon | Carol Revoredo |  |
|  | Citi - US | David Smith |  |
|  | Citi - US | Ravi Hugar |  |
| **X** | Citi - Canada | Mei Yang |  |
| **X** | Citi - US | Christian Quinn |  |
| **X** | Citi - US | Lyndon James |  |
|  | Connor Clarke | Mark Austin |  |
|  | Consultant | Jeff Carr | Observer |
|  | Cooperators | Mitra Raghubir |  |
|  | Cooperators | Mehreen Hussain |  |
|  | Credit Suisse | Sam Farrell |  |
| **X** | CSE | Mary Anne Palangio | Observer |
| **X** | Desjardins | Cesar Valderama-Sanchez |  |
|  | Desjardins | Pascal Deslauriers |  |
|  | DTCC | John Abel | Observer |
|  | DTCC | Robert Cavallo | Observer |
|  | Fidelity | Robert Argue |  |
|  | Fidelity | Stephanie Leblanc-Mchenry |  |
| **X** | Fundserv | Russ White |  |
|  | Haywood | Peter Virvillis |  |
| **X** | IFDS | Grant Bellamy | Observer |
| **X** | IFIC | Pamela Egger | Observer |
| **X** | IIAC | Jack Rando | Observer |
| **X** | IIROC | Bruce Grossman | Observer |
| **X** | IIROC | Catherine Drennan | Observer |
| **X** | Kyndryl | Andrew Ledbury | Observer |
|  | L&T Infotech - Regulatory | Kim Barrett | Observer |
|  | L&T Infotech/IFIC | Janaki Nagulan | Observer |
| **X** | Laurentian Bank | Anne-Claire Hurillon |  |
|  | Laurentian Bank Securities | Jennifer Vachon |  |
| **X** | Manulife and CLHIA | Bill Devolin |  |
|  | National Bank | Nelson Dugre-Sasseville |  |
|  | Northern Trust | Domenic Sgambelluri |  |
|  | OSC | Aaron Ferguson | Observer |
| **X** | OSC | Annetta Ho | Observer |
|  | OSC | Constance Wamala | Observer |
| **X** | OSC | Frank Lacroce | Observer |
| **X** | OSC | Jarrod Smith | Observer |
|  | OSC | Nick Hawkins | Observer |
|  | OSC | Senna Eswaralingam | Observer |
|  | OSC | Stephanie Wakefield | Observer |
| **X** | Paramax | Allyn Howe | Observer |
|  | PMAC | Melissa Ghislanzoni |  |
|  | PWC | Samantha Paisley | Observer |
|  | 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 | Chester Hinkson |  |
|  | Scotia | Corey Cunningham |  |
|  | Scotia | James Gorman |  |
|  | Scotia | Lori MachEachern |  |
| **X** | Societe Generale | Katherine Whitby |  |
| **X** | Societe Generale | Kathy Malaga |  |
|  | Statestreet | Denny Mendonca |  |
| **X** | Statestreet | Ivan Yang |  |
| **X** | TD | Kevin Calhoun |  |
| **X** | TD | Roy Gamboa |  |
| **X** | TD | Michael Kenny |  |
| **X** | TD | Rob Candido |  |
|  | TD Securities CASLA | Sumit Sharma |  |
| **X** | TD Securities | Aamir Shahzad |  |
|  | TMX | Amy Li | Observer |
| **X** | Torstone | Dave O'Marra | Observer |
|  | Torstone | Geddes, Daniel | Observer |
|  | Torstone | Mack Gill | Observer |
|  | Vanguard | Darnel Miller |  |