

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

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

If your systems permit, click on [WebEx meeting](#)

(<https://smartenupinstitute.webex.com/smartenupinstitute/j.php?MTID=mfd9a7bf0133747c4184f5a88370a96db>)
Meeting#: 809 248 544; Password: weare#1

If you have great bandwidth, use the computer audio.

If not, or if there are firewall or video/sound issues, still use the video and call:
1-650-479-3208; Access code: 809 248 544

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 March 8 Minutes
Refer Attachment 1 with Appendix A – Attendance | Members |
| 3. Updates from Other Committees/Countries | CCMA/Members |
| i. Updates re OWG, UST2 and Australia/NZ move to T+2 | Keith/Mark |
| ii. FundSERV/IFIC Mutual Fund Sub-Working Group | Kyle/Keith |
| iii. IIAC March 9 and CCMA April T+2 Event | Barb/Laurie |
| iv. Countdown clock? | Members |
| v. Member updates | Members |
| 4. For Discussion/Approval | Members |
| i. Draft 2 of Newsletter (<i>Member comments and approval</i>)
(Attachment 2) | Members |
| ii. Website Demo (<i>Member comments</i>)
(Link to follow) | Members |
| iii. Industry and Government Actions Plans (<i>Member comments</i>)
(Attachments 3.a and 3.b) | Members |
| iv. T+2 Readiness Self-Assessment Checklist (<i>Member comments</i>)
(Attachments 3.a and 3.b) | Members |
| 5. Other Issues as Raised | Members |
| 6. Next Meetings
Tuesday, April 5 and Tuesday, April 19, 2016 | Members |

T+2 Communication and Education Working Group (CEWG)

Draft Minutes of March 8, 2016 Meeting

1. Welcome and Attendance

Attendance is included in Appendix A.

2. Review/approval of Draft January 19 Minutes

Members had no comments on the draft minutes.

3. Updates from Other Committees/Countries

vi. Updates from Members on assigned actions and CEWG Tools: Barb Amsden, through a member, had been able to invite the CPPIB to join the T+2 efforts. Laurie Clark had spoken to Investment Executive, which would provide space for the April T+2 event time permitting. Other work was proceeding.

vii. Updates re T2SC, OWG, LRWG, and US T2: Keith summarized what had been presented to the T2SC at its February meeting, and updated members on progress by the OWG on its issue log and the list of assets that would/could be affected by T+2. The LRWG continued to review legal provisions that might require change and IIROC, as one regulator, intended to issue a proposal in July, 2016. Kyle provided a brief update on work of the Fundserv/IFIC committee that is addressing fund issues. With respect to the U.S., a date of September 5, 2017 had been chosen (with a back-up of November 6 – the date was the next that avoided triple-witching days, holidays, and other undesirable dates), but would be settled finally later. A concern noted was “what does ready mean?”. Many entities might say they were “good to go”, however, the real issue was how the move would work among all parts of the industry and firms feeling comfortable that they can rely on such statements would affect decisions on Canadian testing (mandatory versus voluntary). The U.S. was expected to release its final test plan in June, 2016.

viii. Website: The website developer engaged had prepared a model site that had been reviewed, and it required additional work before being presented to the committee. Barb was preparing a “holding tank” of material that would be ready for posting as soon as the website was ready and users trained. Members would have a brief opportunity to see the website and provide feedback, as well as identify other material to be added.

Action	Who
1. Add website demonstration to the March 22 CEWG meeting	Barb Amsden
2. Prepare for 5-minute T+2 facts video	Barb/Laurie

ix. Other: No other issues raised.

4. For Discussion/Approval

v. Draft 1 of newsletter: Members discussed the newsletter and accepted the general length and content, and agree that it should be released ideally with the CCMA website relaunch, ideally soon.

Action	Who
3. Provide comments on newsletter to CCMA	Members

vi. Event: Barb had invited a well-known regulator – Maureen Jensen (new OSC Chair) to be a keynote speaker. Laurie had confirmed that, dates being acceptable, the Investment Executive premises might be usable as a venue of about the right size. Members had agreed on the timing and format of the event, and that no handouts would be provided.

vii. Draft T+2 Readiness Tool: Members agreed that the number of formal surveys needed to be limited and ideally brief. The tool attached to the agenda is a form of self-assessment tool that may be helpful to smaller members.

Action	Who
4. Complete the T+2 Readiness Self-Assessment Checklist	Barb Amsden

5. Other Issues as Raised

Members

No other issues raised.

6. Next Meetings

Members

Tuesdays, April 5, April 19, 2016

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	Unable to attend
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	Unable to attend
Mr. Brent	Merriman	CIBC Mellon	Present
Mr. Mark	Austin	Connor Clark Lunn	Unable to attend
Ms. Amie	Lauder	Franklin Templeton	Present
Ms. Diane	Gomes	GMP Securities	Present
Mr. Joe	Riga	GMP Securities	Rep'd by Diane
Mr. Harold	Walton	GMP Securities	Rep'd by Diane
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	Unable to attend
Ms. Cecile	Orlup	NBC	Unable to attend
Ms. Laurie	Clark	Smarten Up Institute	Present
Mr. Brant	Buckley	TD	Rep'd by Rob
Mr. Rob	Candido	TD	Present
Ms. Tracey	Randell	TD	Rep'd by Rob
Mr. Chris	Wilkinson	TD	Rep'd by Rob
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

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

Rolling Action Item List

Action	Who
From March 8 Meeting	
5. Add website demonstration to the March 22 CEWG meeting	Barb Amsden - <i>Done</i>
6. Prepare for 5-minute T+2 facts video	Barb/Laurie
7. Provide comments on newsletter to CCMA	Members
8. Complete the T+2 Readiness Self-Assessment Checklist	Barb Amsden
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>Scheduled</i>
3. Determine CCMA T+2 event funding model	Keith Evans
4. Prepare T+2 event presentation for member review	Barb/Keith
5. Confirm if industry media should be invited to T+2 event	<i>Barb update on March 22</i>
6. Circulate latest version of T+2 committee issue lists to members to ensure they are in sufficiently plain language.	Barb Amsden
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	
7. Provide list of known/expected industry events, dates if available	Members (ongoing)
8. 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 Industry plan: <i>Draft 2 on agenda</i> Regulatory plan: <i>Draft 2 on agenda</i> Media plan: Brent, Colleen, Amie to provide proposed plan with key messages and measures of success
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; contacts for media to come from members
2. Dissemination – Website	January	Keith with Barb and CEWG input – <i>on agenda</i>
3. Dissemination – Newsletter	Late Feb./early March, 2016	Barb ; <i>draft 2 of issue 1</i> on March 8 agenda
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	<i>On agenda</i>
7. Dissemination – Webinars	March 31, 2016	Laurie to lead/help from Barb, Keith, CEWG
8. Dissemination – LinkedIn	March 31, 2016	TBD
Supporting Collateral Material		
1. Timeline (Can vs U.S.)	December/ongoing	Barb to give Brent
2. Letter to associations, vendors, regulators and infrastructure		Done ; <i>being tailored</i>
3. Customizable articles	Ongoing	One drafted; others may follow
4. DIY Powerpoint for small firms, those behind in preparation	March 31, 2016	TBD
5. Update general Powerpoints	Ongoing	TBD ; based on Keith’s various presentations with member

Tool	When	Who
		review
6. Media kit	Late Feb./early March, 2016	Amie to determine what is 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 – first draft of list under OWG review
11. Comparison with other countries	Jan. 19, 2016	Keith , e.g., re Australia/New Zealand and map for other countries
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, Brent for custodians, others?
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	Barb to contact Bob Shaw; Keith for U.S. and elsewhere; vendors (Mark has provided material)

Appendix D to Attachment 1

Completed:

FAQs

T+2 – Not a New *Star Wars* Character (article sent to Wealth Professional; not published due to staff changes)

DRAFT 2 OF T+2 NEWSLETTER



Issue 1 – Q1 2016

T+2: What's New

T+2: What's New is the Canadian Capital Markets Association's (CCMA's) update on the Canada's securities marketplace's move to shorten the securities clearing and settlement cycle in 2017 along with U.S. markets. That's a bit of a tongue twister, and the sort of speech the White Rabbit from Lewis Carroll's *Alice in Wonderland* might make. The White Rabbit was worried about being late for a very important date, and when it comes to T+2, are you? Here's what you need to know now, and you can count on regular updates on the status of the move to T+2 with tips, tools and 'to do's to help understand and address the changes ahead.

What is T+2?

The term "T+2" (and T+0, T+1, T+3, and so forth) 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 for the securities of the seller. In 1995, Canada and the U.S. together shortened the settlement cycle for most debt and equities to T+3 from T+5. In the years since, stakeholders in Canada and the U.S. have continued to work on steps that would help further shorten the settlement cycle.

Why care about T+2? Why now?

Why you should care is simple: common sense (and a 1999 Charles River Associates study) tells us that Canada's capital markets – at 2-3% of global markets – must stay in synch with key U.S. standards as American markets are an estimated quarter of markets worldwide. 'Why now?' is because the U.S. and other countries have committed to shorten their investment settlement cycles, as most European Union and a growing number of other countries have done already. There are benefits other than preserving North-American markets' competitiveness internationally. A shorter trade cycle will lead to more efficient, safer and better service for individual and institutional investors. After implementation, a shorter cycle ultimately will provide advantages to trade counterparties and other stakeholders, including regulators who have responsibilities for Canadian investors and capital markets.

Who's working on the T+2 project?

Directly or indirectly, every firm in the investment industry is (or will be) involved. Key securities infrastructure, such as The Canadian Depository for Securities (CDS), Fundserv, and exchanges, along with many of their dealer, custodian, and asset manager users and their associations, service providers, and vendors, are already active under the co-ordinating umbrella of the CCMA. The CCMA is mandated to analyze and facilitate market improvements on issues that cross multiple parts of the investment industry and with its committees is working with regulators to review and identify any laws, regulations and other requirements that need updating for T+2 settlement.

When?

The change to T+2 is expected to take place in the third quarter of 2017, possibly September 5, 2017. The exact date will be confirmed later based on factors such as when weekends fall, settlement dates of certain types of investment instruments, and so on.

Where do I get more information?

We'll e-mail you regular updates directly if you are a CCMA committee member or you can [e-mail us](#) to receive your free **T+2: What's New**. You can also get the latest information and tools being developed in between

updates by visiting www.ccma-acmc.ca. And you can join us for a T+2 “all-you-need-to-know” event in April 2016 – date to follow.

How do I know if my organization is involved and how can I participate?

We’ve posted a list of organizations and associations already part of CCMA efforts on www.ccma-acmc.ca. You can also participate directly. To join a CCMA committee, or simply receive committee correspondence to stay on top of T+2, please e-mail the committee lead on the CCMA committee page, which provides you with the information about each committee.

To Do’s:

- ✓ Help us plan the first 1.5-to-2-hour **T+2 event**: **Please email us** if you would come in person to a downtown Toronto site, assuming a modest cost per person and convenient date (electronic access also to be available).
- ✓ Visit the Investment Industry Association of Canada (IIAC)’s **Institutional Trade Processing Statement Posting Facility**: It’s time for all trade-matching parties to check out the date of their firm’s trade-matching statement and that the trade-matching statement or agreement with counterparties are up to date.
- ✓ Read the CCMA’s **Canadian T+2-Standard-Settling Investment List**, issued for industry review and comment: Check out which of these investments your firm’s clients hold. Have comments or questions? Let us know at info@ccma-acmc.ca. Remember to check back later for any changes.

Tips:

- **CSA National Instrument (NI) 24-101 – Institutional Trade Matching and Settlement (2010 consolidation)**: This will be updated as part of T+2 efforts; the question is how. You may want to re-read this rule and watch out for the regulators’ request for comments.
- **CSA Staff Notice 24-312 – Preparing for the Implementation of T+2 Settlement (April 2015)**: This Canadian Securities Administrators’ (CSA) notice confirms the Canadian securities regulators’ support for, and intention to regulate a move by the Canadian investment industry to, a maximum T+2 settlement cycle. Read this for a heads’-up about what the regulators may be considering. Follow work of the CCMA’s Legal and Regulatory Working Group to prepare for rule changes.

Tools:

- **IIAC Institutional Trade Processing Toolkit**: Helpful links to comply with the current NI 24-101 rule.
- **www.ccma-acmc.ca**: An updated CCMA website launched in March 2016. New information aids – such as “T+2 and What It Means for You” FAQs, updates on outstanding issues, links to key documents, articles and more – will be posted as the T+2 project progresses.
- U.S. **T+2 Industry Implementation Playbook**: A step-by-step guide for all segments of the industry to prepare for the move to T+2.

DRAFT #2 Industry Communications Plan (as at March 22, 2016)

DRAFT #2 Industry Communications Plan (as at March 22, 2016)	
Desired Outcomes	Measures of Success
<p>Outcomes</p> <ul style="list-style-type: none"> Broad timely industry awareness of T+2 priority, including relevance, deadlines, investment required and testing needs Early participation of industry infrastructure, service providers, vendors in planning and investment in effort to complete T+2 Full engagement of at least major custodians, asset managers and dealers, with intermediaries and correspondent clearers Smooth T+2 transition on the same date as the U.S. with (i) no retail-client-evident or market reputation impact and (ii) no or trivial institutional client or capital markets disruption 	<p>Measures of Success</p> <ul style="list-style-type: none"> Increase in firms/people on CCMA committees, website hits, newsletter sign-ups; sustained event/meeting attendance Responses to surveys of T+2 readiness (direct or through others) at key junctures “All clear” on systems issues and positive feedback from CCMA survey of industry, infrastructure, service providers, vendors
Key Messages:	
<ul style="list-style-type: none"> Maintaining Canadian capital markets in sync with the U.S. <u>and global markets</u> is critical for economic success: Moving to T+2 in sync with the U.S. <u>– and reaching the same standard as in the European Union, certain other countries and most recently Australia and New Zealand –</u> is essential to maintaining the global competitiveness of Canadian capital markets, the jobs they provide in Canada and the related revenues, including taxes, that help support Canadians' quality of life. Improvement in market efficiency benefits Canadian investors: Improving settlement efficiency will lower risk and improve service to Canadian investors, enhancing productivity and liquidity. Reduction in risk important in globally linked markets: The value of trades awaiting settlement at the end of each day ranges from [\$100 to \$150? – CDS requested for updated data] billion. While the probability of loss is low, shortening the settlement cycle to T+2 will reduce the overall daily credit risk of these trades by one third. Timely, co-ordinated action is needed for smooth implementation: Given the many inter-relationships among competitors and infrastructure, Canada's ability to meet T+2 hinges on extensive co-ordination of changes. 	
Assumptions:	
<ul style="list-style-type: none"> Close co-ordination between U.S. and Canada leading to smooth transition to T+2 in conjunction with the U.S. LRWG manages interface/discussion with GR on technical matters (fact-finding, follow-up on, etc.) CEWG manages communications to broad industry 	
Anticipated Deliverables	
Target Date	Deliverable
<ul style="list-style-type: none"> Q1 2016 	<ul style="list-style-type: none"> Database of industry members and analysis of any missing industry segments First newsletter edition T+2 Readiness Survey tool How do I ... presentation for firms not yet engaged
<ul style="list-style-type: none"> Q2 2016 	<ul style="list-style-type: none"> Event (with presentations) Publicized asset list of investments affected by T+2 Regulator-recommended white paper
<ul style="list-style-type: none"> Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing 	<ul style="list-style-type: none"> Monitor the marketplace for emerging signs of inaccurate - or missing T+2 information that could impede progress Maintain list of industry conferences to add CCMA issues, if relevant, to their agendas Identify major “champions” and “influencers” Identify/help implement strategies, prepare required communications as T2SC/OWG require Maintain industry key messages, Qs&As Help publicize working group materials Help prepare and distribute bimonthly newsletters Review and update Industry Communications Plan

<ul style="list-style-type: none"> Ongoing Maintain contact with SIFMA communications staff to ensure messages are aligned 	
Audience(s):	
<ul style="list-style-type: none"> Senior and technical staff (and champions/influencers) of industry stakeholders (investment managers, matching utilities, FundSERV, CDS, custodians, brokers, correspondent clearers, financial planners, service bureaus, exchanges, issuers, transfer agents, their associations, their service providers, vendors) 	
Potential Perceptions Creating Challenges	Ways to Mitigate Weaknesses
<ul style="list-style-type: none"> It's a technical/operational issue, not requiring senior executive involvement 	<ul style="list-style-type: none"> Provide compelling data (Charles River study, U.S. findings to show risks and benefits in the shift to T+2)
<ul style="list-style-type: none"> CCMA does not represent all industry players, so T+2 not important 	<ul style="list-style-type: none"> Show CCMA as broad association representing majority of stakeholders of all sizes/interest in more members
<ul style="list-style-type: none"> Communications material is not effective (e.g., perceived as too vague, not timely, too abbreviated or technical, etc.) 	<ul style="list-style-type: none"> Test material prior to circulation
<ul style="list-style-type: none"> No typical "business case" (cost-benefit analysis) by industry segment and for investors 	<ul style="list-style-type: none"> Identify and present compelling information through review of available material in Canada, U.S., from other countries that have moved from T+2
<ul style="list-style-type: none"> Perceived cost of changes for small industry players 	<ul style="list-style-type: none"> Identification of what can be done for little or no cost (e.g., small player STP improvements)
Communications Vehicles:	
<ul style="list-style-type: none"> Newsletters Presentations Face-to-face meetings Letters/submissions Surveys/questionnaires 	<ul style="list-style-type: none"> Events Use of "champions" – independent, respected, experts – and "influencers" Generic articles/speeches Focus groups

Attachment 3.b

DRAFT #2 Government/Regulatory Communications Plan (as at March 22, 2016)

DRAFT Government/Regulatory Communications Plan (as at March 1, 2016)	
Desired Outcomes:	Measures of Success:
<ul style="list-style-type: none"> Government/regulatory stakeholder (GR) acknowledgement and timely public statements/messages that T+2 related initiatives are a priority Continuing dedication of necessary GR resources for legislative and regulatory review and changes to meet the T+2 schedule Acceptance of/action on CCMA recommendations identified as needing GR support (including if needed, readiness reporting) GR support for industry outreach/education initiatives aimed at active firm involvement/participation in T+2 preparations Consistent GR/CCMA messaging on T+2 matters to target audiences 	<ul style="list-style-type: none"> Number of GR statements/messages with estimated distribution reach Number/participation of GR observers on LRWG Adherence to schedule of GR changes, approvals, readiness reporting GR participation in events Statements consistent with or at least not contradictory to CCMA's

Key Messages:

- **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, the important function that capital markets play in the financial sector, the jobs they provide in Canada and the securities-related revenues, including taxes, that help support Canadians' quality of life.
- **Move consistent with global efforts to reduce systemic risk in the financial sector in the wake of the 2008 financial crisis.** Regulation of Canada's financial system is highly rated and the U.S. Securities and Exchange Commission (SEC) is very interested in the impact Canada has on the U.S. T+2 initiative.
- **Improvement in market efficiency benefits Canadian investors:** By improving settlement efficiency, we lower risk and this should ultimately translate into improved prices for trades for the final investor.
- **Reduction in risk important in globally linked markets:** The value of trades pending settlement at the end of each day ranges from **[\$100 to \$150? – CDS requested for updated data]** billion. Given the three days it takes to settle trades today, the total dollars outstanding on any business day is triple this amount, creating a daily credit risk of [\$300 billion to nearly half a trillion] dollars. While the probability of loss is low, shortening the settlement cycle to T+2 will reduce the overall daily credit risk associated with of these trades by one third. Collateral requirements will be reduced, lowering the cost of investing.
- **Timely, co-ordinated action is critical for smooth implementation:** Canada's ability to achieve T+2 hinges on co-ordinating a review of a long list of regulatory reforms. Co-ordinated changes across industry participants are needed to ensure T+2 is achieved seamlessly and on time in Canada.

Assumptions:

- The GR plan has both a proactive and reactive aspect – relationships should be established with key audiences, but, thereafter, updates should be brief and in the manner the recipient prefers.
- Senior GR people would be contacted by appropriately senior industry people
- LRWG manages interface/discussion with GR on technical matters (fact-finding, follow-up on, etc.)
- No other GR regulatory implementations (e.g., CRM2, POS, CRS, CRMA) derail T+2

Anticipated Deliverables:

Due Date	Deliverable
• Q1 2016	• Develop database of appropriate GR contacts, champions, influencers
• Q1 2016	• Write simple introductory letter to all GR parties for consistent start with implications for Canadian capital markets of T+2 move in Canada with the U.S.
	• Seek GR participation in March "Kick-off" event
• Q1 2016	• Develop presentation for GR audiences tailored to their requirements
• Q1 2016	• Ensure right information is available to GR officials on CCMA efforts
• As needed	• Arrange for inclusion of T+2 in some fashion in GR-run events /"Dialogues"
• As needed	• Promote, if needed, readiness reporting, examination/monitoring by GR authorities
• As needed	• Prepare, if necessary, any senior industry reps for meetings with target GR audiences (briefing on regulatory process if required, background, messaging, protocols)
• As needed	• As needed, help in preparation and publication of any formal LRWG submission to GR

Audience(s):

- Commission/SRO staff not already T+2
- Senior GR reps responsible for securities
- Champions" and "influencers"

Potential Perceptions Creating Challenges:

Ways to Mitigate Challenges:

<ul style="list-style-type: none"> • T+2 is a technical/operational issue; GR resources not interested or needed 	<ul style="list-style-type: none"> • Provide compelling data (Charles River study, U.S. findings to show risks and benefits in the shift to T+2)
<ul style="list-style-type: none"> • CCMA does not represent all industry players, so T+2 not important 	<ul style="list-style-type: none"> • Show CCMA as broad association representing majority of stakeholders of all sizes/interest in more members
<ul style="list-style-type: none"> • Risk small players will be disenfranchised (possible cost for/impact on small players) 	<ul style="list-style-type: none"> • Identify/report on what can be done by segment for little/no cost (e.g., roadmap) and general benefits
Communications Vehicles:	
<ul style="list-style-type: none"> • Presentations • Face-to-face meetings • Newsletter 	<ul style="list-style-type: none"> • Website • Use of “champions” – independent, respected, “rs” in government



T+2 Readiness Self-Assessment Checklist

The purpose of this T+2 Readiness Self-Assessment Checklist for investment industry participants are to:

1. Promote awareness of the T+2 cross-industry project – that is, efforts of participants in Canadian capital markets to reduce the current standard of settling trades (exchanging cash for securities) to two days following a trade (T+2) from the current three day standard (T+3).
2. Identify steps your organization may take to prepare for T+2 settlement and benchmark progress.
3. Help ensure all Canadian participants are ready for a shorter settlement cycle when in Canada, in conjunction with the United States, reduces the securities settlement period to T+2 in Q3 2017, joining European and other countries.

It's important Canada keep the same settlement cycle as the U.S., Europe and elsewhere or risk losing its capital markets activity south of the border. Every company should undertake a detailed analysis of its own T+2 preparedness – internally and with counterparties. The business lines, strategy, size and current technology environment of your firm and any counterparties and infrastructure (such as the exchanges, fundserv and CDS), service providers (such as Broadridge, IBM, IFDS) and vendors (such as RPM, Sungard, etc.), will be key factors in determining how you choose to implement T+2.

Instructions:

1. Circle an answer to each question below.
2. Add up the circled numbers in each column (subtotal the first page and then carry the sum over to the next page and insert the sum of each column in the appropriate box on page 2).
3. Put the total of each column in the corresponding box marked “Total No Plans”, “Total Planned”, etc.
4. Sum these four boxes and insert the result in the box titled Total All.
5. Rate your firm: 0–15: Barely on the radar—better get moving! 16–35: It's a start, but there's a long way to go! 36–55: A good beginning, but don't breathe a sigh of relief yet! Over 55: Congratulations!

Implementation Stage	No Plans	Planned	Underway	Done
A. Awareness				
A. What stage is your company at in terms of...				
A.1 Being aware of T+2 and the implications for your company of not being able to meet industry-wide T+2 requirements?	0	1	2	3
A.2 Bringing the issue to the attention of senior management?	0	1	2	3
A.3 Keeping informed about T+2 through industry publications, conferences, Canadian Capital Markets Association (CCMA) and U.S. T+2 websites (www.ccma-acmc.ca, www.ust2.com), etc.?	0	1	2	3
B. Planning				
B. What stage is your company at in terms of...				
B.1 Naming an industry-wide T+2 co-ordinator and setting up a cross-divisional/departamental team to examine streamlining efficiencies needed to successfully meet industry-wide T+2 needs?	0	1	2	3
B.2 Setting up a process to keep informed about T+2 (meet with industry leaders, attend conferences or otherwise collect relevant information for implementation of industry-wide T+2, and associated protocols)?	0	1	2	3

B.3	Analyzing requirements to implement changes necessary to meet industry-wide domestic and (if applicable) cross-border T+2 requirements?	0	1	2	3
B.4	Developing a t+2 project plan to make necessary T+2 changes?	0	1	2	3
B.5	Obtaining necessary t+2 staff resources?	0	1	2	3
B.6	Developing a t+2 budget and obtaining funding approval?	0	1	2	3
B.7	Initiating discussions with other parties to review their industry-wide T+2 readiness plans (e.g., service bureaus, brokers, investment managers, custodians, software vendors, clearing and settlement agencies, etc.)?	0	1	2	3
B.8	Participating with industry groups on standards to achieve industry-wide T+2?	0	1	2	3
B.9	Identifying knowledgeable vendors with proven track records and high-quality partnerships/alliances that can support T+2 and which will transfer knowledge/provide training?	0	1	2	3
B.10	Updating your T+2 project plan and benchmarking your progress regularly?	0	1	2	3

Subtotal (sum each column and carry over to p. 2)				
--	--	--	--	--

Carried over totals from p. 1				
--------------------------------------	--	--	--	--

C. Current Systems and Processes
C. Does your firm...

C.1	Have documented business and systems process flows?	0	1	2	3
C.2	Regularly review your current T+2 confirmation/affirmation and settlement rates and seek to improve them?	0	1	2	3
C.3	Benchmark other aspects of your operations (e.g., error rate, speed of error corrections, transaction processing rate, electronic trade communication T+2 rate) against best-of-breed and leaders in your market segment(s)?	0	1	2	3
C.4	Have a gap analysis of the differences between your current and the desired T+2 state, with a plan to eliminate manual processing and operate real-time with a very high degree of accuracy?	0	1	2	3
C.5	Reconcile data received from different parties/locations at different times during the work period in an automated fashion?	0	1	2	3
C.6	Have automated internal interfaces that will handle T+2 processing among all departments?	0	1	2	3
C.7	Have automated external interfaces/links that will handle T+2 processing with third parties?	0	1	2	3
C.8	Make optimal use of industry standard messaging protocols (e.g., FIX, ISITC, SWIFT, etc.)?	0	1	2	3
C.9	Document all relevant information that will allow your firm to successfully execute its T+2 program?	0	1	2	3

D. Organizational Readiness
D. Has your firm...

D.1	Organized to remove cross-functional barriers to T+2?	0	1	2	3
D.2	Identified a new skill set for retraining existing and hiring new staff for the industry-wide T+2 environment, updated your training system to reflect T+2 and developed a T+2 project recruitment plan?	0	1	2	3
D.2	Created a communications plan for staff, clients and partners addressing cultural changes, skill changes, implications for clients, etc.?	0	1	2	3

Total each column				
--------------------------	--	--	--	--



Total No Plans	
-----------------------	--



