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

**Meeting Information**

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

**March 26, 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 February 27, 2024
2. General Industry Update
3. Working Group Reports
   1. Operations - Sheera Badial and Domenic Sgambelluri
      1. OWG Update
      2. ETF Letter – revised for approval (attached)
      3. Project Acknowledgment Form (PAF) for approval (attached)
      4. Distribution list for the PAF for approval (attached)
   2. Legal/Regulatory - Jamie Anderson
      1. LRWG Update
      2. LRWG-48 SS&C Issue Log for closure
   3. Mutual Funds - James Stares and Rosemary Marchesano
      1. MFWG Update
   4. Education/Communications - Barb Amsden
      1. CEWG Update
      2. Transitional Support Plan – for approval (attached)
4. Other Business
   1. T+1 Readiness Survey
   2. ISDA/Sifma/CCMA – T+1 OTC Derivatives Factsheet (attached)
5. Next Meeting April 23, 2024 at 11:00 AM ET

**T1SC - Minutes of February 27, 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 January 30, 2024**

Keith reported that the Minutes from the last T+1 Steering Committee meeting, held on January 30, 2024, 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 - Approval of the Minutes from the meeting held on February 20, 2024**

Keith reported that the Minutes from the Special PurposeT+1 Steering Committee meeting held on held on February 20, 2024, were distributed with the meeting package. There was on minor change to add the word ‘letter’ in the third paragraph after join…. There were no further additions, subtractions or material corrections requested by members, therefore the Minutes of the meeting were approved as presented.

**3 - General industry update**

Keith Evans provided a general update on a few T+1 related items as follows:

* There are 90 days until implementation date.
* Keith said that the most recent ValuExchange Pulse survey results were shared with those that were able to attend the meeting last week. He summarized as follows:
  + Positive aspects included
    - That most industry members are well along the project lifecycle for T+1.
    - Canada and the US are similarly ready for May 2024.
  + Negative aspects included
    - More people are looking to improve processes to achieve T+1 (87%) while only 43% are looking to automation to achieve T+1.
    - 35% of the small firms are not engaged with T+1 in any meaningful way.
    - 51% of member firms expect to deal with exception handling manually, via email and phone calls.
    - Only 24% have a plan to deal with delinquent clients.
    - 28% of firms expect to complete their T+1 project after the transition in May 2024.
    - Fail rates indicate that large firms in Canada expect the fail rate to go up to between 6 and 8%.
  + Keith asked all member firms to look at the survey results vs their internal projects. They should look at what they are doing and if things need to be improved upon.
  + One member suggested that initial increase in fails will drive a review to determine where the roadblocks are.
* Jamie Anderson updated on the ETF letter to the regulators. Jamie reported that CETFA had approved the joint letter. The letter was sent to the OSC yesterday (February 26, 2024) and that the OSC has acknowledged receipt of the letter. Jamie said that he had requested a response, if possible, before May 27, 2024….but that there are no guarantees. Keith mentioned that the letter can be found on the CCMA website. Keith thanked Jamie Anderson for chairing the ETF Taskforce, and for the involvement of Pat Dunwoody and her CETFA members in combining forces to come to a joint conclusion on the right approach on this issue.
* Keith reported that there is nothing new out of Europe or the UK. However, he said they continue to explore their opportunities to transition to T+1. He said that they likely won’t decide until after seeing how the US, Canada, and Mexico fair during the first few months. This will mean that the UK and Europe are not likely to transition before 2026.

**4 - 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

* ETF TF was discussed and Jamie provided the update earlier in the meeting.
* CDS provided an update on industry testing, where they indicated that Cycle One and Two have gone well, with only minor issue requiring resolution.
  + One of the more problematic issues is how corrections and cancellations are being reported as part of the new slices submitted to CDS during the day. Sheera said that there needs to be more support in identifying corrections. Cancellations are being handled and the OWG is awaiting the CDS response.
  + Is there a way to monitor trades from marketplaces to ensure that the trades have the correct settlement date? CDS is expected to report back to the next OWG meeting.
* CDS Risk provided an update on the impact of T+1. CDS has indicated a reduction of 31% (CNS) and 39% (CNCU) in collateral requirements as a result of the move to T+1. Individual stats have been provided to participants. If a resizing of Pools are required CDS has proposed about a one-hour turnaround by participants after the request has gone out. CDS was asked to reassess this tight turnaround time.
* NI 62-104 which deals with Takeover Bids. It was agreed that CCMA will draft a letter to the CSA to reduce the settlement period to align with the standard settlement cycle as well as align with the US. Keith said that there is no chance that if the CDA agrees to make the amendment, there is no chance it can be completed before May 2024.
* Work is progressing on asking Issuers to avoid the transition period for CA and Ent activities, as well as conversion activities related to ‘issues’ that arise during the transition period.

**B - LRWG**: Jamie Anderson reported on the last meeting of the LRWG, where members discussed the following

* ETF TF was discussed and Jamie provided the update earlier in the meeting.
* Jamie summarized the current status of outstanding ‘Action Items’.
  + Closed the BSTF issue associated with who is captured under NI 24-101.
  + TMS for the IIAC website.
  + Mutual Funds Survey results
  + Various legal filings status by vendors and marketplaces.

**C - Mutual Funds:** Rosemary Marchesano fromFundserv reported the following.

* Cycle One and Two has been completed without any issues
* 23,000 funds in Cycle One with 30 manufacturers participating.
* 18,000 funds in Cycle Two with 29 manufacturers participating.
* In addition, Fundserv has a survey out there asking manufactures if they plan on moving ‘some’ ‘none’ or ‘all’ of their funds to T+1. The survey closes on March 1st. So far of the 38 respondents, 20 have indicated the ‘all’ will move to T+1, while 12 have said that ‘None’ will move and 6 have said that ‘some’ will move. This represents the views of 38 out of about 300+ manufacturers (10%). The results can be found on the secured portion of the Fundserv website.

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

* The most recent Technical Bulletin will be out on February 29th.
* There have been some questions on swaps that will be finalized shortly.

**5 – Other Business**:

Keith asked that given we only have a couple of meetings before transition in May, members are to email to Keith, any topics that should be discussed either by the Steering Committee or Working Group.

* There was a discussion around the possibility of Go-No Go decision to be made. Keith said that there is no need for a formal readiness, since we will go if the US goes, and we will not go if the US does not go. However, we will test the readiness by members.

**6 – Next Meeting:** The next meeting of the T+1 Steering Committee is scheduled for Tuesday March 26, 2024 at 11:00 AM ET.

**Attendees**

|  |
| --- |
| Adrian Begley |
| Allyn |
| Alvin Lam - Scotiabank |
| Alzhan Uzakov |
| AndrewLedbury - kyndryl |
| Anne-Claire Hurillon |
| Assane Ndoye - Desjardins |
| azanga |
| Barb Amsden - CCMA |
| BGrossman IIROC |
| CANDIR |
| Carl Parker (BLK) |
| Carol Elmalem |
| Carol Revoredo - CIBC Mellon |
| Chong, Kelly |
| Damico, Thomas |
| Dan Brennan |
| Dan Wong |
| Danny Leca CIBC |
| David O'Marra |
| Deepak Datt |
| Dom Sgambelluri |
| Doug Gifford |
| Edson Silva |
| Francis Coche AMF |
| Frank Baron - CIBCMellon |
| Franklin Lacroce OSC |
| Geoff Baxter - TD |
| Gustavo |
| Halyna |
| Hector Toriz AMF |
| Henry - Broadridge |
| Herman Tan |
| Iris T |
| Ivy Sananikone |
| James Stares |
| Jamie Anderson - CCMA |
| Jason Dear - Scotiabank |
| **Jason O'Born - RBC - Co Chair** |
| Judith Marcelo |
| Kamol Mavlyanov |
| **Keith Evans - CCMA - Co Chair** |
| Keri Peacock - BMO |
| kerry |
| Kevin Duncan |
| KevinC TD |
| L. Pitfield |
| Louis Lesnika - CIBC Mellon |
| Luisa R |
| Lyndon James |
| Marcus Barrett |
| Mark Cicero- BMO |
| Mary Anne Palangio, CSE |
| Mary Beth Law - Broadridge |
| Matthew Andreacchi (OSC) |
| Meaghan Li |
| Mei Yang |
| Michael G. - BMO |
| Michael Kenny / TD Waterhouse |
| Michael Klinov |
| Michael Palmiotto |
| Muneeb Ahsan - CIRO |
| Mya AIT-ALI (LBS) |
| Navaz Keshavjee |
| Nelson Dugré-Sasseville - NBC |
| Noura Dube |
| Olga Svistoun - BMO |
| Pamela Egger |
| Pat Dunwoody |
| Phil Zywot, CASLA/BNY Mellon |
| PV |
| RosemaryM - Fundserv |
| Sam |
| Scott MacKenzie - Wellington-Altus |
| Sheera Badial - Canaccord |
| Silvia L |
| Stef Caputo (Bank of Canada) |
| TAE5098 |
| Tammy Savinkoff |
| Vasu Ganesan - Wealthsimple |