

T+2 Operations Working Group (OWG)

Agenda

October 25, 2016

2:00 PM Eastern - 11:00 AM Pacific

- | | |
|--|--|
| 1. Approval of the minutes from September 20, 2016 | Michael/Domenic |
| 2. CCMA Update | Keith Evans |
| a. UST2 Update | |
| 3. Industry Testing Strategy – OWG - 001 | Committee Members |
| a. Detailed Test Plan – CDS Update | Johann Lochner |
| b. Detailed Test Plan – Fundserv Update | Kyle Bedeau |
| c. Detailed Test Plan – DTCC Update | Keith Evans |
| 4. Residency Restricted Shares | Domenic/Johann |
| 5. Holiday Processing – CDS/TMX Update | Johann Lochner |
| 6. Review of Issue Log | Michael/Domenic |
| a. Draft 24-101 comment letter | |
| b. Draft IIROC comment letter | |
| c. Draft SEC comment letter | |
| d. Review of Open Issues | |
| 7. Issues to be closed | Committee Members |
| a. OWG – | |
| 8. Other Business | |
| 9. Next Meeting | Tuesday November 22, 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

Minutes

September 20, 2016

Domenic Sgambelluri welcomed attendees to the meeting of the Operations Working Group.

1. Approval of the August 21, 2016 Meeting Minutes

The minutes of the meeting held on August 21, 2016 were approved as written by all members of the working group.

2. CCMA Update

Keith Evans reported on the current situation with the UST2 program. He said that they UST2 had decided that a formal attestation would no longer be pursued. The rationale was that there is little to be gained by gathering these signed documents, as DTCC was unlikely to prevent someone from Clearing/Settlement if they declined to sign. Also, the UST2 group felt that an organization could sign and still not be ready. Keith indicated that the CCMA was still supportive of having some kind of sign off as an indication of the Canadian readiness, but that the T2SC would need to discuss and agree on a process.

Keith also reported the Final US Asset List was likely to be issued before the end of September. Once it is issued, the CCMA will have it posted to our website. Keith said that he would send it out to all members once it is final.

3. Industry Test Planning

a. Detailed Test Plan – CDS Update

Johann Lochner from CDS provided an update on the second version of their detailed test plan. He said that there was little change from the first version. While this version is considered final, some details (test securities, corporate action events, etc.) will be added at a later date.

b. Detailed Test Plan – Fundserv Update

Kyle Bedeau from Fundserv provided an update on the second version of their detailed test plan. He said that there was little change from the first version. While this version is considered final, some details may be added at a later date.

c. Detailed Test Plan – DTCC Update

Keith Evans reported that there is no new information with regards to the US Test Plan. However, Keith said that DTCC was hosting a T+2 Forum on October 28th that included a section on the Test Plan.

4. Restricted Share Transfers (residency/hold periods, etc.)

Domenic and Johann provided an update on the ongoing discussions with regards to the TELUS issue. Johann reported that CDS had met with representatives from Computershare and discussed a number of options. Computershare is now discussing these options with TELUS and will be in a position to provide further updates at the next meeting. The preferred option seems to be one that results in the Canadian industry utilizing a single ISIN and using sub accounts to track non residency ownership.

5. Holiday Processing

Johann Lochner from CDS reported that the responsibility of Settlement Date resides with the Exchange reporting trades. CDS issues a Bulletin prior to all holidays indicating the appropriate Trade and Settlement dates. CDS also send out an email ‘blast’ just prior to the holiday confirming the dates.

6. Review of the Issue Log

Domenic referred to the Minutes of the last OWG meeting, where the working group was to consider the proposal to ask the CSA to implement the reporting component of the NI 24-101 (OWG – 005) changes to the beginning of a Quarterly reporting period. This would mean that the reporting would start on October 1, 2017 instead of September 5, 2017. The members of the OWG agreed to this, and asked the CCMA to provide a comment letter on behalf of the industry to consider this request. Keith

Evans said that the CCMA would provide a draft at the meeting of the OWG and be in a position to submit to the CSA by the November 16, 2016 deadline.

7. Issues to be closed

Domenic reviewed all of the 'Open' Issues on the OWG Issue Log. The OWG agreed to close the following Issues.

OWG – 002 – Trade Funding. This was deemed to be an individual member behavioral issue. No industry initiatives are required to be undertaken.

OWG – 003 – ETF Create and Redeem. The CETFA Operations Group had met and determined that the transition to T+2 did not require any changes to the creation or redemption process of ETFs.

OWG – 008 – Reduced Trade Reconciliation Time. This was deemed to be an individual member behavioral issue. No industry initiatives are required to be undertaken.

OWG – 011 – Capital/Collateral Implications. Domenic reported that due to the changes in the novation process being implemented by CDS this month, no further work is required with respect to this issue.

OWG – 014 – VMUs. The OWG was informed that no changes were required by the VMUs as Settlement Date is a provided data point and is not calculated by the VMU.

OWG – 021 – Foreign Exchange. This was deemed to be an individual member behavioral issue. No industry initiatives are required to be undertaken.

8. Other Business

Dave O'Marra from TD asked for an update with regards to the US rule changes. Keith indicated that the SEC has said that while these rules are later than originally anticipated, they should be issued by the end of September.

There was no other business raised.

9. Next Meeting

The next meeting is Tuesday October 25, 2016 at 2:00 PM ET/ 11:00 AM PT.

Domenic Sgambelluri thanked everyone for their participation.

List of Attendees

Northern Trust	Domenic Sgambelluri (Co-Chair)
Aequitas	Janet Hall
	Lang Moffat
Bank of Canada	Christian Belisle
BMO	Art Valdes
	Kevin Armstrong
	Don Marlowe
	Peter Altimas
BNY Mellon	Kerry Phippen
Broadridge Canada	Theresa Blonde
	Jenny Wang
CanDeal	Joe D'Alessandro
Canaccord	Sheera Badial
	Brenda McIntyre
	Simon Whitney
CCMA	Keith Evans
	Barb Amsden
CDCC	Nabil Egseem
CDS	Laura Ellick
	Johann Lochner
	Anna Guercio
CGI	David Locke
CIBC Mellon	Carol Revoredo
	Louis Lesnika
Cormark	Eileen Conboy
Credential Securities	Patrick Singh
	Tom White
	Robert Allen
	Wilson Young
Desjardin	Didier Buisine
	Amelia Gianini
DTCC/Omgeo	Ana Lotharius
FundServ	Kyle Bedeau
Goldman Sachs	Johnny Fells III

Great West Life	Adam Lakose
IBM	Juan Ruiz
Invesco	Linda Mosthaf
JP Morgan	Amy Li
MD Financial	Loredana Salceda
Morgan Stanley	Chris Seipel
OSC	Allan Riccardi
Questrade	Dianne Duffy
RBC CM	Aaron Ferguson
RBC IS	Lulu Feng
	Brian Calvert
	Drake Mayshak
	Doug Allard
	Edward Chow
	Ken Osugi
	Chris Strong
Scotiabank	Corrado Belfiore
	Anthony Lavalley
	Frank Jocatis
Statestreet	Maggie Salisbury
TD Waterhouse	Rob Candido
	Dave O'Marra
	Noman Hassan
	Sameer Syed
	Michael Kenny
	Brandon Buckley
TMX	Mark Jarrett
	Antonio Discenza
Transatron	Stan Deudney
UBS	Marc Sobolewski
	Scott Abbott
	Natalie Filipelli
	Walker Wentworth
Industry Consultant	Rob Argue