



## Our Thanks to All Who Participated for Results of T+1 Project

The Canadian Capital Markets Association (CCMA) thanks all those participating in Canadian efforts over the past two and a half years to move to a T+1 standard securities settlement cycle on May 27, 2024. We faced challenges not seen in the 2017 move from T+3 to T+2 – loss of both a processing day and a second overnight batch cycle, a shorter pre-transition weekend, and a major industry project running in parallel until it had to be put temporarily aside after a decision on an earlier-than-globally-recommended T+1 implementation date, to name a few.

Despite these issues, we believe the outcome of our collective efforts is outstanding. Canadian system implementations to allow reporting of trades and settlement with a T+1 value date went smoothly over the May 25-26 weekend, and payment exchange settled on time daily from May 27 on (including on the double settlement date of May 28, 2024). While the CCMA issued a congratulatory [announcement](#) on Friday, May 31, we wanted to wait for the final word before sharing quantitative evidence of industry members' success:

- **Trade matching:** With the target of at least 90% of institutional trades matched by volume and value by 3:59 a.m. ET on T+1, trade entry and confirmation rates increased dramatically. Compared to a three-day analysis of the status of trade entry and matching at 3:59 a.m. in November 2021 (the month the Canadian T+1 project kicked off with the first CCMA T+1 Steering Committee meeting), **the Canadian industry confirmation rate by number of trades almost doubled, and by value – increased by over 50%.** This translates into a significant risk reduction.

Debt and Equity Trades		Entered (#)	Entered (\$)	Confirmed (#)	Confirmed (\$)
November 2021	3:59 a.m. ET T+1	84.6%	77.8%	41.7%	51.7%
May 27-31, 2024	3:59 a.m. ET T+1	90.0%	87.5%	81.1%	79.7%

While there is more work to do, the trends by the end of the implementation week were in the right direction, with Friday's confirmed rate by trade number reaching 88%.

- **Fails:** The fail rate, a week after implementation, is in line with the traditional fail rates experienced in a T+2 environment (below 2% based on value).
- **Collateral savings:** Early reductions in the value-at-risk (VAR) component of the continuous net settlement (CNS) collateral pool are in the range of 23-28%.

Again, we thank everyone who worked sometimes very long hours to achieve a smooth transition.

Keith Evans, CCMA Executive Director

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