

## ISSA – T+1

### Minutes of Call 6 Jun 2023

#### Participants

Akhila Chaganti	Deutsche Bank
Alex Chow	IA
An Tran Quoc	Standard Chartered
Barbara Domenici	ECSDA
BOUCHETA Haroun	BNP Paribas (Chair)
Butler, Christopher	BNY Mellon
DANIEL Simon	SWIFT
David Büchler	LLB
Deepa Viswanathan	Deutsche Bank
Gabor Varga	Swiss Re
Gareth Nicholas Jones	Euroclear
Hector Lau	HKEX
Hui-Ying Mew	Deutsche Bank
Jha, Prasanna (ICG-SecSvs)	Citi
Johnson, Emma (CIB SEC SVS, GBR)	JP Morgan
Loana Juka	Erste Group
Kamala Kannan	S&P Global
Katica Mandić	Intesa San Paulo
Lars Scheuerling	DWP
Lesnika, Louis	CIBC Mellon
Marco Palazzi	Julius Baer
McNaughton, Douglas J	US Bank
Mei-Yi-Heidi Lee	Deutsche Bank
Parry, Colin	ISSA (Minutes)
VEILLARD Damien	BNP Paribas
+ three on phone unannounced	

#### Agenda

- Welcome
- Present activities outside of ISSA
- Template discussion
- WG Purpose
- Next Steps and AOB

## Welcome and Introductions

Haroun welcomed the group and thanked them for their attendance.

## Present activities outside of ISSA

In respect of other things that the WG are aware of in this area, Haroun and Colin gave brief updates:

1. ESMA and EU authorities have started work on analysing the consequences of US and Canada moving to T+1.
2. EU has started the conversation about whether it needs to move to T+1.
3. A cross industry association taskforce under the lead of AFME has been created for EU T+1 implications. This will form of multiple streams – trading, matching and confirmations, clearing, settlement, CA, FX and funding, liquidity and the impact on particular nations. ISSA is observing rather than driving a single stream.
4. UK Taskforce under Charlie Geffen has heard positives for move of the UK to T+1 but not potential downsides and Colin engaged on a personal basis to explain some of the challenges. In addition UK is not yet fully dematerialised and therefore has additional challenges.

## Template Discussion

Please see attached template to facilitate the discussion on the impacts of cut off times. The attached PPT can be used to help people frame the impacts. The template captures the full spectrum of trading to securities lending.

It was agreed that all firms present could use the template and return the results by 16<sup>th</sup> June. The responses can be as detailed as you want, obviously the more information the better but focusing on the real differences from a T+2 world.

In this scenario we are using the US and Canada T+1 move to give ourselves a concrete model to assess rather than a hypothetical model.

The intent is for each firm to fill in:

Box 1 institutional information in particular the location must be present.

Box 2 your assessment of whether there is an affect (or not) for each of the cut-offs for each of the participants (using the dropdowns which would if you allow editing – lesson for Colin).

Box 3 This can be duplicated as many times as required by product and/or location. For instance if the impact of CCP cut off affects equity only please state that, but if the impact for Global Custodian cut off affects Equity differently from bonds differently to ETF please fill the boxes by the three products.

In the discussion it was noted that client time zones may drive the responses and where this is true please highlight as this could be the crux of the challenge. For example a Japanese insurer may only have a Japan office. It is likely that the GC would give them a different cut off than say a Bermuda based insurer even if they both appear to be a single location client.

### WG Purpose

There was a question raised about what the end result of this is going to be. It was reiterated that in relation to T+1 the WG aims to provide an in-depth analysis on the impacts and possible mitigating actions that can be taken by investors and their securities servicers especially in the context of non-domestic investors. More particularly, the WG will ASSESS assumptions, through the lens of cross-border impacts, on:

- benefits of T+1 especially on risks, margins requirements and funding costs
- Challenges on post-trade processes
- Impacts on efficiency: settlement fails, cash penalties, securities financing transactions

The activity on cut offs is the first deep dive on a particular set of impacts but the paper will have to cover multiple streams over time.

### AOB

Prasanna and Deepa agreed to present lessons learnt from the Indian migration on 4<sup>th</sup> July call.

### Summary of Follow-Up Actions

No.	Action Description	Responsibility	Deadline	Revised status
1	Return completed template	WG firms	16 <sup>th</sup> Jun 23	
2	Prasanna and Deepa agreed to present lessons learnt from the Indian migration	Prasanna and Deepa	4 <sup>th</sup> July 23	

Colin Parry, ISSA CEO Office, 7 Jun 23