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

**Meeting Information**

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

**February 28, 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 January 24, 2023
2. General Industry Update
3. NI 24-101 Comment Letter – for discussion/approval
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 March 28, 2023 at 11:00 AM ET

**T1SC - Minutes of January 24, 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 December 20, 2022**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on December 20, 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 the end of Q1 2023. The sooner we get the date, the better prepared we can be as an industry.
* The CSA has issued a consultation paper in December on proposed updates to NI 24-101. As well they have issued a Staff Notice on NI 81-102. The 90-day comment period ends on March 17, 2023. Keith reported that a draft comment letter is included as part of today’s meeting.
* DTCC has issued its T+1 Test paper using September 2024 as an implementation date.
* CCMA expects that CDS will issue its Test Plan shortly.
* Other Central and South American countries are not likely to announce before the end of the year, while Mexico has indicated that it will transition at the same time as U.S. and Canada.
* Europe and the U.K are still exploring a move to T+1, but it is not expected to be ready at the same time as North America.
* CCMA is looking at the CDS PTM project and its potential collision with T+1.
* T+1 will be implemented even if the industry is not fully prepared.

**3 – 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. **General Update**: Domenic Sgambelluri of Northern Trust reported that at the last meeting of the OWG, members discussed the CDS T+1 Migration Paper. CDS attended the last meeting to answer questions about the paper. In particular, CDS said that it would be undertaking a review of the risk systems affected by T+1. Domenic also mentioned that Broadridge provided a project status update. In particular, Broadridge has completed its business requirements. He then mentioned that Fran Daly has been engaged to Chair the Buyside Task Force to look into buy-side matching issues with respect to T+1. The first meeting is scheduled for January 31, 2023.
2. **Revised T+1 Asset List**. Barb Amsden provided an update. A revised asset list was included in the meeting package. The OWG has reviewed the changes and is in agreement. The main changes included updates to the Investment Funds sections, as well as Special Terms Trades. **The T+1 Steering Committee unanimously agreed with the recommended changes, therefore the Asset List as updated is now approved.**
3. **NI 24-101 Draft Comment Letter**. Jamie Anderson provided an overview of the draft Comment letter being proposed by CCMA on behalf of the industry. The OWG reviewed the draft letter on Jan. 12, 2023; the LRWG on Jan. 19, 2023.This draft letter is being provided to the Steering Committee today for initial review of the communication, with final approval expected at the February meeting (submission deadline is March 17, 2023). Jamie reported that there are two primary points being made within the Comment Letter. The first addresses the proposed cut off time for the affirmation of ITP trades as proposed by the CSA i.e. 9:00 PM on Trade Date. The industry believes that in order to maximize the number of trades settling in the overnight CDS settlement cycle, 3:59 AM on T+1 is a better option. The second was the timing at which data would be collected to identify the success of the effectiveness of the National Instrument. The draft letter recommends the following times; 4:00 PM on Trade Date, 8:00 PM on Trade Date, Midnight on Trade Date, 3:59 AM on Trade Date +1, noon on Trade Date +1, 4:00 PM on Trade Date +1, and everything after Trade Date +1. The discussions centered around the following items;
   1. Does the CDS job scheduler within the new PTM function the same as the current CDSX? Johann from CDS indicated that the new system will have essentially the same processing timelines. It is expected that CDS will review our reporting needs and adjust accordingly.
   2. A custodian suggested that there is little or no ‘bite’ to this regulation, therefore what is the value? Reporting requirements are watered down. Keith suggested that he doubts the regulators would interested in deleting the NI. He said that the rates are good in Canada because this NI exists, and therefore are working effectively.
   3. A discussion around what the various members are thinking of organizing their operations to deal with the trade affirmation by 3:59 AM on T+1. Some firms thought that they would need to have staff available overnight, while others expect to set an earlier time (such as 9:00 PM on trade Date) with their buy side clients. This would allow them to align their operation with activity in the U.S. Keith suggested that this is not a one size fits all solution, but instead there are many different ways for members to reach the thresholds required by the NI.
   4. Keith asked that all comments be forwarded to himself for collection.

**B - Legal:** Jamie Anderson reported that the LRWG held a meeting recently. Jamie said that the LRWG needs MBS experts to assist with the month end confirmation distribution process. He also reported that Issue Log LRWG-029 - Securities Lending Agreements was being recommended for closure. He said that since the various Master Lending Agreements did not reflect a specific settlement date, they did not need to be changed. However individual agreements members might have may need modification, but that this on a member by member basis.

**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. The CSA reported that the industry is expected to move to T+1, however, not all need to move. This flexibility provided by the CSA meets the needs expressed by IFIC. He also said that many of the manufacturers he has spoken with indicated that they are working through their review but expect most funds to move to T+1.

**D – Communication/Education:** Barb Amsden updated the group on the activities of the Communications and Education Working Group. She said that the CEWG is issuing a new Newsletter for January 31, 2023. That the CCMA LinkedIn account is a good source of information. The CEWG is also working on a Buyside Checklist.

**4 – Other Business:** Keith noted that a task force was being constituted by the OWG to work with the buy-side to examine how trades can be affirmed earlier in the cycle (e.g. to meet the proposed 3:9 a.m. deadline).

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday February 28, 2023, at 11:00 AM Eastern.

**Attendees**

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| AC Hurillon-Laurentian Bk Securities |
| Adnan Quader TD Securities |
| Allyn Howe; Paramax |
| Andre Zanga - Casgrain |
| Annetta Ho |
| Assane |
| Barb Amsden |
| Bill Devolin - Manulife |
| Bill Grossman IIROC |
| Brent Blake |
| Carol Elmalem |
| Catherine Drennan - IIROC |
| Cathryn Mackay- RBC I&TS |
| Chantal Desroches |
| Chelsey Morphy - Scotia |
| Christos Ekonomidis BNYM |
| Cynthia Seebach |
| Dan Brennan (Dan Brennan) |
| Danny Leca |
| Dave O'Marra- Torstone Technology (Dave O'Marra) |
| David Petiteville @RBC |
| Dom Sgambelluri |
| Francis Coche AMF |
| Francis Daly |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce OSC |
| Grant Bellamy IFDS |
| Hagen Einspenner - Kyndryl Canada |
| Henry - Broadridge |
| Ivy |
| Jack |
| Jamie Anderson |
| Janet Salter - IFIC |
| Jason O'Born-RBC |
| Johann Lochner - CDS |
| Kapil Sharma (CIBC) |
| Kathy Malaga |
| Keith Evans - CCMA |
| Keri Peacock - BMO |
| Kevin Calhoun - TD |
| Lavanya CIBC |
| Lou Lesnika - CIBC Mellon |
| Lyndon James - Citi |
| Martin Palivec-Citi (Martin Palivec) |
| Mary Beth Law |
| Matthew Baker |
| MeanguE |
| Mei Yang- Citi Canada (Mei Yang) |
| Michael Kenny / TD Waterhouse |
| Muneeb Ahsan |
| Nadeem |
| Nelson Dugre-Sasseville |
| Pamela Egger |
| Pascal Deslauriers - Desjardins |
| Pat Dunwoody |
| Roy Gamboa - TD |
| Russ White |
| Sanil George (Soc Gen) |
| Sarfaraz Janmohamed |
| SHAHZA8 |
| Sheera Badial - Canaccord |
| Silvia |
| Stefan Caputo (Bank of Canada) (Stefan Caputo) |
| Stephanie Leblanc-Mchenry |