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

**Meeting Information**

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

**February 27, 2024 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 January 30, 2024
2. Approval of Minutes from the Special Purpose meeting held on February 20, 2024
3. General Industry Update
   1. Value Exchange – Survey results
   2. ETF Letter - Status
   3. Europe/UK - Status
4. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
   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 March 26, 2024 at 11:00 AM ET

**T1SC - Minutes of January 30, 2024**

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 December 19, 2023**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on December 19, 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 a few T+1 related items as follows:

* There are 118 days until implementation date.
* Keith said that the most recent ValuExchange Pulse survey results are almost ready for distribution. He said that there were very interesting, both positive and negative. Keith reported that he hopes that CCMA can coordinate a webinar to share the results later in February.
* Keith reported that there is nothing new out of Europe or the UK. However, he said that the SEC has suggested that these two regions need to move to T+1 as soon as possible. This is a very good indication that there will be no delay to our implementation timelines.
* The US is progressing with their industry testing. There are no problems of a material nature being reported. Keith said that they are processing tens of millions of transactions.
* CDS provided an update on Cycle 1 industry testing. There were some minor problems with connectivity initially. However, the rest of the cycle went according to plan. There were 120 problem tickets opened and 87% have been resolved and closed as of today. 11 of 14 marketplaces provided trade slices during the testing cycle, with only 3 smaller marketplaces unable to participate. CDS expects that the next cycle which starts on February 9th will be much smoother. CDS reported that all of their batch jobs ran within schedule during the latter half of the cycle.
* Fundserv reported that their first cycle of testing went very well with no problems being reported. They said that there were 23,000 funds across 30 manufacturers were set up as T+1 within the test region. The Fundserv second cycle starts on February 8th. Fundserv plans on providing daily information on which funds are moving to T+1 during the week leading up to the transition weekend.
* To a questioned asked, Fundserv reported that additional test cycles could be added if there are material problems and that industry members agree there is a need for additional testing.
* CIBC Mellon reported that their testing wasn’t perfect, but it was deemed successful. They also reported that they are looking forward to Corporate Action testing in Cycle

**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**: Domenic Sgambelluri reported on the last meeting of the OWG, where members discussed the following ‘Low Priority’ issue logs that are being presented for closure; Domenic reviewed each of the following Logs and described why it was on the list, and why it should be considered for closing.

* + 1. OWG-002 - Trade Funding Client
    2. OWG-015 - Dematerialization (physical)
    3. OWG-017 - Deposits/Physical securities (CDS/DTC)
    4. OWG-018 - Fixed Income securities
    5. OWG-024 - Accrued Interest on Trades
    6. OWG-026 - Platform Trades Funds
    7. OWG-035 - Balance Order kick outs
    8. OWG-036 - Trade Compression
    9. OWG-037 - Pre-allocation of trades

**The members of the T+1 Steering Committee unanimously agreed to approve the closure of these five logs.**

* Keith asked Jamie Anderson for a quick update on the ETF taskforce. Jamie reported that the dealers (ETFTF) and the manufacturers (CETFA) have agreed on an operational process to mitigate the risk from delayed basket securities. We are now drafting a document that if all goes well, a request for guidance letter should be ready for submission to the CSA within the next couple of weeks.

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

* Jamie said that at the last meeting it was expected that CDCC would be submitting technical/housekeeping rule amendments. However, since CDCC has identified some system changes, they needed to submit their rules as Material, which is a more elongated process including a 30-day public comment period.
* It is expected that the exchanges’ amendments would also be filed with their regulators as technical/housekeeping (like T+2) – the sooner the better in case the regulators disagree with the classification and a public comment period becomes required.
* CDS amendments will be sent to its regulators as Technical/housekeeping (approved by CDS’s SDRC on Jan. 25), which do not require a public comment period.
* The exchanges are to request their Issuers avoid corporate action events, as best as possible, around the transition weekend period in order to minimize problems during that time. This will be similar to what transpired during the move to T+2 in 2017.
* The IIAC has reported it is updating its website and once that project is completed, it will post the new Trade Matching Statement.
* Jamie reported that CCMA is meeting with the OSC later this week, where we hope to get an update on if investment managers (such as for pension funds) that have indicated that they are not advisers under securities laws are covered under, or are expected to meet the requirements of, NI 24-101.
* Jamie reported that under NI 62-104, the OWG agreed that the take up date for Issuer Bids should be the same as the settlement date, the same approach as required by the SEC. He said that this would align Canada with what is happening in the US.
* Jamie reported that LRWG-001 NI 24-101 is being presented for closure. The CSA has issued the updated NI, and captured everything the industry had hoped for.

**The members of the T+1 Steering Committee unanimously**

**agreed to approve the closure of this log.**

**C - Mutual Funds:** Fundserv reported that there was no other information to share than had been provided as part of the agenda item on industry testing above.

**D – Communication/Education:** Barb Amsden reported that the CEWG is working on the following:

* An FAQ regarding the transition of funds to T+1 has been posted to the CCMA website as of this morning. The French version will be uploaded by tomorrow.
* More questions have arisen on the funds side. This will lead to another FAQ to be drafted and posted in the next few weeks.
* There has been some expression of interest in a casual roundtable on how decisions are being made regarding funds processing.
* The most recent newsletter will be out tomorrow.
* There have been some questions on swaps.

**4 – Other Business**:

No other business was raised.

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday February 27, 2024 at 11:00 AM ET.

**Attendees**

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| --- |
| Allyn Howe |
| Alzhan Uzakov |
| AndrewLedbury - kyndryl |
| Anne-Claire Hurillon |
| Assane Ndoye - Desjardins |
| Attila Branyiczky (BMO) |
| azanga |
| Barb Amsden - CCMA  CANDIR |
| Carol Revoredo - CIBC Mellon |
| Casey Als - TD |
| Chinmay(TD) |
| Christos Ekonomidis - BNYM |
| Citi-Martin Palivec (Martin Palivec) |
| Dan Brennan — FCC (Dan Brennan) |
| Danny Leca CIBC |
| Dave Omarra |
| David Petiteville @rbc |
| Deepak D. |
| DEVOLIB |
| Dom Sgambelluri |
| Doug Gifford |
| Elisabeth Falake |
| Frank Baron |
| Franklin Lacroce OSC |
| George Chung [TMX-CDS] |
| Gustavo Sales |
| Halyna |
| hecttori |
| Henry - Broadridge |
| Ivy Sananikone |
| Jamie Anderson - CCMA |
| Jarrod Smith - OSC |
| Jason Dear - Scotiabank |
| jdufrene |
| Johann Lochner - CDS |
| Keith Evans - CCMA |
| Keri Peacock - BMO |
| Kevin Duncan |
| Lauren Wright |
| Louis Lesnika - CIBC Mellon |
| Luisa R |
| Lulu Feng-Questrade (Lulu Feng) |
| Lyndon James |
| Maher Boutros |
| Marcus Barrett |
| Mark Cicero- BMO |
| Mary Anne Palangio, CSE |
| Matthew Andreacchi (OSC) |
| Meaghan Li |
| Mei Yang- Citi (Mei Yang) |
| Michael Cagayat |
| Michael G. - BMO |
| Michael Kenny / TD Waterhouse Canada |
| Michael Lowes - TD Securities |
| Michael Palmiotto |
| Muneeb Ahsan - CIRO |
| Nav Badhan (BNYM) |
| Nelson Dugre-Sasseville (NBC) |
| nfrench |
| Noura Dube |
| Olga Svistoun - BMO |
| Pamela Egger |
| Pat Dunwoody |
| RosemaryM |
| Sam |
| Sam Uddin |
| Sheera Badial - Canaccord |
| Siv Angalakuduru (Scotiabank) |
| SL |
| Stefan Caputo (Bank of Canada) |
| Stephanie Leblanc-Mchenry |
| Sun Young Sauve |
| Tabassum Hawlader |
| Tammy Savinkoff |
| Vasu Ganesan - Wealthsimple |