

T+1 Global Aspects Working Group

21 November 2023 Teams Call

Meeting Minutes

Participants: (attendees highlighted in bold)

John	Abel	DTCC
David	Büchler	Liechtensteinische Landesbank
Christopher	Butler	BNY Mellon
Akhila	Chaganti	Deutsche Bank AG
Alex	Chow	The Investment Association
Jennifer	Cryan	Citigroup
Simon	Daniel	SWIFT
Barbara	Domenici	ECSDA
Alex	Duggan	Cognizant
Jonathan	Hartwell	Northern Trust
Kamalakaran	Kannan	S&P Global Market (Co-Chair)
Prasanna Kumar	Jha	Citibank
Emma	Johnson	JP Morgan
Gareth	Jones	Euroclear SA/NV
Loana	Juka	Erste Group Bank AG
Hector	Lau	HKEX
Heidi	Lee	Deutsche Bank AG
Louis	Lesnika	CIBCMellon
Nicolas	Mallia	ECSDA
Katica	Mandic	Privredna Banka Zagreb d.d.
Douglas	McNaughton	U.S. Bank
Koen	Mertens	KBC Bank
Hui Ying	Mew	Deutsche Bank AG
Marco	Palazzi	Bank Julius Baer & Co. Ltd
Jack	Parker	JP Morgan
David	Petiteville	Royal Bank of Canada
Lars	Scheuerling	Deutsche WertpapierService Bank
Sascha	Schönsiegel	Cofinpro
Sladjan	Seferovic	Cofinpro
Kristi	Sisa	Nasdaq
Jan	Stelzer	Cofinpro
AN	Tran Quoc	Standard Chartered Bank
Gabor	Varga	Swiss Re
Damien	Veillard	BNP Paribas
Deepa	Viswanathan	Deutsche Bank AG
Frank	Wang	Deutsche Bank AG

Hannah	Elson	JP Morgan
Haroun	Boucheta	BNP Paribas (Co-Chair)
Chris	Lam	BNY Mellon
Ekaterina	Andropova	Cognizant
Nadra	Mueller	Deutsche Bank
Danny	Green	Broadridge
Caroline	Diggines	Northern Trust

Bill Hodash, Colin Parry (PMO)

Agenda

1. ESMA Call for Evidence- European Task Force Plans
2. ISSA T+1 Global Impacts Paper – Process for Drafting

1. ESMA Call for Evidence – European Task Force Plans

Key Points Addressed

- Haroun was traveling and unable to attend today's meeting but will continue with Colin participating in the European Task Force's drafting of a response to the ESMA Call for Evidence.
- The Task Force response is being drafted in separate pieces and will be brought together in a single first draft for Task Force member comments and edits. It is not clear when that first full draft will be distributed.
- The Task Force has informed ESMA that the December 15 deadline for responses does not provide enough time to provide data supporting all answers to the questions and if that data is required, more time is required. It does not appear that the December 15 deadline will be extended, thus the Task Force response will be more qualitative than quantitative in nature. It has not been decided whether the Task Force will continue work after submitting its response to document the data supporting its answers in the response and later offer that to ESMA.
- There is a T+1 Workshop sponsored by ESMA on 4 December, Haroun and Kamala will attend and will report back to the ISSA Working Group on any developments, especially that could impact our own draft paper.
- ISSA plans to join the Task Force response to the ESMA Call for Evidence but will not supply its own response. Colin will however submit a letter to ESMA indicating that it is supporting the Task Force response and has just issued its own paper highlighting the cross-border impacts of the move to accelerate the settlement cycle to T+1.

2. ISSA T+1 Global Impacts Paper – Process for Drafting

Bill shared the current draft and went through each section, discussing its high-level content and extent of completion and what is needed to complete a first draft.

Key Points Addressed

- The paper has progressed such that most sections are now drafted, and the remaining sections have been assigned to authors.
- Missing sections and assigned authors are:
 - India Case Study: Deepa and Prasanna
 - Stock Loan Returns: Haroun and Damien
 - ETFs, DRs, Dually Listed Securities: Haroun and Damien
 - Executive Summary (last section to be drafted): Bill
- Simon offered to add a summary of a recent paper published by ESMA entitled: “Improving the Settlement Efficiency Landscape in Europe”.
- Koen will be attending a Corporate Action Workshop late this week and that will focus on T+1 impacts. After that session he will edit the section Kamala drafted on the T+1 Impacts on Corporate Actions.
- It was agreed that we will add data on the Percentage of U.S. equities held by international investors and what portion of that are held by investors in each region, likely taking that from the GFMA analysis.
- The Business Case section now features a chart indicating ISSA’s view of the benefits derived for each market segment and costs incurred by each market segment. The text under it is meant to show that domestic markets considering accelerating their settlement cycles should reach out very early, well before proposing potential target dates or potential rules, to all market segments but especially to those that may have a less beneficial cost/benefit impact from an accelerated settlement cycle. That combined with the information in other sections on the factors that are more challenging for international investors should make clear that deep analysis of the cross-border issues, conducted with the various international segments should be conducted well prior to deciding to move forward.
- The draft has been loaded to a document sharing tool called Diligent that ISSA. Colin permissioned all WG members who are the only person representing their firm, but in cases where there are two or more representatives for a firm, he requested that they choose one person to be permissioned on Diligent. WG members can then review the document as it progresses and add comments for the authors to consider.
- We hope to have a first full draft by November 28 and then a second draft before the 4 December ESMA Workshop. At our 5 December WG meeting we will discuss the draft and call for final comments with an aim to publish it on 15 December when the responses to the ESMA Call for Evidence are due.

AOB and Close

After the meeting Bill received an update from CLS:

- CLS has received input from 90% of its members and are actively engaged at collecting the final 10%. CLS staff will then spend the one to two months digging deeper into some of the responses to ensure their members have explored and factored in the implications thoroughly.

- For responses received thus far, around 80-85% of members say there is either no or minimal impact for a 30-minute move, 66% feel similarly for a 60-minute move, whilst 25% say there will be significant impact for a 90-minute move. Due to the nature of the multi-lateral netting service, CLS will need to ensure all members are able to make changes and can fully support funding and requirements for settlement, so more investigation is required.

- CLS also reviewed the section of the ISSA draft paper discussing this exploration and provided a couple edits.

No other business raised. The meeting was then closed.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Draft the first full paper/WG members review and add comments on Diligent. Finalize Draft Paper	Haroun, Kamala and Bill/WG Members	28 November/5 December
2.	Distribute first draft of European Task Force response to ESMA Call for Evidence/WG members' review	Haroun, Colin/WG Members	28 November