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

**Meeting Information**

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

**October 25, 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 September 20, 2022
2. General Industry Update
   1. Letter to the SEC.
3. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. OWG-028 – Trade Entry/Correction/Allocation – Non Exchange Trades
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
   3. Mutual Funds - Russ White
      1. MFWG Update
   4. Education/Communications - Barb Amsden
      1. CEWG Update
4. Other Business
5. Next Meeting November 22, 2022 at 11:00 AM ET

**T1SC - Minutes of September 20, 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 August 23, 2022**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on August 23, 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 as follows;

* The SEC in the U.S had not yet issued their Final Rule notice which includes the T+1 compliance date. Keith said that the SEC may not publish the Final Rule until closer to the end of the year or early next year. He said that this poses increased uncertainty and risk around timing of project deliverables, such as industry testing, and system and rule updates. Keith noted that Sifma, in their daily news brief from Monday expressed the same concern on behalf of the US and Canadian marketplaces.
* The CSA is expected to issue a consultation paper in October. Included in the consultation paper are proposed updates to NI 24-101 and NI 81-102. A 90-day comment period will follow. A final update will be issued sometime next spring/summer.
* The IFIC Board had established a T+1 related Task Force to review the impact of T+1 on the Investment Fund industry, which made a recommendation to the IFIC Board, to either support amendments for the move to T+1, or not, or something in between. This recommendation resulted in the IFIC Board advocating for a flexible NI 81-102, where converting to T+1 should be made by individual manufacturers. Russ White will provide more of an update later in the agenda.
* The CDS PTM project started industry testing on September 12th. The industry testing is 9 months in duration and will be using similar resources to those needed for T+1. This creates some conflicts for the T+1 initiative.
* T+1 will be implemented even if the industry is not fully prepared.

**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**:

1. Domenic Sgambelluri of Northern Trust reported that at the last meeting of the OWG, CDS presented their high level overview of the proposed Exchange Trade flow. This included the multi batch input from each marketplace throughout the day, and the outbound files and messages that CDS will distribute. CDS said that a full document will be available later this year.
2. OWG-007 – Corporate Actions – Domenic reported that CDS updated the group on this ‘Closed’ log. CDS reported that DTCC had originally anticipated eliminating the cover protect period as part of the transition to T+1. The OWG recommended, and the T+1 Steering Committee approved in February 2022, the closing of the issue log on the basis of the elimination of the cover protect period. However, industry members in the US pushed back and asked that the cover protect period instead be reduced from 2 days to 1 day as part of the transition to T+1. The issue log has been changed to keep Canada consistent with the US and the OWG recommends that the T+1 Steering Committee approve this change. After a brief discussion, **all members of the T+1 Steering Committee unanimously agreed with the recommendation; therefore Issue Log OWG-007 is now approved.**
3. OWG-028 – Trade Entry/Correction/Allocation for Non Exchange Trades – Domenic reported that there was a lengthy discussion on this topic. The deadline being proposed is 8:00 PM ET on Trade Date. This will include Non Exchange - Trade Entry and Allocation. By meeting this deadline members will be providing a reasonable amount of time for the buyside and custodians to confirm the trades for settlement. Before a decision could be made the meeting had extended beyond the time limit for the meeting. Therefore it will be discussed further at the next meeting. The following issues were raised but not concluded;
   1. Will this be a regulatory requirement or an industry best practice?
   2. Is 8 PM ET the right time?

**B - Legal:** Jamie Anderson reported that the LRWG held a meeting during the month of September. The primary focus of the meeting was to review the proposed plain language summary document associated with Client Communications of trading activity. Jamie reported that clarification is required for the UMIR and IIROC Rules language concerning related issuers – once finalized, he will circulate a final version of the summary for the next meeting. Otherwise, the working group did not have any questions regarding the summary. Jamie noted that the summary demonstrates that there are no specific rules tied to the settlement period in terms of delivery of trade confirmations to clients.

**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 reported that the IFIC T+1 Task Force had met earlier this month, and as was expected they recommended to the IFIC Board that changes not be made to NI 81-102 in order to support the move to T+1. It is expected that individual fund manufacturers can determine if they will move their funds to T+1 or not. The primary concern would be where funds with a large percentage of foreign holdings may have reason not to make the move to a shorter settlement period. Russ indicated that until the industry hears directly from IFIC, as well as seeing what the CSA issues as part of their consultation papers, final conclusions can be determined. Keith asked if Fundserv had any committee at their disposal to inquire about the likelihood of funds moving to T+1. Russ suggested that the Manufacturers committee would be a good group to ask.

**D – Communication/Education:** Keith Evans, on behalf of Barb Amsden updated the group on the activities of the Communications and Education Working Group. He said that the CEWG is working on how best to communicate the issues surrounding the Investment Funds and ETF discussions to the industry. Keith also reported that the CEWG and CCMA continue to update the FAQ section of the CCMA website, as well as working on writing T+1 articles that buyside associations can incorporate into their own communication vehicles. Keith reported that the latest Newsletter for September was issued this morning and has been posted to the CCMA website.

**4 – Other Business:** There was no other business raised.

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday October 25, 2022, at 11:00 AM Eastern.

|  |  |  |  |
| --- | --- | --- | --- |
| **Attendance** | **Organization** | **Name** |  |
|  | AMF | Francis Coche | Observer |
|  | Bank of Canada | Pooja Kumar | Observer |
|  | Bank of Canada | Stefan Caputo | Observer |
|  | Bank of Canada | Andre Usche | Observer |
|  | BlackRock | Meaghan Li |  |
|  | BlackRock | William Trieu |  |
|  | BMO | Keri Peacock |  |
|  | BNY Mellon - CASLA | Phil Zywot |  |
| **x** | BNY Mellon | Chris Butler |  |
| **x** | BNY Mellon | Chris Ekonomidis |  |
|  | Broadridge | Mary Beth Law | Observer |
| **x** | Broadridge | Henry DeLange | Observer |
|  | Broadridge - US | Doug Gifford | Observer |
| **x** | Canaccord | Sheera Badial |  |
|  | Candeal | Jamie Grant | Observer |
|  | Casgrain | Andre Zanga |  |
|  | Casgrain | Pierre Mital |  |
|  | CCMA | Barb Amsden |  |
| **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 |  |
|  | CIBC | Danny Leca |  |
|  | CIBC | Jim Newman |  |
|  | CIBC | Vikram Gulati |  |
|  | CIBC | Kapil Sharma |  |
|  | CIBC | Lavanya Gandhimohan |  |
|  | CIBC | Shawn Fernandez |  |
|  | CIBC | TJ Panth |  |
|  | CIBC - WM | Charlena Gaulin |  |
|  | CIBC Mellon | Louis Lesnika |  |
|  | CIBC Mellon | Carol Revoredo |  |
|  | CIBC Mellon | Frank Baron |  |
|  | Citi - US | David Smith |  |
|  | Citi - US | Ravi Hugar |  |
|  | Citi - US | Martin Palivec |  |
|  | Citi - Canada | Mei Yang |  |
|  | Citi - US | Christian Quinn |  |
|  | 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** | Deliotte | Noura Dube | Observer |
|  | Desjardins | Cesar Valderama-Sanchez |  |
|  | Desjardins | Pascal Deslauriers |  |
|  | Desjardins | Assane Ndoye |  |
|  | Desjardins | Marc Dallaire |  |
|  | Desjardins | Jonathan Grenier |  |
|  | DTCC | John Abel | Observer |
|  | DTCC | Robert Cavallo | Observer |
|  | Fidelity | Robert Argue |  |
|  | Fidelity | Dan Brennan |  |
|  | Fidelity | Stephanie Leblanc-Mchenry |  |
| **x** | Fundserv | Russ White |  |
|  | Haywood | Peter Virvillis |  |
|  | IFDS | Grant Bellamy | Observer |
|  | IFIC | Pamela Egger | Observer |
|  | IIROC | Bruce Grossman | Observer |
|  | IIROC | Catherine Drennan | Observer |
| **x** | Kyndryl | Andrew Ledbury | Observer |
| **x** | Kyndryl | Hagen Einspenner | 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 | Bill Devolin |  |
|  | National Bank | Nelson Dugre-Sasseville |  |
| **x** | Northern Trust | Domenic Sgambelluri |  |
|  | OSC | Aaron Ferguson | Observer |
| **x** | OSC | Annetta Ho | Observer |
|  | OSC | Constance Wamala | Observer |
| **x** | OSC | Frank Lacroce | Observer |
|  | OSC | Jarrod Smith | Observer |
|  | OSC | Nick Hawkins | Observer |
|  | OSC | Senna Eswaralingam | Observer |
|  | OSC | Stephanie Wakefield | Observer |
|  | Paramax | Allyn Howe | Observer |
|  | PMAC | Melissa Ghislanzoni |  |
|  | PWC | Samantha Paisley | Observer |
|  | Questrade | Andrew Kerrison |  |
|  | Questrade | Lulu Feng |  |
|  | RBC - IS | Cathryn MacKay |  |
|  | RBC - IS | John Riordon |  |
|  | RBC - IS | David Petiteville |  |
|  | RBC - IS | Isgar, Stephen |  |
| **x** | **RBC -CM** | **Jason O'Born - Co-Chair** |  |
| **x** | Scotia | Chester Hinkson |  |
|  | Scotia | Corey Cunningham |  |
| **x** | Scotia | Aditya Saini |  |
|  | Scotia | James Gorman |  |
|  | Scotia | Lori MachEachern |  |
|  | Societe Generale | Katherine Whitby |  |
|  | Societe Generale | Kathy Malaga |  |
|  | Statestreet | Luigi Fisico |  |
|  | Statestreet | Brent Blake |  |
|  | TD | Kevin Calhoun |  |
| **x** | TD | Nadeem Ikram |  |
|  | TD | Roy Gamboa |  |
|  | TD | Michael Kenny |  |
|  | TD | Rob Candido |  |
|  | TD Securities CASLA | Sumit Sharma |  |
|  | TD Securities | Aamir Shahzad |  |
|  | TD Securities | Adnan Quader |  |
|  | TD Securities | Katherine Yu |  |
|  | TMX | Amy Li | Observer |
| **x** | Torstone | Dave O'Marra | Observer |
|  | Torstone | Geddes, Daniel | Observer |
|  | Torstone | Mack Gill | Observer |
| **x** | Wealthsimple | Mike Cagayat |  |
|  | Vanguard | Darnel Miller |  |