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

**Meeting Information**

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

**June 27, 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 May 23, 2023
2. General Industry Update
3. CCMA Funding
4. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. Buyside Task Force Final Report – **for approval**
      3. NI 24-101 vs 3:59 – **for approval**
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
      2. Issue Log # LRWG-020 - Fundserv - **for approval**
   3. Mutual Funds - Russ White
      1. MFWG Update
   4. Education/Communications - Barb Amsden
      1. CEWG Update
5. Other Business
6. Next Meeting July 25, 2023 at 11:00 AM ET

**T1SC - Minutes of May 23, 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 April 25, 2023**

Keith reported that the Minutes from the last full T+1 Steering Committee meeting, held on April 25, 2023, 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:

* Keith attended the Sifma Operations conference and spoke on a panel, where he updated delegates on the activities of Canada’s T+1 project. He said that the US issues, such as the trade lifecycle, F/X and securities lending recall function were identified as their major obstacles….the same as in Canada.
* Most firms suggested that they were going to be ready, but that they were concerned about others in the industry being ready. Many felt the buyside was behind the rest of the industry in terms of being ready.
* There were questions about the possibility of a delay in the implementation date. No one speaking publicly suggested that the date is likely to move.
* In addition, Keith reported that the UK and Europe were both undertaking a review of their processes and hope to make a decision on shortening their settlement cycles later this year. Their implementation dates would not likely be before 2025.
* In terms of the NI 24-101 final rules, Keith did not expect a response from the CSA in the near-term.
* It was also mentioned that Sifma would be hosting a webinar on F/X in June.

**3 – CCMA Funding**

Keith reported that CCMA would be collecting a new round of funding. The CCMA Board approved, at their April meeting, the collection $580K. This funding is in line with previous collections made by CCMA in 2022 and 2020. 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 in mid-August. CCMA will coordinate the issuance of a CDS Bulletin in early June describing the particulars of the collection. The funding is expected to cover the costs of CCMA activities until the end of T+1, the end of PTM, and leave enough funds (approx. $100K) for funding future initiatives, or ensure that CCMA can remain active but in a hibernated state for up to ten years.

**4 - 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 of Northern Trust reported that at the last meeting of the OWG, members discussed

* CDS presented their proposed T+1 Test Plan at the last meeting. That test plan indicated that CDS was preparing to start the first of four two-week test cycles in January of 2024. Members were asked to review internally if this was appropriate timing to start testing, or would members be ready to start testing in late November or early December of 2023. Domenic said that some firms wanted to start much earlier, while other would not be in a position to start testing due to system development work and internal testing would take until the end of the year to complete. As well some other firms were concerned with year-end system freezes would not permit them to test before January 2024. Due to lack of unanimous support to change the testing schedule, the Test Plan as presented will be the schedule going forward.
* There was a general discussion on how members were going to use their OMS to help in the trade reconciliation and allocation of trades earlier in the day than they do today, by using the intraday files proposed for the marketplaces.
* CDS and DTCC presented the CTM product to help in the communication of trades details between the sellside, buyside and Custodians.
* Domenic reported that a non-exchange trade (this includes ITP trades) entered and confirmed prior to 10:45 pm EST with a value date of T+1, will not be triggered for settlement on T as the current system date is not equal to value date). However, a non-exchange trade that is confirmed after 10:45 pm EST and before BNS at 4:00 am EST will be immediately triggered for settlement as the current system date is equal to value date. Domenic reported that the recommendation to the Steering Committee is that the CDSX settlement process be changed to exclude the generation of settlement triggers for all ITP (client) trades that are confirmed during the 10:45 pm and 3:59 am EST window. These trades should only be considered for settlement when the BNS/CNS settlement cycle that begins at 4:00 am EST on T+1

***There was unanimous agreement by members of the T+1 Steering Committee to approve this request to CDS.***

* Domenic said that the OWG had previously requested the ITP trade input schedule be changed from the current 7:30 PM to 8:00 PM. Subsequently, in discussions with CDS and vendors it was questioned if there was sufficient benefit by moving the time by only 30 minutes, given there would be significant development work to accommodate the time shift. The general response was that the 30 minutes does not justify the investment in development by the various vendors. It was noted that even if the CSA does not approve the time change to 3:59 AM on T+1 (leaving it at the proposed 9:00 PM on TD), we should still be making this change to the CDS system to ensure the maximization of ACV, security amounts, and funds usage is maintained.

***There was unanimous agreement by members of the Steering Committee to approve this request* supporting changing the cut-off time from 8:00 PM ET to 7:30 PM ET.**

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

* Several Issue Log items that will be at the next meeting for closure.
* Reviewed and discussed the impact that NI 24-101 has on all parties to a trade, and who is captured within the NI rule itself. This will be further discussed at the next meeting.
* The Trade Matching statement that use to be posted on the IIAC website is no longer there. There will be discussion at the next OWG meeting on the usefulness of this statement for industry members. If it is deemed to be useful, then the statement will be updated for T+1 and reposted on the IIAC website.
* The ETF Taskforce (under the OWG) has had its initial meeting. The outcome of this meeting has resulted in having a discussion with the CSA, to review some of the obstacles and some potential solutions.

**C - Mutual Funds:** Russ White said that the Mutual Fund working group has completed all of its work, and that all of the technical changes have been agreed to by the members. Russ noted that the current system supports T+1, so good to go for Mutual Funds. Russ also reported that testing is being prepared for January and February 2024.

A question was raised about the current status on the Manufacturers analysis on which funds will move to T+1 and which one wont, Russ said that the expectation is that the vast majority will move to T+1, but that a better indication will be able to be assessed at the end of the current calendar year.

Keith noted that Russ will be retiring on June 2nd, and he thanked Russ for everything he has done to assist with the move to T+1, as well as the overall work he has done with the Mutual Fund industry during his tenure at Fundserv. He wished Russ the best for the future.

**D – Communication/Education:** Barb Amsden updated the group on the activities of the Communications and Education Working Group.

* There is a subgroup set up for media communications.
* There will be a media release on May 30th, on the one year to transition.
* A new Newsletter will be issued before the end of the month.
* A new checklist was put together for members to do a self-assessment.
* A new project update will be provided on a bi monthly basis that will look at system development work underway. This will complement the Newsletter, also on a bi monthly basis, which focus on the big picture items.
* A new landing page for the CCMA website will be active by the end of the month and will put all relevant T+1 information on a single page, with links to all T+1 documents.

**5 – Other Business:** Keith asked members to comment on what sort of development is required to accommodate the proposed changes identified in NI 24-101. Given that we only have 12 months to implementation, how much time do members need to develop before implementation?

* One member mentioned that they need 4 – 6 months.
* One member mentioned that much more time would be required if the CSA selects 9:00 PM, instead of the 3:59 AM.
* It was mentioned that if the CSA continues with 9:00 PM, then CDS will need to completely revamp their Job Scheduler again, and there is likely not enough time to do so if we don’t get clarity asap.
* One member mentioned that they need to start development by August, at the latest, in order to start testing in January 2024.

**6 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday June 27, 2023, at 11:00 AM Eastern.

**Attendees**

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| --- |
| Adnan Quader |
| aleyser001 |
| Allyn Howe; Paramax |
| Andre Zanga |
| Andrew Ledbury - kyndryl |
| Assane Ndoye |
| Barb Amsden |
| Bill Devolin - Manulife |
| Brent Blake |
| Casey Als - TD |
| CDrennan |
| CDS - Johann Lochner |
| Chantal Desroches |
| Chris Climo# IIAC |
| Christos Ekonomidis BNYM |
| Dan Brennan — FCC (Dan Brennan) |
| Dave O'Marra-Torstone (Dave O'Marra) |
| David Petiteville @RBC |
| dmacDougall |
| Dom Sgambelluri |
| Doug Gifford |
| Elisabeth Falake |
| Eric Man-chi-ming |
| Fran Daly-CCMA (Francis Daly) |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce |
| Henry - Broadridge |
| Iris Trotman |
| Ivy Sananikone - LBC |
| James Stares |
| Jamie Anderson |
| Jarrod Smith (OSC) |
| Jason O'Born-RBC |
| jdufrene |
| John Abel - DTCC |
| Judith Marcelo |
| Kapil Sharma - CIBC |
| Katherine TDS |
| Keith Evans - CCMA |
| Kelly Chong |
| Keri Peacock - BMO |
| KevinC TD |
| Lavanya CIBC |
| Lou Lesnika - CIBC Mellon |
| Lyndon James Citi |
| Maggie |
| Marcus Barrett |
| Martin Palivec Citi- |
| Mary Anne Palangio# CSE |
| Mary Beth Law |
| Meaghan Li |
| Mei Yang - Citibank Canada (Mei Yang) |
| Michael G |
| Mike Cagayat |
| mlangley |
| Muneeb Ahsan |
| Nelson Dugré-Sasseville |
| Noura Dube - Deloitte |
| Olga Svistoun |
| Olivier Demet (Credit Suisse) |
| Pamela Egger |
| Pascal Deslauriers - Desjardins |
| Pat Dunwoody |
| Phil Zywot# CASLA/BNY Mellon |
| Rags |
| Ramesh Somalingam |
| Rishanthi Pattiarachchi - BOC |
| Rob Candido |
| RosemaryM |
| Roy Gamboa - TD |
| Russ (Russ and Elena) |
| Sam |
| Sandra Marcoccia |
| Sanil George (Soc Gen) |
| sauves |
| Scotia -Hinkson |
| Sheera Badial - Canaccord |
| Stefan Caputo |
| Stephanie Leblanc-Mchenry |
| Stephen Isgar |
| Sumaiya Huq |
| Sunny |
| Travas |
| Wendy Chen |