

T+2 Steering Committee

Agenda

November 5, 2015

10:30 AM Eastern

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|---|---------------------|
| 1. Approval of the October 15, 2015 meeting minutes | Keith Evans |
| 2. Board approved T2SC Membership List | Keith Evans |
| 3. The US status of T+2 | John Abel |
| 4. T2SC Working Group Status | |
| a. T2SC | Keith Evans |
| b. OWG | Michael Holmes |
| | Domenic Sgambelluri |
| c. LRWG | Keith Evans |
| d. CEWG | Keith Evans |
| 5. Issues completed by working groups for approval | Jason O’Born |
| a. Issue Template | |
| b. Issue Log | |
| 6. Next Meeting | |
| 7. Other Business | |

Conference Details

Conference ID: 6232193

Local Dial-in 416-406-5118

Toll-free Dial-in: 1-866-276-0948

T+2 Steering Committee

Minutes of the meeting held on

October 15, 2015

10:30 AM Eastern

Keith Evans of the CCMA welcomed all attendees to the first meeting of the T+2 Steering Committee. He also introduced Jason O’Born of RBC Capital Markets and himself as Co-Chairs of the T+2 Steering Committee (T2SC).

1 Introduction to CCMA

Keith Evans

Keith provided a brief historical background on the CCMA, and the good work that has been completed since its inception in 2000. He indicated the T+2 initiative would benefit greatly from the work completed over the years, particularly the work completed on NI 24-101.

2 Introduction to T+2

Keith Evans

Keith provided a brief history on what has lead to the decision to move to T+2 in Canada. He referenced the analysis completed in the US, in both 2010 by the Boston Consulting Group, and the White Paper issued in June of this year by the UST2 committee. The decision has been made, in the US, to transition from a three-day settlement period to a two-day settlement period in the third quarter of 2017. Canada has decided that we must transition at the same time as the US.

3 CCMA T+2 Committee Structure

Keith Evans

Keith provided an update on the structure to be employed to coordinate the activities associated with ensuring a smooth transition to T+2. The CCMA Board has approved the creation of the T2SC to oversee all of the activity required to meet the Q3 2017 deadline. That is, but not limited to, ensuring the identification of all rules to be reviewed for possible modification, identify process and procedural changes,

industry education, industry wide testing requirements, industry standards etc. The Board also approved Keith and Jason as the Co-Chairs of the T2SC.

4 The US status of T+2

John Abel

Keith introduced John Abel, from DTCC (Depository Trust and Clearing Corporation) and lead project manager for the UST2 initiative. John will be an 'Observer' on the Canadian T2SC. John provided the latest status on the US project. John said it was important to note that this initiative is industry driven and not driven by the regulators. However, legislative support is required in order to implement. John indicated that the important processing currently being undertaken are the creation of an implementation strategy, which is due in December 2015, and the creation of an overall industry wide testing plan, also due later this year. These activities, along with the rest of their effort, will lead to the SEC establishing specific dates, along with their agreement to impellent the rules in the first quarter of 2015.

5 Steering Committee Membership

Keith Evans

Keith indicated that the rules that govern the CCMA requires the CCMA Board to approve an official membership for any Board approved Committees it creates. Keith said that it has impractical to have 60 official members of the T2SC and that he was putting forward a list of 17 members from the Buy, Sell and Custodian sides of the industry to become the official members. He indicated that it was anticipated that all decision would be unanimous, but in the effort that a formal vote was needed, this list of 17 would represent the industry. Keith read out the list of companies and individuals from those companies that make up the list. He agreed to distribute the final, formal list to all participating on the call, once approved by the CCMA Board.

6 Committee and Working Group Status

Keith Evans

Keith provided an update on the creation of the three working groups. 1) The Legal and Regulatory Working Group (LRWG) currently has about 15 members, including Observers. Keith indicated that this number needed to be increased, and asked members to look inside their firms for possible members. 2) The Communication and Education Working Group (CEWG) also has about 1t members currently and still

needs to be enhanced. He indicated that both working groups need to have Co-Chairs identified, and he hopes to have this resolved shortly. 3) The Operation Working Group (OWG) is in good shape with 60+ members, and Michael Holmes of Raymond James, and Domenic Sgambelluri of Northern Trust as Co-Chairs. Keith reported that the first meeting of the OWG is scheduled for Tuesday November 3rd at 2 PM. The agenda and other details will be out shortly

7 T+2 timeline to December 31, 2015

Keith Evans

Keith reported that the overall objective is to meet the US timeline for implementation in Q3 of 2017. Also, we must be able to complete industry wide testing by Q1 of 2017, which means all development needs to be completed by the end of 2016. Keith suggested that in order to meet these major milestones, by December 31, 2015, the Canadian marketplace must have identified; all rules to be modified, processes to be changed, procedures to be modified, standards to be changed, and any other major milestones identified during the working group meetings. Keith indicated that this is extremely difficult, but is imperative in meeting the overall main goals of the industry.

Not being ready in Q3 2017 is not an option.

8 Areas for discussion/consideration:

Jason O’Born

Jason O’Born provided the T2SC with a brief summary of each of the following potential issues. He indicated that this is just a starting point, and things that he has already considered while looking at T+2. Each one has a potential impact, as a result of T+2 and needs to be investigated in detail to ensure that resolution to each issue can be identified and implemented. He asked all members to look into their own organizations to determine the impact.

- Industry Testing
- Rule Changes
- Trade Funding
 - FX
 - Retail Cheques
- ETF Create / Redeem
- Option Exercise / Assignments
- NI 24-101
- International Clients
- Corporate Actions
 - Ex-Date calculations
 - Cover/Protect period
- Reduced recon/resolution time prior to settlement date
- Securities Lending
- Cross-Border Transactions

Jason then opened up the discussion for the members to provide any areas that they have identified within their own companies. The following items were added to the list.

- Dematerialization of securities
- Virtual Matching Utilities
- Pooled Funds
- Mutual Funds
- Buy Ins
- DP Matching at CDS
- Fails and Fines
- Capital and Collateral
- Co-coordinating the implementation timelines
- CDS deposit timelines
- OTC market

- Derivatives market
- NI 81-102 (Mutual Funds)

Jason thanked everyone for their initial thoughts. It was agreed that these issues would be assigned to one or more of the working groups for decision and recommendation to a future T2SC meeting.

9 Next Meeting

Keith thanked all in attendance for their time, and recommended that three more T2SC meetings be planned for 10:30 am Eastern on November 5th, November 26th and December 17th.

10 Other Business

There was no other business raised at this meeting.

CCMA T2SC
Meeting of October 15, 2015
10:30 AM Eastern
List of Attendees

CCMA	Keith Evans (Co-Chair)
RBCCM	Jason O’Born (Co-Chair)
AMF	Anna Tyniec
BCSC	Meg Tassie
BCSC	Barinder Sidhu
Bank of America	Doug Butters
	Christina Williamson
Bank of Canada	Therese Couture
	Christain Belisle
	Andrew Griffiths
	Louis Saulnier
BMO	Joseph Colucci
BNS	Judy Foster
	Corey Cunningham
BlackRock	William Trieu
BMO Nesbitt	Paul White
Broadridge	Mary Beth Law
Canaccord	Lynn Higgins
	Brenda McIntyre
CanDeal	Debra MacIntyre
CDS	Fran Daly
	Lucy Mullins
CETFA	Pat Dunwoody
CIBC Mellon	Louis Lesnika
	Kerry Phippen

CIBC World Markets	Greg Holmes
	Andrew Jen
	Paul Tamburro
Connor Clark & Lunn	Mark Austin
Credit Suisse	Sam Ferrell
DTCC	John Abel
	Ana Lotharius
Edward Jones	Allan Knight
FMDA	Sandra Kegie
Fidelity Inv	Jason Grieve
Fidelity Clearing	Jordan Diltz
Fundserv	Kyle Bedeau
GMP Securities	Joe Riga
	Diane Gomes
	Harold Walton
IBM	Amy Li
IFDS	Blair Munn
IFIC	Charles Wang
Internation Infotech	Kim Barrett
National Bank	Nelson Dugre-Sasserville
	Carmelo Scifo
Northern Trust	Domenic Sgambelluri
OSC	John Kearns
Raymond James	Michael Holmes
RBCi&TS	Doug Allard
	Osman Baig
	Rukshana Nanji
	Tina Nguyen
	Bruno Oliveri
	Ellen Batrie-Saites
	Michael Montague
Statestreet	Denny Mendonca
	Ivan Yang



Maggie Salisbury

Brent Blake

Rob Candido

Chris Wilkinson

TD Wealth

T2 Steering Committee Membership List As Of October 15, 2015

Buy Side

William Trieu	BlackRock
Mark Austin	Connor Clark and Lunn Financial Group
Katie Walmsley	PMAC (Portfolio Management Association of Canada)
Charles Wang	IFIC

Custodian

Louis Lesnika	CIBC Mellon
Domenic Sgambelluri	Northern Trust
Osman Baig	RBC Investor Services
Denny Mendonca	Statestreet

Sell Side

Joseph Colucci	BMO Capital Markets
Judy Foster	Scotiabank – Global Wholesale Operations
Greg Holmes	CIBC – Global Operations
Jordan Diltz	Fidelity Clearing Canada
Nelson Dugre-Sasserville	National Bank of Canada
Jason O’Born	RBC Capital Markets
Michael Holmes	Raymond James
Rob Candido	TD Wealth

Other

Keith Evans	CCMA
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