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

**Meeting Information**

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

**December 19, 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 November 28, 2023
2. General Industry Update
3. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. OWG-011 Capital/collateral implications – **for closure**
      3. OWG-021 Restricted Share Transfers (Residency/Hold periods etc) **- for closure**
      4. OWG-023 Holiday Processing **- for closure**
      5. OWG-027 STAC Issues **- for closure**
      6. OWG-032 Operational Issues with T+1 processing **- for closure**
   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 January 30, 2024 at 11:00 AM ET

**T1SC - Minutes of November 28, 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 October 24, 2023**

Keith reported that the Minutes from the last full T+1 Steering Committee meeting, held on October 24, 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 information on a few T+1 related items as follows:

* US Industry Testing update, where things are going well. High volumes and a large number of participants have been executing their test scripts. There have been no material defects reported.
* In Europe and the UK, they are still in the assessment stage. No final decisions for a couple of months yet before deciding on when they will go to T+1.
* CCMA will be speaking with members of ACSDA in early December to share the progress here in Canada.
* India is planning on moving optionally to T+1 hour next March (2024), followed by instant settlement in 2025.
* The SEC is NOT considering moving or delaying the transitional date for T+1.
* CDS/CDCC and Fundserv testing is all set for January 2024. Firms should be finalizing their plan and connectivity testing in order to be ready in January.
* NI 24-101 and 81-102 are still a work in progress and should be finalized early in January.

**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**: Domenic Sgambelluri reported on the last meeting of the OWG, where members discussed the following issues;

* + CDS presented an update on the proposed Risk model impacts for both CAN and Cross Border services. CDS also indicated that they would be providing individual results for participants early in the new year. Domenic suggested for further information, members should review the OWG minutes posted on the CCMA website.
  + Domenic reported that the following OWG Issue Log items are being presented for closure. All are on the high priority list, and he indicated that the OWG has determined that no more work is being contemplated at this time. The Issue Logs for closure are;
    - OWG-001 CDS Industry test Plan. The OWG has agreed that this plan is in good shape to perform industry testing.
    - OWG-005 NI 24-101.This item will be put into a ‘Pending Closure’ bucket until the CSA publishes the Final Rules within the coming months, and that those Rules reflect the industry requested 3:59 AM ET for trades to be confirmed.
    - OWG-009 Securities Lending. TMX/CDS has completed their design of the Recall Portal for securities lending. Phil Zywot from CASLA said that progress was going very well.
    - OWG-031 Trade Life cycle. There no new areas of the trade lifecycle being pursued at this time.

**The members of the T1 Steering Committee unanimously agreed to approve the closure of these four logs.**

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

Jamie reviewed the status of the ‘open action items’ from the LRWG. The current focus is on the marketplace rule amendments, starting with the exchanges. The LRWG Issue Log contains the suggested amendments for all of the exchanges’ rules. The rule amendments form the backbone of the transition to T+1 as it is the exchanges that effectively declare the settlement cycle through their rules (unlike the U.S. which has an SEC rule for the settlement cycle). The Canadian exchanges’ rule amendments are expected to be technical/housekeeping changes (as they were for T+2) – this means there is no public comment period.

TMX Group previously communicated it would commence work on its amendments in early 2024. CBOE Canada previously communicated it would start work on its amendments post-amalgamation between NEO and MatchNow. Mary Anne Palangio of the CSE said that the CSE would look at its issue logs.

The following Issue Log items have been reviewed by the LRWG and are recommended for closure by the Steering Committee.

* + - LRWG-16 – CIRO - Guidance on the regular settlement date to be used for certain foreign exchange hedge trades.
    - LRWG-17 - CIRO – Corporation Investment Dealer & Partially Consolidated Rules.
    - LRWG-19 - CIRO – UMIR.

**The members of the T1 Steering Committee unanimously agreed to approve the closure of these three logs.**

Jamie then reported on the ongoing discussions on ETF processing, where the taskforce is reviewing with the CSA if the industry should be seeking exemptive relief, a CSA coordinated blanket order, or to ask the CSA staff to issue a guidance notice. This final option is to have the Staff Notice to communicate that National Instrument 81-102 permits cash in lieu of an asset for payment for a short period of time….or doesn’t permit.

**C - Mutual Funds:** Rosemary Marchesanoreported that Fundserv continues to focus on their plans on running two test cycles in January and February of 2024.

**D – Communication/Education:** Barb Amsden reported that the next CCMA T+1 Newsletter is slated to be issued on November 30th.

Barb mentioned that National Bank Investments has declared that all of their funds will transition to T+1, and she hopes that this will encourage more manufacturers to also declare in the short term.

**4 – Other Business**:

A question was asked about the timing of Mutual Fund and EFT Manufacturers declaring if and when their funds would/would not transition to T+1. There was a lengthy discussion on the topic, with no conclusion drawn on how this will unfold. This issue will continue to be discussed at the various working group meetings.

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday December 19, 2023 at 11:00 AM ET.

**Attendees**

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| --- |
| Andrew LaFemina - TD Securities |
| Andrew Ledbury - kyndryl |
| Arjun |
| Art Valdes |
| Assane Ndoye - Desjardins |
| Attila Branyiczky |
| Barb Amsden |
| Bill Devolin - Manulife |
| Brent Blake |
| Carol Revoredo - CIBC Mellon |
| Casey Als - TD |
| CDrennan |
| Chinmay(TD) |
| Chong, Kelly |
| Christine Desjardins |
| Christos Ekonomidis |
| Dan Brennan |
| Danny Leca CIBC |
| Dave O'Marra |
| David Petiteville @rbc |
| Deepak D. |
| den8351 |
| Dom Sgambelluri |
| Edson Silva (Scotiabank) |
| Eric Man-chi-ming - Desjardins |
| Francis Coche AMF |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce OSC |
| Geoff Baxter - TD |
| Gus |
| Hector Toriz AMF |
| Henry - Broadridge |
| Hinkson - Scotiabank |
| Iris T |
| Ivy Sananikone |
| James Stares |
| Jamie Anderson - CCMA |
| Jarrod Smith - OSC |
| Jason Dear - Scotia GBM |
| Jason O'Born-RBC Co-Chair |
| JJW |
| Johann Lochner - CDS |
| Judith Marcelo |
| Justin Flores (Justin) |
| Keith Evans - CCMA Co-Chair |
| Keri Peacock - BMO |
| Kevin Calhoun TD |
| Kevin Duncan |
| Lauren Wright |
| Lindsay Pitfield |
| Lou Rosato - Blackrock |
| Louis Lesnika - CIBC Mellon |
| Lulu Feng |
| Lyndon James |
| Maher Boutros |
| Mark Cicero- BMO |
| Mary Anne Palangio# CSE |
| Mary Beth Law |
| Matthew Andreacchi (OSC) |
| Meaghan Li |
| Mei Yang- Citi |
| Michael Cagayat |
| Michael Giancursio - BMO |
| Michael Kenny / TD Waterhouse Canada |
| Michael Lowes - TD Securities |
| Michael Palmiotto |
| Muneeb Ahsan |
| Mya AIT-ALI |
| Nav Badhan (BNY Mellon) |
| Navaz Keshavjee |
| Nelson Dugre-Sasseville (NBC) |
| nfrench |
| Noura Dube |
| Olga Svistoun - BMO |
| Pamela Egger |
| Pat Dunwoody |
| Paul White BMO |
| Phil Zywot, CASLA/BNY Mellon |
| Rosemary Marchesano - fundserv |
| Roy Gamboa - TD |
| Ruo Liu |
| Sam Uddin |
| Sandra Marcoccia |
| sgodhwani |
| Sheera Badial - Canaccord |
| Silvia Livingston Client Services |
| Siv Angalakuduru(Scotiabank) |
| Stefan Caputo (Bank of Canada) |
| Sun Young Sauve |
| TAE5098 |
| Tammy Savinkoff |
| Vasu Ganesan - Wealthsimple |
| Yuliya BoC |