

# TIME TO TALK T+1

## Say it ain't so! 422 days 'til T+1 – Will YOU be ready?

On February 15, 2023, the U.S. Securities and Exchange Commission (SEC) set **Tuesday, May 28, 2024** as the T+1 start date for U.S. investment industry members. While 2024 is a Leap Year (giving us one whole extra day to get ready), is that anywhere near enough? [Read](#) or [watch a webinar](#) about the ValueExchange's global 'operationalizing T+1' survey results, which show a lack of global preparedness. What does this mean for Canadian market participants?

- 1 May 28, 2024 follows the American Memorial Day long weekend, but north of the border, **Monday, May 27, 2024** is *not* a holiday and so *will* be the day Canadian markets start trading on a T+1 basis. The risks for Canadian firms of transitioning to T+1 on Tuesday, May 28, 2024 along with U.S. market participants were deemed too high: Canada's T+1-related systems changes would need to be implemented overnight between May 27<sup>th</sup> and 28<sup>th</sup> instead of over a weekend (explained further in the CCMA's related March 14 [announcement](#)). The table below shows the impact for stakeholders in both nations, with markets returning to the same trading/settlement cycle by Thursday, May 30, 2024.

**Note:** Fundserv's Standards Steering Committee has announced that **mutual funds** moving to T+1 also will see Monday, May 27, 2024 as the first day for sales and redemptions of mutual funds adopting the shorter settlement cycle. Canadian Securities Administrators (CSA) [Staff Notice 81-335](#) – Investment Fund Settlement Cycles does not mandate mutual funds move to T+1, saying instead that "...where practicable, mutual funds should settle primary distributions and redemptions of their securities on T+1 voluntarily."

Canada Settlement Cycle T+1 Transition Timeline						
Friday May 24, 2024	Saturday May 25, 2024	Sunday, May 26, 2024	Monday May 27, 2024	Tuesday May 28, 2024	Wednesday May 29, 2024	May 30 on, 2024
Last T+2 Trade Date	Conversion Weekend	Conversion Weekend	First T+1 Trade Date	Double Settlement Date	Trade and settle T+1	Trade and settle T+1

  

U.S. Settlement Cycle T+1 Transition Timeline						
Friday, May 24, 2024	Saturday, May 25, 2024	Sunday, May 26, 2024	Monday, May 27, 2024	Tuesday, May 28, 2024	Wednesday May 29, 2024	May 30 on, 2024
Last T+2 Trade Date	Conversion Weekend	Conversion Weekend	Markets closed Conversion Weekend	First T+1 Trade Date	Double Settlement Date	Trade and settle T+1

- 2 The choice of the U.S. Memorial Day weekend – **14 weeks** earlier than American, Canadian, or global industry associations sought – means the Canadian marketplace needs quick action on both **Canada's T+1 rule** and a **transition timeline**.

- **National Instrument (NI) 24-101 Institutional Trade Matching and Settlement:** It's all the more important Canadian market participants and counterparties in Europe, Asia, and other time zones – where markets may be open to confirm/affirm trades, correct mismatches, issue securities loan recall notices, etc. after North-American markets close – have the longest timeframe possible to meet the 90% Canadian trade-matching threshold. This means that instead of by 9:00 p.m. ET at the end of trade date, as the CSA proposed in amendments to NI 24-101, the threshold should be up to 3:59 a.m. ET on T+1, just before the 4:00 a.m. ET start of the next-business-day settlement process. This and other recommendations are explained in the CCMA's March 17, 2023 [reply](#) to the CSA proposals. This letter also asks that the regulators issue the final matching (and reporting) deadlines as soon as possible.
- **Implementation Timeline:** As Canadian marketplace participants are working on two major, interconnected projects, it is equally important to tighten up T+1 deadlines. The following updated high-level project plan, working back from May 27, 2024 to ensure completion of what must be done to comfortably achieve the May 27, 2024 implementation date, takes into account both Canadian and U.S. plans.

T+1 Program Activities	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Impact analysis												
Industry development/internal testing												
Set up/connect/testing preparation Canada												
Testing cycles 1, 2, 3, 4												
Remediation												
T+1 readiness-comfort checkpoints												
Go live												
Set up/connect/testing preparation with U.S.												

You should be here



### Committee Updates

All CCMA committees continue to meet monthly. For the latest from each committee, please visit the relevant [committee webpage](#). To learn more or join a CCMA committee, please email us at [info@ccma-acmc.ca](mailto:info@ccma-acmc.ca).



### Tips & To-dos

- Are you a Pension Investment Association of Canada (PIAC) member? Join PIAC's April 13 noon ET T+1 webinar.
- Have you reviewed SIFMA's U.S. [T+1 asset list](#)? It was released March 23, 2024.
- Start your day by checking CCMA's T+1 [countdown timer](#) – its progress is relentless... so should be your efforts.
- Read replies of the Investment Industry Association of Canada ([IIAC](#)) and Portfolio Management Association of Canada ([PMAC](#)) to the NI 24-101 T+1 proposals, and the Investment Funds Institute of Canada ([IFIC](#)) request for a technical change to NI 81-102 *Investment Funds*.



### Tools

- Complete (by April 30) the [ValueExchange T+1 survey](#) to benchmark your firm for a personalized scorecard.
- Not sure if your firm is represented on a CCMA T+1 committee or, if so, by whom? Take a look at this [list](#).
- Download global and European T+1 [survey results](#) with The Value Exchange's analysis and insights.
- Who knew these would be so hard to find? Here are [settlement cycles in major markets](#) (subject to change).



### To come

- The CCMA expects to issue a reconciliation of the U.S. T+1 product list with Canada's T+1 Asset List shortly.
- The Canadian Depository for Securities test plan is expected this April 2023.