

## APPROVED April 9, 2024 CEWG Meeting Notes

### 1. Welcome, introductions

The meeting was called to order.

### 2. Draft notes of the March 12, 2024 CEWG meeting

The draft notes of the March meeting were accepted as written.

### 3. New T+1 news/information

i. **Member updates:** Pat Dunwoody (CETFA) had been interviewed for an article about T+1 and its implications for *Investment Executive* and *Advisor.ca*, with input from the CCMA. She added that the industry was close to signing a joint CETFA-CCMA letter amended to add additional information requested by the regulators.

#### ii. Updates – Canada:

- Keith said that the CCMA was seeking the project acknowledgement forms (PAFs), as done in 2017 for T+2 implementation, from 35 key organizations (marketplaces, clearing agencies, etc.), of which 11 – including CDS, Fundserv, Broadridge, and Paramax – had already signed off. The PAFs have no formal legal standing but are a good indication of readiness as the signers agree their firm has exercised commercially reasonable due diligence and anticipate no material issues impeding T+1 settlement development going live on May 27, 2024.
- CCMA staff had met with the heads of IFIC and Fundserv to seek additional detail about the release of information about which products cleared through Fundserv would be moving to T+1 and to ask that they share with their respective members a more detailed survey prepared by the CCMA. The CCMA had also released an updated version including member comments of the notice to manufacturers, including a link to the CCMA survey. In the end, IFIC had not asked its members to complete an additional survey as management understood that its members would determine when and how to share information more broadly, that Fundserv data would serve the industry well, and that fund companies would communicate to advisors, dealers, and others. Fundserv had left its survey open to more answers from fund companies as to whether they were changing all, some or none of their funds to T+2 settlement. Keith reported that Robert Ebel of Fundserv had followed up after the meeting to say that at the time, 62% of funds that had reported that 100% of funds were moving to T+1 represented 62% of all currently T+2-settling products. To date, the CCMA had received four responses with more detail.
- Barb said that the CCMA's March-April T+1 readiness survey results were neutral to positive: about the same number of responses had been received as in 2017 to a similar survey and again companies were generally comfortable that they would be ready, and less comfortable (and less comfortable than in 2017) that others in the industry would be.

### iii. **Updates – U.S. and International:**

- Keith referenced T+1 FAQs issued by the SEC and said that all signs were positive that T+1 implementation would be smooth. SIFMA had a number of free upcoming webinars that would focus on readiness and which CCMA members could attend.
- Keith said that Argentina had announced T+1 systems were in testing and the necessary rules had been changed. With respect to Mexico, T+1 rules were not yet passed, but would be in place once testing completed. Australia had issued a request for comments on moving to T+1.
- Keith reported that the Continuous Linked Settlement (CLS) Bank through which major currency settlements were made had announced it would not make operational changes to CLS Settlement for T+1 implementation on May 27/28, 2024 or move the midnight Central European Time (CET) deadline for the initial pay-in schedule calculation, but CLS members could still submit foreign currency trades up to 06:30 CET (1:30 a.m. ET) for settlement that day. Keith added that an announcement by CASLA/ISLA/RMA on securities lending timelines was expected soon.

### iv. **Event/article/other communications and education updates:**

The article for ACPM's *The Observer* (pensions) had been completed with input from (and thanks to) Jason Lau (CAAT) and Sameer Punja (HOOPP); the article for CIFP was being prepared based on available information. With respect to the ACPM article, Barb mentioned that Sameer had said the checklist for pension fund managers it had included had reminded him of a few things to check within in his organization; this could be extracted and converted into a checklist for broader use.

The March 31 CCMA newsletter had included an article on and link to the T+1 notice to manufacturers and survey, as well as a link to the final advisor and client-facing T+1 material CEWG members had provided input into. A LinkedIn post would be posted to highlight a month to go until the May 27, 2024 transition. Keith would be speaking on Canada's T+1 efforts later in the month at a CSA meeting and then at an ACSDA event.

## 4. **For discussion**

- i. **Industrywide communications planning:** The Canadian industry's T+1 transition communication plan, linking all interested firms involved in the actual T+1 implementation, had been approved, released, and was available on the CCMA website. It integrated with the U.S. plan, the goal of which was to "Ensure a smooth conversion to T+1 settlement by executing a clear and transparent conversion period support plan, which will include the regular communication of critical status information, transparency into the activity of other participants, and issue identification, escalation, and resolution." Keith summarized the Canadian plan and his role reporting to and bringing information back from the U.S.'s T+1 Command Center.
- ii. **Communications to the public:**
  - i. Barb mentioned a topic discussed at the very start of the T+1 project and perhaps missed by those who joined somewhat later: industry members know

their clients best and will communicate to their clients, while the CCMA itself won't message the public. There had been agreement as done for the T+3 to T+2 move in 2017) to have some consistency in messaging (and ideally timing of release) as clients may have accounts at different dealers. This had led to sample client-facing text that could be adopted <https://ccma-acmc.ca/en/wp-content/uploads/Sample-Client-Facing-T1-Communications-Material.pdf>. Halyna, Michael, David, and others described how they had been preparing and initiating communications in their firms, both to staff and to clients. CIBC had started an internal T+1 information site in mid-March for front-office and middle-office staff, as well as webinars. Michael said that information about T+1 had been shared through BMO Wealth Management calls with advisors and portfolio managers; information also had been added to client statements, which had been sent. David said that RBCIS was starting with webinars and newsletters, and added that there were still a lot of questions.

- ii. **Industry media coverage:** Barb mentioned the challenge in getting coverage by industry media of T+1 in Canada. There had been some media coverage in 2017 when transition was less of an issue, but less coverage for the more complex T+1 move. *Investment Executive* and *Advisor.ca* tended now to cover items issued by regulators and, in IE's case, also U.S. T+1 efforts. There had been a delay in getting information for public use because holders of non-fund securities were not likely to experience much of a change and while fund holders might want to know T+1's impact on them, there was not enough public information about which companies were moving to T+1 and which weren't. This issue should be reviewed again.
- iii. **Media post T+1 implementation:** In the 2017 move to T+2, the CCMA had issued a "T+2 implementation a success" release and members discussed whether a standby release, with some paragraphs as options if the move went well or experienced some glitches, could be prepared. Members were somewhat skeptical that preparing such a release would be feasible/practical.

5. **For discussion:** N/A.

6. **Other issues:** None raised.

7. **Next meeting:** The next meeting was scheduled for May 14, 2024. There was a brief discussion of whether the meeting would be required in light of completion of most communications tasks, however agreement to leave the meeting scheduled and decide later whether to cancel.

The meeting was adjourned.

<b>Agreements</b>	
1.	Members accepted the draft minutes as written.
2.	Members agreed to leave the May 14 CEWG meeting scheduled, with a possibility of it being cancelled if there were no agenda items requiring discussion.

<b>Action Items</b>			
<b>#</b>	<b>Description</b>	<b>Who</b>	<b>Status</b>
1.	Extract and amend last-minute readiness checklist from ACPM article.	Barb	<b>On agenda</b>
2.	Add discussion of whether more efforts to connect with industry media would be productive to next meeting agenda.	Barb	<b>On agenda</b>
<b>From preceding meetings</b>			
1.	Extend media outreach once more concrete information is available	Yianna and Alexandra	On agenda
2.	Draft article for CIFP	Barb	<b>Done</b>
3.	Draft article for <i>The Observer</i> (ACPM)	Barb	<b>Done</b>
<b>Meeting Attendees</b>			
Hector	Toriz	AMF	
Attila	Branyiczky	BMO	
Michael	Giancursio	BMO	
Michelina	Crecco	BMO	
Olga	Svistoun	BMO	
Laxman	Natarajan	BMO	
Jason	Lau	CAAT	
Mauro	Laguna	CBA	
Pat	Dunwoody	CETFA	
Halyna	Fenkanyin-Hawryshko	CIBC	
Guylaine	Paquet	Desjardins	
Matthew	Latimer	FMFD	
Christine	Harminc	IFIC	
Frank	Lacroce	OSC	
Matthew	Andreacchi	OSC	
David	Petiteville	RBCIS	
Jason	Dear	Scotia	
Judith	Marcelo	Scotia	
Wendy	Chen	Scotia	
Sharean		Scotia	
Xinyi			
Anuj			
Barb	Amsden	CCMA	
Keith	Evans	CCMA	