

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

Tuesday, April 11, 2017 – 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 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 February 14 Minutes
(Attachment 1, with Appendices A (Attendance) and B (Rolling Action Items)) | Members |
| 3. Updates from Members/Staff/Other Committees/Countries | |
| <i>i. Member updates</i> | <i>Members</i> |
| <ul style="list-style-type: none"> • Status of member firm preparations? | |
| <i>ii. Update on Feb. 24 meetings with MFDA, IIROC, CSA</i> | <i>Keith Evans/Barb Amsden</i> |
| <ul style="list-style-type: none"> • CSA • IIROC • MFDA (Notice http://mfda.ca/bulletin/0716-m/) | |
| <i>iii. UST2 update, update on Mexico, other countries as known</i> | <i>Keith Evans</i> |
| <i>iv. Updates re T2SC, OWG, LRWG February and March meetings, CDS</i> | <i>Keith Evans</i> |
| <i>v. Updates re MFWG</i> | <i>Kyle Bedeau</i> |
| <ul style="list-style-type: none"> • Survey results (http://www.fundserv.com/content/uploads/2017/03/Fundserv-T2-Survey-Results-and-Analysis.pdf) • Fundserv T+2 FAQ (http://www.fundserv.com/content/uploads/2017/03/Fundserv-T2-FAQs.pdf) • Outcome of March 14, 2017 Fundserv Town Hall call | |
| 4. For Discussion/Approval | |
| <i>i. Discuss common message for those wanting to notify retail clients</i> | <i>Members</i> |
| <ul style="list-style-type: none"> • Buckslip/stuffer • Website, call centre, advisor material | |
| <i>ii. Discuss draft newsletter</i>
(Attachment 2) | <i>Members</i> |
| <i>iii. Discuss draft FAQs</i>
(Attachment 3) | <i>Members</i> |
| 5. Other Issues as Raised | Members |
| 6. Next Meetings – Tuesday, May 9, June 13, July 8, August 12, September 10, October Party? | |



T+2 Communications and Education Working Group (CEWG)

Draft Minutes

Tuesday, February 14, 2016

1. Welcome and Attendance

Members announced themselves and the committee welcome Jana Nagulan of Intinfotech, who had recently joined the Communications and Education Working Group. Meeting attendees are listed in Attachment 1.

2. Review/Approval of Draft January 10 Meeting Minutes

Members who had attended the last meeting had no comments and the draft minutes were accepted as written.

7. Updates from Members/Staff/Other Committees/Countries

*i. **UST2 update:*** Keith Evans said that representatives of SIFMA – the Securities Industry and Financial Markets Association – had met with Washington politicians and been advised to expect the SEC T+2 rule to come through in time to allow a September 5, 2017 implementation. He provided an update on a one-day SIFMA T+2 event on March 29, and another that he would be speaking at in May. Laurie Clark mentioned that she would be speaking at the Canadian Funds Summit in late May and she could add a

*ii. **Updates re T2SC, MFWG, OWG, LRWG:*** Keith said that the T2SC, OWG and LRWG had not met in December and in January the T2SC had agreed that a letter to the CSA should be sent to emphasize the need for more immediate substantive clarity that the majority of funds were expected to move to T+2 settlement basis, whether through a change to NI 81-102 or other means. Keith and Jamie Anderson (Chair of the LRWG) had attended an IFIC meeting where they had reported on the development of the issue and responded to CIFIC member questions. A number of IFIC fund manager members expressed concern that some dealers might move and others not move to T+2 as this would cause significant cash management and operational problems. IFIC members continued to discuss the issue after Keith and Jamie were excused from the meeting. Whether there was any outcome from this – and, if so, what – was not known. Meetings of CCMA staff with the CSA, IIROC and MFDA had been scheduled for February 24th. While the regulators were likely to be wary of sharing information before the CSA commissioners had signed off on any course of action, the CCMA would press for at least some expected direction on the industry's relief requests. Keith thanked Blair for IFDS's letter (and the IIAC for a similar letter) supporting the need for clarity regarding mutual funds as early as possible.

*iii. **Updates re MFWG:*** Kyle Bedeau reported that the MFWG had not met recently. He continued, mentioning changes in the T+2 testing schedule (a delay in the start from March 1 to 21, although March 21 was the "usual" start time for annual version updates) due to tax administration changes that would not affect investment fund movement to T+2. As well, he

Fundserv expected to post more information for its members, that could be shared with CEWG members, in or around the third week of February.

Action	Who
Provide links to Fundserv information to be released in late February	Kyle Bedeau

3. For Discussion/Approval

i. Discuss draft newsletter

ii. Action	Who
Comment on draft newsletter by Friday, February 13	Members

ii. Discuss draft FAQs

Action	Who
Comment on draft FAQs by Friday, February 13	Members

4. Other Issues as Raised

None.

5. Next Meetings: The next meeting is set for March 10, 2017.

CCMA T+2 Communications and Education Working Group Attendance

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

Mr.	John	Coyle	Canaccord	Present
Mr.	Mark	Austin	CCL	Unable to attend
Mr.	David	Locke	CGI	Present
Ms.	Margaret	Stephens	CGI	Present
Mr.	Paul	Tamburro	CIBC	Present
Mr.	Brent	Merriman	CIBC Mellon	Unable to attend
Ms.	Carol	Revoredo	CIBC Mellon	Present
Ms.	Dina	Martinovic	CIBC Mellon	Present
Ms.	Merici	Young	Compass360 Consulting Inc.	Present
Mr.	Michel	Brassard	Desjardins	Present
Mr.	Kyle	Bedeau	Fundserv	Present
Ms..	Mariola	Sterniczuk	FMR	Unable to attend
Mr.	James	Stergiou	FMR	Unable to attend
Ms.	Diane	Gomes	GMP Securities	Unable to attend
Mr.	Blair	Munn	IFDS	Present
Ms.	Millicent	Asiamah	IFDS	Present
Ms.	Jana	Nagulan	Intinfotech	Present
Mr.	Jack	Rando	IIAC	Unable to attend
Ms.	Nicola	Lowery	MD Management	Unable to attend
Ms.	Colleen	Bronson	NBC	Unable to attend
Ms.	Nancy	Miles	RBC	Present
Ms.	Mylene	Choucha	RBC	Unable to attend
Ms.	Laurie	Clark	Smarten Up Institute	Present
Mr.	Ivan	Yang	State Street	Present
Mr.	Brandon	Buckley	TD	Present
Mr.	Rob	Candido	TD	Alternate – Phil sp?
Ms.	Tracey	Randell	TD	Alternate – Phil sp?
Ms.	Carrie	Tuck	Vanguard	Unable to attend
Mr.	Walker	Wentworth	UBS	Unable to attend
Mr.	Keith	Evans	CCMA	Present
Ms.	Barb	Amsden	CCMA	Present

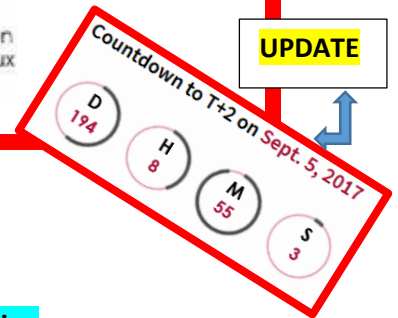
CCs

Art Valdes and Karen Copeland		BMO NB	Erin	Cudmore	Fundserv
Sahil Duggal and Kratika Paliwal		Broadridge	Joe	Riga	GMP Securities
Sandra	Gonzalez	CIBC	Marie-Eve	Dubé	Intact
Stasha	Ninkovic	CIBC Mellon	Marie-Josée	Bernard	Intact
Daniele	Masse	Desjardins	Alain	Alexandre	NBF
Gary	James	Fidelity	Edouard	Strew	RBC
			Chris	Wilkinson	TD

Rolling Action Item List

Action	Who/Status
From February 14 Meeting	
Provide links to Fundserv information to be released in late February	Kyle Bedeau
Comment on draft newsletter by Friday, February 13	Members
Comment on draft FAQs by Friday, February 13	Members
From January 10 Meeting	
Pursue other ways to reach those not yet engaged in T+2	Barb Amsden; raised with regulators; MFDA released a notice to its members; ongoing
From December 13 Meeting	
From November 15 Meeting	
Add a question regarding interest in a simplified webinar to a future newsletter	Barb Amsden; Done in Newsletter #7
From October 11 Meeting (includes items transferred from Issue Logs)	
Add discussion of value/ability to provide quality bulletin-board-type question/answer facility to future agenda nearer September 5, 2017	Barb Amsden
From September 13 Meeting	
Request feedback from IFIC on potential impact on retail clients, products.	C. Wang, IFIC, asked; referred issue to Fundserv; IFIC provided new representative
From July 12 Meeting	
From June 17 Meeting	
From May 17 Meeting	
From May 3 Meeting	
From April 19 Meeting	
1. Approach regulators to offer to present on T+2	Done verbally
From April 5 Meeting	
From March 22 Meeting	
From March 8 Meeting	
From January 19 Meeting	
From January 5 Meeting	
From December 15 Meeting	
From December 1 Meeting	
From November 19, Meeting	
1. Provide list of known/expected industry events, dates if known	Members (ongoing)

Ongoing: Newsletters, FAQ updates, tools, surveys, events



Issue 8 – April xx, 2017

T+2: What's New

NOTE: Discuss release date; this will impact completion of several of the following

Regulatory progress on T+2

[If any; possible reference to meeting with Canadian regulators]

On March 22, the Securities and Exchange Commission (SEC) published [final rule changes](#) amending Exchange Act Rule 15c6-1(a) to shorten the standard settlement cycle from T+3 to T+2 on September 5, 2017. This clears the path to proceed to T+2 in the U.S. (see test results below). Based on two respondents' comments, SEC staff also undertook to report to the Commission within three years' time on requiring a move to a shorter cycle.

Fundserv T+2 readiness survey findings

[Text to be confirmed with Kyle Bedeau/Erin Cudmore]

Fundserv's [T+2 readiness survey](#), running from February 6 to February 24, was sent to roughly 1,400 email contacts from 457 firms and yielded 109 answers – an approximately 20% response rate from all Fundserv participant segments (manufacturer, dealer, intermediary and service providers). Almost 90% of respondents indicated they will be testing prior to the September 5, 2017 move. Service providers representing over half the active T+3 funds on the Fundserv network, have confirmed they are not aware of any funds not making the move to T+2 other than possibly those not domiciled in Canada or alternative funds not currently settling on a T+3 basis that are out of scope. Results of the Fundserv survey of all members corroborate these findings that the overwhelming number of funds processed through Fundserv will move to T+2.

Fast and furious – T+2 moving into high gear

- **February 22:** Mutual Fund Dealers Association released [MFDA Bulletin](#) on T+2
- **March 8:** Updated [CDCC T+2 Test Plan](#)
- **March 9:** Release of [Fundserv FAQs](#)
- **March 10:** CDS released updated [T+2 Test Plan](#)
- **March 14:** Fundserv T+2 Town Hall with testing walk-through, T+2 transition review, and Q&A (**Note: Fundserv members are**



strongly encouraged to test in T+2 Mock Cycle 1 from June 22-June 30 as the U.S. plans to come to a decision to recommend proceeding with the September 5 implementation date and should Canada for any reason need to express a concern on behalf of the Canadian industry, this will have to be submitted before June 30 and include compelling arguments)

Test results

[U.S. test results to date to be requested from DTCC (e.g., # of participating members participating; # of trades submitted); CDS to be requested to report on any preliminary testing; Fundserv to be asked about any preliminary v.27 test results]

To Do's

- [Send us](#) (if not already done via the survey) the name and e-mail of your firm's T+2 [lead survey contact or project manager](#) to whom the CCMA will send the next T+2 readiness survey so that we receive only one response per entity
- Review the [Asset List Investment Fund Extract Expanded](#) to determine if there is any impact on your firm
- *[Ideas?]*

Tips

- Consider attending – if you've the budget and want to combine an update on T+2 with other operational issues – [Ops 2017](#), SIFMA's 44th annual Operations Conference on May 10, 2017
- *[Ideas?]*

Tools

- Check out the CCMA's updated and new [Frequently Asked Questions](#) *[to be linked]*
- *[possibly updated* [expanded funds extract](#)*]*

To Come

- Answers to industry requests to the [CSA](#) and [IIROC](#) for transitional relief *[amend if received]*
- Results of the CSA's and IIROC's responses to T+2 rule comment requests *[amend if received]*
- Industry-wide survey of readiness in June/July 2017

FAQs 7

Will mutual funds be moving to T+2 with the debt and equities currently settling on a T+3 basis?

Yes. Service providers representing over half the active T+3 funds on the Fundserv network, have confirmed they are not aware of any funds not making the move to T+2 other than possibly those not domiciled in Canada or alternative funds not currently settling on a T+3 basis that are out of scope. Results of Fundserv's February 2017 survey of all members corroborate these findings that the overwhelming number of funds processed through Fundserv will move to T+2.

Why has the industry sought transitional relief?

With a transition to T+2 scheduled for mid-third quarter 2017, quarterly reporting could be affected and cause additional work for clients and regulated entities, as well as unnecessary cost.

Will the industry be granted industry relief?

The Canadian Securities Administrators (CSA) must review and sign off on CSA staff recommendations for administrative relief. The CCMA believes that the CSA understand the rationale of the industry's arguments and will be persuaded that relief

When will the final rules be published? Is the CCMA expecting any amendments that will impact the industry's builds and testing?

We expect the final Canadian rules to be published this month.