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

**Meeting Information**

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

**September 20, 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 August 23, 2022
2. General Industry Update
3. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. OWG-007 – Corporate Actions….requires approval
   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 October 25, 2022 at 11:00 AM ET

**T1SC - Minutes of August 23, 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 July 26, 2022**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on July 26, 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 Rules 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.
* The CSA is expected to issue a consultation paper in October. Included in the consultation paper areproposed 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 has established a T+1 related Task Force to review the impact of T+1 on the Investment Fund industry, and to make a recommendation to the IFIC Board, to either support amendments for the move to T+1, or not, or something in between. This recommendation is due to the IFIC board on September 8th, with a decision sometime shortly thereafter.
* The CDS PTM project is starting industry testing on September 12th, as long as the balance of required activities are completed by CDS. The industry testing is 9 months in duration and will be using similar resources to those needed for T+1.
* All of the above noted issues are a source of concern for the T+1 project. The lack of committed dates for rule changes from the SEC and CSA, the lack of certainty by the Investment Funds industry, and the competition for resources with the PTM project is a very big concern for T+1.
* 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, members agreed to consolidate three Issue Logs (29 [trade confirmation], 30 [trade allocation], and 14) into other Issue Logs (28 [trade entry] and 31) for a more efficient review of activities associated with Trade Entry and Trade Matching processes. Domenic also reported that the OWG members started the conversation of the timing of Trade Reporting timelines. He said that in today’s environment there is no defined timeframes for trade entry, but only trade matching (i.e. 24-101). However, in a T+1 environment, the OWG is exploring if an official cutoff time is required. Domenic reported that the members of OWG are discussing if an 8:00 PM ET cutoff is an appropriate time for trade entry. He also said that they are considering if this needs to be embedded in a specific rule or simply become an industry best practice.
2. OWG-034 – Client Communications – Domenic reported that the OWG had received a paper that discussed the regulatory requirements around client communications. He said that OWG members had reviewed the paper at the previous two OWG meetings, and that members had a chance to have it reviewed internally. The result is that the current regulatory process will support the move to T+1 without any changes being required. Keith suggested that each individual firm will need to determine how they need to report to clients, and determine any changes or modification they need to make internally. This may differ from firm to firm. Jamie Anderson reported that the LRWG had reviewed this item as well and has agreed to issue a ‘plain language’ report on the subject. **All members of the T+1 Steering Committee unanimously agreed with the recommendation, therefore this Issue Log OWG-034 is now approved.**
3. OWG-005 – National Instrument 24-101 – Domenic reported that as part of the CDS Job Scheduler review, it had determined that 3:59 AM ET on T+1 was the optimal time to confirm trades for NI 24-101. The OWG has reviewed this recommendation and compared it against other potential times (e.g. 11:59 PM ET on TD). The working group ultimately agreed that 3:59 AM ET gives the greatest opportunity to settle trades on settlement date, and therefore achieve the greatest chance at reducing collateral to be collected by CDS. After a short discussion, **All members of the T+1 Steering Committee unanimously agreed with the recommendation, therefore this Issue Log OWG-005 is now approved.**

**B - Legal:** Jamie Anderson reported that the LRWG held a meeting during the month of August. He reported that the working group reviewed the Client Communications document (see 2Aiii above) and will issue a plain language version of the document. He also reported that the LRWG reviewed and discussed the undertaking by the IFIC T+1 Task Force. In particular they discussed the potential impact on Investment Funds. This will be discussed further at the next meeting, once the IFIC final recommendation is known.

**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 week, and it is expected that they will be recommending to the IFIC Board that no changes are required 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. Pat Dunwoody from CETFA said that the retail ETF secondary market will move to T+1, since they will follow exchange rules. However, they are still reviewing the impact on the primary market, as it relates to foreign holdings.

**D – Communication/Education:** Barb Amsden updated the group on the activities of the Communications and Education Working Group. She said that the CEWG is working on how best to communicate the issues surrounding the Investment Funds and ETF discussions to the industry. Barb also reported that the CEWG and CCMA are working on writing T+1 articles that buyside associations can incorporate into their own communication vehicles. She asked for input or suggestions on what would be best to be included in such an article.

**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 September 20, 2022, at 11:00 AM Eastern.

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| --- | --- | --- | --- |
| **Attendance** | **Organization** | **Name** |  |
|  | AMF | Francis Coche | Observer |
|  | 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 |  |
| **X** | BNY Mellon | Chris Butler |  |
| **X** | Broadridge | Mary Beth Law | Observer |
| **X** | Broadridge | Henry DeLange | Observer |
| **X** | Broadridge - US | Doug Gifford | Observer |
|  | Canaccord | Sheera Badial |  |
| **X** | Candeal | Jamie Grant | Observer |
| **X** | Casgrain | Andre Zanga |  |
|  | Casgrain | Pierre Mital |  |
| **X** | CCMA | Barb Amsden |  |
| **X** | CCMA | Jamie Anderson |  |
| **X** | **CCMA** | **Keith Evans - Co-Chair** |  |
| **X** | CDS | Johann Lochner | Observer |
| **X** | CETFA | Pat Dunwoody | Observer |
|  | CFA Canada | Michael Thom | Observer |
|  | CIBC | Carol Elmalem |  |
| **X** | CIBC | Danny Leca |  |
|  | CIBC | Jim Newman |  |
| **X** | CIBC | Vikram 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 |  |
| **X** | CIBC Mellon | Frank Baron |  |
|  | Citi - US | David Smith |  |
|  | Citi - US | Ravi Hugar |  |
| **X** | Citi - US | Martin Palivec |  |
|  | Citi - Canada | Mei Yang |  |
|  | Citi - US | Christian Quinn |  |
| **X** | Citi - US | Lyndon James |  |
|  | Connor Clarke | Mark Austin |  |
|  | Consultant | Jeff Carr | Observer |
|  | Cooperators | Mitra Raghubir |  |
|  | Cooperators | Mehreen Hussain |  |
| **X** | Credit Suisse | Sam Farrell |  |
| **X** | CSE | Mary Anne Palangio | Observer |
|  | Desjardins | Cesar Valderama-Sanchez |  |
| **X** | Desjardins | Pascal Deslauriers |  |
| **X** | Desjardins | Assane Ndoye |  |
| **X** | Desjardins | Marc Dallaire |  |
|  | Desjardins | Jonathan Grenier |  |
|  | DTCC | John Abel | Observer |
|  | DTCC | Robert Cavallo | Observer |
|  | Fidelity | Robert Argue |  |
| **X** | Fidelity | Dan Brennan |  |
| **X** | Fidelity | Stephanie Leblanc-Mchenry |  |
| **X** | Fundserv | Russ White |  |
|  | Haywood | Peter Virvillis |  |
| **X** | IFDS | Grant Bellamy | Observer |
|  | IFIC | Pamela Egger | Observer |
| **X** | IIROC | Bruce Grossman | Observer |
| **X** | IIROC | Catherine Drennan | Observer |
| **X** | Kyndryl | Andrew Ledbury | Observer |
| **X** | Kyndryl | Hagen Einspenner | Observer |
| **X** | 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 |  |
| **X** | National Bank | Nelson Dugre-Sasseville |  |
| **X** | Northern Trust | Domenic Sgambelluri |  |
|  | OSC | Aaron Ferguson | Observer |
| **X** | OSC | Annetta Ho | Observer |
|  | OSC | Constance Wamala | Observer |
|  | 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 |  |
| **X** | RBC - IS | Cathryn MacKay |  |
|  | RBC - IS | John Riordon |  |
|  | RBC - IS | David Petiteville |  |
| **X** | RBC - IS | Isgar, Stephen |  |
| **X** | **RBC -CM** | **Jason O'Born - Co-Chair** |  |
| **X** | Scotia | Chester Hinkson |  |
| **X** | Scotia | Corey Cunningham |  |
|  | 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 |  |
| **X** | TD | Roy Gamboa |  |
|  | TD | Michael Kenny |  |
|  | TD | Rob Candido |  |
|  | TD Securities CASLA | Sumit Sharma |  |
|  | TD Securities | Aamir Shahzad |  |
| **X** | 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 |
|  | Vanguard | Darnel Miller |  |
|  |  |  |  |