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

**Meeting Information**

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

**March 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 February 28, 2023
   1. (below – following the Agenda page)
2. Approval of Minutes from the meeting held on March 13, 2023
   1. (below – following the February 28, 2023 Minutes)
3. General Industry Update
4. NI 24-101 Comment Letter
5. 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
6. Other Business
7. Next Meeting April 25, 2023 at 11:00 AM ET

**T1SC - Minutes of February 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 January 24, 2023**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on January 24, 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;

* The SEC has provided their compliance date of May 28, 2024 for T+1.
* This is 14 less weeks than we had hoped for.
* May 28th is a three-day holiday in the U.S, but not in Canada.
* There are two options for Canada to consider.
  + The first is to have the first Trade Date for T+1 on Tuesday May 28th. This will mean that Monday May 27th will remain at a T+2 settlement date. This would require system implementations to be completed on a Monday night, with little or no time to validate the implementation before it goes live.
  + The second option is to have Monday May 27th as the first Trade Date for T+1, one day ahead of the US….but system implementations will be completed on the same weekend as the U.S. This would also allow for a day or two for validation of the implementation on the weekend before starting to trade on Monday.
* Two other options were suggested, but discounted for various reasons. The first was to try and make Monday May 27th a non-trading/settlement day in Canada, and the second was to consider transitioning a week earlier, where Canada would have a long weekend. Both of these options have political, logistical and operational hurdles that make them less desirable for the members.
* There are a number of issues that need to be considered before a final decision can be made. For instance, in-flight entitlement or corporate actions and their associated Ex D, RD and PD. Secondly, order management systems such as Fidessa, Position Watch, etc. need to be considered as well.
* Keith said we need to socialize the transition date for Canada with the U.S., Canadian Regulators, in addition to the full Canadian industry. It was agreed that this issue would be taken to the OWG on March 9th for review. Keith agreed that a Steering Committee meeting to deal with this issue in a single purpose meeting will be booked for March 13th.
* Keith reported that CDS still has to issue their T+1 test plan. It is expected shortly and is critical to our final plans for T+1. However, it is expected that testing will be scheduled to start later this year.
* Keith also reported that the PTM Oversight Committee needs to determine when the PTM project can no longer coexist with T+1. That meeting was originally scheduled for Monday February 27th, but was rescheduled to next Monday. This is a very important decision that needs to be made in order to free up resources currently focused on PTM and need to be focused on T+1 very soon.

**3 – NI 24-101 Comment Letter**

Jamie summarized the current state of the proposed CCMA Comment Letter.

* The letter is due to be submitted by March 17th
* No material changes are being proposed.
* Now we have an official date from the SEC for transition, references in the letter can be made clearer with respect to the actual date.
* The potential for a May 27th date needs to be incorporated.
* Some minor technical changes are needed to be clarified.
* Jamie suggested that CCMA will re-draft the Comment Letter (a blacklined version) and add it to the agenda for the next special purpose Steering Committee meeting being scheduled for March 13th. Final approval will need to be given at that time.

**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**:

1. **General Update**: Sheera Badial of Canaccord Genunity reported that at the last meeting of the OWG, members discussed
   1. Kyndryl had provided a summary of their readiness for T+1. They have completed their analysis and development will start shortly (March).
   2. Paramax also provided an update, where they reported that their system “Arrow” does not edit on the settlement date, and therefore they are already for T+1 today. No changes are being proposed at this time.
   3. Sheera reported on the BSTF, where over the course of two meetings, members have concluded that the way to T+1 is via automation/STP of the allocation and affirmation process.
   4. CDS has made a changes on Buy In intents (OWG-019) to align with DTCC. Originally it was proposed to shorten the Intent period, but have now reverted back to leaving it at two days as it is today.

**B - Legal:** Jamie Anderson noted that he had reported at the last Steering Committee meeting that the New SRO needed MBS experts to assist with the month-end confirmation distribution process. He said that the New SRO had been in touch with some experts in the area and were able to accurately reflect the changes needed.

**C - Mutual Funds:** Russ White said that the Mutual Fund working group has completed almost all of its work, and that all of the technical changes have been agreed to by the members. The only outstanding issue to be finalized is the actual transition date of either May 27th or 28th.

**D – Communication/Education:** Barb Amsden updated the group on the activities of the Communications and Education Working Group. She said that the CEWG is continuing to share information via several channels on the activities of T+1. She also mentioned that the ValuExchange global survey results will be issued by the middle of March. The next newsletter is scheduled for release at the end of March.

**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 March 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 |
| Andrew Ledbury - Kyndryl |
| Annetta Ho |
| Assane - Desjardins |
| Barb Amsden |
| Bill Grossman IIROC |
| Bill Devolin - Manulife |
| Brent Blake |
| C.A.S.H - Scotia |
| Carol Elmalem |
| Casey |
| Cathryn Mackay- RBC I&TS |
| Catherine Drennan |
| Chantal Desroches |
| Charlena |
| Chelsey Morphy - Scotia |
| Chris Butler - BNYM |
| Chris Climo IIAC |
| Christos Ekonomidis BNYM |
| Dan Brennan – FCC |
| Danny Leca @ CIBC |
| Dave O'Marra- Torstone (Dave O'Marra) |
| David Petiteville @RBC |
| Dom Sgambelluri |
| Doug Gifford |
| Farah Kamal |
| Fran Daly - CCMA (Francis Daly) |
| Francis Coche AMF |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce OSC |
| Grant Bellamy IFDS |
| Hagen Einspenner - Kyndryl Canada |
| Halyna |
| Henry - Broadridge |
| Ivy Sananikone - LBC |
| Jack |
| James Gorman |
| Jamie Anderson |
| Jarrod Smith (OSC) |
| Jason O'Born-RBC |
| Johann Lochner - CDS |
| John Abel - DTCC |
| Jonathan Grenier (SocGen) |
| Judith Marcelo |
| Kapil Sharma (CIBC) |
| Keith Evans - CCMA |
| Keri Peacock - BMO |
| KevinC |
| Lavanya CIBC |
| Lou Lesnika - CIBC Mellon |
| Lulu |
| Lyndon James |
| Marcus Barrett (Marcus) |
| Martin Palivec-Citi (Martin Palivec) |
| Mary Anne Palangio CSE |
| Mary Beth Law |
| MeanguE |
| Mei Yang - Citi Canada (Mei Yang) |
| Michael Kenny / TDW |
| Muneeb Ahsan |
| Nathalie Picard |
| Nickey Deros |
| Noura Dube - Deloitte |
| Pamela Egger |
| Pascal Deslauriers - Desjardins |
| Pat Dunwoody |
| Philippe Beato |
| Pooja BOC |
| Ramesh Somalingam - CanDeal (Ramesh) |
| Rob Candido |
| Roy Gamboa - TD |
| Russ White - Fundserv |
| Sanil George (Soc Gen) |
| Sarfaraz Janmohamed |
| SHAHZA8 |
| Shawn Fernandez |
| Sheera Badial - Canaccord |
| Silvia L |
| Stephen Isgar |
| Steve Liao |
| Sumaiya Huq |
| Sunny |
| Travas |
| Vasu Ganesan |

**T1SC - Minutes for March 13, 2023**

Keith Evans from CCMA welcomed members and thanked them for attending the special purpose meeting of the CCMA T+1 Steering Committee.

**1 - Approval of February 28, 2023 meeting Minutes** – deferred to next meeting

Keith reported that the Minutes of the February 28, 2023 would be combined with the Minutes of today’s meeting and approved together at the March 28, 2023 meeting of the Steering Committee.

**2 - Canada T+1 transition date – May 27, 2024 vs May 28, 2024**

Domenic Sgambelluri reported that the Operations Working Group had met last week and discussed the transitional date for T+1 in Canada. He said the US had identified May 28, 2024 (Memorial Day long weekend) as the transition date for the US, and since it does not fall on a three-day weekend in Canada, we need to review what other options were viable for Canada. There were two options that received consideration by the OWG. The first was to transition on May 28, 2024, along with the US. The second option is to transition on May 27, 2024. Option #1 would only provide one overnight period to implement and validate system implementations, while Option #2 would allow for the system implementations to be completed over the weekend (along with the US) and have enough time to validate the success of the implementations.

Keith noted a couple of other options that were discussed with the OWG. One was to see if Canada could make Monday May 27th a non-trading and non-settlement dates. A another issue discussed was that some US-based firms would have challenges with staff levels on May 27th, due to the holiday in the US.

Another issue raised at the meeting was what would Canada do if the US were to postpone their transition on Monday May 27th to a later date. This issue will be added to the OWG Issue Log and reviewed in the coming months.

**After review and discussion, the members of the T+1 Steering Committee unanimously agreed to the transition date for T+1 in Canada being Monday May 27, 2024.**

**3 - NI 24-101 Comment Letter**

Keith asked Jamie Anderson to walk the committee through the proposed changes to the draft Comment Letter due this week on NI 24-101. Jamie reported that the proposed changes have been reviewed by multiple committees over the past month, and he summarized the previously proposed changes as follows:

(a) 3:59 am confirmed;

(b) data collection times considered;

(c) clarification re: CSA Staff Notice 81-335 (if adverse impacts are discovered during project, CCMA will send comments)

(d) reverted to the language in the instrument regarding registered firms (i.e. Registered Dealers and Registered Advisers are subject to the rules)

The subsequent changes to the letter reflected the following:

**SEC final Rule issued Feb. 15, 2023**

* Compliance date May 28, 2024
* T+1 – not T+0 at this time

**Effective Date of NI 24-101 amendments**

* Earlier of the Canada and U.S. transitions – provides flexibility

**Publication of the CSA approved amendments to NI 24-101**

* Request for regulatory certainty sooner than later
* Decision regarding the matching deadline (9pm v. 3:59 am)

**Data collection times for Quarterly Reporting**

* Updated as to agreement for times proposed by the CSA
* Removed T at midnight (previously suggested by CCMA)

**Quarterly Reporting follow same transition as T+2**

* 1st quarter ending after effective date, use previous data collection times
* End of May 2024 T+1 conversion would mean
* Q2 report – Apr. 1 to June 30, 2024 – use old data collection times
* Q3 report – July 1 to Sept. 30, 2024 – use new data collection times

On Mar. 9, 2023, the OWG reviewed draft letter and recommended the T1SC approve.

Keith suggested that any member can also submit their own Comment Letter in addition to the one discussed today.

**After review and discussion, the members of the T+1 Steering Committee unanimously agreed to approve the Comment Letter presented for submission to the CSA on or before March 17, 2023.**

**4 - Other Business**

Keith reported that the PTM Oversight Committee met a couple of times last week, to discuss the impact that the PTM project is having on resources needed to support the T+1 project. He said that the industry told CDS that they cannot support any more testing beyond the end of Cycle 2 of the ‘unscripted’ at the end of May 2023. He said that CDS will likely issue a communication in the next few days summarizing their plans.

Pamela Egger from IFIC updated the members on IFIC’s plan to submit a Comment Letter relative to a minor technical change to NI 81-102 section 9.4(4). For that subsection, in the event of a failed trade, the industry must wait until the third day after settlement before determining it as a redemption. This Comment Letter will be submitted to the CSA under the NI 24-101 request for comment.

**ATTENDEES**

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| --- |
| AC Hurillon-Laurentian Bk Securities |
| Allyn Howe - Paramax |
| Andre Zanga - Casgrain |
| Annetta Ho |
| Assane Ndoye - Desjardins |
| Barb Amsden @CCMA |
| Bill Devolin - Manulife |
| Carol Elmalem - CIBC |
| Carol Revoredo - CIBC Mellon |
| Casey Als - TD (Casey) |
| Catherine Drennan - IIROC |
| Cathryn Mackay - RBC I&TS |
| Chelsey Morphy - Scotia |
| Chong Kelly |
| Christos Ekonomidis BNYM |
| Dan Brennan — FCC |
| Danny Leca — CIBC |
| Dave O'Marra-Torstone |
| David Petiteville – RBC IST |
| Dom Sgambelluri |
| Doug Gifford |
| Fran Daly-CCMA |
| Francis Coche AMF |
| Franklin Lacroce OSC |
| Halyna |
| Henry - Broadridge |
| Hinkson - Scotiabank |
| Ivy Sananikone - LBC |
| Jamie Anderson - CCMA |
| Jason O'Born-RBC |
| jdufrene |
| Jennifer Vachon |
| Johann Lochner - CDS |
| John Abel - DTCC |
| Katherine Yu TDS |
| Kathy Malaga |
| Keith Evans - CCMA |
| Keri Peacock - BMO |
| Lavanya CIBC |
| Lou Lesnika - CIBC Mellon |
| Luigi Fisico - State Street |
| Lulu |
| Marcus Barrett |
| Marlene - TD |
| Mary Anne Palangio CSE |
| MeanguE |
| Mei Yang- Citibank Canada (Mei Yang) |
| meli |
| Michael Kenny / TDW |
| Nathalie Picard |
| Nav Badhan - BNYM |
| Nelson Dugré-Sasseville |
| Noura Dube - Deloitte |
| Pamela Egger - IFIC |
| Pascal Deslauriers |
| Pat Dunwoody |
| Phil Zywot CASLA/BNY Mellon |
| Pooja BOC |
| PV |
| Rags G |
| Rob Candido |
| Roy Gamboa - TD |
| Russ White - Fundserv |
| Sheera Badial - Canaccord |
| Silvia L |
| Stefan Caputo |
| Stephanie Leblanc-Mchenry |
| Steve Liao |
| Sumaiya Huq |
| Travas |
| Vincent Bachelot |