

## **CCMA welcomes CSA Staff Announcement Supporting Transition to T+1**

**August 10, 2023:** The Canadian Capital Markets Association (CCMA) today expressed the investment industry’s appreciation to the Canadian Securities Administrators (CSA) for their release today of [CSA Staff Notice 24-319](#) regarding National Instrument 24-101 *Institutional Trade Matching and Settlement – Update and Staff Recommendation*. The Notice states that CSA Staff “intend to recommend that [their] respective decision-makers adopt a revised version of the 2022 Proposed Amendments [to NI 24-101] that would include a trade-matching deadline of 3:59 a.m. Eastern Time on the day after the trade (T+1),” that is, by the time the next day’s trade processing cycle begins. These changes are expected to help facilitate transitioning from today’s T+2 securities settlement cycle to a T+1 (one-day) standard on **Monday, May 27, 2024**.

Keith Evans, Executive Director of the CCMA, explained the importance of the Staff Notice: “The CSA’s announcement means industry participants can proceed more confidently with major development projects to make next-day settlement a reality. This reduces the system risks of transition from T+2 to T+1 and mitigates an increase in failed trades. Providing certainty at this time should help smooth the Canadian investment industry’s migration to a shorter securities settlement cycle next year, benefitting investors who will receive money from the sale of North-American securities a day earlier.”

Evans continued: “While Canada and the U.S. will adopt a common next-day settlement cycle in May of next year, there are and will remain differences between the markets because of their differences in size, structure, systems, and practices. Given the many investors in Canadian securities who operate from Asian and European time zones, the CCMA and its members are pleased that CSA Staff are recommending a deadline that will both allow settlement to be achieved on T+1 in line with the U.S. and address Canadian market participant and investor concerns by:

- Extending the period that counterparties operating in non-Canadian time zones have to confirm transaction details and arrange for securities delivery or payment
- Ensuring flexibility for Canadian market participants nationwide
- Allowing custodians and buy-side firms more time to affirm trades, reducing counterparty risk
- Improving collateral efficiency for dealers.”

The CSA continues to review considerations relating to other comments received on proposed rule changes issued on December 15, 2022. Industry participants continue to work together, and with the U.S., regulators, and stakeholders, to make Canadian capital markets efficient and secure, supporting Canada’s economy and investors.

### **For more information, please contact:**

Keith Evans, CCMA Executive Director | 416.365.8594 | [info@ccma-acmc.ca](mailto:info@ccma-acmc.ca) | [www.ccma-acmc.ca](http://www.ccma-acmc.ca)

### **About the CCMA:**

The [Canadian Capital Markets Association](#) (CCMA) is a national, federally incorporated, not-for-profit organization launched in 1999 to identify, analyze and recommend ways to meet the challenges and opportunities facing Canadian and international capital markets. The CCMA’s mandate is to communicate, educate, and help co-ordinate the different segments of the investment industry on projects and initiatives spanning multiple parts of Canada’s capital markets. Participating under the CCMA’s co-ordinating umbrella are dealers, custodians, asset managers, and industry associations; exchanges and securities infrastructure entities, including The Canadian Depository of Securities (CDS) and Fundserv; back-office service providers and vendors; and other stakeholders.