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

**Meeting Information**

**Join Zoom Meeting**

**https://us02web.zoom.us/j/83350749421?pwd=YlBoSkRiSFg1Y21WQmt1RGVZRWlBUT09**

**Meeting ID: 833 5074 9421**

**Passcode: 4CZCsF**

**One tap mobile**

**+17789072071,,83350749421#,,,,\*410691# Canada**

**+12042727920,,83350749421#,,,,\*410691# Canada**

**Dial by your location**

**+1 778 907 2071 Canada**

**+1 204 272 7920 Canada**

**+1 438 809 7799 Canada**

**+1 587 328 1099 Canada**

**+1 647 374 4685 Canada**

**+1 647 558 0588 Canada**

**Meeting ID: 833 5074 9421**

**Passcode: 410691**

**Find your local number: https://us02web.zoom.us/u/k3z8RXieb**

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

**January 30, 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 December 19, 2023
2. General Industry Update
3. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. Issue Logs for closure
         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
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
         1. LRWG-001 – NI 24-101 – 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 February 27, 2024 at 11:00 AM ET

**T1SC - Minutes of December 19, 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 November 28, 2023**

Keith reported that the Minutes from the last full T+1 Steering Committee meeting, held on November 28, 2023, were distributed with the meeting package. Keith reported that the following section was added to the LRWG update – “Jamie reviewed the status of the ‘open action items’ from the LRWG. The current focus is on the marketplace rule amendments, starting with the exchanges. The LRWG Issue Log contains the suggested amendments for all of the exchanges’ rules. The rule amendments form the backbone of the transition to T+1 as it is the exchanges that effectively declare the settlement cycle through their rules (unlike the U.S. which has an SEC rule for the settlement cycle). The Canadian exchanges’ rule amendments are expected to be technical/housekeeping changes (as they were for T+2) – this means there is no public comment period. TMX Group previously communicated it would commence work on its amendments in early 2024. CBOE Canada previously communicated it would start work on its amendments post-amalgamation between NEO and MatchNow.”

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:

* There is 160 days until implementation date.
* Keith reminded members that the most recent ValuExch Pulse survey is out, and that members should take the 10 minutes required to complete it before the deadline of January 12, 2024.
* The CSA has issued its final rule for NI 24-101, which supports the industry’s request for 3:59 AM on T+1.
* Due to the amount of development necessary, and the lack of available resources, CDS will not be able to provide ITP stats as at the 3:59 AM, prior to the transition weekend in May 2024.
* CDS has indicated that they will produce the May 2024 NI 24-101 stats during the conversion weekend, which will reflect the stats in the current format up to that point. On June 4, 2024, CDS said that they will produce the ‘last week of May 2024’ stats in the new format as described in the revised NI 24-101. All future months will then follow in the new format. Keith pointed out that the CSA has indicated that they will not commence a statistical review of compliance before the start of Q3 2024…..i.e. as of July 2024.
* CDS will not be implementing into production, the new hourly slices of trades from the various marketplaces. However, they will be ready to commence testing in January 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**: Domenic Sgambelluri reported on the last meeting of the OWG, where members discussed the following ‘Medium Priority’ issue logs that are being presented for closure;

* + OWG-011 Capital/collateral implications. Since collateral requirements are decreasing there is no other work needed to be undertaken at this time.
  + OWG-021 Restricted Share Transfers (Residency/Hold periods etc.). This is a TA related issue that is not directly affecting trade settlement. Therefore it is not affecting the move to T+1 and should be dealt with directly with STAC.
  + OWG-023 Holiday Processing. This has been incorporated into the industry test plans developed by CDS.
  + OWG-027 STAC Issues. This is a TA related issue that is not directly affecting trade settlement. Therefore it is not affecting the move to T+1 and should be dealt with directly with STAC.
  + OWG-032 Operational Issues with T+1 processing. There are no known outstanding issues that the industry members are aware of needs to be addressed.

**The members of the T1 Steering Committee unanimously agreed to approve the closure of these five logs.**

**B - Legal:** Jamie Anderson reported on the activities of the ETF Taskforce. He said that the ETFTF has agreed to ask the CSA for Staff Guidance on the use of cash for delayed delivery of securities for the underlying baskets. If the CSA were to agree with this, then no further work will be required. If the CSA were to decline to issue guidance, Plan B would be to seek a ‘Blanket Order’ to allow cash, on behalf of all of the manufacturers. The next steps is to put together a document, including a legal analysis on the use of collateral. Jamie has indicated that has proven to be difficult in getting stats on this area of the marketplace.

Jamie then reported that the LRWG at their last meeting discussed the following;

Jamie reviewed the status of the ‘open action items’ from the LRWG. The current focus is on the marketplace rule amendments, starting with the exchanges. The LRWG Issue Log contains the suggested amendments for all of the exchanges’ rules. The rule amendments form the backbone of the transition to T+1 as it is the exchanges that effectively declare the settlement cycle through their rules (unlike the U.S. which has an SEC rule for the settlement cycle). The Canadian exchanges’ rule amendments are expected to be technical/housekeeping changes (as they were for T+2) – this means there is no public comment period.

The exchanges are likely to request their Issuers to avoid, as best as possible, the transition weekend in order to minimize problems during that time. This will be similar to what transpired during the move to T+2 in 2017.

TMX Group previously communicated it would commence work on its amendments in early 2024. CBOE Canada previously communicated it would start work on its amendments post-amalgamation between NEO and MatchNow.

Jamie mentioned that NI 62-104 Issuer Bid has been referred to the OWG to look at the implications and if the settlement date should change in conjunction with the move to T+1.

CDS and CDCC Rules will be sent to the CSA as Technical, which not require a public comment period.

**C - Mutual Funds:** James Staresreported that Fundserv continues to focus on their plans on running two test cycles in January and February of 2024. James also mentioned that Fundserv has held discussions with their members to solicit indications on their expected moves to T+1. There was a general discussion on the actual wording of the survey, where the percentage of issues expected to move to T+1 would be far more valuable that simply an indication that ‘some’ most’ or ‘none’ will transition. It was also mentioned that it would be worthwhile, if the survey asks for the target date for funds to move. This would ensure that funds are moving, as expected, on the transition date of May 27, 2024. James said that this is a work in progress and that late January or early February would be the target at this point.

**D – Communication/Education:** Barb Amsden reported that the CEWG are working on an FAQ regarding the transition of funds to T+1, and that the survey mentioned by Fundserv would be quite useful in helping to complete this FAQ. The expectation is that this FAQ is targeted for completion in January.

**4 – Other Business**:

There was no other business.

**5 – Next Meeting:** The next meeting of the T+1 Steering Committee has been rescheduled to Tuesday January 30, 2024 at 11:00 AM ET.

**Attendees**

|  |
| --- |
| Allyn Howe |
| Anne-Claire Hurillon |
| Assane Ndoye - Desjardins |
| Barb Amsden CCMA |
| Casey Als - TD |
| Cathrine Drennan - CIRO |
| Christos Ekonomidis |
| Danny Leca CIBC |
| Dave O'Marra |
| David Petiteville @rbc |
| Dom Sgambelluri |
| Doug Gifford |
| Edson Silva (Scotiabank) |
| Elisabeth Falake |
| Sam Farrell |
| Frank Baron - CIBC Mellon |
| Franklin Lacroce OSC |
| Gus |
| Halyna |
| Henry - Broadridge |
| Ian Jamieson |
| iPhone MBL 2.0 |
| Iris T |
| Ivy - LBC |
| Ivy Sananikone |
| James Stares |
| Jamie Anderson CCMA |
| Jarrod Smith - OSC |
| Jason Dear @ Scotia GBM |
| jdufrene |
| Johann Lochner - CDS |
| Keith Evans - CCMA |
| Keri Peacock - BMO |
| kernyh |
| Kevin Calhoun TD |
| Lauren Wright |
| Louis Lesnika - CIBC Mellon |
| Lulu Feng |
| Marcus Barrett |
| Mark Cicero- BMO |
| Matthew Andreacchi (OSC) |
| Mei Yang - Citi (Mei Yang) |
| Michael Cagayat |
| Michael Kenny / TD Waterhouse Canada |
| Michael Palmiotto |
| Mariam Osman Blackrock |
| Muneeb Ahsan - CIRO (Muneeb Ahsan) |
| Nav Badhan (BNY Mellon) |
| Nelson Dugre-Sasseville (NBC) |
| Noura Dube |
| Pamela Egger |
| Pat Dunwoody |
| Phil Zywot, BNY Mellon |
| Peter Virvillis - Haywood |
| Rishanthi Pattiarachchi (Rishanthi Pattiarachchi - Quizmaster) |
| Rob Candido |
| Roy Gamboa - TD |
| Sam Uddin IIAC |
| sauves |
| Silvia Livingston |
| Siv Angalakuduru(Scotiabank) |
| Stefan Caputo (Bank of Canada) |
| Sun Young Sauve |
| TAE5098 |
| Tammy Savinkoff |
| Vasu Ganesan - Wealthsimple |