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

**Meeting Information**

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

**May 23, 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 April 25, 2023
2. General Industry Update
3. CCMA Funding
4. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. Overnight confirmation vs settlement – **Approval Required**
      3. ITP trade input cut off - 7:30 PM vs 8:00 PM – **Approval Required**
   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 June 27, 2023 at 11:00 AM ET

**T1SC - Minutes of April 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 March 28, 2023**

Keith reported that the Minutes from the last full T+1 Steering Committee meeting, held on March 28, 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 asked for volunteers to help identify the issues associated with the creation and redemption of ETFs. Keith suggested that this group would have a couple of meetings to try and identify the issues and any potential solutions. These would then be reported into the OWG for recommendation and or further discussions, prior to the Steering Committee being asked to make any approvals. Keith mentioned that the CEFTA has identified three members from the CEFTA T+1 Working Group. Volunteers from the T+1 Steering Committee were offered as follows;

* Nelson Dugre-Sasseville from National Bank
* Kenneth Martin from RBCIS
* Jason O’Born from RBCDS
* Sheera Badial from Canaccord Genuity

Keith Evans provided a general update on the status of the T+1 project as follows;

* The Canadian transition date has been miscommunicated here in Canada as well around the globe. He asked that any communications that may be planned for organizations, if they could include May 27, 2024 as the transition date for Canada, and NOT May 28th, which is the transition date for the U.S.
* CDS recently issued their proposed Test Plan.
* CDS issued a Participant bulletin on March 31, 2023. The bulletin outlined the fact that T+1 was an industry priority and that activities for PTM would be postponed until after the completion of T+1 in May 2024. Therefore unscripted testing for all members would stop after the completion to Cycle 2 at the end of May 2023. However, to the extent that some members (those with separate PTM and T+1 teams, etc.) wished to continue into Cycle 3, CDS will continue to support the PTM test region until the end of July 2023.
* Keith reported that he believes that identifying solutions for the buyside is the most critical area to address to ensure we do not increase trade fails once we transition to T+1 in May 2024.

**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

* CASLA provided an update of Securites Lending as follows
  + T+1 has been set as a priority and they have established a working group to deal with the issues.
  + Engaging third party providers to look for solutions to automate and streamline the recall process.
  + Engaged the TMX group to help in the reduction of fails by pairing up those with inventory with those that need securities.
  + Tracking recalled securities to monitor the progress
  + Engaging with Sifma in the US to look for the benefits of how they are attacking the issues.
* The OWG is reconsidering the cutoff time for the submission of allocated ITP trades. Last year, the Steering Committee approved 8:00 PM ET as the new cutoff time. However, as members started to investigate the logistics of the time change, both CDS and vendors currently have a defined cutoff time of 7:30 PM ET. The OWG is trying to determine if the system changes needed to support this 30 minute extension would be sufficiently beneficial to the industry. A new proposal will be brought back to the Steering Committee at next month’s meeting.
* Sheera reported that ITP trades submitted or confirmed within CDS after ‘Date Rollover’ at roughly 10:30 PM ET on Trade Date, will automatically attempt to be settled on a trade for trade basis, and not held to be part of the netted settlement (Batch Net Settlement or BNS) that runs at 4:00 AM ET on T+1. The recommendation is to ask CDS to make a system change to remove the ‘settlement trigger’ on all Client (i.e. ITP) trades confirmed after the ‘Date Rollover’. By doing this, these trades will be included as part of the BNS. A proposal will be presented to the Steering Committee at next month’s meeting.
* CDS has issued their draft T+1 Test Plan. The plan currently has testing starting January 2024 and running until the end of April 2024. Sheera said that the OWG will discuss this in more detail at next month’s meeting.
* Sheera mentioned that Barb from CCMA discussed some of the results form the recently issued ValuExchange survey on T+1 readiness.
* The BSTF continues to work with members to try and identify issues and solutions for improving the confirmation rates.

**B - Legal:** Jamie Anderson reported that the LRWG reviewed and discussed the impact that NI 24-101 has on all parties to a trade.

* Sellside dealers may not execute a trade unless they have policies and procedures to achieve 90% matching by the deadline of the National Instrument.
* Advisors may not place a trade unless they have policies and procedures to meet the 90% matching deadline of the National Instrument.
* Dealers and Advisors cannot open accounts unless they have policies and procedures to encourage each trade matching party (i.e. Institutional Investors, Custodians, Registered Dealers, and Registered Advisors) to enter into a trade matching agreement or provide a trade matching statement.
* The next step is to take this to the BSTF for review at their next meeting.
* The Trade Matching statement that use to be posted on the IIAC website is no longer there. Would it be useful if this was still available to the industry? Keith agreed to table this with the OWG for discussion and then report back to Chris Climo of IIAC (who advised that if the industry found the TMS useful, IIAC would post the template).

**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. The Standards Steering Committee of Fundserv have approved the actual transition date of May 27th. Russ noted that the current system supports T+1, so good to go for Mutual Funds. Russ also reported that James Stares of Fundserv will be replacing Russ as a T+1 Steering Committee member, when he retires at the end of next month.

**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 focus on the May 27th date for transition. CCMA wrote an article for ACPM on T+1 and should be live within the next few days. Barb said that CCMA has some members looking at a comparison between the Canadian and U.S. Asset Lists.

**6 – Other Business:** There was no other business raised.

**7 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday May 23, 2023, at 11:00 AM Eastern.

**Attendees**

|  |  |
| --- | --- |
| Aaron Leyser | |
| AC Hurillon-Laurentian Bk Securities |
| Allyn Howe; Paramax |
| Andre Zanga - Casgrain |
| AndrewLedbury - kyndryl |
| Annetta Ho - OSC |
| Assane Ndoye |
| Barb Amsden - CCMA |
| Bill Devolin - Manulife |
| Bill Grossman CIRO |
| Casey Als - TD |
| Cathrine Drennan - CIRO |
| CDS - Johann Lochner |
| Chantal Desroches - Desjardin |
| Chelsey Morphy - Scotia |
| Chris Butler |
| Chris Climo# IIAC |
| Christos Ekonomidis BNYM |
| Dan Brennan - Fidelity |
| Danny Leca @ CIBC |
| Darnel |
| Dave O'Marra-Torstone |
| Dom Sgambelluri - Northern |
| Doug Gifford - Broadridge |
| Elisabeth Falake |
| Eric Man-chi-ming |
| Fran Daly-CCMA (Francis Daly) |
| Francis Coche AMF |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce OSC |
| Halyna |
| Henry Delange - Broadridge |
| Ivy Sananikone - LBC |
| Jack |
| Jamie Anderson - CCMA |
| Jason O'Born-RBC |
| jdufrene |
| Jonathan Grenier (SocGen) |
| Judith Marcelo |
| Kai |
| Katherine TD Securities |
| Keith Evans - CCMA |
| Kelly Chong |
| Keri Peacock - BMO |
| Kevin Calhoun TD |
| Lavanya CIBC |
| Linda Luo |
| Lou Lesnika - CIBC Mellon |
| lroberto |
| Lulu Feng - Questrade |
| Lyndon James Citi |
| Martin Palivec-Citi |
| Mary Anne Palangio# CSE |
| Mary Beth Law - Broadridge |
| Michael G |
| Mike Cagayat |
| Muneeb Ahsan - CIRO |
| Nav Badhan (BNY Mellon) |
| Nelson Dugré-Sasseville - National |
| Olga Svistoun |
| Olivier Demet (Credit Suisse) |
| Pamela Egger - IFIC |
| Pascal Deslauriers - Desjardins |
| Pat Dunwoody CEFTA |
| Phil Zywot# CASLA/BNY Mellon |
| Pooja BoC |
| prem |
| PV |
| Rags |
| Ramesh Somalingam |
| Rishanthi Pattiarachchi - BOC |
| Rob Candido |
| RosemaryM |
| Rui Ferreira - Torstone Technology |
| Russ White - Fundserv |
| Sandra |
| Sanil George (Soc Gen) |
| sauves |
| Sheera Badial - Canaccord |
| Silvia L |
| Stefan Caputo |
| Stephen Isgar - RBCIS |
| Steve Liao |
| Sunny |
| Travas |
| vincent bachelot |