

## **T+2 Steering Committee**

### **Agenda**

**March 24, 2016**

**10:30 AM ET – 7:30 AM PT**

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| 1. Approval of the February 18, 2015 meeting minutes | Keith Evans                              |
| 2. UST2 - Status of T+2                              | John Abel                                |
| 3. Mutual Funds Working Group – Approval             | Keith Evans                              |
| 4. T+2 Industry Event                                | Barb Amsden                              |
| 5. T2SC Working Group Status/Approvals               |  |
| a. OWG   | Michael Holmes                           |
|  | Dom Sgambelluri                          |
| b. LRWG  | Jamie Anderson                           |
| c. CEWG  | Barb Amsden                              |
| d. MFWG  | Kyle Bedeau                              |
| 6. Issues completed by working groups for approval   | Jason O’Born                             |
| 7. Other Business                                    |  |
| 8. Next Meeting                                      | April 21, 2016 at 10:30 AM ET 7:30 AM PT |

### **Conference Details**

**Conference ID: 7312646#**

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

## **T+2 Steering Committee**

**Minutes of February 18, 2016**

**10:30 AM ET – 7:30 AM PT**

Keith Evans of CCMA welcomed and thanked all members for attending the T2SC meeting.

**1. Approval of the January 21, 2015 meeting minutes** **Keith Evans**

Keith Evans reported that the minutes had been distributed prior to the meeting and that no comments had been received. No additional comments were made at the meeting and the minutes of January 21, 2016 were unanimously approved.

**2. UST2 - Status of T+2** **John Abel**

John Abel provided an update on the progress being made in the US. He reported that the high level test strategy document was expected to be released with a week or so. John said that the document would recommend that testing be completed in three phases: 1) Internal UAT be performed as needed by each firm, 2) Testing with vendors and customers would need to be tested as determined by each firm, and 3) Industry testing would be completed by a number of entities that agree to participate (at the request of the UST2, such as utilities and exchanges). John reported that a detailed test plan would be completed by the end of June 2016. He also reported that the implementation date for T+2 was going to be announced at the T+2 Symposium on February 23<sup>rd</sup>, 2016. He said that Tuesday September 5, 2017 was the trade date being proposed. He also reported that a backup date of Monday November 6, 2017 was also being discussed. The testing dates are still expected to start in Q1 2017 and run right up to the summer of 2017. John reported that the US (DTCC) will require some form of T+2 readiness certification by the industry to be completed in July or August of 2017. Domenic Sgambelluri asked what it would take for the US to delay the implementation (i.e. how many firms not ready). John said that this was a question that has been asked in the US and no answer has been

given. However, it will likely need to be decided based on the circumstances closer to implementation date and will be decided by a subgroup command center of the UST2 steering committee.

John also reported that they are meeting monthly with the various regulators in the US, and that progress is very positive and no issues are being reported. US regulators have inquired as to the impact of Canada being ready to implement and a U.S. “go / no-go” decision.

### **3. T2SC Working Group Status/Approvals**

#### **a. OWG**

**Michael Holmes**

**Dom Sgambelluri**

Michael Holmes and Domenic Sgambelluri reported excellent progress by the OWG. They reported that the major discussion at the last meeting was on the approach to take with regards to industry-wide testing. The proposal that is being considered by the OWG is that vendors and utilities will have some form of mandatory testing, and that individual firms will have optional testing in order to determine their readiness.

They also reported that the OWG is working on the development of an asset list of instrument types to be transitioned to T+2. They hope this will be completed at the March meeting.

They reported that the OWG hopes to have reviewed and identified a solution, on all five Issues, that have been labeled as high priority, by the end of June 2016.

#### **b. LRWG**

**Jamie Anderson**

Jamie reported excellent progress on the LRWG issues, with three being presented to the T2SC for closure. The three issues pertained to ATS’s having no legal or regulatory changes being required (one issue is being transferred to the OWG to track for systems changes). Several additional issues are expected to be proposed for closure at the LRWG meeting scheduled for March 23<sup>rd</sup> and tabled with the T2SC at its March 24<sup>th</sup> meeting

Sam Ferrell asked if the IIROC changes were being acceptably managed. Jamie reported that IIROC changes were progressing very well. IIROC has identified 15 standard agreements that need to be reviewed, and that 10 of those were already complete. No changes have been identified. For the standard agreements and other anticipated amendments (such as member rules, UMIR, and guidance notices), IIROC expects to have the analysis completed shortly, and then presented to user groups and sub-committees in March. Subsequently, where required, the changes would be submitted to the IIROC Board for approval at its June 2016 meeting. After this, they will be issued for public comment as required.

Sam also asked if the CSA will need to make any changes. Jamie reported that there are changes, but mostly of the housekeeping variety. However, there may be changes required to NI 24-101, based on input from the OWG. Keith reported that the OWG should be in a position to request changes, if necessary, by the end of June 2016.

Jamie reported that the LRWG was also working on the best way to get regulated entity changes approved, and they are working on a solution with the regulators.

**c. CEWG**

**Barb Amsden**

As Barb was still on vacation, Keith Evans reported that the CEWG had not met since the last T2SC meeting. However the work continues on the re-launch of the CCMA website, and it is still targeted for a mid-March re-launch. The next meeting is scheduled for March 7<sup>th</sup>.

**d. MFSWG**

**Kyle Bedeau**

Kyle was unable to attend. Keith Evans provided the update that had been given at the previous day's OWG meeting.

The MFSWG had met recently on January 26<sup>th</sup>. He reported that the sub working group had reviewed a FundServ document on T+2, and indicated that no material changes to the FundServ systems were required.

The next meeting is scheduled for March 7<sup>th</sup> and further work on an implementation strategy and industry testing would be the primary topics to be covered.

#### **4. Issues completed by working groups for approval** **Jason O’Born**

Jamie reported that three LRWG Issues were being presented to the T2SC for closure. LRWG – 055 (Equilend), LRWG – 060 (CBID), and LRWG 061 – (MarketAxess) are all ATS’s where the subscriber agreements have no changes identified for T+2. These entities have also indicated that they will not have any NI 21-101F2 filings.

Michael Holmes reported that the OWG has three Issues being reported to the T2SC for closure. OWG – 012 (DP Match), OWG – 020 (Global Custody), and OWG – 022 (Seg Funds) were all discussed and were either a post settlement date activity, or were being combined with another OWG issue.

The committee accepted these recommendations and agreed to close all six.

#### **5. Other Business**

A question was raised about how the industry should inform security vendors, such as Thomson Reuters and Bloomberg to ensure that they know which securities are transitioning to T+2. While no complete answer was provided, the OWG Asset List should be provided to every firm affected by the move to T+2, including security vendors.

#### **6. Next Meeting**

March 24, 2016 at 10:30 AM ET 7:30 AM PT

## List of Attendees

CCMA	Keith Evans (Co-Chair)
RBC – CM	Jason O’Born (Co-Chair)
Bank of Canada	Therese Couture
	Christain Belisle
BCSC	Meg Tassie
BMO	Art Valdes
Broadridge	Theresa Blonde
	Angie Fernando
	Mary Beth Law
CCMA	Jamie Anderson
CDS	Fran Daly
CIBC Mellon	Louis Lesnika
CIBC World Markets	Greg Holmes
	Andrew Jen
	Paul Tamburro
Citi	Alyse Fefeli
	David Sydney Smith
Credit Suisse	Sam Ferrell
CST/STAC	Bill Spiers
DTCC	John Abel
	Ana Lotharius
Fidelity Clearing	Kevin Lambie
	Jordan Diltz
Fidelity Investments	Eleanor Evans
FMDA	Sandra Kegie
FundSERV	Kyle Bideau
GMP Securities	Joe Riga
	Harold Walton
	Dianne Gomes
IBM	Amy Li
National Bank	Nelson Dugre-Sasserville
	Carmelo Scifo



Northern Trust

Domenic Sgambelluri

PMAC

Kevin Leblanc

Questrade

Lulu Feng

Raymond James

Michael Holmes

Scotiabank

Corey Cunningham

TD Securities

Brandon Buckley

Rob Candido

## **MUTUAL FUNDS WORKING GROUP**

### **(MFWG)**

#### **MANDATE FOR T+2 INITIATIVE**

##### **Overview**

The Mutual Funds Working Group (“MFWG”) has been mandated to identify all operational issues/obstacles related to Mutual Funds within Canada’s move from a settlement period of three days (T+3) to two days (T+2).

The Canadian T+2 initiative is being coordinated in concert with the United States. The joint Canadian-American implementation date is targeted for Q3-2017.

##### **Composition**

The MFWG membership is open to individuals representing firms and organizations with an interest in the T+2 initiative. These firms and organizations include the manufacturers, broker-dealers, associations, service providers, industry utilities, self-regulatory organizations, and regulatory bodies. New members may join the MFWG at any point.

##### **Reporting Structure**

The MFWG reports to the CCMA T+2 Steering Committee (“T2SC”) via the MFWG Chair.

##### **Responsibilities**

The MFWG will:

- identify, describe and document all operational Mutual Funds issues including systems, processes and procedures related to the move to T+2;
- achieve industry consensus on proposed solutions, action plans and timelines for all open issues, including the determination of testing criteria/requirements;
- assign responsibility for issues;
- provide ongoing communication to the T2SC, tracking issues through to completion; and
- Provide additional guidance, direction, and support for T+2 operational Mutual Funds issues as requested by the T2SC.
- Identify if sub-working groups will be required for specific issues

##### **Governance**

Meetings will be called by the Chair. Notices calling meetings and agendas will be sent to all MFWG members. Meetings will be minute and attendance recorded. Meeting minutes will be tabled with the MFWG for approval. There is no set minimum quorum requirement for meetings. All





recommendations will be forwarded to the T2SC for final approval. Minutes, decisions and issue logs of the MFWG may be posted on the CCMA website.