



IFDS Perspectives on T2

September 9, 2016



INTERNATIONAL FINANCIAL
DATA SERVICES

This document is marked **Public**

Agenda

Item
Overview
Project schedule
Project Stages
Key Implementation Activities
Work to date
Our Timelines
Additional Considerations
Next steps

T2 – Overview

Objective:

To ensure core platforms complies with the securities industry initiative to shorten the settlement cycle from T3 to T2.

Other expected outcomes:

- Identify the interaction between external (Fundserv and NSCC) and internal systems
- Identify and review existing business processes
- Update and/or modify reports

Benefits of moving to a T2 settlement cycle:

- Reduction of counterparty risk
- Improving operational process efficiencies
- Lowering collateral requirements and liquidity demands
- Synchronization with global participants

T2 – Schedule

With FundSERV and National Security Clearing Corporation 'NSCC' committed to meet the securities industry target timeline of September 2017, IFDS structured its implementation schedule to align with this target date.

Anticipating industry testing will likely start Q1 of 2017.

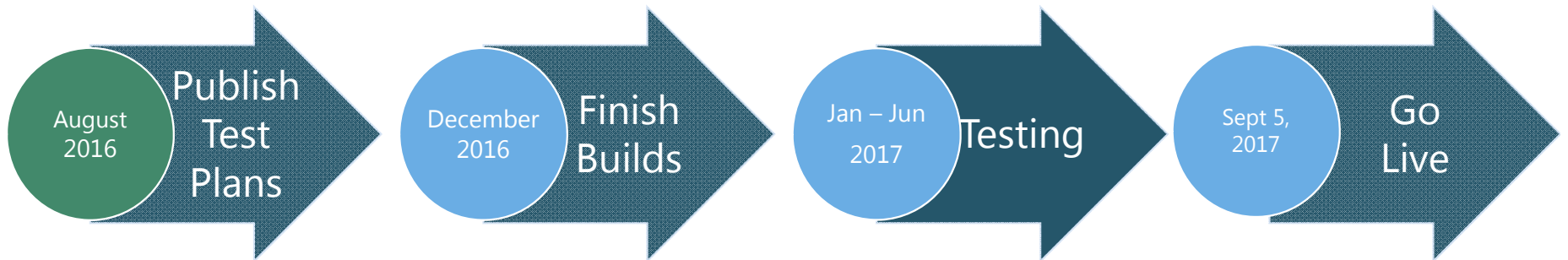
Milestones	Timelines
Statement of Work	
Business Requirements	
Functional Test Plans	
QA Testing	
UAT Testing	
Release Date	September 5, 2017

Project Stages

IFDS



Canadian Capital Markets Association (CCMA)



In Scope

Fund Management	
Transaction Types	Settlement Methods
<ul style="list-style-type: none"> Purchases Includes Income distribution, Commission Rebate etc. 	<ul style="list-style-type: none"> Clearing
<ul style="list-style-type: none"> Redemption 	<ul style="list-style-type: none"> Auto Force Settle
<ul style="list-style-type: none"> In Cash Transfer (ICT) 	<ul style="list-style-type: none"> Auto Settle
<ul style="list-style-type: none"> Linkage Transactions 	<ul style="list-style-type: none"> Bulk
<ul style="list-style-type: none"> Management Fee Rebates (MFRs) 	<ul style="list-style-type: none"> Electronic – Bulk, Single & Aggregate
<ul style="list-style-type: none"> Income Distributions (IDs) 	<ul style="list-style-type: none"> Wire Order
TBC: Pending changes to National Instrument	

Reporting		Operations
Operational	Transaction	<ul style="list-style-type: none"> Reconciliations
<ul style="list-style-type: none"> Domestic 	<ul style="list-style-type: none"> Fundserv 	<ul style="list-style-type: none"> Business Processes
<ul style="list-style-type: none"> International 	<ul style="list-style-type: none"> NSCC 	<ul style="list-style-type: none"> Documentation
Reporting to align with the T2 settlement process		<ul style="list-style-type: none"> Trades
		<ul style="list-style-type: none"> Day-to-day Activity

Work to Date

Workshops with key IFDS Stakeholders:

- Project Impact assessment materials were distributed in advance for each team to document system interaction and business processes related to this initiative.
- 17 teams interviewed
- 12 systems identified
- 17 business processes reviewed

Workshop Summary Presentations

Development of a SOW and Technical Write-up

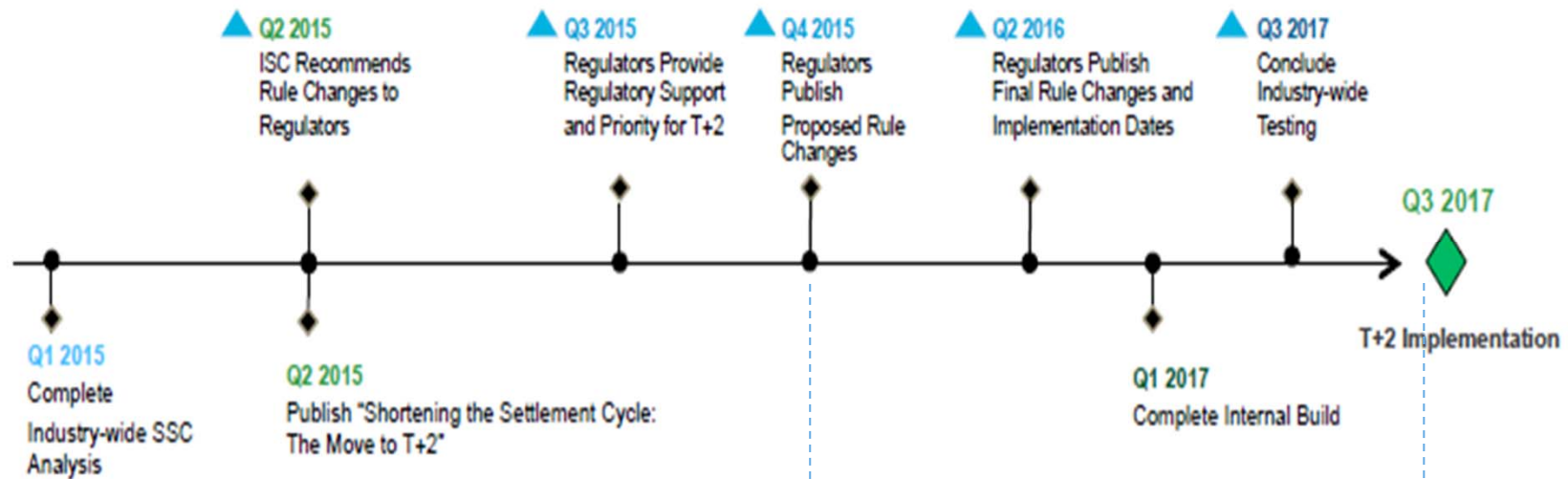
Development of Preliminary Estimates

Preliminary Analysis Summaries

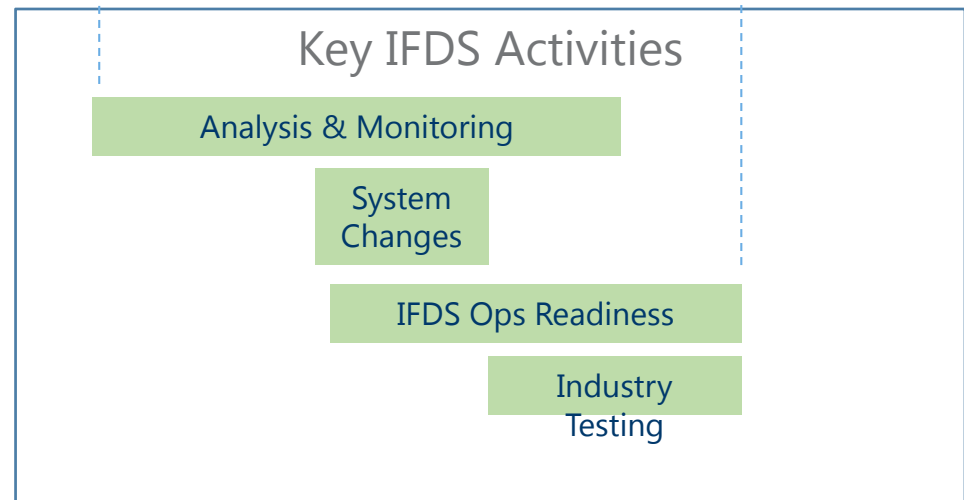
Client walkthrough and feedback sessions conducted

T2 Perspectives published & circulated

IFDS T2 Timeline



- Industry testing period = January-September 2017
- We do not yet know exactly how this testing will occur and how we need to prepare and support



Considerations

- Map all downstream and upstream processes to find steps to reduce or accelerate
- Review impact on reports, files and databases
- Make changes to trading, portfolio valuation, cash management, other systems
- Make changes to reports, prospectuses, contracts
- Check suppliers & Clients are T2-aware & will be ready, tested
- Stay on top of industry T2 efforts
- Work with custodians, broker/dealers, service providers and vendors
- Communicate, Communicate, Communicate

Next Steps

- Continue to gather internal & external feedback, revise approach and estimates as necessary
- Continue to monitor for additional T2 requirements
- Influence & promote industry readiness
- Celebrate success
- More info = www.ccma-acmc.ca