



## T+2: Fundserv and IFIC Working Group Agenda

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**Date:** Thursday, June 30, 2016  
**Time:** 10:30 a.m. – 12:00 p.m.  
**Location:** Fundserv Boardroom, 17th Floor  
**Conference Info:** 1-866-303-6834  
**Participant Code:** 842819  
**Web Conference Info:** [https://join.onstreammedia.com/go/60352630/t2\\_fundserv\\_ific\\_june30](https://join.onstreammedia.com/go/60352630/t2_fundserv_ific_june30)

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| 1. | Introductions  |             |
| 2. | Review/Approval of the May 27 Meeting Minutes          | Members     |
| 3. | Review Action Items                                    | Members     |
| 4. | Review of CCMA T+2 Asset List <i>(Verbal)</i>          | Barb Amsden |
| 5. | Fundserv Testing/Implementation Update <i>(Verbal)</i> | Russ White  |
| 6. | Other Business   | Members     |

## T+2: Fundserv and IFIC Working Group Minutes: Friday, May 27, 2016, 10:30 a.m. to 12 p.m. ET

### BUSINESS

#### 1. Introductions

#### 2. Minutes

The minutes dated April 22, 2016 were tabled and accepted.

#### 3. Action Items

The Action Items were reviewed and acknowledged accordingly with the following remarks:

##### Legal & Regulatory Changes

Abid Zaman, OSC stated that the CSA is looking to the CCMA and this Working Group for recommendations on whether or not changes are required to investment fund or NI 81-102 rules; as their initial unofficial viewpoint at this time is that the language within the legislation is flexible enough to facilitate the move to T+2 without any material changes. Conversely, this joint Fundserv & IFIC Working Group, which is primarily operations-focused, continues to look to the IFIC Legal and Compliance Working Group for their guidance on whether or not changes to NI 81-102 should be pursued or not. Charles Wang, IFIC, indicated that the IFIC Legal and Compliance Working Group would benefit from some operational guidance to arrive at this legal determination. Charles Wang agreed to invite Russ White and Blair Munn to the next IFIC Legal and Compliance Working Group meeting to assist in determining if any regulatory changes are required. The Working Group's intention is not to "hardwire" the changes for T+2; however, the group would be satisfied that a legal review of the regulations are carried out and recommendations, if any, are based on an exhaustive review rather than assumptions.

Loredana Salceda, Invesco, confirmed that the late settlement allowance of T+10 or S+5 for individually-settled client-name sells and segregated maturity redemptions will not have to be reduced by one day to accommodate T+2.

Bill Devolin, Manulife, indicated he will be willing to arrange a similar meeting with CLHIA to determine if any regulatory changes required for the Seg-Fund carriers.

### Fund Update Notification Process (Manufacturers)

Russ White indicated that the Fundserv v27 Release will include enhancements to the FD File, requiring new files for every fund. The Technical Advisory Committee (TAC) was in agreement that leveraging the FD files to make the changes for T+2, would be the best course of action as manufacturers would already be sending a file for the FD file enhancements. Fundserv discussed these options at the May TAC & SSC Committee meetings and there is a follow-up TAC meeting in June to confirm the process.

### Distributor Requirements

Distributors and distributor vendors reiterated their preference for Fundserv to provide a separate file indicating funds moving from T+3 to T+2 (preferably in a .csv format) , in advance of the implementation, for them to update their systems. It should be noted that the new file is not critical to trade processing, trade settlement or trade reconciliation, as distributors rely upon the wire order information provided in the reconciliation files. These options will be present to TAC at the meeting in June.

### Segregated Funds

Peter Goldthorpe, CLHIA, indicated that no legal issues were identified, and will aim to formalize this decision to provide guidance to the Seg Fund channel. Peter also advised that based on responses to date, most Seg Fund carriers, without exception, have indicated they will be moving to T+2.

## **4. Fundserv High Level Test Plan**

Fundserv prepared an initial High-Level test plan which provides an outline for industry testing, testing environments, time frame & processes. The WG was in agreement that all participants should certify their readiness by a pre-determined time. It was indicated that the U.S. Go/No-Go date has not been published and the documented date in the test plan of July 31<sup>st</sup> may need to move up (potentially to July 15). On the topic of test environments, some members indicated their preference for one rather than two environments for T+2. The additional test environment, as was done in v24, would allow participants to simulate the implementation weekend behaviour including but not limited to: fund notification process, double settlement, Transaction Reconciliation file timing and processing. It was noted that the additional environment was needed distinct from the T+2 test environment, as all transactions and data would have to be wiped after each cycle, which could impact other participants testing schedules.

A member indicated that T+1 Funds and LP Rollovers should be removed from the “Out of Scope Considerations”, as some participants may want to test this.

Members are asked to review the Fundserv High Level Test Plan for T+2 and be prepared to provide feedback at the next meeting.

## 5. Other Business

The CCMA Operations Working Group reiterated that the [CCMA T+2 Asset List Request for Comments](#) has been extended to Friday, June 3<sup>rd</sup>, on what investment vehicles are affected by the change to T+2. This Asset List is published on the CCMA [website](#). The document can be found in the “What’s New” section located on the right-hand side of home page and additionally under “Publications” on the Resource Tab. Post meeting, Fundserv shared the document via email with the Working Group members.

Member Taje Mohabir asked if the banks’ ability to clear a cheque on a purchase in a T+2 vs. T+3 environment should be taken into consideration. It was noted that banks don’t currently clear the cheques for T+3 settlements, so there will be no impact for T+2; and the only requirement is that the manufacturer receives settlement by settlement date.

## ACTION ITEMS

Item #	Responsible party	Item	Action	Opened	Status
1.	All Members	High Level Test Plan	Members to review Test Plan and be prepared to provide feedback at next meeting or to <a href="mailto:t2feedback@fundserv.com">t2feedback@fundserv.com</a> .	05/27/16	Open
2.	C. Wang, IFIC	Regulatory Changes	C. Wang to coordinate meeting with B. Munn(IFDS) and Russ White(Fundserv) with IFIC Legal	05/27/16	Open
3.	Fundserv	Fund Setup File Changes/Distributor Requirements	Fundserv to present options for Fund profile changes and Distributor requirements at TAC follow up meeting on June 8.	05/19/16	Open
4.	Distributor-channel/Distributor system providers	Fund Setup (FD) File	Distributor-channel members and/or their system providers to advise if they have any requirements for the implementation with respect to the Fund Setup(FD) File	03/07/16	Open
5.	P. Goldthorpe, CLHIA	Segregated Funds	P. Goldthorpe to review with CLHIA and determine if there are any legal issues and advise this WG at the next meeting	03/07/16	Open
6.	Members	T+2 Analysis Spreadsheet Impact Document	Members asked to review document and provide feedback.	01/26/16	Closed
7.	C. Wang, IFIC	Legal and Regulatory Requirements	C. Wang to consult IFIC legal on Legal & Regulatory changes and provide recommendation to this Working Group at the next meeting.	03/07/16	Closed
8.	Fundserv	Fund Setup File Changes	Fundserv to suggest possible deadline dates for manufacturers to advise Fundserv of non-impacted funds (i.e. T+3 funds that will not be moving to T+2), in advance of the implementation weekend.	01/26/16	Closed
9.	C. Wang, IFIC	NI 81-102/Settlement-Sell Contract for Client Name Redemptions (Items#47 & 15 on Impact Analysis Document)	C. Wang to confirm if any changes to NI 81-102 as Fundserv edit will need to move from T+10 to T+9	04/22/16	Closed

### **Next Meeting**

The next meeting of the T+2: Fundserv and IFIC Working Group is scheduled for Thursday, June 30, 2016 from 10:30a.m to 12p.m. in the Sims Boardroom, 17<sup>th</sup> Floor at Fundserv.

### **Meeting Adjourned**

### List of Attendees

(Those who indicated via email during the meeting or afterwards that you were on the call should be included here. Apologies if you were missed.)

<u>Firm</u>	<u>Name</u>	
AGF	Chris	Sotiropoulos
BMO Financial Group	Anaida	Ghionea
BMO Financial Group	Jason	Hicks
BMO Nesbitt Burns	Steve	Braugiroux
Broadridge Financial Solutions	Mike	Morgan
Broadridge	Mee Chee	Beutel
Broadridge	Mark	Matterson
Capital Group	Jackie	Laser
CGI	Margaret	Stephens
Canada Life/Great-West Life/London Life/Quadrus	Linda	Mosthaf
Canadian Capital Markets Association – CCMA	Barb	Amsden
Canadian ETF Association	Pat	Dunwoody
Canadian Life and Health Insurance Association - CLHIA	Peter	Goldthorpe
CI	Taje	Mohabir
CIBC Capital Markets	Carlos	Verdesoto
CIBC Mellon	Lynn	Kent
CIBC Mellon	Tommy	Chan
CIBC Mellon	Maribel	Arena
Dynamic Funds	Ann	Du
Equitable Life of Canada	Kim	Moore
Equitable Life Insurance Company of Canada	Sherry	Norris
Fidelity	Mohammad	Sheikh
Fidelity	Sacheen	Mehta
Fidelity	Paul	Peer
Fundserv	Russ	White*
Fundserv	Fatima	Jafri
Fundserv	Marie	Belle
Fundserv	Alex	Wong
Fundserv	Kyle	Bedeau**
Fundserv	Rick	Ambrozic
Franklin Templeton	Kelly	Bick
IFDS	Blair	Munn
IFDS	Steve	Benham
IFIC	Charles	Wang
Invesco	Loredana	Salceda
Mackenzie Investments	Paul	Boddaert
MD Management Ltd	Trek	Yan
MD Management Ltd	Tracy	Alburger
National Bank of Canada	Iris	Fung
National Bank of Canada	Natalie	Roberge
National Bank of Canada	Philippe	Turcotte

<b>Firm</b>	<b>Name</b>	
Ontario Securities Commission	Abid	Zaman
Prometa Fund Services Inc.	Mike	Kalic
RBC DS	Karen	Grant
RBC Investor Services & Trust	Henderson	Leacock
RPM Technologies	Caroline	Gray
Scotiabank	Frank	Jocaitis
SSQ	Mario	Bonenfant
SGGG	Owen	Brown
TD	Michael	Kenny
TD Wealth	Carlos	Luna
Univeris	Robert	Wagner
*Chair		
**Minutes		