

T+2 Steering Committee

Agenda

September 22, 2016

10:30 AM ET – 7:30 AM PT

- | | |
|--|--|
| 1. Approval of the August 25 th Minutes | Keith Evans |
| 2. UST2 - Status of T+2 | John Abel |
| 3. CCMA Update | Keith Evans |
| 4. Industry Readiness – Approval Required | Members |
| a. Who will need to attest (attached) | |
| b. What will need to be signed (attached) | |
| 5. T2SC Working Group Status | |
| 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 |
| a. OWG – | |
| b. LRWG – | |
| 7. Other Business | |
| 8. Next Meeting | October 26, 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

Minutes of August 25, 2016

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

1. Approval of the June 23, 2016 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 June 23, 2016 were unanimously approved.

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

John Abel was unable to attend the meeting, but Tony Freeman and Ana Lotharius provided the update. They reported that the UST2 Test Plan had recently been issued for review. They also reported that the US Asset List was currently under final review and should be issued shortly. They mentioned that DTCC was going to be hosting a T+2 Update Conference in New York. Based on a question regarding some negative comments from a SEC Commissioner, they said that a meeting was held recently with the SEC, and that it was fully supportive of making all necessary rule changes in time for the transition to T+2 in September 2017.

3. Asset List Update **Barb Amsden**

Barb Amsden was unable to attend the meeting. Keith Evans reported that the Final Asset List was recently issued and is posted on the CCMA website. He also mentioned that if any member needed the Asset List in a different format or sequence then they should contact CCMA via email.

4. OTC Transactions **Keith Evans**

Keith Evans reported that he had received a number of enquiries from members of the industry regarding OTC transactions. Keith indicated that all OTC transactions would transition to T+2 along with all exchange transactions. Keith said that even

though most 'regular' transactions would settle on the default date for the security type (generally T+2), transactions could settle on other settlement dates, provided that both parties to the trade agreed. This is the same as today, where some transactions don't settle on the 'regular' settlement date and may be dependent on specific terms required by the buyer or seller.

5. Industry Readiness

Members

a. Who will need to attest

Keith Evans reported that a draft list of organizations that will be asked, by CCMA, to attest to their T+2 readiness was included in the meeting package. He said that the list was divided into five categories; Clearing Agencies, Exchanges, ATS's, Vendors, and Custodians as Vendors. The list was developed in an effort to identify the organizations that would have a material impact on the industry if it was not ready. Keith also reported that the CCMA is not a regulator, and therefore could not mandate signing. However, it is felt that this list of companies provides the greatest coverage without growing the list to an unmanageable number of firms. Keith asked members to think about the list, and discuss within their organizations to determine if this is an appropriate list.

b. What will need to be signed

Keith Evans reported that a draft attestation form was included in the meeting package. He indicated that this form would provide a level of comfort needed by the industry to ensure overall T+2 readiness was achieved prior to the transition in September 2017.

Keith asked member to review this list and provide comments back prior to the next T2SC meeting.

6. T2SC Working Group Status/Approvals

a. OWG

Dom Sgambelluri

Domenic Sgambelluri reported that the last meeting of the OWG focused on the Detailed Test Plans issued by CDS, Fundserv, and DTCC. Each of the organizations walked the working group through the details, and provided initial

feedback and answered industry questions. He also reported that the CSA had recently issued the NI 24-101 changes for public comment. He indicated that Computershare and CDS would be meeting within the next week, to discuss options for improving the processing of TELUS Foreign shares to Domestic shares (and visa versa).

b. LRWG

Jamie Anderson

Jamie reported continued excellent progress on all of the LRWG issues. He highlighted that the CSA had recently issued the proposed NI 24-101 changes out for a 90-day public comment period. The comments are due by November 16 2016. Jamie also reported that the CSA had also issued a companion consultation paper, that is intended to solicit input on the overall settlement process. He said that this will not impact the implementation of T+2, and is focused on the overall trade fails within Canada.

c. CEWG

Barb Amsden

Barb Amsden was unable to attend the meeting. Keith Evans reported that the CEWG is currently working on the fourth issue of the T+2 Newsletter, and it is expected to be released on September 5th 2016. He also reported that they were working on additional FAQs to be added to the CCMA website in September.

d. MFWG

Kyle Bedeau

Kyle Bedeau from Fundserv reported that the most recent meeting of the MFWG focused on the Detailed Test Plan, the Test Region configuration and the specific dates to be used for the testing of T+2. IFIC continues to work on the legal issues related to T+2 and Investment Funds.

7. Issues completed by working groups for approval

Jason O’Born

a) OWG Issues; Domenic Sgambelluri reported that there are no issues being brought forward for closure at this meeting.

b) LRWG Issues; Jamie Anderson reported that there are six issues being brought forward for closure at this meeting.

(1) LRWG – 018 ICE Canada

(2) LRWG – 040 ICE Canada

Manitoba Securities Commission is the lead regulator [Order No. 5718 issued on June 16, 2008]. Exempted from registration and recognition in Ontario. All trades in ICE Futures Canada Contracts are settled and cleared through ICE Clear Canada. ICE general counsel has confirmed move to T+2 will have no impact.

(3) LRWG – 019 ICE Europe

September 1, 2006 - ICE Futures was exempted from OSC recognition under Securities Act (ON); and and registration as exchange under Commodity Futures Act. Ontario Users that trade in ICE Futures Europe contracts as a Hedgers are exempted from registration under CFA. Cleared and settled through ICE Clear Europe. Regulated in the UK which moved to T+2 Oct. 6, 2014.

(4) LRWG – 028 GICs

GICs settle on a T or T+1 basis today, so are not impacted by the move to T+2.

(5) LRWG – 044 Nodal Clear LLC

(6) LRWG – 044 Nodal Clear LLC

Nodal Exchange trades financially settled electricity and natural gas contracts, all of which are cleared through Nodal Clear. Both Nodal Exchange's and Nodal Clear's primary regulator is the CFTC in the U.S. Initial and variation margin (in immediately available funds) are required for the trades, with variation margin calls being twice per day. These contracts do not currently trade on a T+3 basis and are not impacted by a move to T+2

Jason O'Born asked if there no concerns with any of these recommendations, that the committee approve them for closure. No issues were raised and the issue were considered closed.

c) CEWG Issues; Keith Evans reported that there are no issues being brought forward for closure at this meeting.

8. Other Business

- Keith Evans reported that when CCMA collected money for its' funding needs in December 2015, there should have been HST/QST collected at the same time. However, this did not happen. Consequently, CCMA will be collecting

the HST/QST funds as part of the CDS billing cycle for August which will be collected in the middle of September 2016.

- Mark Austin asked if the CCMA planned on issuing an coordinated industry response to the CSA for NI 24-101. Keith said that this could happen if there was unanimous industry agreement, however industry members were encouraged to respond individually, and that CCMA planned on submitting a positive comment letter.
- There was no other business identified.

9. Next Meeting September 22,2016 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 America	Doug Butters
Bank of Canada	Christian Belisle
	Thereese Couture
Blackrock	William Trieu
Broadridge	Angie Fernando
Canaccord	Brenda McIntyre
CCMA	Jamie Anderson
CDS	Fran Daly
CEFTA	Pat Dunwoody
CGI	Margaret Stephens
CIBC Mellon	Louis Lesnika
	Carol Revoredo
Connor Clarke	Mark Austin
Credit Suisse	Sam Ferrell
	Luigi Trentadue
DTCC	Tony Freeman

	Ana Lotharius
Fidelity Clearing	Jordan Diltz
Fidelity Investments	Paul Peer
Fundserv	Kyle Bedeau
GMP Securities	Joe Riga
Goldman Sachs	Johnny Fells III
IBM	Amy Li
IFDS	Blair Munn
IFIC	Charles Wang
IIROC	Marsha Gerhart
National Bank	Natalie Roberge
Northern Trust	Domenic Sgambelluri
OSC	John Kearns
Scotiabank	Dragica Grbavac
TD	Rob Candido
	Michael Kenny
	Kevin Fraites