

T+2 Operations Working Group (OWG)

Agenda

May 11, 2016

2:00 PM Eastern - 11:00 AM Pacific

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| 1. Approval of the minutes from April 13, 2016 | Michael/Domenic |
| 2. Asset List Update | Michael/Domenic |
| 3. Industry Testing Strategy – OWG - 001 | Committee Members |
| a. High Level Plan – CDS Update | Johann Lochner |
| b. High Level Plan – Fundserv Update | Kyle Bedeau |
| 4. Residency Restricted Shares | Domenic Sgambelluri |
| 5. NI 24-101- Non Western Hemisphere Clients | Committee Members |
| 6. Review of Issue Log | Michael/Domenic |
| 7. Issues to be closed | Committee Members |
| a. OWG – 003 – ETF Create/Redeem | |
| b. OWG – 006 – International Client Allocations | |
| c. OWG – 009 - Securities Lending | |
| d. OWG – 013 – Mutual Funds/Pooled Funds | |
| e. OWG – 019 – Buy Ins | |
| 8. Other Business | |
| 9. Next Meeting | Wednesday June 15, 2016 at 2:00 PM ET/ 11:00 AM PT |

Conference Details

Conference ID: 7312646#

Local Dial-in 416-933-8665 Toll-free Dial-in: 1-888-402-9166

OWG Minutes

April 13, 2016

Domenic Sgambelluri and Michael Holmes welcomed all attendees to the meeting of the Operations Working Group.

1 Approval of the minutes from March 16, 2016 Michael/Domenic

The minutes of the meeting held on March 16, 2016, were approved as written, by all members of the working group.

2 CCMA Website and Industry Event – Update Keith Evans

Keith provided an update on the upcoming CCMA T+2 Industry Event scheduled for Wednesday April 20, 2016. He asked that all firms encourage their clients (ie Buy side firms) to review and attend if possible. He indicated that there may be a second event later in the year just prior to the beginning of the industry testing phase.

Keith reported that the CCMA has just re-launched the CCMA website. It has been loaded with all committee meeting packages, industry event information, a new CCMA T+2 newsletter, and other interesting information. He asked that all members have a look and provide feedback to Keith or Barb Amsden on ways to improve it, or any necessary corrections.

3 Asset List Update Michael/Domenic

Michael Holmes walked through the current version of the Asset List, which provides a listing of assets that are in scope, and out of scope, as far as T+2 goes. He asked all members to review the list for both accuracy, as well as completeness. Michael

reported that it is expected that the asset list will be posted on the CCMA website within the next couple of weeks, in draft form, and then finalized and re-posted by the end of June 2016.

4 Industry Testing Strategy

A) High Level Test Plan - CDS

Johann Lochner and Laura Ellick from CDS walked the committee through the high level test plan that was distributed with the meeting package. He reported that individual organizations will need to develop their own test plans for both internal and industry-wide testing. Test data volumes should also be considered for double settlement – i.e. upon implementation a single calendar day will have to accommodate both the last T+3 and the first T+2 settlements. Testing should **ONLY** include people, processes, and technology **impacted by the shortened settlement** cycle. Although it is expected that most exchanges, service providers and CDS participants will voluntarily take part in industry testing, it will not be mandated. CDS will develop a sign-off process for exchanges clearing through CDS, CDS participant service providers and CDS participants to certify that they are ready for the transition to T+2. CDS will utilize its Z1 region to execute testing. This region will be designated for T+2 testing only for a specified time period (TBD) in Q2 2017.

Johann reported that testing would be done during normal business days, and would not include weekends or evenings.

The test environment will include the following:

- End to end testing capability will be supported, allowing firms to test the full trade lifecycle from their internal trade order systems to CDS post-trade settlement. CDS will engage one or more exchanges to participate in T+2 testing. Their participation will be required to allow firms to conduct full end-to-end testing. Testing will include exchange trades as well as non-exchange trades.
- Corporate Actions will be executed in the test environment, allowing testing of the following impacts:
 - Dividend event to test the shortened settlement period between ex-date and record date
 - Stock Split due bill event to test the shortened settlement period between the ex-date and due bill redemption date
- Timeline: Two week test period; followed by a two week interval for reassessment, defect testing; followed by another two week test period
- Production security numbers will be used
- Security positions and cap will be provided

- CDS will provide applicable production outputs in the test region
- CDSX online available to execute test activities from 07:00 am EST to 10:00 am EST
- Payment exchange will be processed each day at 10:00 am EST for both CAD and USD
- The end of day batch will run every calendar day at 10:30 am EST
- U.S. and Canadian funds holidays will be included
- Business testing days will match the calendar days

B) High Level Test Plan – Fundserv

Kyle Bedeau reported that Fundserv was still in the process of finalizing their high level test plan. He expects that they will be completed the test plan by July 2016. He did report that once the plan is finished, it will include that the industry testing will take place during the period of March to June 2017. Kyle walked through the phase of the early planning discussions. Kyle also reported that testing would be done during normal business days, and would not include weekends or evenings.

5 Review of the Issue Log

Michael Holmes reported that there are no updates to the OWG Issue Log at this time.

6 Issues to be closed

Committee Members

- a) Michael/Domenic reported that OWG - 007 Corporate Actions issue was ready to be closed. Committee members agreed.
- b) Michael/Domenic reported that OWG – 005 NI 24-101 still need further discussion relative to the impact of T+2 on non-western hemisphere clients. The current target is noon on T+2. This will need to be discussed again at the next meeting of the OWG.

7 Other Business

There was no other business raised.

8 Next Meeting Wednesday May 11, 2016 at 2:00 PM ET/ 11:00 AM PT

Michael and Domenic thanked everyone for the attendance and discussion on the topics.

List of Attendees

Raymond James
Northern Trust

Michael Holmes (Co-Chair)
Domenic Sgambelluri (Co-Chair)

Aequitas	Eric Sloane Janet Hall Lang Moffat
AGF	Ali Jaffer Katarina Savic
AIM	David Austin
Bank of America	Christina Williamson
BCSC	Meg Tassie
BMO	Art Valdes Kevin Armstrong
Bony Mellon	Kerry Phippen
Broadridge Canada	Theresa Blonde Kratika Paliwal
Canaccord	Sheera Badial Brenda McIntyre
CanDeal	Joe D'Alessandro
CCMA	Keith Evans Barb Amsden
CDCC	Roger Warner
CDS	Johann Lochner Laura Ellick Anna Guerico
CGI	Margaret Stephens David Locke
CIBC Mellon	Louis Lesnika
CIBC World Markets	Susan Fleming Goran Nikolovski
Citi	Alyse Kefeli
Credit Suisse	Luigi Trentadue Wayne Cowel Jackie Chan
CST	Tony Iervolino

DTCC/Omgeo	Ana Lotharis
Edward Jones	Al Knight
Fidelity	Kevin Lambie
FIS Financial	Kerry Lutes
FundServ	Kyle Bedeau
	Russ White
IBM	Amy Li
Manulife	Andy Pauksens
MD Financial	Allan Riccardi
National Bank	Natalie Roberge
OSC	Aaron Ferguson
PWC	Tony Kalvik
Raymond James	Daniel Crean
RBC CM	Brian Calvert
RBC IS	Chris Strong
	Doug Allard
	Louie Pantzoures
	Ken Osugi
Scotiabank	Frank Jocatis
	Corey Cuningham
	Dragica Grbavac
Sim Corp	Giles Anderson
Statestreet	Denny Mendonca
	Ivan Yang
TD Waterhouse	Brandon Buckley
TMX Equity	Joe Dutra
Transitron	Stan Deudney
UBS	Scott Abbott
Compass360	Merici Young