

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

Tuesday, July 12, 2016 – 2:00 PM ET / 11:00 AM PT

**Toronto dial-in 416-933-8665; Toll-free: 1-888-402-9166; ID: 7312646#**

**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! 😊

- |   |              |
|---|--------------|
| 1. Welcome and Attendance   | Members      |
| 2. Review/Approval of Draft June 17 Minutes<br>(Attachment 1 and Appendices A (Attendance), B (Rolling Action Items), C (Issues Log)) | Members      |
| 3. Updates from Other Committees/Countries  | CCMA/Members |
| i. Member updates   | Members      |
| ii. Updates re T2SC, MFWG, OWG, LRWG, UST2  | Keith/Kyle   |
| iii. Update re PIAC article   | Barb         |
| 4. For Discussion/Approval  |              |
| i. Review draft newsletter contents<br>(Attachment 2)   | Members      |
| ii. Review draft investment manager checklist<br>(Attachment 3)   | Members      |
| iii. Update on FAQs   | Barb         |
| 5. Other Issues as Raised   | Members      |
| 6. Next Meetings  |              |
| Tuesday, July 12, August 16, September 13, October 11, November 15, December 13   |              |

## T+2 Communications and Education Working Group (CEWG) Draft Minutes of June 14, 2016 Meeting

### 1. Draft May 17 Minutes

Members provided no suggested changes to the minutes of the May 17<sup>th</sup> meeting.

### 2. Updates from Other Committees/Countries

- i. **Member updates:** Colleen Bronson said that Keith Evans' presentation to NBCN clients had been very well-received. CCMA staff will continue to identify opportunities to present to good-sized audiences.
- ii. **Updates re T2SC, MFWG, OWG, LRWG, and UST2:** Keith Evans updated members on Canadian and U.S. activities leading up to an August 2017 go/no go decision in both countries (Note: This implies infrastructure readiness and surveys/self-assessments/certifications/attestations should be targeted for a month or so earlier). He added that what would be the basis of the go/no go decision had yet to be resolved. Upcoming meeting dates were:
  - OWG – June 19<sup>th</sup>
  - LRWG – June 22<sup>nd</sup>
  - T2SC – June 23<sup>rd</sup>
  - MFWG – June 30<sup>th</sup>

Barb Amsden provided a summary of the responses to the asset list, which showed that the list had been given a thorough review by a number of parties. The list would be updated and posted on the website following review by the OWG, MFWG and T2SC.
- iii. **Update re outreach, vendors, website:** Barb Amsden reported that the CCMA had formally reached out to infrastructure providers, service bureaus and vendors, asking them to forward information on to members/clients/participants and asking for them to consider sponsoring the next event, likely to be held around year-end.

### 3. For Discussion/Approval

- i. **T+2 readiness survey results:** CCMA staff summarized the responses to the survey and Keith said that he expected that further readiness surveys might be done in late 2016, and then possibly at the end of Q1 and a final one in late Q2.
- ii. **Draft PIAC article:** Members were asked to provide comments on the draft article as soon as possible.

Action	Who
1. Provide feedback on draft PIAC article	Members
2. Proofread PIAC article	Colleen Bronson

- iii. **Topics for next newsletter:** Members agreed that the next newsletter, targeted for mid-July, should include the T+2 readiness survey results, the CSA letter to registrants and expected consultations, and the final amended T+2 asset list. The portfolio manager checklist (with input from Merici Young and soon to be reviewed by Mark Austin) would follow in the next

newsletter. Members agreed that there was no requirement to provide updates from custodians, infrastructure, service providers and vendors about expected changes to timelines. The next or a future newsletter might ask for members interested in roundtables on particular topics to provide suggested subjects.

**4. Other Issues as Raised**

No additional matters were tabled.

**5. Next Meetings**

Tuesday, August 15, September 12, October 10, November 14, December 12.

## 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

Mr.	Art	Valdes	BMO	Unable to attend
Mr.	Andrew	Jen	CIBC	Unable to attend
Mr.	Paul	Tamburro	CIBC	Unable to attend
Mr.	Brent	Merriman	CIBC Mellon	Unable to attend
Ms.	Merici	Young	Compass360 Consulting Inc.	Present
Ms.	Amie	Lauder	Franklin Templeton	Unable to attend
Mr.	Kyle	Bedeau	Fundserv	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.	Blair	Munn	IFDS	Unable to attend
Mr.	Jack	Rando	IIAC	Unable to attend
Ms.	Colleen	Bronson	NBC	Present
Ms.	Laurie	Clark	Smarten Up Institute	Unable to attend
Mr.	Ivan	Yang	State Street	Present
Mr.	Brandon	Buckley	TD	Present
Mr.	Rob	Candido	TD	Unable to attend
Ms.	Tracey	Randell	TD	Unable to attend
Mr.	Zain	Yusuf	TD Securities	Unable to attend
Ms.	Carrie	Tuck	Vanguard	Unable to attend
Mr.	Keith	Evans	CCMA	Present
Ms.	Barb	Amsden	CCMA	Present
<b>CCs</b>				
Ms.	Karen	Copeland	BMO NB	
Mr.	Sahil	Duggal	Broadridge	
Ms.	Kratika	Paliwal	Broadridge	
Ms.	Marie-Eve	Dubé	Intact Investment Management, Canada	
Mr.	Walker	Wentworth	UBS	

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

**Rolling Action Item List**

<b>Action</b>	<b>Who/Status</b>
<b>From June 17 Meeting</b>	
3. Provide feedback on draft PIAC article	Members <b><i>Complete</i></b>
4. Proofread PIAC article	C. Bronson <b><i>Complete</i></b>
<b>From May 17 Meeting</b>	
1. Comment on any items in the updated CEWG Issues Log, e.g., identify any action items that have been completed or add new ones; confirm priority	Members
2. Comment on draft PM checklist	Mark, Merici requested to help <b><i>Complete</i></b>
<b>From May 3 Meeting</b>	
1. Add commentary to the Canadian settlement date wiki noting the pending T+2 changes	Barb; <b><i>cannot edit; have sent request to <a href="mailto:info@finiki.org">info@finiki.org</a></i></b>
2. Contact IFIC/IFIC committee to discuss opportunity to elicit expected retail client expectations/concerns/education needs	Amie
<b>From April 19 Meeting</b>	
1. Approach regulators to offer to present on T+2	<b><i>Done verbally; follow-up note in draft</i></b>
2. Provide additional FAQs (with answers if possible) to add to the proposed list	<b><i>Draft</i></b>
<b>From April 5 Meeting</b>	
<b>From March 22 Meeting</b>	
<b>From March 8 Meeting</b>	
<b>From January 19 Meeting</b>	
<b>From January 5 Meeting</b>	
<b>From December 15 Meeting</b>	
<b>From December 1 Meeting</b>	
<b>From November 19, Meeting</b>	
1. Provide list of known/expected industry events, dates if known	Members (ongoing)



**T+2 Communications and Education Working Group Summary List of Issues** (at June 9, 2016; updates or items requiring further discussion in boldface print; red checks indicate tasks completed)

#	Issue/Risk	Needed	Status	Comments
1.	<b>Stakeholder T+2 awareness:</b> Because of the breadth of firms T+2 affects, and the technical nature of T+2, there is a risk that T+2 will not be given the necessary firm priority until too late, affecting institutional and retail clients.	<ol style="list-style-type: none"> <li>1. Easy-to-understand and use                             <ol style="list-style-type: none"> <li>a. list of affected products</li> <li>b. issues logs</li> </ol> </li> <li>2. How different industry segments will be affected</li> <li>3. Expanded contact database</li> <li>4. Effective segment awareness-building approaches                             <ol style="list-style-type: none"> <li>a. Events, webinars</li> <li>b. FAQs</li> <li>c. Newsletters</li> <li>d. Media</li> <li>e. Surveys</li> </ol> </li> <li>5. Self-serve presentation with T+2 info</li> <li>6. T+2 impact, if any, on institutional and retail clients</li> <li>7. Work with regulators on supportive communications</li> </ol>	<ol style="list-style-type: none"> <li>1.                             <ul style="list-style-type: none"> <li>✓ <b>Released for comment</b></li> </ul> </li> <li>1.b Awaiting review</li> <li>2. Draft checklist for PMs underway                             <ul style="list-style-type: none"> <li>✓ <b>Direct contact, industry associations and other stakeholder approaches used to expand contacts significantly</b></li> <li>✓ <b>Industry (including third-party stakeholders – service providers, vendors, custodians, associations as conduits), government, regulatory, media plans complete</b></li> </ul> </li> <li>5. Under way</li> <li>6. Efforts initiated</li> <li>7. CCMA drafted proposed written notice to registrants; spoke to OSC CSA T+2 Chair from OSC requesting meeting with regulators to share challenges, survey results, discuss other joint efforts</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Asset list underway; logs to follow</b></li> <li>2. On <b>July 12, 2017</b> agenda; other tools to be discussed</li> <li>3. <b>Contact list doubled Nov-May 2016; continues to grow</b></li> <li>4. <b>April 20, 2016 event; two newsletters and first FAQs issued; third-party conduits helping; surveys, newsletters, media releases, FAQs, issued)</b></li> <li>5.</li> <li>6. Hard to advance; must discuss</li> <li>7. CSA released Staff Notice helping focus registrant attention</li> </ol>
2.	<b>CCMA website:</b> The CCMA website when the T+2 project started was not user-friendly, nor able to be updated cost-effectively and flexibly, meaning key information a key dissemination point was weak at best.	<ol style="list-style-type: none"> <li>1. Simple easy-to-update website</li> <li>2. All key content</li> <li>3. User-friendly layout</li> <li>4. Trained web update staff</li> </ol>	<ul style="list-style-type: none"> <li>✓ Complete</li> <li>✓ Complete</li> <li>✓ Complete</li> <li>✓ Complete</li> </ul>	T2SC accepted closing of this issue; website will continue to be updated and improved
3.	<b>Key stakeholder engagement:</b> The CCMA has a small and only part-	<ol style="list-style-type: none"> <li>1. Knowledge of industry segments to be approached?</li> </ol>	<ul style="list-style-type: none"> <li>✓ Complete – buy side, sell side, custodians, service providers, vendors,</li> </ul>	<ol style="list-style-type: none"> <li>1. Done</li> </ol>

#	Issue/Risk	Needed	Status	Comments
	time staff compared to a fulltime staff of four when initiated for T+1/STP in 1999, meaning a risk of staff limitations delaying progress.	<ol style="list-style-type: none"> <li>2. Contact database of key parties</li> <li>3. Request soliciting participation from key stakeholder associations/ organizations that can connect with all parts of the industry</li> <li>4. Main benefits for each industry segment affected, and their clients</li> <li>5. Process to stay connected when needed to achieve desired result</li> </ol>	<p>infrastructure involved</p> <p>✓ Complete</p> <p>✓ Letter sent asking for support and feedback, with key T+2 links, to financial associations; newsletters circulated to them</p> <p>4. Overall benefits established; segment-specific ones in prep</p> <p>✓ Database, newsletters and requests for comments, as well as request for events</p>	<ol style="list-style-type: none"> <li>2. Continues to be updated</li> <li>3. Continue to be updated</li> <li>4.</li> <li>5. Complete</li> </ol>
4.	<b>Co-ordination with the U.S.:</b> In light of the common T+2 deadline, Canada and the U.S. must both be ready at the same time, meaning not just systems/operations must be in synch, but also communications should be consistent.	<ol style="list-style-type: none"> <li>1. With whom should the CEWG connect?</li> <li>2. What messages should be delivered?</li> <li>3. How do the U.S. and Canadian T+2 secretariats best co-ordinate and remain in synch from a communications perspective?</li> </ol>	<p>✓ CCMA connected to DTCC's Crystal Levy-Bueno, J. Abel, A. Lotharius</p> <p>✓ Messages on benefits and timing are aligned, plus 'Canada must move to T+2 given integration with U.S.'</p> <p>3. Efforts to connect with UST2 from a communications perspective underway</p>	<ol style="list-style-type: none"> <li>1. UST2 website includes CCMA article</li> <li>2. Messages aligned</li> <li>3. A more formal connection should be discussed</li> </ol>
5.	<b>Industry image/reputation:</b> Due to the U.S. being the bigger market, Canada could neither lead nor follow the U.S., which could leave the mistaken impression Canada would not make the transition successfully.	<ol style="list-style-type: none"> <li>1. Prepare standby statements/Qs&amp;As to be ready for questions.</li> <li>2. Prepare approach for developing and releasing quick responses if needed</li> <li>3. Identify key data</li> <li>4. Be prepared with key spokespersons</li> </ol>	<p>✓ Completed</p> <p>✓ Completed; process set in place via CCMA ED and CEWG Chair with members as needed</p> <p>3. Under way</p> <p>✓ ED is spokesperson, with CCMA staff/committee chairs; CCMA Board</p>	<ol style="list-style-type: none"> <li>1. See FAQs on website</li> <li>2. Ready</li> <li>3. Data available except for fails</li> <li>4. ED media-trained on March 31, 2016</li> </ol>

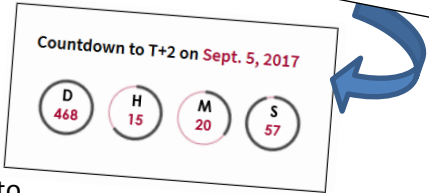
Draft Newsletter – Third Issue



Insert up-to-date version as at date of release

Issue 3 – July xx, 2016

**T+2: What’s New**



**CCMA ‘Canadian T+2 Asset List’ Final**

On September 5, 2017, Canadian and American securities markets will move to a maximum standard (or ‘regular-way’) settlement cycle of T+2 for investments currently settling three days after trade date. With the help of members of the CCMA’s Operations Working Group (OWG), and of the Mutual Fund Working Group (MFWG) through Fundserv, a list of investment types was reviewed to determine those to be affected by a shortened settlement cycle. Released for public comment in April 2016, the draft list has now been updated to reflect feedback received by mid-June. After review by CCMA committees in June, the final updated version has been posted on the CCMA website as the ‘Canadian T+2 Asset List’ [\[to be linked to final posted list\]](#).

**Canadian Securities Administrators (CSA) Raises T+2 Awareness**

The regulators making up the CSA have written to the ultimate designated persons (UDPs) and chief compliance officers (CCOs) of firms they regulate to notify any not already aware of the Canadian industry’s move to T+2 about (1) the initiative, (2) the CCMA as a source of information helping in the migration to T+2, and the target implementation date of **September 5, 2017**. Canadian milestones to meeting that T+2 implementation date with the U.S. are as follows:

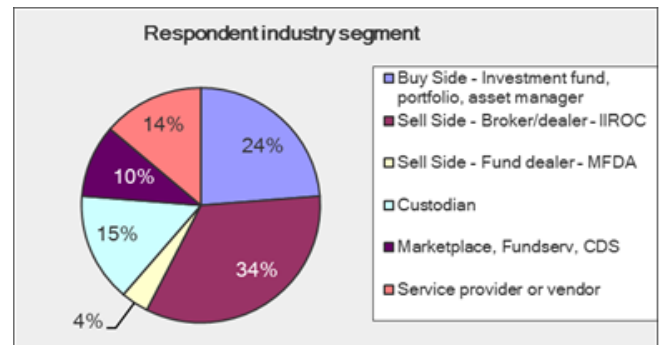
June 2016	Summer 2016	Summer 2016	Fall 2016	Year-end 2016	Spring/ Summer 2017	September 5, 2017
Final list published of securities to move to a T+2 settlement cycle	Detailed industry test plans released by CDS, Fundserv, and U.S. T+2 secretariat	Requests for comments released by regulators	Response to regulatory consultations due	Industry development to be completed	Industry utility test environments open	<b>Go live!</b>

In [CSA Staff Notice 24-314](#) (which includes a template of the alert sent to UDPs and CCOs), the CSA also announced its intention to issue regulatory proposals to support the move to T+2 and consult capital market stakeholders on any specific concerns related to the transition. Listing contacts in each CSA jurisdiction, the Notice also encourages firms that have not already done so to engage in the T+2 initiative as soon as possible.



## CCMA T+2 Readiness: Count on Canada Being Ready

In late May 2016, the CCMA surveyed all committee members and other industry contacts on where they think their firm is in terms of the T+2 project. With answers from large and small dealers, custodians, investment managers and infrastructure – 20% of the CCMA’s contact database – to the two-week-long survey, the CCMA considers the return rate and results encouraging. Feedback shows Canadian market participants are well aware of and preparing for T+2 implementation. The [survey results](#) *to be linked to final posted list* also provide a benchmark for measuring industry progress. The CCMA expects further surveys to be conducted at year-end 2016 and in the Spring of 2017.



Updates from Our American Counterparts	From Canada's CDS and Fundserv
To come from Keith	To come from Keith/Kyle

### 'To-Dos'

- Consider, if your firm operates in the U.S., reading a UST2 [interview with FINRA](#) – the U.S. equivalent of the Investment Industry Regulatory Organization of Canada – on American T+2 regulatory changes. Also, review [comments received](#) on FINRA’s [Notice 16-09](#) (March 2016) request for feedback on proposed FINRA Rule amendments supporting U.S. efforts to shorten the settlement cycle for securities in the secondary market from T+3 to T+2.
- Understand the implications of the September 5, 2017 “transition date” to T+2 for equity, bond, and other securities currently settling on a T+3 basis. Trades executed on September 5, 2017 will be the first to settle in two days’ time. But plan also for September 7, 2017: this will be the “double cohort” date, that is, the date when both the last trades settling on a T+3 basis, and the first batch settling on a T+2 basis, will settle (see below).

Thursday, August 31	Friday, September 1	Saturday, September 2	Sunday, September 3	Monday, September 4	Tuesday, September 5	Wednesday, September 6	Thursday, September 7	Friday, September 8
		<i>Non-work day</i>	<i>Non-work day</i>	<i>Labour Day</i>				
Trade date	T+1				T+2	T+3 settled		
	Trade date				T+1	T+2	T+3 settled	
		<i>*Double settlement*: two days of executed trades will settle on September 7</i>				Trade date	T+1	T+2 settled
						Trade date	T+1	T+2 settled

### Tips

- Check out the table below to see where the rates of Canadian trade data entry and confirmation were when National Instrument 24-101 was last updated, and where the industry is today. Where does your firm stand?

Trades...	Entered T	Noon T+1	T+1 EOD	Match T	Noon T+1	T+1 EOD
June '07	52%	76%	84%	23%	55%	N/A
Dec. '09	71%	90%	94%	45%	85%	90%
Dec. '11	78%	92%	95%	50%	87%	92%
Dec. '13	79%	89%	92%	50%	88%	92%
Dec. '15	81%	95%	97%	54%	90%	94%
Improved '07 to '15	56%	25%	15%	135%	64%	N/A

### Tools

- The CCMA is pleased to announce the launch of the [French side of the CCMA website](#). Nous aimerions servir tous nos membres dans leur langue préférée.

### To Come

- A “*T+2-in-a-Box*” presentation for use in introducing T+2 to colleagues and clients is also expected to be issued before the end of July.
- A checklist titled “*What Investment Fund Managers Should Consider as They Prepare for T+2*” is in final review.

## DRAFT 3

## What Investment Fund Managers Should Consider as They Prepare for T+2

*[Note: Visit the CCA website for background on T+2; read the CCMA's 'T+2 Readiness Self-Assessment Checklist' for steps to get your T+2 project up and running ([www.ccma.acmc.ca](http://www.ccma.acmc.ca), Resources, Publications)]*

**The institutional trade flow process consists of the following four major information transfers:**

1. **Order initiation:** Buy-side (e.g., portfolio manager) communicates trade instructions to a broker/dealer
2. **Notice of execution (NOE):** Broker/dealer communicates the details of the trade executed
3. **Trade allocations:** Buy-side (e.g., portfolio manager):
  - a. communicates trade allocation details at the client and
  - b. block levels to the broker/dealer
4. **Trade allocations and settlement instructions:** Buy-side communicates trade details to the custodian to allow order confirmation at the client and block level.

**Three of these rely on the buy-side – investment fund or portfolio managers. While custodians, broker/dealers, service providers, vendors and infrastructure – such as the Canadian Depository for Securities and exchanges – will help, the primary responsibility for readiness is the investment manager's. The final step before settlement – the exchange of payment for securities bought or sold, is an agreement on (confirmation of) trade details between the broker/dealer(s) and the custodian(s) or affirmation of trades in an automated matching facility such as Omgeo.**

Briefly, there are three areas that portfolio managers and other buy side/investment managers will want to pay particular attention to because of the effects of moving from a T+3 to a T+2 maximum standard settlement cycle.

1. Portfolio management
  - Misaligned settlement cycles may create a funding shortfall
  - Potential cost of credit to cover mismatches, especially at transition
  - ➔ Consider how moving to T+2 will affect your cash management practices and processes
2. Operations
  - Less time to notify and receive corrections from sub-advisors in different time zones
  - Less time to instruct foreign exchange movements
  - Less time to settle a security transaction
  - Less time to fix mistakes
  - Less time to recall securities under securities lending programs
  - Less time for designated brokers to acquire and dispose of securities for ETF unit creation and redemption
  - ➔ Map all current processes to see where steps can be reduced or accelerated

3. Client relationship/policy
  - Segregated cash flow timing
  - Pooled fund subscriptions and redemptions cash flow timing
  - ➔ Understand the implications of mismatched cash flows: Pooled fund managers must take into account the best interests of all unit holders (allowing a client to subscribe or redeem on a cycle that would negatively impact the fund could see a manager run afoul of his/her fiduciary obligations, e.g., permitting one client to subscribe on a T+3 cycle when the fund purchases securities on a T+2 cycle would leave the fund overdrawn for a day, the cost of which would inappropriately be borne by all unitholders); for a segregated account, the ramifications are the same but any negative impact is borne only by that one client, meaning the client can decide if the mismatch is in their best interest/acceptable based on their own circumstances.

### High priority

- Look at CCMA and UST2 support material – identify where your firm may have to change its practices
- Obtain any data from your custodian(s) and broker(s)/dealer(s) regarding the timeliness and accuracy of the data you provide
- Review the asset classes your investment policy permits you to hold and check out the CCMA ‘T+2 Asset List’ on the CCMA website to see if the categories’ settlement timeline will be changing; in particular, focus on the fund category: while most funds will move from T+3 to T+2, some currently are expected not to do so
- Communicate any changes to downstream parties (e.g., new timelines to sub-advisors)
- Speak to your custodian(s), broker(s)/dealer(s) or matching utilities regarding any revised deadlines for issuing trade notifications, allocations, and settlement instructions
- Find out the T+2 development and testing plans of your:
  - Custodian(s)
  - Broker/dealer(s)
  - Service provider(s)
  - Vendor(s)
- Know and prepare for the schedule for industry T+2 development and testing for the change to a maximum standard T+2 settlement (systems changes by December 31, 2016; testing in Q1 and 2, 2017; implementation September 5, 2017)
- Communicate with downstream parties (e.g., sub-advisors) to confirm your expectations and their state of readiness
- If you are in the process of buying a new portfolio management system or upgrading other systems, make sure to check about the ability to smoothly manage a change in settlement date

### Practical systems-related and procedural actions

- Identify technology and processing problems in the T+3 world – these challenges will only be worse in a T+2 environment
  - Are delays due to where your firm is located? West coast and non-western-hemisphere firms – for different reasons – will be under greater time pressure and may need to look at amending processes, changing work hours, or increasing staffing
  - Are delays due to technology – or lack of technology – issues? Is your firm still using faxes or secure emails with attachments? Expect pressure to find technological or outsourced solutions

- Are there problems you don't know you have? In the best interests of smooth operations, some staff may have been using long-standing excel macro or other work-arounds – make sure to canvas everyone's input
- Analyse and prepare to update tools (systems or processes) you use to project cash flow (e.g., timing of dividends, verify corporate actions, check accrued interest)
- Work with your custodian(s), broker(s)/dealer(s), service providers and vendors to:
  - Eliminate, if at all possible, all data entry that will require a rekeying of information by finding out if your custodian(s) has/have an automated input system or identifying vendor(s) or a virtual matching utility that can help
  - Check and fix, or create, standing settlement instructions so as many transactions can be processed in automated fashion; check your data and check what data your custodian(s) and broker/dealer(s) have/need (*Note: need to check if there are any changes needed to <http://ccma-acmc.ca/en/files/2007-01-Data%20Standards%20Updated%20with%20Broker%20and%20Custodian%20comments.pdf>*)
  - Examine purchases of non-Canadian securities, both cross-U.S.-border and, more importantly, non-western-hemisphere
  - Identify securities that have features that may mean the securities take longer to clear and settle (restricted or legended shares – e.g., can't be sold to non-residents, physical securities, etc.)
  - Discuss any securities lending recall challenges with your custodian
  - Discuss any foreign currency exchange/settlement concerns
  - Find out if there will be any processing timing/cut-off changes
  - Check if there will be any contract changes required, in particular, service level agreements
- Validate claims by service providers and vendors who say they will be ready

### Exceptions

- Investigate holiday processing issues (processing delays or partial delays when markets are closed in one country and open in the other): the issues of domestic trades settling in Canada following, for example, Canada's May Victoria Day weekend may differ from cross-border trades settling in the U.S. after America's Memorial Day. Today, trades executed on T often can be reported on the morning of T+1 due to overnight batch processing, with corrections made and trades matched by the various parties to the trade by the end of T+2, for settlement on T+3, even when there is a holiday in either country during the period. However, in a T+2 world, if there is a holiday in the middle of the process (T+1 or T+2) when a trade requires correction, there will not be enough time to make the correction, have the trade matched, and settle on time unless processes are put in place to manage this if batches are processed overnight – work with your custodian and broker to prepare for this or face the consequences associated with the cost of fails
- Revisit your error correction process to see how it can be improved

### Paperwork

- Review and comment on as appropriate expected CSA release for comment of a discussion paper and proposed amendments to National Instrument 24-101 – Institutional Trade Processing
- Revisit standard issuing documents, like prospectuses or trust agreements, which may reference a settlement period

- Prepare any needed – and, as necessary, file – any required compliance and documentary changes (e.g., trade-matching agreement or statement, subscription/redemption notification for institutional investors, etc.)

### **Communications**

- Plan your client communications strategy – understand what your clients (including institutional) need to know and how to convey it effectively
- To stay informed,
  - Sign up for the CCMA newsletter by emailing [info@ccma-acmc.ca](mailto:info@ccma-acmc.ca)... and share with others in your firm and those you interact with in the clearing and settlement chain
  - Check the CCMA website regularly
  - Consider joining a CCMA or Fundserv/IFIC committee

**Final Note:** The devil is in the details...