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ON 647 374 4685|**QC** 438 809 7799|**BC** 778 907 2071|**AL** 587 328 1099|**MN** 204 272 7920

T+1 Communications and Education Working Group (CEWG)

Proposed Agenda

Tuesday, February 8, 2022 – 1:30 pm ET/10:30 pm PT

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|---|--|
| 1. Welcome | All |
| 2. Draft Minutes of January 25 CEWG Meeting (<i>Attachment 1</i>) | Members |
| <ul style="list-style-type: none"> i. Review/approve ii. Review matters arising from minutes | |
| 3. New T+1 news/information | Keith
Alexandra
Members |
| <ul style="list-style-type: none"> i. Upcoming events (IIAC, FOAS, TSAM) ii. CIBC Mellon Straight Talkj, podcast, updating CCMA ‘look’ iii. Other? | |
| 4. For review, amendment, approval | Members |
| <ul style="list-style-type: none"> i. N/A | |
| 5. For discussion | Members |
| <ul style="list-style-type: none"> i. Communications plan (<i>Attachment 2</i>) <ul style="list-style-type: none"> a. Key messages b. Media pick-up c. Supportive data d. Do we care that CCMA announcements are described by regulators, media, etc. as ‘subsequent’ to the U.S.? e. Standby release ii. Podcast series: requirements for this to work iii. Webinar/presentation iv. Expanding LinkedIn reach; do we include U.S. content? v. Association event dates? vi. Placing articles? | |
| 6. Other issues as raised | Members |
| <ul style="list-style-type: none"> i. Change to one meeting per month? ii. Other | |
| 7. Summary of action, next steps, and next meeting | Staff |

T+1 Communications and Education Working Group (CEWG)

Draft January 25, 2022 Meeting Minutes

1. Welcome and Introductions

Members welcomed Advocis's Paniz Ghazanfari who had formally joined the CEWG, as well as Louis Goulet, representing the National Bank. (**Note:** See appended list of participants, agreements, and action items).

2. January 11 CEWG Meeting

The draft minutes of the January 11, 2022 CEWG meeting were accepted without change. Matters arising from the last meeting had been completed or were included on the day's agenda.

3. T+1 News/Information

Keith Evans and Barb Amsden provided updates on T+1 developments in the U.S. (meetings are to restart to deal with outstanding issues), Europe (T+1 move not expected), and elsewhere (Mexico and possibly some South American countries have an interest in T+1). Barb said that connections had been established with ISDA (swaps and derivatives), and ISITC. Merici Young had contacted FSRA; a credit union contact did not appear likely or needed immediately. She continued to work with Jackie at Protiviti on a possible podcast or blog/post Q&A regarding liquidity management for the buy-side. Keith was awaiting a response from a connection forwarded by Pat Dunwoody for The Summit for Asset Management, likely in late April.

4. For review, amendment, and approval

Draft newsletter: Barb mentioned comments received on the draft newsletter, and CIBC Mellon's offer to help with updating its 'look'.

5. For discussion

Members discussed the list of tools that could be considered and agreed upon. CASLA had confirmed a newsletter, and the possibility of a spot on a CASLA conference agenda.

FAQs:

- Can February be avoided as an implementation date due to high demands on testing resources due to tax season?
- Will client name funds move to T+1?
- Is there any impact on discount brokers.

6. Other Business

None raised.

7. Next Meeting: February 8, 2022

Agreements/Approvals

The January 11, 2022 CEWG minutes were accepted without change.
 Industry associations will help co-ordinate specialist spokespeople if needed (CASLA, CETFA, etc.).
 Kyle and Alexandra had agreed to review/comment on media releases as required.

Action Items

#	Description	Who	Status
1.	Develop draft communications plan	Barb	On Feb. 8 agenda
2.	Provide suggested FAQ questions (answers too if available)	Members	On Feb. 8 agenda
3.	Work on generic presentation/webinar	Keith	Underway
4.	Work with CCMA on podcast	Alexandra	Underway
5.	Provide logos for approved use to signify broad industry support	Associations	PIAC so far
6.	Work on expanding LinkedIn presence	Dave	Underway
From preceding meetings			
7.	Manage podcast or blog/Qs&As re buyside liquidity issues	M. Young	

Meeting Attendees

Paniz	Ghazanfari	Advocis
Dexter	Gall	CASLA: Canadian Securities Lending Association/RBC
Kyle	Kolasingh	CASLA: Canadian Securities Lending Association/RBC
Danny	Leca	CIBC
Jim	Newman	CIBC
Alexandra	Decata	CIBC Mellon
Brent	Mizzen	CLHIA: Canadian Life and Health Insurance Association
Matt	Latimer	FMFD: The Federation of Mutual Fund Dealers Canada
Pira	Kumarasamy	IFIC: Investment Funds Institute of Canada
Kim	Barrett	LTI L&T Infotech
Louis	Goulet	NBC: National Bank of Canada
Ahren	Estabrooks	OTPP: Ontario Teachers' Pension Plan/PIAC
Ivan	Yang	State Street
Irina	Issakova	TD Asset Mgmt./Canadian Bond Investors' Association
Dave	O'Marra	Torstone Tech
Annette	Ho	OSC: Ontario Securities Commission
Frank	Lacroce	OSC: Ontario Securities Commission
Rina	Jaswal	BCSC: B.C. Securities Commission
Keith	Evans	CCMA: Canadian Capital Markets Association
Barb	Amsden	CCMA: Canadian Capital Markets Association

T+1 Communications Plan (Draft 1)	
<p>Desired Outcomes:</p> <ul style="list-style-type: none"> • Canadian industry – asset managers, broker/dealers, custodians, infrastructure, etc. – are: <ul style="list-style-type: none"> • broadly aware of T+1 timelines, impacts, benefits • engaged with the CCMA • actively preparing for transition. • Media recognizes CCMA as Canadian coordinator and go-to information source for T+1 in Canada • Regulators consistently show support for move to T+1 and provide timely answers to industry questions where response delays could negatively affect decision-making • Investors/the public, if/when/to the extent required, are informed by messaging from their financial institution 	<p>Measures of Success:</p> <ul style="list-style-type: none"> • Growth in number of newsletter members, committee members, LinkedIn followers • Successive industry surveys indicate awareness and active preparation • Industry associations, service bureaus, infrastructure providers and regulators amplify T+1 messaging through newsletters, events • Coverage is accurate and factual, consistent with/not contradictory to CCMA positions • Negative/inaccurate information is avoided or quickly corrected/neutralized • Number of statements (releases, at events) • Discuss: <i>Unlikely to fall to CEWG but was a post-mortem issue</i> • Discuss: CCMA members are satisfied and use any material they request
<p>Key Messages</p> <ol style="list-style-type: none"> 1. Canada will shorten the standard settlement cycle for equities, debt and funds from two days (T+2) to one day (T+1) after transaction date on the same days as the U.S., expected to be in the first half of 2024.ⁱ 2. Canadian securities regulators support this initiative, encourage industry participants to get involved, and are expected to make regulatory changes as they did when Canada and the U.S. successfully shortened the settlement cycle from three to two days in 2017.ⁱⁱ 3. Canadian market participants must prepare for timely, co-ordinated change now to avoid a substantial number of trades not settling as intended; standard deadlines for reporting, allocating and confirming trades will move from T+1 to late on trade date to allow completion of most trade reconciliations before the start of the next business day – T+1 – and also the future settlement date.ⁱⁱⁱ 4. Shortening the time to exchange securities for payment makes sense: it will reduce the risk that a security transaction will not settle by one day, be more efficient, reduce market inefficiency, and support the competitiveness of Canadian capital markets.^{iv} 	
<p>Assumptions:</p> <ul style="list-style-type: none"> • Reliable information available to share on project, including access to supportive data • Industry association and key participants provide effective communication to/from participants/members/clients • Open communications between T1SC, OWG, MFWG and LRWG so CEWG can prepare tools supporting implementation on a timely basis • Co-operation from/with U.S. communications counterparts • T+1 website and LinkedIn kept up to date • CCMA and as required other industry spokespeople are available, media-trained, and briefed • Discuss: Other? 	

<ul style="list-style-type: none"> Note: CCMA does not comment on individual market participants' actions or preparations; operates on a consensus rather than directive basis 	
Potential Challenges:	Ways to Mitigate Challenges:
<ul style="list-style-type: none"> Negative perception of T+1 (“no benefits”, “Canada not ready”) 	<ul style="list-style-type: none"> Discuss: Standby statements? Call critical incident meeting? Involvement of regulators? Briefing and preparation prior to media contact Repeating and strengthening key messages Careful monitoring and response Spokespeople media trained
<ul style="list-style-type: none"> Individual participants not aware of T+1 	<ul style="list-style-type: none"> Leverage associations, media, regulators Surveys
<ul style="list-style-type: none"> U.S. does not coordinate communication 	<ul style="list-style-type: none"> Work with DTCC connections
<ul style="list-style-type: none"> Media disregard for topic “not relevant” or “interesting” 	<ul style="list-style-type: none"> Discuss: Leverage spokespeople, industry stakeholders and consistent messaging to drive messages.
<ul style="list-style-type: none"> Website out of date/inaccurate 	<ul style="list-style-type: none"> CEWG process in place to document, update and maintain website
Communications Vehicles:	
<ul style="list-style-type: none"> E-mails: As needed LinkedIn: As needed Website: As material is received Newsletter: Bi-monthly 	<ul style="list-style-type: none"> Events/webinars: As required Podcasts: Bimonthly, alternative months to newsletter Placed articles: As warranted Discuss: Outreach to media – needed?
Anticipated Deliverables:	
Due Date	Deliverable Needs work
<ul style="list-style-type: none"> TBD TBD TBD TBD 	<ul style="list-style-type: none"> Confirm target list of industry media and contacts Confirm frequency/timing of industry newsletters, magazines Identify supportive data Get quotes from industry segment leaders Develop “presentation in a box” highlighting general themes Develop readiness survey Media training/refresher for CCMA spokespeople, any other spokespeople Identify/disseminate deadlines, reporting/attestation requirements Respond to media and undertake proactive case-by-case interview/outreach to targeted industry media and (where possible) article fact-checking Work with regulators/service providers to disseminate information Readiness Self-Assessment Checklist Buy-Side Checklist Sample communications materials for clients (if required)

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- i Timing for the U.S. market remains subject to final approval by U.S. regulators. The Canada-U.S. cross-border clearing and settlement relationship is the most active inter-depository link in the world and settlement cycles have been in synch for many, many years.
- ii [CSA Staff Notice 24-318 – Preparing for the Implementation of T+1 Settlement](#)
- iii All market participants should assess their systems, practices and dependencies to prepare for a move to T+1 in line with U.S. timing. While preparing for T+2, industry stakeholders should consider a number of factors:
- Review downstream and upstream process, reports, files and databases
 - Make any changes to contracts, prospectuses and other agreements
 - Confirm that relevant suppliers, counterparties and other stakeholders are ready
 - Make any necessary changes to systems (e.g., trading platforms, portfolio valuation systems)
 - Be ready to give information and assurances about T+1 preparations to stakeholders as needed
- iv Shortening the settlement cycle to T+1 will increase certainty and so the soundness of Canadian capital markets. It will reduce systemic and operational risks by diminishing the exposure between different parties to a trade, between these parties and the clearing/settlement infrastructure, and within that infrastructure itself. The value of trades pending settlement at the end of each day can be in the billions of dollars on a typical day. Given the three days it takes to settle trades today, the total dollars outstanding on any business day is triple this amount. While the probability of loss is low, shortening the settlement cycle will reduce the overall daily credit risk of these trades by one third, lowering collateral demands and helping reduce the cost of investing. Improving settlement efficiency lowers the chance that a system break – as happened on 9/11 – will lead to problems for investors. Capital markets play an important role in the Canadian economy, creating jobs and revenues that are taxed to help support Canadians' quality of life.
- v Media Target List

Sector	Publication	Handler/PR	Notes
Advisors/funds	Investment Executive Wealth Management		
Financial Media	Bloomberg		
	BNN		
Pensions	Pensions & Investments Benefits and Pensions Monitor ACPM Observer		
Global Financial Media	Global Custodian		
	Risk.net		
	Securities Lending Times / Asset Servicing Times		
	Global Investor / ISF		
Mainstream press	Major city media		
	Globe and Mail		
	National Post		