

## 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
<b>A. Awareness</b>				
<b>A. What stage is your company at in terms of...</b>				
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>B. Planning</b>				
<b>B. What stage is your company at in terms of...</b>				
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
<b>Subtotal (sum each column and carry over to p. 2)</b>				

<b>Carried over totals from p. 1</b>				
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<b>C. Current Systems and Processes</b>					
<b>C. Does your firm...</b>					
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
<b>D. Organizational Readiness</b>					
<b>D. Has your firm...</b>					
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
<b>Total each column</b>					



<b>Total No Plans</b>				
<b>Total Under Way</b>		↓	↓	↓
<b>Total Done</b>			↓	↓
<b>Total Planned</b>				↓
<b>Total All</b>				
<b>Score your firm's industry-wide T+2 preparedness:</b>				

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! Keep it up!