**T+2 Steering Committee (T2SC)**

**Agenda**

**May 25, 2017 at 11:00 AM ET – 8:00 AM PT**

1. Approval of the April 26, 2017 Minutes Keith Evans
2. UST2 - Status of T+2 John Abel
3. CCMA Update Keith Evans
4. CSA Notices Keith Evans
   1. NI 24-101
   2. NI 81-102
5. T2SC Working Group Status
   1. OWG Michael Holmes

Dom Sgambelluri

* 1. LRWG Jamie Anderson
  2. CEWG Barb Amsden
  3. MFWG Kyle Bedeau

1. Issues completed by working groups for approval Jason O’Born
   1. OWG
   2. LRWG
      1. LRWG-005 (NI 24-101 *Institutional Trade Matching* & Companion Policy)
      2. LRWG-065 (Investment funds in Québec not subject to NI 81-102)
   3. CEWG
2. Other Business
3. Next Meeting Wednesday June 22, 2017 at 11:00 AM ET 8:00 AM PT

**Conference Details**

Conference ID:  7312646#

Local Dial-in 416-933-8665 Toll-free Dial-in: 1-888-402-9166

**Minutes of April 26, 2017**

Keith Evans of CCMA welcomed and thanked all members for attending the T2SC meeting.

1. **Approval of the March 22, 2017 meeting minutes Keith Evans**

Keith reported that the minutes had been distributed prior to the meeting and that no comments had been received. No additional comments were made at the meeting and the minutes of March 22, 2017 were unanimously approved.

1. **UST2 - Status of T+2 John Abel**

John Abel provided the following update on activities in the US.

* Regulatory
  + SEC issued the final set of rules in support of T+2 (including the implementation date of September 5, 2017).
  + DTCC rules are completed.
  + UST2 ISC to start meetings again with regulators and SRO’s beginning in May.
* Testing
  + US is in Cycle 5 of the 14 two-week cycles.
  + Some minor environment issues in early cycles.
  + Each test cycle includes 34 corporate action announcements (representative of all the corporate action events that are processed); difficult to assess whether these are being tested at the participant level
  + 1 million or more transactions per cycle are being processed.
  + Buyside is ‘light’ on their participation and DTCC/Omgeo are reaching out to get more involvement.
* Readiness
  + UST2 ISC is using surveys to determine readiness.
  + Preliminary results from the most recent survey show excellent preparations by the industry.
  + No issues have been identified.
* Implementation
  + UST2 ISC expects to issue an implementation plan in May or June identifying implementation activities including:
    - How to deal with in-flight transactions
    - Corporate Action processing
    - Ex-Date and related activities.

CDS, DTCC, and CCMA have had discussions regarding ex-dates and looking at documenting scenarios around ex-date timing during the transition period. The view is to produce a document that would include scenarios and transactions impacted on both sides of the border. The issue is the declaration of an ex-date on September 5. The exchanges are analyzing as how to best avoid a September 5 ex-date. Notwithstanding the exchange’s efforts, the industry should be prepared in the event of a September 5 ex-date. It needs to be documented as to how both central securities depositories/clearinghouses would act if this scenario occurs.

There was a question whether Peru is moving to T+2. Cavali (Peru’s clearinghouse) is still considering. It was confirmed Mexico is moving to T+2 on September 5.

Jamie asked whether ISDA has completed any further analysis (other than the survey) regarding T+2 impact on OTC derivatives. The survey was inconclusive and the results are still being discussed. John advised the impact seems to be around the potential for repapering the derivative’s agreements.

1. **CCMA Update Keith Evans**

Keith provided an update on overall CCMA T+2 activities.

He reported that both CDS and CDCC had recently issued updated testing information. CDCC had issued a new Test Plan, while CDS did not. CDS has extended Cycle 2 from two weeks to three weeks, to accommodate industry wishes….particularly covering Memorial weekend testing. Both updates were sent to members under a separate email from Keith Evans.

Keith also reported that CCMA is just about to release a new Newsletter #8 dealing mostly with industry testing activities. CCMA will also be posting a new set of FAQs to the CCMA website by the end of the week.

Keith reported that while the regulators have indicated support for the CCMA and the industry wishes regarding NI 24-101 and NI 81-102, no timeframe for the release by the CSA is known at this time.

1. **T2SC Working Group Status**
   1. **OWG Michael Holmes**

**Domenic Sgambelluri**

Domenic reported that the next meeting of the OWG is not scheduled until next week. This was done in order to be able to review the results from the first cycle of industry testing within CDS.

* 1. **LRWG Jamie Anderson**

Jamie reported that the LRWG met on April 13.

* CDS procedures are planned on being reported to the SDRC on May 25th and will then be sent to the CSA for regulatory approval.
* MFDA will be making minor changes to its sale compliance procedures prior to September 5 (the item will remain open on the LRWG issue log until completed).
* Aequitas NEO, TSX, TSX-V and CSE have all received the necessary internal approvals and will be sending to the CSA for regulatory approval in May or June.
* NI 81-102 and NI 81-104 were discussed as were the investment funds not within the settlement requirements as outlined in these National Instruments (i.e. scholarship plans, pooled funds, investment funds in Quebec not subject to NI 81-102, investment funds that are not reporting issuers, and labour sponsored investment funds). The funds not subject to NI 81-102 have been extracted from the asset list and sent to the industry in a separate table for feedback (the table contains information known to date by the CCMA). As the information is not complete and the CCMA is receiving questions on this, the T2SC (or someone in their group) is asked to review and help complete the chart so there is clarity as to the applicable settlement cycle for these funds and whether they will be moving to T+2.
* The UST2 ISC has issued a law firm summary on its website of various SRO’s and regulated entities’ rule changes. LRWG has compared the issues log regarding U.S. entities operating in Canada to those within the UST2 document. While there is general concordance some differences have been noted. LRWG will be following up with the UST2 ISC to make sure no rules changes are being inadvertently overlooked.
* Regarding NI 62-104 and the tine period to pay for taken up tenders, the UST2 ISC will be consulted as to industry convention in the U.S.
  1. **CEWG Barb Amsden**

Keith reported that the CEWG was focused on preparing and distributing the most recent set of FAQs and the 8th Newsletter. Both will be issued before the end of the week.

* 1. **MFWG Kyle Bedeau**

Kyle Bedeau from Fundserv reported that Fundserv:

* Will not be issuing another Test Plan update at this time.
* That they had issued an updated set of FAQs based on feedback from their Town hall meeting held in March.
* That so far testing is going very well.
* Good level of participation from all segments of their members.
* There are no issues to report.

1. **Issues completed by working groups for approval Jamie Anderson**

Jamie reported that the LRWG was presenting LRWG - #013 (Investment Funds – Prospectuses & Contracts) for closure. As significant communication and effort has been made regarding the T+2 transition (for the fund industry) i.e. IFIC's review of prospectuses/contracts, IFIC's T+2 communication, MFDA T+2 bulletin, CCMA communication, surveys from various stakeholders, and pending CSA communication on funds, it has been determined that a checklist for the fund companies and fund dealers is not required.

Jason O’Born asked if there were any questions or issues from committee members that would prevent this item from being closed. There were no issues or concerns and this item was approved for closure.

1. **Other Business**

A question was raised with regards to the transitional period. If a trade done prior to the conversion to T+2 is corrected after the transition, how are the systems (Broadridge, IBM, etc.) going to handle these?. Members were encouraged to look at this situation and ensure that they are satisfied that trades will be handled correctly.

1. **Next Meeting** May 25, 2017 at 11:00 AM ET 8:00 AM PT

**List of Attendees**

CCMA Keith Evans (Co-Chair)

RBC – CM Jason O’Born (Co-Chair)

Blackrock William Trieu

BMO Art Valdes

Canaccord Brenda McIntyre

Simon Whitney

John Coyle

CCMA Jamie Anderson

CDS Fran Daly

CGI Margaret Stevens

CIBC Mellon Carol Revoredo

Dina Martinovic

CIBC World Markets Greg Holmes

Paul Tamburo

Citi Alyse Kefeli

Connor Clark Mark Austin

Credit Suisse Sam Farrell

DTCC/UST2 John Abel

Fidelity Rob Argue

Fundserv Kyle Bedeau

IBM Amy Li

IFDS Blair Munn

Millicent Asiamah

IFIC Charles Wang

L&T Infotech Mike Lamacchia

Manulife Bill Devolin

National Bank Nelson Dugre-Sasserville

Natalie Roberge

Northern Trust Domenic Sgambelluri

OSC Aaron Ferguson

PMAC Kevin Leblanc

Raymond James Michael Holmes

Scotiabank Corey Cunningham

Statestreet Denny Mendoca

Maggie Salisbury

Ivan Yang

TD Bank Dave O’Marra

Rob Candido

Brandon Buckley