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

**Meeting Information**

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

**August 22, 2023 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 July 25, 2023
2. General Industry Update
   1. Mutual Funds
   2. TMS
   3. ITP stats.
3. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG general update
      2. Issues to be closed
         1. OWG-004 – Derivatives
         2. OWG-010 – North/Southbound Flips
         3. Issue OWG-012 – DP Trade Matching
         4. Issue OWG-039 – NI 24-101 statistics
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
   3. Mutual Funds - James Stares and Rosemary Marchesano
      1. MFWG Update
   4. Education/Communications - Barb Amsden
      1. CEWG Update
4. Other Business
5. Next Meeting September 26, 2023 at 11:00 AM ET

**T1SC - Minutes of July 25, 2023**

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 June 27, 2023**

Keith reported that the Minutes from the last full T+1 Steering Committee meeting, held on June 27, 2023, were distributed with the meeting package. There were no other 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:

1. Mexico recently announced their intention to move to T+1 on May 27, 2024. He said that this still required regulatory approval, but did not think that would be an issue.
2. Keith said that at a recent meeting, the issue of Investment Funds moving to T+1 was discussed. One manufacturer said that they had taken a report to their Board for approval to move to T+1, and the Board asked why they are moving at all, because the regulation does not require them to move. He said that some manufacturers were not certain as to which funds would move and which ones would not. He said that the CSA provided the manufacturers with the flexibility to move to T+1 or stay at T+2. Keith said that from a processing point of view Fundserv provides the flexibility for any settlement date. However, from an investor’s point of view, having uncertainty when a fund will settle could be problematic. Fundserv stills expects the majority of funds to transition to T+1. One large firm expects to reach out to their largest manufacturers to find out which funds would move or not, so that they can educate their clients.
3. Keith reminded members that CCMA would be collecting a new round of funding. This round of funding will be collected as part of the CDS billing cycle for the month of July 2023, with the actual collection being made on August 11, 2023.

**3 - Working Group Reports**

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

**A - Operations**: Sheera Badial of Canaccord Genuity reported that at the last meeting of the OWG, members discussed the following issues;

1. Sheera reported that the OWG had met earlier I the month.
2. The OWG had prioritized all of the issue logs into High Medium and Low. The Highs will be the focus going forward and these 8 items must be completed in order to have success with the transition to T+1 next May.
3. The ETF TF had submitted their final report, which highlighted 4 recommendations. Sheera asked Jamie to report on the recommendations as follows:
   * Request that the CSA provide blanket exemptive relief from the collateralization prohibitions in NI 81-102. In the longer term, seek amendment of NI 81-102. This is considered the immediate priority for the taskforce to undertake.
   * Development of an ETF industry interim collateral process (covering collateral specifics such as acceptable collateral, timing of delivery/return, safekeeping, settlement suspension of short securities, etc.).
   * Continued discussions with CDS to explore a centralized collateral solution.
   * Continued investigation of the other concerns raised as appropriate (lack of file standardization, settlement cycle mismatch, pricing).
4. That IIAC was asked to provide the revised Trade Matching Statement on their website. IIAC has agreed to the new TMS but it was uncertain if this has been completed. CCMA agreed to determine if it is on the website.
5. CDCC provided the changes needed for exercise and assignment process before moving to T+1. They will also be working with CDS to integrate the two testing programs into one.
6. Jason O’Born had provided an update to the members on what they should be looking for when assessing their F/X needs in a T+1 environment.
7. A vendor called SSImple presented their new product which helps/automates the communication of trade details amongst the parties to a trade.

**B - Legal:** Jamie Anderson reported that the LRWG at their last meeting discussed the following;

* A review of CIRO issue log updates was the primary discussion at the last meeting.
  + CIRO Rules in support of T+1 were sent out for comment. There were no comments received by the deadline. The Rules are now being finalized internally and by the CSA.
  + Settlement date for FX trades. This is still under review.
  + MFDA rules are under review. However, it does not appear to be in need of revision since the rules do not reference a settlement date.

**C - Mutual Funds:** James Stares of Fundserv said that there were no new updates to report. Keith asked if Fundserv can see how many funds had submitted their FD file to update their settlement date to T+1. James said that this is possible and that this should be considered once we get close enough to the transition date to be of value.

**D – Communication/Education:** Barb Amsden updated the group on the activities of the Communications and Education Working Group, as follows;

* The next Newsletter is to be released by the end of July.
* The first Technical Bulletin was released at the end of June summarizing the status of the vendors.
* A survey had been issued to try and identify the areas which the industry deems the most important. The number of respondents was lower than expected, but some information may be useful. The details have not yet been analyzed, so these are very preliminary at this time.
  + Survey response was completed earlier than in the move to T+2 in 2017.
  + The responses were less confident that in T+2.
  + Barb presented several slides with the preliminary responses.
  + A more fulsome summary will be provided at the next meeting.

**4 – Other Business**: One member asked if CDS was planning on reviewing the impact that T+1 will have on the collateral requirements next may. Another member said that at the most recent RAC meeting at CDS, CDS reported that they would be reviewing the impact and reporting to the industry later this year.

There was no other new business brought forward.

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday August 22, 2023 at 11:00 AM ET.

**Attendees**

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| |  | | --- | | Allyn Howe; Paramax | | andre | | AndrewLedbury - kyndryl | | Anne-Claire Hurillon | | Assane Ndoye | | Barb Amsden CCMA | | Beverley Smyk (TD) (Beverley Andrea) | | Bill Grossman CIRO | | Carlo Spano - Broadridge | | Carol Revoredo - CIBC Mellon | | Casey - TD | | Catherine Drennan CIRO | | Chris Butler | | Christine Desjardins | | Dan Brennan | | Danny Leca CIBC | | Dave O'Marra-DOC | | David Petiteville @rbc | | dmacDougall | | Doug Gifford | | Edson Da Silva | | Francis Coche AMF | | francis pignoti pana | | Frank Baron - CIBC Mellon | | Halyna | | Hector Toriz AMF | | Henry - Broadridge | | Hinkson | | Iris Trotman | | Ivy Sananikone - LBC | | James Stares Fundserv | | Jamie Anderson CCMA | | Jane Chan | | Jarrod Smith (OSC) | | Jason O'Born-RBC | | Johann Lochner - CDS | | John Abel DTCC | | Jonathan Grenier (SocGen) | | Judith Marcelo | | Katherine TDS | | Keith Evans - CCMA | | Kelly Chong | | Keri Peacock - BMO | | Kevin Calhoun TD | | Kevin Duncan | | Lauren Wright | | Lavanya CIBC | | Lou Lesnika - CIBC Mellon | | Lou Rosato Blackrock | | Lulu Feng - Questrade | | lyndon james | | Marcus Barrett | | Mark Cicero- BMO | | Martin Palivec Citi- | | Mary Anne Palangio# CSE | | Mary Beth Law | | Matthew Andreacchi (OSC) | | Meaghan Li | | Mei Yang- Citi (Mei Yang) | | Michael Cagayat | | Michael G | | Michael Kenny / TDW Canada | | Muneeb Ahsan | | Nav Badhan (BNY Mellon) | | Nicole French | | Noura Dube | | Olga Svistoun BMO | | Pamela Egger | | Pat Dunwoody | | Paul White BMO | | Peter Virvilis | | Phil Zywot# CASLA/BNY Mellon | | Philippe Beato | | Pierre Mital | | prem | | PV | | R. Gamboa - TD | | Rags | | Ramesh Somalingam | | Rob Candido | | Rosemary M Fundserv | | Ruo Liu | | Sam | | Sam Farrell | | SHAHZA8 | | Sheera Badial - Canaccord | | Silvia L | | Stefan Caputo | | Stephanie Leblanc-Mchenry | | Sun Young Sauve | | TAE5098 | | Tammy Savinkoff | |