

Note: Join by [Zoom](https://zoom.us/join) or by browser <https://zoom.us/join> (ID: 879 6143 2689/PIN: CEWGCCMA)
 or dial in **MtgID:** 879 6143 2689; **Participant and Passcode#:** 55682499#
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T+1 Communications and Education Working Group (CEWG)

Proposed Agenda

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

- | | |
|---|---------------------|
| 1. Welcome and introductions | All |
| 2. Draft minutes of February 8 CEWG Meeting (<i>Attachment 1</i>) | Members |
| i. Review/approve | |
| ii. Review matters arising from minutes | |
| 3. New T+1 news/information | Members/CCMA |
| i. SEC release – highlights/implications | Keith |
| ii. SIFMA/DTCC update | Keith |
| iii. Event updates (FOAS, IIAC) | Jack |
| iv. IIROC, TMAC, ACPM | Barb/Keith |
| v. Other (events?) | Members |
| JUNE 23 CASLA | |
| 4. For review, amendment, approval | Members |
| i. Draft 2 of communications plan (<i>Attachment 2</i>) | |
| ii. Draft communications calendar (<i>Attachment 2</i>) | |
| 5. For discussion | Members |
| i. Topics for Newsletter #3 – CSA release; SEC proposal and timeline; work on updating CDS schedule to allow maximum confirmation by end of T; survey to come | |
| ii. Scenario: review of ‘urgent’ situations’ such as SEC interest in earlier settlement date – critical incident meeting? involvement of regulators? | |
| iii. Quotes from industry segment leaders | |
| iv. Data relevant to T+1? | |
| v. LinkedIn posts – suggestions? | |
| vi. Publications? | |
| vii. FAQs – update | |
| 6. Other issues as raised | Members |
| 7. Summary of action, next steps, and next meeting | Staff |



T+1 Communications and Education Working Group (CEWG)

Draft February 8, 2022 Meeting Minutes

1. Welcome and Introductions

See appended list of participants, agreements, and action items.

2. January 25 CEWG Meeting

The draft minutes of the January 25, 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 spoke briefly about the CCMA's upcoming events (for CSA staff, the IIAC, the Financial Operations and Administrators Section of IIROC, and Toronto Summit of Asset Managers).

Alexandra Decata spoke about a client call CIBC Mellon was facilitating where Keith and an RM would be interviewed by Lou Lesnika (late May or in June) – the audio from the call would be used for the CCMA's first planned podcast. This ideally also would help CCMA begin managing regular podcasts every two months or so. Also, Barb Amsden was going to contact a designer to get a look/cleaned-up CCMA logos/Zoom background/PowerPoint template.

4. Communications plan

Members discussed the draft communications plan included with the agenda. See updated Communications Plan on March 8 agenda. Discussion of note includes:

- a. Media pick-up – While the lack of Canadian media pick-up of announcements is disappointing, it is not critical at this stage; the issue will be revisited later.
- b. T+1 announcements by media or regulators, etc. referencing 'subsequent' to the U.S., despite efforts to co-ordinate simultaneous release, is a matter that should resolve itself over time.
- c. The CCMA's LinkedIn will carry U.S. content only in rare cases; what is relevant will be included on the CCMA website and in the newsletter.
- d. Travis Chase, CCL, has 'volunteered' to help on the Buyside Checklist, which will be developed in several months' time once more information is available.

5. Other issues as raised

Members agreed to change the meeting frequency to once per month on the second Tuesday at 1:30 pm.

6. Next meeting: March 8, 2022

Agreements/Approvals

The January 15, 2022 CEWG minutes were accepted without change.

The CEWG meeting frequency will decline to monthly on the second Tuesday of each month at 1:30 pm ET.

The CCMA will monitor for relevant developments elsewhere directly and through members

Action Items

| # | Description | Who | Status |
|--------------------------------|--|----------------|-----------------------|
| 1. | Cancel February and March 22 meetings | Keith | Done |
| 2. | Review and comment on key messages | Members | March 8 agenda |
| 3. | Update draft communications plan based on Feb. 8 discussion | Barb | Done |
| 4. | Comment on draft communications plan | Members | March 8 agenda |
| 5. | Continue providing FAQs and answers | Members | March 8 agenda |
| 6. | Provide logos for approved use to signify broad industry support | Associations | PIAC so far |
| 7. | Expand LinkedIn presence | Members | March 8 agenda |
| From preceding meetings | | | |
| 8. | Manage podcast or blog/Qs&As re buyside liquidity issues | M. Young | Underway |
| 9. | Work with CCMA on podcast | Alexandra | Underway |

Meeting Attendees

| | | |
|-----------|------------|--|
| Paniz | Ghazanfari | Advocis |
| Dexter | Gall | CASLA: Canadian Securities Lending Association/RBC |
| Ibrar | Amid | CBA: Canadian Bankers Association |
| Pat | Dunwoody | CETFA: Canadian ETF Association |
| Danny | Leca | CIBC |
| Jim | Newman | CIBC |
| TJ | Panth | CIBC |
| Alexandra | Decata | CIBC Mellon |
| Brent | Mizzen | CLHIA: Canadian Life and Health Insurance Association |
| Mark | Austin | Connor Clark Lunn |
| Travis | Chase | Connor Clark Lunn |
| Matthew | Latimer | FMFD: The Federation of Mutual Fund Dealers Canada |
| Jack | Rando | IIAC: Investment Industry Association of Canada (IIAC) |
| Pira | Kumarasamy | IFIC: Investment Funds Institute of Canada |
| Kim | Barrett | LTI L&T Infotech |
| Louis | Goulet | NBC: National Bank of Canada |
| Ahren | Estabrooks | Pension & Investment Association of Canada/OTPP |
| Ivan | Yang | State Street |
| Dave | O'Marra | Torstone Tech |
| Annette | Ho | OSC: Ontario Securities Commission |
| Frank | Lacroe | OSC: Ontario Securities Commission |
| Keith | Evans | CCMA: Canadian Capital Markets Association |
| Barb | Amsden | CCMA: Canadian Capital Markets Association |

| T+1 Communications Plan (Draft 2) (Note: small editorial edits not shown in track changes_ | |
|--|---|
| Desired Outcomes: | Measures of Success: |
| <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 | <ul style="list-style-type: none"> • Growth in number of newsletter members, committee members, LinkedIn followers • Industry associations, service bureaus, infrastructure providers and regulators amplify T+1 messaging through newsletters, events • Successive industry surveys indicate awareness and active preparation • Number of media mentions • 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) • CCMA members are satisfied and use any material they request |
| Key Messages | |
| <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 day as the U.S. (an SEC proposal calls for implementation by March 31, 2024.ⁱ 2. Canadian securities regulators support this initiative, encourage industry participants to get involved, and are expected to make supportive 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 <i>now</i> 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, decrease market inefficiency, and support the competitiveness of Canadian capital markets.^{iv} | |
| Assumptions: | |
| <ul style="list-style-type: none"> • Reliable and timely project information from Canada and the U.S. (including access to supportive data) is available • Industry association and key participants effectively communicate CCMA information to/obtain responses from their participants/members/clients and share with the CCMA | |

| | |
|--|---|
| <ul style="list-style-type: none"> • 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 • Note: CCMA does not deal with clients of industry members or comment on individual market participants' actions or preparations; the CCMA 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"> • (Note: On agenda) 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 if required • Spokespeople identified and media-trained |
| <ul style="list-style-type: none"> • Individual participants not aware of T+1 | <ul style="list-style-type: none"> • Leverage associations, media, service providers • Work with regulators • Conduct 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 as “not relevant” or sufficiently “interesting” | <ul style="list-style-type: none"> • Leverage spokespeople, industry stakeholders and consistent messaging to drive coverage (Note: To be reviewed at a later date once the industry project plan has been elaborated) |
| <ul style="list-style-type: none"> • Website out of date/inaccurate • LinkedIn not maintained • Information of relevance missed | <ul style="list-style-type: none"> • CEWG process in place to document, update and maintain website and LinkedIn (Note: see proposed schedule below) • Monitor relevant developments elsewhere directly and through members |
| Communications Vehicles: | |
| <ul style="list-style-type: none"> • E-mails: As needed • LinkedIn: Weekly • 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 • Media announcements: As warranted |
| Anticipated Deliverables in 2022 (to be updated for 2023): | |
| Due Date | Deliverable |
| <ul style="list-style-type: none"> • Q1 2022 • Q1 2022/etc. • Q1 2022/etc. • Q1 2022 • Q1 2022 • Q1 2022 • Q1 2022/etc. • Q1 2022 • Q2 2022 • Q2 2022 • Q2 2022 • Q2 2022 • Q2 2022/etc. • Q2 2022 • Q3 2022 | <ul style="list-style-type: none"> • Prepare Communications Plan and calendar and confirm frequency/timing of industry newsletters, podcasts, LinkedIn posts (see attached schedule) • Draft newsletter and successive ones (scheduled) • Prepare weekly LinkedIn posts (underway) • Identify supportive data/factoids (underway) • Get quotes from industry segment leaders for newsletters, LinkedIn (on agenda) • Get association logos for limited use (underway) • Develop readiness surveys (target March for April release of first) • Develop FAQs for website and, where appropriate, LinkedIn (underway) • Obtain media training/refresher for CCMA spokespeople, any other spokespeople • Develop “presentation in a box” highlighting general themes (underway; prefer more ‘substance’ from working groups) • Update Readiness Self-Assessment Checklist • Work with regulators/service providers to discuss disseminating information (underway) • Develop factsheet listing main benefits/challenges for each industry segment/their clients • Complete first podcast (followed by others; target bimonthly) • Update Buy-Side Checklist |

- Q3 2023
- As required
- If requested
- Ongoing
- Identify/disseminate deadlines, reporting/attestation requirements
- Respond to industry, media misinformation; undertake proactive case-by-case interview/outreach to targeted industry media (*deferred*) and fact-check
- Provide if requested sample communications materials for clients (if required)
- Confirm target list of industry media and contacts (*done, to be added to as project continues*)

Media Target List

| Sector | Publication | Handler/PR | Notes |
|------------------------|--|--------------------------|--------------|
| Advisors/funds | Investment Executive Wealth Management | CCMA CCMA | |
| Financial Media | Bloomberg | ??? | |
| | BNN | ??? | |
| Pensions | Pensions & Investments The Observer (ACPM) | Via Ahren E-mail sent | |
| Global Financial Media | Global Custodian | ??? | |
| | Securities Lending Times / Asset Servicing Times | CASLA | |
| | Global Investor / ISF | CCMA | |
| Mainstream press | Major city media | | Not at start |
| | Globe and Mail | | Not at start |
| | National Post | | Not at start |

FAQs

- Is the move to T+1 mostly a fund company issue that doesn't impact MFDA firms and their representatives? (FMFD)
- Security lending: concerned on how quickly we can retrieve our securities that were lent out and be ready to be settled (e.g., if it was sold by our IM) (PIAC)
- Treasury function: we are concerned about cash projections and cash needs and the ability to raise cash quickly such that we can fulfill settlement obligations. (PIAC)
- Currently the Canadian market is only matching about 95.5% by the end of the day on T+1 compared to 98.6% by the end of T+2. (<https://www.cds.ca/data-consultation-tax/data-products/itp-stats>) What steps are going to be taken in advance of a move to T+1 to get that total percentage matched up so that we don't see a doubling in the number of failing trades in the Canadian market. (PIAC)
- Is consideration being given to aligning the move to T+1 across other markets. As we saw with the move from T+3 to T+2, it makes cash movement around global trading more difficult when you having differing settlement cycles across markets. (PIAC)
- As our plans are externally managed and mostly in pooled funds, our main concern is that the move from T+2 to T+1 will increase the number of failed trades and that the settlement time for a pooled fund redemption might increase. As such, when we rebalance the portfolio the proceeds from a redemption may not be available on time to make a contribution to another fund, resulting in an overdraft. In summary, our question is as follows: what mechanisms are in place to reduce the number of failed trades and minimize the impact on pooled funds holding the securities? (PIAC)
- 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.

DRAFT – COMMUNICATIONS CALENDAR

| | Week | Newsletter | LinkedIn | Events/webinars | Podcasts | Other | Notes |
|---------------|------|-------------------|-------------|-----------------|------------------|-------------------------------------|--------------------|
| Jan. | 1. | | IIAC Op Ed | | | | |
| | 2. | | | | | | |
| | 3. | | | | | | |
| | 4. | | | | | | |
| | 5. | Issue 2 - Jan. 31 | Newsletter | | | | |
| Feb. | 6. | | OSC release | | | | |
| | 7. | | | | | | |
| | 8. | | | | | | |
| | 9. | | | | | | |
| March | 10. | | | | | | |
| | 11. | | | | | | |
| | 12. | | Asset List | | | | |
| | 13. | Issue 3 | | | | Survey 1 | |
| April | 14. | | | | | | |
| | 15. | | | | | | |
| | 16. | | | | | | |
| | 17. | | | | | | |
| May | 18. | | | | | Readiness Self-Assessment Checklist | |
| | 19. | | | | | | |
| | 20. | | | | | | |
| | 21. | | | | | | |
| June | 22. | Issue 4 | | | | | |
| | 23. | | | Event | | | |
| | 24. | | | | | Presentation in a box | |
| | 25. | | | | | | |
| July | 26. | | | | With CIBC Mellon | | |
| | 27. | | | | | | |
| | 28. | | | | | | |
| | 29. | | | | | | |
| August | 30. | Issue 5 | | | | | |
| | 31. | | | | | | |
| | 32. | | | | | | |
| | 33. | | | | | | Buy-side Checklist |
| | 34. | | | | | | |
| | 35. | | | | | Podcast 2 | |
| Sept. | 36. | | | | | | |
| | 37. | | | | | | |
| | 38. | | | | | | |
| | 39. | Issue 6 | | | | | |
| Oct. | 40. | | | | | | |
| | 41. | | | | | | |
| | 42. | | | | | | |
| | 43. | | | | | | |
| | 44. | | | | | Podcast 3 | |
| Nov. | 45. | | | | | | |
| | 46. | | | | | | |
| | 47. | | | | | | |
| | 48. | Issue 7 | | | | Survey 2 | |
| Dec. | 49. | | | | | | |
| | 50. | | | | | | |
| | 51. | | | | | | |
| | 52. | | | | Podcast 4 | | |

LinkedIn postings to date

April 29, 2022 – Board assigned as a priority review of moving to T+1 with the U.S. (58)

September 14, 2021 – Newsletter #1 (86)

December 1, 2021 – Canada and U.S. going to T+1 Confirmed (70)

December 4, 2021 – IE article on T+1 mentioning CCMA (70)

December 21, 2021 – IIAC T+1 Op Ed

February 2, 2022 – Newsletter #2 (63E/63F)

February 3, 2022 – CSA T+1 release

Followers Start 32; 9 April-Dec 2021; 39 Jan -Feb. 19 DM

ⁱ Timing for the U.S. market remains subject to final approval by U.S. regulators; the SEC has released a proposal for comment in April. 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 two days it takes to settle trades today, the total dollars outstanding on any business day is double 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 half, 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.