

T+2 Communications and Education Working Group (CEWG) Proposed Agenda

April 19, 2016 –2:00 PM ET / 11:00 AM PT

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Meeting#: 809 248 544; Password: weare#1

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Tips for the best-quality experience for all members:

1. Use headphones if at all possible
2. Put your line on mute unless speaking (remember: take off mute to speak!)
3. Never put your committee mates on hold with bad music! 😊

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|---|---------------------|
| 1. Welcome and Attendance | Members |
| 2. Review/approval of Draft April 5 Minutes
(Attachment 1 and Appendices A (Attendance) and B (Rolling Action Items)) | Members |
| 3. Updates from Other Committees/Countries | CCMA/Members |
| i. <i>Member updates</i> | Members |
| ii. <i>Updates re T2SC, MFWG, OWG, LRWG, and UST2</i> | Keith/Kyle |
| iii. <i>CCMA April 20 T+2 event</i> | Barb |
| iv. <i>Update re outreach</i> | Barb |
| 4. For Discussion/Approval | |
| i. <i>Draft Media Release – amend/approve</i>
(Attachment 2) | Members |
| ii. <i>Proposed Newsletter Content – what topics?</i>
(Attachment 3) | Members |
| iii. <i>Next Set of FAQs – additional questions?</i>
(Attachment 4) | Members |
| 5. Other Issues as Raised | Members |
| 6. Next Meetings
Tuesday, May 3 and 17, 2016 | Members |

T+2 Communications and Education Working Group (CEWG) April 5, 2016 Draft Minutes

1. Review/approval of Draft April 5 Minutes

Kyle noted that, at the April 5 CEWG meeting, mention had been made of the next Fundserv meeting (to be held on April 22). The minutes will be amended to reflect this.

Action	Who
1. Update draft minutes to reflect April 22 Fundserv meeting	Barb

2. Updates from Other Committees/Countries

i. Thanks to members: Barb thanked Amie for her media training for Keith and Barb, Brent for his media training insights, and Brandon for his design of a Canadian T+2 logo. Also, Brent had prepared the media relations plan and 'presentation-in-a-box' to be discussed later in the agenda.

ii. Updates re T2SC, MFSG, OWG, LRWG, and UST2: Keith was out west meeting with the B.C. Securities Commission on T+2, among other things, and there had not been meetings or material developments generally, although the asset list was getting closer to being completed. Kyle mentioned, with respect to the Mutual Fund Working Group, the work on a testing strategy that was underway (CDS also was preparing a test plan). Fundserv was also waiting for feedback from IFIC on a number of matters.

iii. CCMA April 20 T+2 event, newsletter: Barb updated members on the event (good start to sign-ups) and newsletter (had been released the previous week. A number of members had not seen the releases and noted that the title --- as much as it had been titled 'important information' – had been interpreted as a generic blast that paradoxically might not have been read as it didn't reference the website, newsletter or event that members would have picked up on. Barb said this was helpful feedback and care would be taken to make subject lines were descriptive and action-oriented in future. Also, the note could encourage recipients to forward the note on to get more coverage.

Colleen mentioned that she had recently participated in an internal meeting with NBCN counterparts and NBCN had a pipeline to many introducing brokers and portfolio managers which would be very useful.

Action	Who
2. Contact Colleen Bronson re possible NBCN-specific event or available room at April 20 CCMA event	Barb

With respect to action items, Barb noted that with the release of the website, flyer, and newsletter, the CCMA would now approach the contacts collected in January that were to be used to further get out word of T+2 efforts.

Action	Who
3. Send out invitations to other industry associations	Barb

3. For Discussion/Approval

- i. Draft Media Relations Plan and Protocol:* Members had no comments on/concurred with the media plan. Brent and Amie had agreed also to help with advice should any issues that could be sensitive arise.
- ii. Government/Regulatory Action Plans:* Barb had expected the need for help on this, however, the OSC had approached the CCMA and asked the CCMA to prepare a draft update that the Commission could edit and use, which had been done. The CCMA will follow up on this, however, this will ideally address a work item in the government relations action plan.
- iii. "Presentation-in-a-Box" on T+2:* Barb thanked Brent for preparing the draft presentation that could be used by any interested party to start raising awareness in-house. There may be insights from the April 20 event that might suggest updates and this could be reviewed by members at a future meeting.

Action	Who
4. Add 'presentation-in-a-box' to the agenda of a future meeting	Barb

- iv. Issues Logs:* Further work was underway on some of the issue logs

Action	Who
5. Follow up with individual members to help review that high-level issue log descriptions are worded understandably for an average investment industry reader	Barb

4. Other Issues as Raised:

FAQs: At various times in the meeting, questions had arisen that could be dealt with as part of the second set of FAQs. One was the cost of the move to T+2. Blair mentioned the U.S. study that had included reference to this and there were standard ratios that could be used to develop a rough equivalent. One member's firm was trying to cost/track costs, however, the work was at early stages and there may be no approval to share the results. The other questions pertained to specifics on a sector-by-sector basis.

Action	Who
6. Add second series of FAQs to the agenda of the next meeting	Barb

5. Next Meetings:

Tuesday, May 3 and 17, 2016.

Appendix A to Attachment 1

CCMA T+2 Communications and Education Working Group Attendance

Note: Please advise if you identify any names missing or errors

Ms. Karen	Copeland	BMO NB	Represented by Art Valdes
Mr. Sahil	Duggal	Broadridge	Unable to attend
Mr. Kratika	Paliwal	Broadridge	Unable to attend
Mr. Andrew	Jen	CIBC	Present
Mr. Brent	Merriman	CIBC Mellon	Present
Mr. Mark	Austin	Connor Clark Lunn	Present
Ms. Amie	Lauder	Franklin Templeton	Unable to attend
Ms. Diane	Gomes	GMP Securities	Unable to attend
Mr. Joe	Riga	GMP Securities	Unable to attend
Mr. Harold	Walton	GMP Securities	Unable to attend
Mr. Kyle	Bedeau	Fundserv	Present
Mr. Blair	Munn	IFDS	Present
Mr. Jack	Rando	IIAC	Present
Ms. Sam	Selvais	Intinfotech	Unable to attend
M. Alain	Alexandre	NBC	Withdrew
Ms. Colleen	Bronson	NBC	Present
Ms. Cecile	Orlup	NBC	Withdrew
Ms. Laurie	Clark	Smarten Up Institute	Present
Mr. Brandon	Buckley	TD	Present
Mr. Rob	Candido	TD	Rep'd by Brandon
Ms. Tracey	Randell	TD	Rep'd by Brandon
Mr. Chris	Wilkinson	TD	Withdrew
Mr. Zain	Yusuf	TD Securities	Unable to attend
Ms. Carrie	Tuck	Vanguard	Unable to attend
Mr. Keith	Evans	CCMA	Unable to attend
Ms. Barb	Amsden	CCMA	Present

Appendix B to Attachment 1
(updates in bold and italics)

Rolling Action Item List

Action	Who
1. Update draft minutes to reflect April 22 Fundserv meeting	Barb
2. Send out invitations to other industry associations	Barb; <i>Done</i>
3. Contact Colleen Bronson re possible NBCN-specific event or available room at CCMA April 20 event	Barb; <i>Done</i>
4. Send out invitations to other industry associations	Barb; <i>Done</i>
5. Add 'presentation-in-a-box' to the agenda of a future meeting	Barb
6. Follow up with individual members to help review that high-level issue log descriptions are worded understandably for an average investment industry reader	Barb
7. Add second series of FAQs to the agenda of the next meeting	Barb; <i>Done</i>
From March 22 Meeting	
1. Provide any comments on ways to help manage meetings better	Members – <i>no comments received</i>
From March 8 Meeting	
1. Prepare for 5-minute T+2 facts video	<i>Done – Laurie to review</i>
From January 19 Meeting	
1. Send invitation to be informed of or participate in T+2 efforts to as-yet-not-engaged stakeholders	<i>Done for all industry associations</i>
2. Circulate latest version of T+2 committee issue lists to members to ensure they are in sufficiently plain language.	Barb Amsden – <i>On April 5 agenda</i>
From January 5 Meeting	Complete or on workplan
From December 15 Meeting	Complete or on workplan
From December 1 Meeting	Complete or on workplan
From November 19, Meeting	
1. Provide list of known/expected industry events, dates if known	Members (ongoing)
2. Provide diagram of industry stakeholders	Members, CCMA staff

FOR DISCUSSION Communications and Education Working Group Workplan
 (updates are *in boldface print and italics* under ‘who’ column)

Tool	When	Who
Planning and Administration		
1. Plan – Milestones	Jan. 5, 2016	Done
2. Plan – Communications plan per audience, with spokespeople/champions per industry segment	First draft January 19, 2016	Gap analysis with U.S.: Barb/Keith – underway Industry plan: complete Regulatory plan: complete Media plan: complete
3. Issue Log	Jan. 5, Apr. 5, 2016 and ongoing	Done; Barb to periodically update
Dissemination Tools		
1. Dissemination – Contact database expansion for associations, unaffiliated firms, regulators, media	Blast early January Ongoing otherwise	Done
2. Dissemination – Website	January	Done
3. Dissemination – Newsletter	Late Feb./early March, 2016	First issue done; work on second begun
4. Dissemination – News Release(s)		Amie/Barb (standby unlikely to be used: issue industry driven rather than regulatory, not too political, and or overly sensitive)
a. Stand-by statement for “where is Canada?”	January 19, 2016 Late Feb./early	
b. Kick-off and announce event	Mar., 2016	
5. Dissemination – Industry Channels (vendors/service providers, infrastructure, associations)	January 19, 2016	Associations done Barb to send to vendors, service bureaus, infrastructure – exchanges, CDS and Fundserv
6. Dissemination – Events	March 31, 2016	Event organized April 20
7. Dissemination – Webinars	March 31, 2016	Laurie to lead/help from Barb, Keith, CEWG
8. Dissemination – LinkedIn	March 31, 2016	TBD – no longer a priority; could draft a LinkedIn article on topic?
Supporting Collateral Material		
1. Timeline (Can vs U.S.)	December/ongoing	Done
2. Letter to associations, vendors, regulators and infrastructure		Done; tailored as needed
3. Customizable articles	Ongoing	One drafted; others may follow
4. DIY PowerPoint for small firms, those behind in preparation	March 31, 2016	Drafted; to be updated
5. Update general PowerPoints	Ongoing	Done for April 20 event based on Keith’s various presentations with member review

Tool	When	Who
6. Media kit	Late Feb./early March, 2016	Amie to determine what is required; Amie to provide media training to CCMA leads – Done
7. FAQs	Jan. 19, 2016	Done and posted; second set/updates to follow later
8. Key messages (and benefits) per target audience	Late Feb./early Mar., 2016	Part of industry, government, regulatory, media plans (see above)
9. Stats (Can vs U.S.)	Jan. 19	CCMA staff to get/understand Canadian stats and comparison to U.S. settlement (no U.S. requirement to match before settlement so details not locked in, which leads to fails and unwinds; stats match for foreign clients); Barb to ask DTCC
10. Asset list (Canada and compared to U.S.)	Jan. 19	OWG; Barb to re-map Canadian and U.S. lists as both lists updated
11. Comparison with other countries	Jan. 19, 2016	Complete; in some presentations
12. Expectations of end clients by segment	Review later	To be discussed later
13. Readiness checklist(s) by segment	Feb. 28, 2015	General one done OWG; Jack for IIROC dealers, Mark for asset managers, for custodians not needed; other
14. Survey(s)	Review later	As required; to be discussed later
15. STP Primer – “good enough” for re-use and any materially out-of-date bits	Jan. 19, 2015	Added to website
16. Learnings from Europe, other countries	Ongoing	Connections made to Australia, NZ, and ongoing with the U.S.

Media Release

DRAFT 1

Canadian Capital Markets Association (CCMA) Seeks Industry Comment on 'T+2 Investment List' for Securities Settlement Cycle Shortened from Three to Two Days after Trade Date

TORONTO, April xx, 2016 – The Canadian Capital Markets Association (CCMA) has issued a [request for comments](#) [to be linked] from investment industry stakeholders on a list of Canadian investments identifying whether they are expected to be affected by securities settlement cycle shortened from three days after the date of a trade (T+3) to T+2.

“Dozens of countries around the world have reduced their securities settlement cycle to a standard of T+2,” said Keith Evans, Executive Director of the CCMA. “Making this change seamlessly, and in tandem with the U.S. in the third quarter of 2017, is essential to maintaining Canada’s capital markets’ reputation as efficient, cost-effective and secure.”

About 40% of trades on Canadian stock exchanges are in inter-listed securities (that is, a single security listed on both a Canadian and an American exchange) and about a quarter of the trades settling in Canada are from cross-border transactions. Evans added: “Different settlement dates would be confusing for investors and increase the risk of errors and need for manual corrections.”

All stakeholders, and in particular service bureaus and vendors, are requested to review this document and to respond **by Friday, May 27, 2016** to info@ccma-acmc.ca with questions, comments, and recommendations, so that the list becomes as comprehensive as possible to help in the transition to T+2. Once the comment period is over, members of CCMA working groups will review feedback received, and the list will be republished as ‘final’ to help industry participants prepare.

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 co-ordinating umbrella of the CCMA are dealers, custodians, asset managers and industry associations; key securities infrastructure, such as exchanges, The Canadian Depository of Securities (CDS) and Fundserv; back-office service providers and vendors; and other stakeholders.

About T+2

The term “T+2” (and likewise T+0, T+1, T+3, and so on) refers to the number of days between when a trade is executed – trade date or T – and the day it settles, that is, when the buyer’s payment for a securities trade is exchanged simultaneously with the securities of the seller. In 1995, Canada and the U.S. together shortened the standard settlement cycle for most debt and equities from T+5 to T+3. T+2 also is short-hand for the current industry-wide project to shorten the maximum standard settlement cycle from T+3 to T+2 in Q3 2017 in conjunction with U.S. capital markets.

Contact

- Barbara Amsden – Chair, CCMA Communications and Education Working Group, 647.223.2843, bjamsden@gmail.com
- Keith Evans, Executive Director, CCMA, kevans@ccma-acmc.ca
- CCMA Website: www.ccma-acmc.ca

Proposed Next Newsletter Topics

Members are asked to be ready to discuss the topics of the next newsletter. Recommended or possible topics include:

- Asset list for comment
- T+1 Readiness Checklist
- Event outcome (with link to webinar and PowerPoint presentation)
- Infrastructure update (from CDS and Fundserv) on testing strategy
- Archived material on website that may be useful (securities lending, corporate actions)
- Updates from main service bureaus? Vendors?
- Data on growth of T+2 involvement?

FAQs – Part 2

Members are requested to be prepared to identify other T+2 questions that they may be hearing.

Note: Canada's affected asset list will be published shortly.

1. What is the cost to the industry of the changes to accommodate a shorter settlement cycle?
2. What are the effects on each industry segment of the move to T+2?
 - dealers/sellside?
 - custodians?
 - investment managers/buyside?
 - exchanges?
 - Fundserv/CDS?
 - service providers
 - vendors?
3. Will there be an impact on activities other than trading, such as securities lending, reorg events, and tendering from a move to T+2?
4. Will T+2 used to make other changes that other countries have already made, such as getting rid of securities certificates?
5. What countries will not be on T+2 after North America switches to T+2?
6. Was there (or is there) any attention being paid to the disharmony in settlement cycles (this was in the context of potential funding shortfalls when moving from a U.S. basket of names to a European basket of names)?
7. What needs to change in our settlements operations to be prepared?
8. Do you think same-day affirmation (SDA) is a key enabler/requirement for a move to T+2?
9. How likely do you think a subsequent move to T+1 is? In what timeframe?
10. Do you think any amendments to the matching targets of NI 24-101 are necessary to achieve T+2?
11. How important are trade date matching and accurate settlement instructions (SSIs) for a move to T+2? (Note: In a recent Omgeo survey, 91% of respondents think that accurate SSIs are relevant to T+2.)
12. Europe's move to T+2 includes a settlement discipline regime as part of CSD-R while the U.S. does not plan to implement such a regime. How effective do you think a move to T+2 will be without any failed trade penalties and buy-in obligations? Are sanctions/penalties needed in order to drive behavioural change?