

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

April 5, 2016 –2:00 PM ET / 11:00 AM PT

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- | | |
|---|--------------------|
| 1. Welcome and Attendance | Members |
| 2. Review/approval of Draft March 8 Minutes
Refer Attachment 1 with Appendix A – Attendance and Appendix B – Rolling Action Items | Members |
| 3. Updates from Other Committees/Countries | CCMA/Members |
| i. Thanks to members | CCMA/Members |
| ii. Member updates | Members |
| iii. Updates re T2SC, OWG, LRWG, and UST2, | Barb/Mark |
| iv. CCMA April 20 T+2 event, newsletter | Barb |
| 4. For Discussion/Approval | Members |
| i. Draft Media Relations Plan and Protocol (<i>Member comments</i>)
(Attachment 2) | Brent/Amie/Members |
| ii. Government/Regulatory Action Plans (<i>Any members interested in working on this?</i>) | Members |
| iii. “Presentation-in-a-Box” on T+2 (<i>Preliminary discussion</i>)
(Attachment 3) | Members |
| v. Issues Logs (<i>discuss best approach to ensure these are useful communications tools</i>)
(Attachments 4.a, 4.b. 4.c) | Members |
| 5. Other Issues as Raised | Members |
| 6. Next Meetings
Tuesday, April 19, 2016 | Members |



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

March 22, 2016 –2:00 PM ET / 11:00 AM PT

7. Welcome and Attendance

Members welcomed Art Valdes of BMO, who had experience working on T+2 on the U.S. side.

8. Review/approval of Draft March 22 Minutes/Action Item Update

Members had no comments on the draft minutes. Brent had completed drafts of a media communications plan and 'out-of-the-box' basic-level T+2 presentation people just starting on T+2 could use to brief inhouse; these would be circulated to members for comment. Also, media training for CCMA staff was being hosted by Amie, with Brent participating as well. Most of the other outstanding action items were on the day's agenda.

9. Updates from Other Committees/Countries

vi. Updates re OWG, UST2 and Australia/NZ move to T+2

Keith said that the focus at the last OWG meeting was testing (CDS and Fundserv would begin developing a proposed test plan, that needed to focus on mandatory for at least some organizations (entities that operate between industry firm and infrastructure participants) and the five top priorities on the OWG Issue list. The asset list was almost ready to publish for comment.

The U.S. continued to advance with a testing schedule development. Keith said that it appeared that the Australia and New Zealand transitions to T+2 earlier in the month had gone well. Mark provided background on some aspects of the European move.

Barb had spoken with a person on the New Zealand experience. One issue that had surprised the person was that communications to investment managers had proven to be more of an issue than had been planned for despite the fact that Hong Kong (a major market for investment managers and institutional investors) was already at T+2. In Canada, a person involved with the efforts to get to T+1 had mentioned to Barb that there was a regulatory concern about the awareness of small and medium-sized investment managers (IM) – this had been hindered but soon would no longer be with the launch of the website. The CEWG would likely have to discuss at a future meeting ways to expand awareness in the IM community.

vii. Fundserv/IFIC Mutual Fund Sub-Working Group

There had been no further Fundserv meetings. The committee was being renamed to a full working group reporting to the T+2 Steering Committee.

viii. IIAC March 9 and CCMA April T+2 Event

Keith’s presentation at the IIAC event had been well-received. Maureen Jenson, new OSC Chair, had unfortunately declined to kick off the industry event, however, this would help move event-planning ahead on a more timely basis. Brent offered his CNW contacts.

ix. Countdown clock

Members agreed with the idea of a countdown clock to support the sense of urgency for the project.

10. For Discussion/Approval

iv. Draft 2 of Newsletter

v. Website Demo

vi. Industry and Government Actions Plans

vii. T+2 Readiness Self-Assessment Checklist

Action	Who
1. Provide comments on newsletter to CCMA	Collen – Done
2. Provide comments on website	Members
3. Add industry, government/regulators plans to next agenda	Members
4. Complete the T+2 Readiness Self-Assessment Checklist	Collen – Done

11. Other Issues as Raised

Barb asked members to provide any feedback on meeting management, etc.

Action	Who
5. Provide any comments on ways to help manage meetings better	Members

12. Next Meetings

Members

Tuesday, April 5 and Tuesday, April 19, 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 Art Valdes
Mr. Sahil	Duggal	Broadridge	Unable to attend
Mr. Kratika	Paliwal	Broadridge	Unable to attend
Mr. Andrew	Jen	CIBC	Unable to attend
Mr. Amy	Ramanen	CIBC	Withdrew
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	Rep'd by Joe
Mr. Joe	Riga	GMP Securities	Present
Mr. Harold	Walton	GMP Securities	Rep'd by Joe
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	Unable to attend
Ms. Colleen	Bronson	NBC	Present
Ms. Cecile	Orlup	NBC	Unable to attend
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	Present
Mr. Keith	Evans	CCMA	Present
Ms. Barb	Amsden	CCMA	Present

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

Rolling Action Item List

Action	Who
From March 22 Meeting	
1. Provide comments on newsletter to CCMA	Collen – <i>Done</i>
2. Provide comments on website	Members
3. Add industry and government/regulators	Members
4. Complete the T+2 Readiness Self-Assessment Checklist	Collen – <i>Done</i>
6. Provide any comments on ways to help manage meetings better	Members
From March 8 Meeting	
1. Add website demonstration to the March 22 CEWG meeting	Barb Amsden – <i>Done</i>
2. Prepare for 5-minute T+2 facts video	<i>Done</i> and practiced – <i>must record</i>
From January 19 Meeting	
1. Send invitation to be informed of or participate in T+2 efforts to as-yet-not-engaged stakeholders	Barb Amsden – <i>Underway</i>
2. Provide media training to CCMA staff at a convenient time	Amie Lauder – <i>Done</i>
3. Determine CCMA T+2 event funding model	Keith Evans – <i>Done</i>
4. Prepare T+2 event presentation for member review	Brent – <i>Completed</i>
5. Confirm if industry media should be invited to T+2 event	Barb Amsden – <i>Done</i>
6. 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: on agenda
3. Issue Log	Jan. 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
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	Barb to send
6. Dissemination – Events	March 31, 2016	Organized
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; being tailored
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	TBD ; based on Keith’s various presentations with member review
6. Media kit	Late Feb./early	Amie to determine what is

Tool	When	Who
	March, 2016	required; Amie to provide media training to CCMA leads March 31
7. FAQs	Jan. 19, 2016	Done ; second set/updates to follow later
8. Key messages (and benefits) per target audience	Late Feb./early Mar., 2016	Note: 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)
10. Asset list (Canada and compared to U.S.)	Jan. 19	OWG; Barb to map Canadian and U.S. lists – second draft of list under OWG review
11. Comparison with other countries	Jan. 19, 2016	Complete; in some presentations
12. Expectations of end clients by segment	Review later	TBD
13. Readiness checklist(s) by segment	Feb. 28, 2015	OWG; Jack for IIROC dealers, Mark for asset managers, for custodians not needed; other
14. Survey(s)	Review later	As required; first self-assess sample in draft
15. STP Primer – “good enough” for re-use and any materially out-of-date bits	Jan. 19, 2015	To be added to website
16. Learnings from Europe, other countries	Ongoing	Connections made to Australia, NZ, and ongoing with the U.S.

Media Communications Plan (DRAFT #1)

DRAFT Government/Regulatory Communications Plan (as at March 1, 2016)	
Desired Outcomes:	Measures of Success:
<ul style="list-style-type: none"> • Raise awareness of T+2 timelines, impacts and benefits among key stakeholder audiences via target media • Generate positive, or at least factually accurate, media coverage • Raise CCMA profile as guiding institution for T+2 efforts in Canada • Minimize or respond effectively to negative/inaccurate representations or media storylines • Place CCMA spokespeople/articles in key industry publications 	<ul style="list-style-type: none"> • Media treatment includes information on these key areas • Coverage is accurate and factual (consistent with or at least not contradictory to CCMA position) • Media stories highlight key messages • Negative or inaccurate storylines are not perpetuated • Spokespeople are prepared appropriately and recognized as experts
Key Messages:	
<ol style="list-style-type: none"> 1. Canada will adopt a T+2 settlement cycle in Q3 2017, shortening the settlement cycle from T+3 in coordination with the U.S. market. The current target date is September 5, 2017. 2. Shortening the settlement cycle is the right move for investors and financial market participants in Canada, helping to reduce risk, enhance efficiency and support Canada's economic competitiveness. 3. Canadian market participants need to take steps to understand and prepare for the change. 	
Key Message Detail	
<ul style="list-style-type: none"> • Canada will adopt a T+2 settlement cycle in Q3 2017, shortening the settlement cycle from T+3 in coordination with the U.S. market. <ul style="list-style-type: none"> • The U.S. working group has announced an industry target date of September 5, 2017 for the U.S. move from a T+3 to a T+2 settlement cycle. Timing for the U.S. market remains subject to final approval by U.S. regulators. Canadian regulators support alignment of timing in Canada with that of the United States. • Shortening the settlement cycle is the right move for investors and financial market participants in Canada. <ul style="list-style-type: none"> • Maintaining Canadian capital markets in sync with the U.S. and global markets is critical for economic success. The CDS-DTCC cross-border clearing and settlement relationship is the most active and sophisticated inter-depository link in the world. Moving to T+2 in sync with the U.S. – and reaching the same settlement-day standard as in the European Union, certain other countries and most recently Australia and New Zealand – is essential to maintaining the global competitiveness of Canadian capital markets. Capital markets play an important role in our economy, and create jobs and the securities-related revenues that are taxed to help support Canadians' quality of life. • Shortening the settlement cycle will help mitigate risk for stakeholders across the financial services sector. Shortening the settlement cycle to T+2 will contribute to greater certainty, improved safety, and increased soundness of Canadian capital markets. It will help reduce systemic and operational risks by diminishing the exposure between different parties to a trade, between these parties and the clearing/settlement infrastructure, and within that infrastructure itself. • Specific benefits of T+2 settlement include: <ul style="list-style-type: none"> • Reduced credit/counterparty and liquidity risk, with lower associated margin requirements • Increased consistency and fewer errors and adjustments through automation • More efficient, safer, better service for institutional and retail investors • Improvement in market efficiency benefits Canadian investors: By improving settlement efficiency, we lower risk and this should ultimately translate into better net prices for trades for end investors. • Reduction in risk important in globally-linked markets: The value of trades pending settlement at the end of each day can be in the billions of dollars on a typical day. Given the three days it takes to settle trades today, the total dollars outstanding on any business day is triple this amount. While the probability of loss is low, shortening the settlement cycle will reduce the overall daily credit risk of these trades by one third, lowering collateral demands and helping reduce the cost of investing. 	

<ul style="list-style-type: none"> • Market participants need to take steps to understand and prepare for the change. • Timely, coordinated action is critical for smooth implementation: Canadian market participants throughout the investment lifecycle have the potential to be impacted by the changes in the settlement cycle. All market participants should assess their systems, practices and dependencies to prepare themselves for a move to T+2 in line with U.S. timing. • While preparing for T+2, industry stakeholders should consider a number of factors: <ul style="list-style-type: none"> • Review downstream and upstream process, reports, files and databases • Make any changes to prospectus or other agreements • Confirm that relevant suppliers, counterparties and other stakeholders are ready • Make any necessary changes to systems (e.g., trading platforms, portfolio valuation systems) • Be ready to give information and assurances about T2 preparations to stakeholders as requested 	
Assumptions:	
<ul style="list-style-type: none"> • T2SC, OWG, MFWG and LRWG deliver prompt, factual updates to the CEWG via CCMA staff as needed. • T+2 website is updated and kept up-to-date with relevant details. • CCMA spokespeople are available and up-to-date on current status of T+2 initiatives. • CCMA does not comment on individual market participants' actions or preparations: only on overall expectations for preparedness. 	
Anticipated Deliverables:	
Due Date	Deliverable
<ul style="list-style-type: none"> • Q1 2016 • March 31 • As needed/when ready 	<ul style="list-style-type: none"> • Confirm target list of industry media and contacts [done] • Develop "presentation in a box" highlighting general themes [drafted] • Complete media training for CCMA spokespeople [done March 31] • Identify and disseminate key deadlines, deliverables, reporting/attestation requirements and regulatory guidelines that become available. • Respond to media and undertake proactive case-by-case interview/outreach to targeted industry media and (where possible) article fact-checking • Confirm accuracy and readiness of CCMA website. • Respond to and, when ready, proactively reach out to general/mainstream media. • Prepare, if necessary, any senior industry reps for meetings with media • Review and simplify as needed industry submissions and develop media releases to support them
Target outlets(s):	
<ul style="list-style-type: none"> • Investment Fund Industry Media • Pension Industry Media • Mainstream Media 	<ul style="list-style-type: none"> • Investor Media • Global financial media covering Canada
Potential Challenges:	Ways to Mitigate Challenges:
<ul style="list-style-type: none"> • Negative perception of T+2 ("no benefits", "Canada not ready") 	<ul style="list-style-type: none"> • Briefing and preparation prior to media contact • Close alignment to talking points to project key messages • Careful monitoring and response • Spokespeople media trained
<ul style="list-style-type: none"> • Website out of date/inaccurate 	<ul style="list-style-type: none"> • CEWG process in place to document, update and maintain website. Targeted
<ul style="list-style-type: none"> • Individual participants not aware of 	<ul style="list-style-type: none"> • Leverage media in publications particular any groups and their associations or with LRWG encourage
<ul style="list-style-type: none"> • Media disregard for topic "not relevant" or "not interesting" 	<ul style="list-style-type: none"> • Leverage spokespeople, industry stakeholders and consistent messaging to drive messages.
Communications Vehicles:	
<ul style="list-style-type: none"> • PR conversations with media (outreach) • CCMA spokespeople (Keith) • Presentation template 	<ul style="list-style-type: none"> • Supplementary educational collateral (e.g., from participants) • Newsletter • Website

MEDIA TARGET LIST

Sector	Publication	Handler/PR	Notes
Mainstream press	Toronto Star	Amie	
Mainstream press	Globe and Mail	Amie	
Mainstream press	National Post	Amie	
Canadian General Financial	Bloomberg	Brent	
Mainstream press	BNN	Amie	TV, Radio placements: maybe not
Pensions	Benefits and Pensions Monitor	Brent	
Pensions	Benefits Canada	Brent	
Pensions	Pensions & Investments	Brent	
Pensions	ACPM Observer	Brent	
Advisors/funds	Investment Executive	Amie	
Global Financial Media	Global Finance	Brent	
Global Financial Media	FTSE Global Markets	Brent	
Global Financial Media	Global Custodian	Brent	
Global Financial Media	Risk.net	Brent	
Global Financial Media	Securities Lending Times / Asset Servicing Times	Brent	
Global Financial Media	Global Investor / ISF	Brent	
Advisor.ca			
Securities Industry News			
Wealth Professional.ca			
Morningstar			

CEWG Issues Log

Issue: CEWG – 001

Stakeholder T+2 awareness

Description:

Implementation of T+2 requires careful co-ordination of multiple interconnected players, which demands updates where necessary to system interconnections between different parts of the investment industry.

What is the issue:

No one has full knowledge of all T+2 implementation issues; Canada must follow the U.S. as the significantly larger market; without all the necessary knowledge, it would have been of little value to do significant awareness building, so awareness now must be built quickly.

Major discussion points:

1. What are all the affected products?
2. Which are the different industry segments affected and how?
3. What awareness approaches are needed?
4. While large firms have greater capacity and access to resources, the very significant majority if not all stakeholders (and all major ones) must be ready - a DIY presentation with basic information is needed.
5. What is the impact on clients (institutional and retail), if any?
6. While the Canadian regulators have indicated support for the move to T+2 with the U.S. capital marketplace, working with regulators on supportive communications and regulators' required rule-making consultation processes requires time for approvals.

Is there more work to be done:

Yes

Completed by the Working Group:

Date of original posting:

January 5, 2019

Revised dates:

March 22, 2016

Completed date:

Passed to another Working Group:

- What are all the affected investment products and industry segments?
→ Passed to and underway by Operations Working Group
- Agreement with regulators regarding communications approach
→ plan developed and aspects to be discussed with regulators after Legal/Regulatory Working Group Review

Issue: CEWG – 002**CCMA website****Description:**

The CCMA website is critical as a focal point for communications.

What is the issue:

The CCMA website was developed in 1999/2000 and has been minimally updated since 2007. The updates are done by a third party, who is not always accessible and does not have the ability to update the structure of the website for new needs.

Major discussion points:

1. Is the current website able to be updated on a timely, effective and cost-effective basis? While not fully explored, the lack of skill sets and urgency of the work suggest a simple new, easy-to-update website is desirable.
2. What is the key information that needs to be on the website?
3. What is the best layout for the information that will promote easy self-service?
4. Who will update the CCMA website?

Is there more work to be done:

Yes; research to answer question 1 showed it impractical to use the old; as at March 22, 2016, a new website has been developed, is being reviewed and should go live in the last week of March.

Completed by the Working Group:**Date of original posting:**

January 5, 2015

Revised dates:

March 22, 2016

Completed date:**Passed to another Working Group**

Issue: CEWG – 003**Key stakeholder engagement**

Description: (Related to stakeholder awareness) Even though T+2 communication may reach stakeholders, they may decide that they can avoid the requirements or that they do not need to finance the changes.

What is the issue: Many industry stakeholders are competitors; there has been an extended period of new regulations being implemented and some firms have gone out of business or merged with others, so there is little appetite for making changes unnecessarily.

- Major discussion points:**
1. What are the key industry segments to be approached?
 2. Who are the main contacts?
 3. What are the key points to be made in a letter or call soliciting participation?
 4. What are the main benefits for each industry segment affected, and their clients?
 5. What steps will be made to keep in contact to be able to connect when needed and achieve the desired result?
 6. What champions can be found to help lead and drive participation?

Is there more work to be done: Yes; items 1., 2. and 3. are complete.

Completed by the Working Group:

Date of original posting: January 5, 2016

Revised dates: March 22, 2016

Completed date:

Passed to another Working Group Identify major benefits, T+2 implementation steps and champions per segment
→ Passed to Operations Working Group for discussion

Issue: CEWG – 004**Co-ordination with the U.S.**

Description:	Canada's and the U.S.'s capital markets are significantly interlinked meaning clearing and settlement must remain in lock-step.
What is the issue:	While obvious to industry participants, the efforts in 1999 to shorten the settlement cycle included a study by Charles River & Associates that demonstrated that the two countries settlement cycles needed to remain in synch. This was been echoed in CSA NI 24-312 (http://www.osc.gov.on.ca/en/SecuritiesLaw_sn_20150402_24-312_t2-settlement.htm)
Major discussion points:	<ol style="list-style-type: none">1. With whom should the CEWG connect?2. How do the U.S. and Canadian T+2 secretariats best co-ordinate from a communications perspective?3. What messages should be delivered?4. How do the U.S. and Canada communications remain in synch?
Is there more work to be done:	Yes; connection have been made to the U.S. T+2 Secretariat and discussions are underway; the UST2 website includes an article on Canada and T+2 written by the CCMA; key messages are similar; a more regular connection should still be discussed.
Completed by the Working Group:	
Date of original posting:	January 5, 2016
Revised dates:	March 22, 2016
Completed date:	
Passed to another Working Group	

Issue: CEWG – 005**Industry image/reputation****Description:**

Canada's capital markets are critical to the Canadian real and financial economy, capital markets can be damaged by poor clearing and settlement or misalignments with U.S. and other key markets if Canada does not move to T+2 on the same date as the U.S. and consistent with other major capital markets.

What is the issue:

While problems on the cutover implementation date can be corrected, confidence in Canada's markets risk being hurt by delays or problems in T+2 implementation. Common sense says that communications have a key role to play in a smooth implementation; this has been confirmed as critical by a senior New Zealand participant in the successful March move to T+2 by Australia and New Zealand./

Major discussion points:

1. Prepare standby statements/Qs&As to be ready for possible questions with negative overtones.
2. Prepare approach for developing and releasing quick responses if needed.
3. Identify positive news/comparison facts.
4. Be prepared with key spokespersons

Is there more work to be done:

Yes

Completed by the Working Group:**Date of original posting:**

January 5, 2016

Revised dates:

March 22, 2016

Completed date:**Passed to another Working Group**