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

**Meeting Information**

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

**November 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 October 24, 2023
2. General Industry Update
3. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. OWG-001 CDS Test Plan – for closure
      3. OWG-005 NI-24-101 – for closure pending CSA Final Rule issuance
      4. OWG-009 Securities Lending – for closure
      5. OWG-031 Trade Entry/Confirm/Allocation/ Process – for closure
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
      2. LRWG-16 – CIRO - Guidance on the regular settlement date to be used for certain foreign exchange hedge trades – for closure
      3. LRWG-17 - CIRO – Corporation Investment Dealer & Partially Consolidated Rules – for closure
      4. LRWG-19 - CIRO – UMIR – for closure
   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 December 19, 2023 at 11:00 AM ET

**T1SC - Minutes of October 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 September 26, 2023**

Keith reported that the Minutes from the last full T+1 Steering Committee meeting, held on September 26, 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:

* Euroclear issued a report on ‘Road to T+1 in the Americas’. This version focused on the US, with Canada being the focus at a later time.
* ETF and Mutual Funds will be covered under other items on today’s agenda.
* Industry members to provide transitional issues that the OWG can evaluate
* CDS Loan Recall facility is still looking for more sec lending members to sign up for their loan recall portal. You should contact CDS directly for more information. Sifma is hosting a webinar this coming Friday on the CDS Recall portal. The webinar is scheduled for 8 AM ET.

1. Henry DeLange of Broadridge, in a follow up item to the last meeting, said that Dataphile users who are currently connected to Fundserv via their pre-pod regions will automatically be connected to Fundserv for T+1 testing next year.

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

* + ETF Task Force – they continue to focus on the ability to substitute collateral for any missing underling assets within primary market trades.
  + CDS test plan has been finalized and reviewed by the working group. The testing will commence in January, 2024.
  + CDCC test plan will be included in Cycles 3 and 4 of the CDS test plan.
  + Transition issues to be discussed, such as in-flight Buy Ins, Corp actions and Entitlement Ex-Date, etc. members were asked to think about these issues and report back to the OWG for review.
  + The T+1 Asset List has been updated to reflect greater clarity on a number of asset classes.

**The members of the T1 Steering Committee unanimously agreed to approve this version for use.**

* + The three JP Morgan three issues were discussed and completed without further work to be undertaken by the industry in support of T+1. The items discussed were
    - The CDS Locked In process for direct participant non-exchange trades.
    - Trade metrics for broker to broker non-exchange trades.
    - Trade matching quarterly compliance for broker to broker non-exchange trades.

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

* Issue Log LRWG-019, which deals with guidance on F/X spot transactions for hedging.
* LRWG-009 - Investment Funds. The only outstanding issue is; what is the settlement period for funds which do not settle via Fundserv and how communicated to investors. Jamie asked that Steering Committee members provide feedback to him.
* LRWG-021/21B are changes to CDS external procedures. CDS plans to table the proposed amendments with the SDRC in November 2023 and subsequently to its regulatory authorities on a technical/housekeeping basis (i.e. no public comment period would be required).
* CDCC proposed rule changes are planned for CCDC Board review in October 2023 and subsequently to its regulatory authorities on a technical/housekeeping basis (i.e. no public comment period would be required).
* TMX suite of rules are not expected to be worked on until early 2024.
* CCMA is concerned about the delay with all of the recognized exchanges communicating the various T+1 amendments to the industry. Therefore the hope is that the exchanges would make these submissions earlier than currently planned. Exchange guidance to their issuers (as provided under the T+2 project) is also needed (i.e. avoid the May 27, 2024 period for entitlements/corporate actions).
* The ETF taskforce continues to discuss the need for collateral to help in the ETF creation process and the perceived lack of clarity regarding permissibility under NI 81-102 *Investment Funds*. At this time the use of the existing framework, used for securities lending in NI 81-102, is being pursued for ETF primary market fails. The discussion is now focused on the process for obtaining relief.
* The Trade Matching Statement, previously approved by the Steering Committee, has been posted on the CIRO website. The CCMA website has a link to the CIRO Bulletin. IIAC has been requested to likewise include on its website a link to the CIRO Bulletin. Sam Uddin advised that the next IIAC newsletter will note the link.

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

The CSA recently issued, for public comment, a proposed amendment to NI 81-102, which will provide clarity around when a purchase order for a fund may be ‘closed out’ under different settlement period for funds. The current rule reflects that funds need to wait until the third day, while the proposed rule will reflect the day after settlement day. This would mean that a fund could close out a transaction on the second day if the fund has a settlement period of T+1, and on the third day if the settlement period is T+2.

**D – Communication/Education:** Keith Evans updated the group on the activities of the Communications and Education Working Group, as follows;

* The next T+1 project Technical update will be issued by the end of October.
* Much time was spent updating the previously approved updated Asset List.

**4 – Other Business**:

* There was a discussion on how FX will be handled in a T+1 environment. Keith suggested that this is also a good discussion for the OWG. Keith agreed to add this to the next meeting for discussion. One member identified a GFMA paper that provides a great level of details on the impact of FX. Keith agreed to distribute the link with the Minutes
* John Abel form DTCC mentioned that Sifma is hosting a CLS webinar, and he will send a link to Keith for distribution to members of the Steering Committee.
* John Abel updated the group that the US testing has gone very well, with great participation amongst larger firms, and no material issues have been raised.
* One member mentioned that the ITP stats need closer attention since these numbers are still very low. Keith agreed that this will be on the next OWG meeting.
* Keith mentioned that he had attended the IIAC sponsored event of India’s transition to T+1 earlier this year. He said that there was nothing from that session that was a cause for concern for Canada. IIAC agreed to provide some of the material shared.

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

**Attendees**

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| --- |
| John Abel - DTCC |
| Allyn Howe; Paramax |
| Alvin Lam - Scotiabank |
| Arjun |
| Art Valdes |
| Andre Zanga - Casgrain |
| Bill Grossman CIRO |
| Carol Elmalem |
| Carol Revoredo - CIBC Mellon |
| Casey Als - TD |
| Catherine Drennan - CIRO |
| Chinmay(TD) |
| Kelly Chong |
| Martin Palivec Citi |
| Dan Brennan – FCC (Dan Brennan) |
| Danny Leca CIBC |
| Dave O'Marra |
| David Petiteville @rbc |
| Deepak D. |
| Bill Devolin Manulife |
| Dom Sgambelluri |
| Doug Gifford |
| Edson Silva (Scotiabank) |
| Eric Man-chi-ming - Desjardins |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce OSC |
| Greg Sutton - CIBC |
| Halyna |
| Hector Toriz AMF |
| Henry Delange - Broadridge |
| Chester Hinkson - Scotiabank |
| Iris Trotman |
| Ivy Sananikone |
| Jamie Anderson - CCMA |
| Jarrod Smith - OSC |
| Jason Dear - Scotiabank |
| Jason O'Born-RBC |
| Jim Newman CIBC |
| Johann Lochner - CDS |
| Judith Marcelo |
| Kaitlyn O'Donnell |
| Kapil Sharma (CIBC) |
| Keith Evans - CCMA |
| Keri Peacock - BMO |
| Kevin Duncan |
| Kevin Calhoun TD |
| Lavanya CIBC |
| Louis Lesnika - CIBC Mellon |
| Lulu Feng |
| Lyndon James |
| Maher Boutros |
| Marcus Barrett |
| Mariam Osman |
| Mark Cicero- BMO |
| Mary Anne Palangio, CSE |
| Mary Beth Law |
| Matthew Andreacchi (OSC) |
| Mei Yang - Citi (Mei Yang) |
| Michael Cagayat |
| Michael Giancursio - BMO |
| Michael Kenny / TD Waterhouse Canada |
| Michael Palmiotto |
| Muneeb Ahsan |
| Mya |
| Nav Badhan (BNY Mellon) |
| Nelson Dugre-Sasseville (NBC) |
| nfrench |
| Olga Svistoun - BMO |
| Pamela Egger - IFIC |
| Pascal Deslauriers - Desjardins |
| Pat Dunwoody |
| Paul White BMO |
| Peter Virvilis - Haywood |
| Phil Zywot, BNY Mellon |
| PV |
| Rob Candido |
| Rosemary Marchesano - Fundserv |
| roy g |
| Ruo Liu |
| Sam Uddin |
| Sheera Badial - Canaccord |
| Silvia L |
| Siv Angalakuduru(Scotiabank) |
| Stefan Caputo (Bank of Canada) |
| TAE5098 |
| Tammy Savinkoff |
| ticechr |
| Vanguard |
| Wendy Chen |