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

**Meeting Information**

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

**September 26, 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 August 22, 2023
2. The ValueExchange – summary of latest T+1 pulse survey – Barnaby Nelson
3. General Industry Update
   1. ITP stats - attached
   2. CDS Testing Support requirements form
   3. CDS Sec Lending Portal
4. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
         1. Updated Trade Matching Statement - attached
   3. Mutual Funds - James Stares and Rosemary Marchesano
      1. MFWG Update
   4. Education/Communications - Barb Amsden
      1. CEWG Update
5. Other Business
6. Next Meeting October 24, 2023 at 11:00 AM ET

**T1SC - Minutes of August 22, 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 July 25, 2023**

Keith reported that the Minutes from the last full T+1 Steering Committee meeting, held on July 25, 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 a general update on the status of the T+1 project as follows:

1. There is no new information on the number of Mutual Funds moving to T+1.
2. The UK and Europe are both studying the prospect of moving to T+1. The UK is expected to make a recommendation in the fall on the potential to move to T+1 in late 2025 or 2026. Europe has no set timeline for their recommendation or transition.
3. DTCC has commenced the US testing in the past week. Keith reported that there has been some activity, but is still reasonably light. It is expected that the number of users, as well as increased volumes will pick up in Cycle 3 or 4, later this fall.
4. Sifma is working on setting up the parameters of what would be included in a Command Center, which is expected to be active during the transition next year. Keith expects Canada (via CCMA) will be part of the Command Center.
5. Keith reported that a number of comments have been made about the potential for the SEC to delay the implementation of T+1 in the US. Keith said that there is no indication at all that this will occur. He asked that anyone who hears this to report it to Keith for follow up. He stressed the need for the entire industry to be focused on being fully ready for May 27, 2024.
6. Keith then provided a chart with the latest in ITP stats as reported by CDS over the period of April to July 2023. He noted that the numbers of trades entered and confirmed at the intervals of Midnight on TD, Noon at T+1, and Midnight on T+1 have not seen any improvements over the past four months, and that the confirmed rate needs to more than double within the next 279 days.

The following comments and details were provided as part of a general discussion.

* + One member indicated that some buyside clients have indicated that since there are no penalties associated with not meeting the requirements set out in NI 24-101, they will ‘do their best’ to meet the new thresholds. This is problematic for sell side dealers who must meet the thresholds.
  + One member mentioned that they are able to use the Arrow product to determine who is meeting the timelines and who is not. This will help them reach out to those clients to look for reasons and determine what they can do to improve.
  + If the numbers don’t improve, there will be a negative impact on collateral requirements expected by T+1.
  + Another member reported that automation is key for buyside clients, and that once agreements are changed between the custodian and the client, improvements should be seen.
  + System changes, and job schedulers need to be modified so that ‘trade matching’ jobs run more frequently in the overnight period.
  + There is interest in adding the trade settlement rate to the ITP stats that CDS produces, while another request might be for CDS to break down the stats by individual clients.
  + The sellside, buyside and custodians need to work together to achieve the required matching rate.

**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 the following issues;

* + CDS provided an update on the changes being made to the ITP stats to reflect the regulatory changes to NI 24-101.
  + An update on the ETF taskforce focused on the need to utilize collateral for the creation and redemption process to avoid failed trades. The TF would ask for a blanket exemption for the use of collateral in time for the transition to T+1.
  + There was an update from CASLA and their work with TMX to create a recall portal, which will help with the automation of the recall function of a loan.

1. The OWG had reviewed and recommended for closure the following four Issue Logs.
   * OWG-004 – Derivatives, OWG-010 – North/Southbound Flips, OWG-012 – DP Trade Matching, and OWG-039 – NI24-101 Stats.
   * Each of these have been reviewed in detail and can be closed based on the following.
     + OWG-004 – Derivatives, No development work is required and the testing has been rolled into the CDS Test Plan for industry testing next January.
     + OWG-010 – North/Southbound Flips, this is a post settlement activity.
     + OWG-012 – DP Trade Matching, the current time of 6 PM ET is considered effective for a T+1 environment.
     + OWG-039 – NI 24-101 Stats, where the discussion on stats will be rolled into the OWG-005 issue log, which deals with all of the details associated with the national instrument.

**The members of the T1 Steering Committee unanimously agreed to close all four Issue Log items**.

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

* CSA Staff Notice supporting the NI 24-101 matching deadline of 3:59 AM ET on TD +1.
* The CCMA Comment Letter to the CSA which outlined a proposed time change from 8 PM ET to 7:30 PM ET, for all ITP trades to be submitted.
* Reviewed a new FAQ on matching and settlements that identifies what type of trades, matching requirements, etc. The FAQ has been sent to CIRO and CSA for their review and agreement before posting on the CCMA website.
* Other areas reviewed included reviewing action items
  + TMS - final version
  + Buyside taskforce request for clarity on who is covered under the NI 24-101. Jamie noted that the CCMA was meeting later in the day with member of the OSC to discuss this topic.
  + Mutual Funds work in determining which funds will move to T+1 and which one won’t.
  + Investment Funds prospectus’ review for potential changes for the move to T+1.
  + A review of CIRO issue log updates was the primary discussion at the last meeting.
  + CIRO Rules in support of T+1 were out for comment. There were no comments received by the deadline. The Rules are now being finalized internally and by the CSA.
  + Settlement date for FX trades. This is still under review.
  + MFDA rules and compliance procedures are under review. However, the rules does not appear to be in need of revision since they do not reference a settlement date.

**C - Mutual Funds:** James Stares said that from a Fundserv perspective there was no development required for T+1 as Fundserv already supports it. They will be offering two testing windows for their members – one in January and the other in February of next year if manufacturers would like to provide their FD file for distributors to test.

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

* The next project Technical Bulletin is to be released by the end of August.
* The survey results have been finalized and will be posted on the CCMA website within the next few days.
* The Value Exchange will be issuing another short survey this week, and she encouraged everyone to complete as best they can.

**4 – Other Business**:

There was no other new business brought forward.

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday September 26, 2023 at 11:00 AM ET.

**Attendees**

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| --- |
| Allyn |
| Andrew Ledbury - Kyndryl |
| Anne-Claire Hurillon |
| Avery |
| Azita Rahmani |
| Barb Amsden |
| Bill Grossman IIROC |
| Carol Revoredo |
| Catherine Drennan |
| Chantal Desroches |
| chinmay |
| Christine Desjardins |
| Citi - Martin Palivec (Martin Palivec) |
| Dan Brennan |
| Danny Leca CIBC |
| David Petiteville @rbc |
| Deepak D. |
| DEVOLIN Bill |
| dmacDougall |
| Dom Sgambelluri |
| Doug Gifford |
| Ekonomidis# Chris |
| Eric Man-chi-ming |
| Francis Coche AMF |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce OSC |
| Greg Sutton - CIBC |
| Halyna |
| Hector Toriz AMF |
| Henry - Broadridge |
| Hinkson - Scotia |
| Ivy Sananikone - LBC |
| James Stares |
| Jamie Anderson - CCMA |
| Jarrod Smith - OSC |
| jdufrene |
| Johann Lochner - CDS |
| Justin Jones-Ward |
| Kapil Sharma - CIBC |
| Keith Evans - CCMA |
| Kevin Duncan |
| Lauren Wright |
| Lavanya CIBC |
| Lou Rosato |
| Lyndon James - Citi |
| Maher Boutros |
| Marcus Barrett |
| Mariam Osman |
| Mark Cicero- BMO |
| Maryam Bashir (CIBC) |
| Matthew Andreacchi (OSC) |
| Mei Yang- Citi (Mei Yang) |
| Michael Kenny / TDW Canada |
| Michael Klinov |
| Michael Lowes - TD Securities |
| Michael Palmiotto |
| Muneeb Ahsan |
| Nav Badhan (BNY Mellon) |
| Nelson Dugre-Sasseville (NBC) |
| Olga Svistoun - BMO |
| Pamela Egger |
| Pascal Deslauriers - Desjardins |
| Pat Dunwoody |
| Paul White BMO |
| peter V |
| Phil Zywot# BNY Mellon |
| prem |
| R. Gamboa - TD |
| ray |
| Rob Candido |
| RosemaryM |
| Ruo Liu |
| Sam |
| sauves |
| SHAHZA8 |
| Sheera Badial - Canaccord |
| Silvia L |
| Srid |
| Stefan Caputo |
| Stephen Isgar |
| Sun Young Sauve |
| TAE5098 |
| Tammy Savinkoff |
| Vasu Ganesan - Wealthsimple |
| Wendy Chen |