

## AMENDMENTS TO CDS PROCESSING SCHEDULE FOR T+1

(Note: Issued v.1; amended January 31, 2023 v.2; May 27, 2023 v.3)

Current process	Change to...	Why
<b>1. Processing of Exchange Trades</b>		
Marketplaces send single end-of-day files to CDS after market closes.	Marketplaces deliver batch files to CDS intraday, on an hourly basis, starting at 10:00 ET on trade date (T).	To significantly reduce CDS's current end-of-day processing time to generate and deliver reported exchange trade messages/files to service bureaus, vendors, and CDS participants.
CDS generates exchange-trade messages and files to service bureaus, vendors, and CDS participants once a day.	CDS generates and delivers exchange-traded messages and files intraday on an hourly basis.	To allow error identification and correction to start earlier and end as much as possible by the end of T.
Service bureaus, vendors, and/or participants process exchange-trade reconciliation files.	Service bureaus, vendors, and participants deliver reconciliation files to CDS by 19:30 ET on T.	To allow participants to receive the maximum of exchange-trade reconciliation reports by the end of T.
<p><b>What this means:</b> Marketplaces, CDS, service bureaus, vendors, and participants must make significant process and timeline changes affecting downstream delivery of service to their clients and should prepare for upstream impacts. Stakeholders should investigate in-house/outsourced automation to address these issues and implement changes to ensure exchange trades processing, including reconciliation between various entities, is achieved prior to date-rollover.</p>		
<b>2. Non-Exchange-Trade Processing</b>		
National Instrument 24-101, <i>Institutional Trade Matching and Settlement</i> , requires 90% of trades (by value and volume) to be reported and confirmed (matched) by noon on T+1 to achieve the current T+2 settlement cycle (the June 2022 <a href="#">transaction match rate</a> by the end of T was 38%).	<p>That NI 24-101 be amended to require 90% trade matching (by volume and value) by 3:59 ET on T+1, before the next day's netting settlement processes start for several reasons outlined in <a href="#">FAQ #23</a>.</p> <p><b>Note:</b> CCMA participants are working towards this time; the <a href="#">CSA had proposed</a> 21:00 ET on T (seven hours earlier than the industry recommended) for trade-matching parties to meet the 90% threshold.</p> <p><b>Note: Trade entry timing</b> – CCMA members agreed to adopt an industry standard of 19:30 ET on T for entering institutional (non-exchange) trades, including ones resulting from allocations of block trades, into CDS's systems; service providers may set earlier deadlines to meet the 19:30 ET cut-off for CDS trade entry.</p>	To achieve a reduction in overall risk and higher efficiency for the industry (e.g., lower counterparty risk for the buy-side; up to 40% broker/dealer collateral holding reduction; and earlier investor access to funds).
<p><b>What this means:</b> Custodians must receive instructions from clients more quickly than today. Custodians have the technology and processes in place to confirm trades on receipt of client instructions, so stakeholders must investigate and automate (in-house or by outsourcing) to address current matching delays.</p>		
<b>3. International Trade Processing and Reconciliation</b>		
DTCC proposes no T+1-related schedule changes for delivering inbound files to CDS to match with corresponding files from Canadian stakeholders.		No change
<b>4. Cross-Border Services</b>		
The settlement cycle for transactions using cross-border services is T+0 today.		No change