



Operationalizing T+1
Pulse survey

the ValueExchange 

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TMX

afme / asifma
EFAMA / BITC

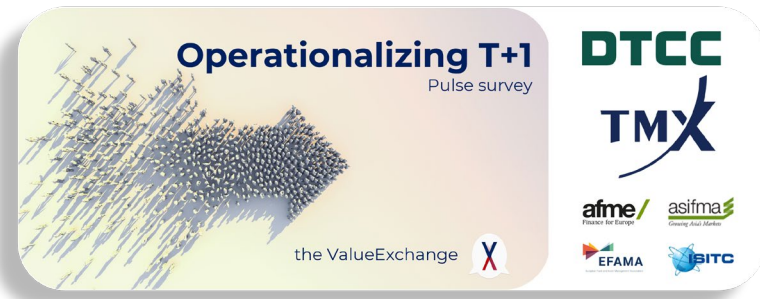
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Operationalizing T+1

Pulse survey findings (Sep 2023)

Operationalizing T+1 in September 2023



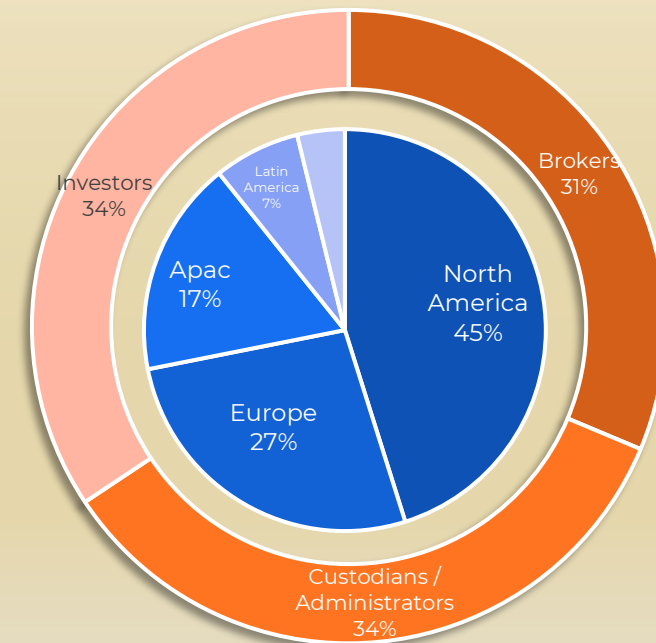
With 8 months remaining before the transition to T+1 settlement cycles in the USA and Canada, how, where and when are we preparing to remove a day from our trade processing?

Led by **DTCC** and **TMX**, with the support of **AFME**, **ASIFMA**, **EFAMA** and **ISITC**, this ValueExchange survey sets out to explain how the world is preparing for T+1 today. Building on the unique insights gained during our January 2023 survey, this is intended to provide a picture of how our preparation journey is evolving - through practical, statistical insights that can directly contribute to your own thinking.

This document summarises the **key statistical findings** of our campaign. If you would like to benchmark your own T+1 plans then please complete our global survey using the QR code below. If you would like to discuss your preparations further, please contact us at info@thevalueexchange.co

Who participated in our campaign?

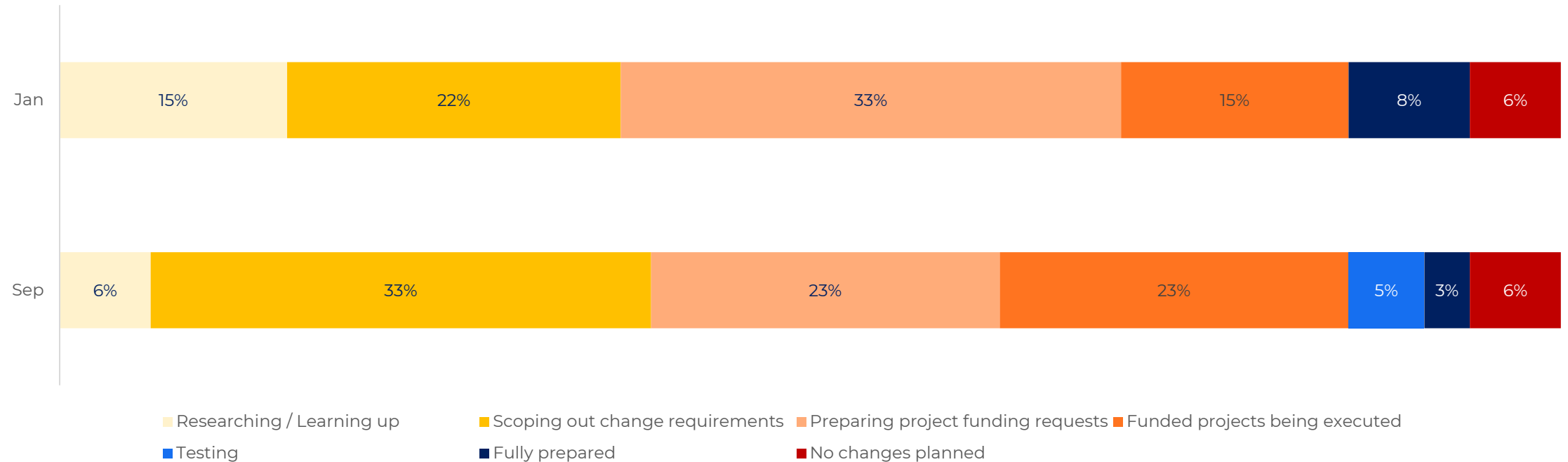
As a truly industry-wide survey, we have benefited from the insights of over **306 specialists across the investment-cycle globally so far**. These respondents are broken down as follows:



How ready are we for T+1?

72% of the industry is mobilizing around T+1 but a quarter is still in planning stages

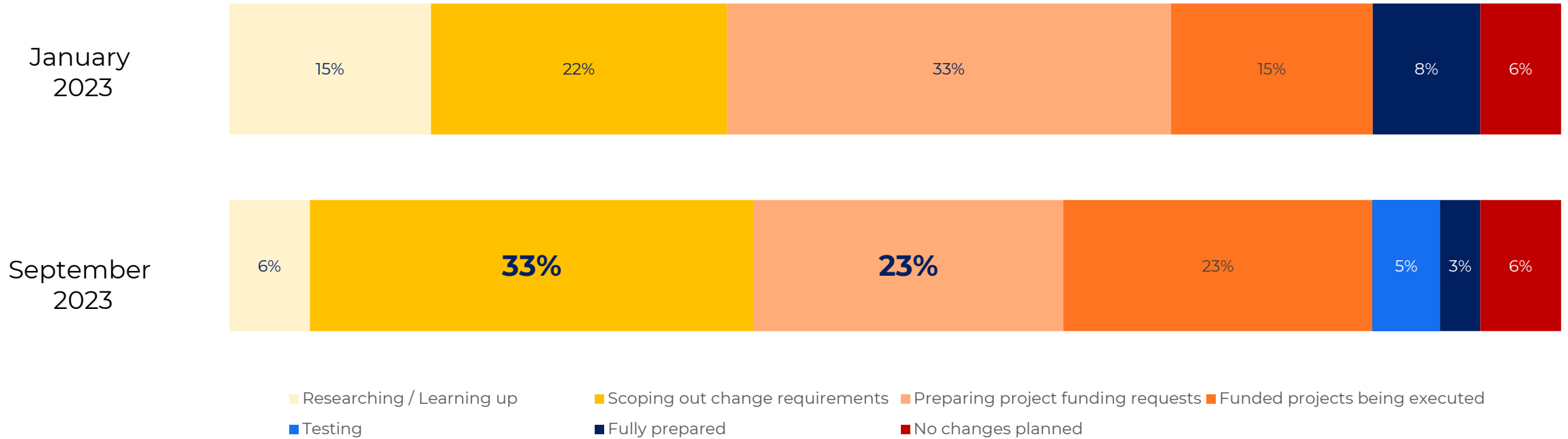
Chart Title



How ready are we for T+1?

72% of the global industry is mobilizing around T+1 but more than half of Canadian investors are still in planning stages

T+1 readiness
(% of respondents by readiness stage, Canadian investors)

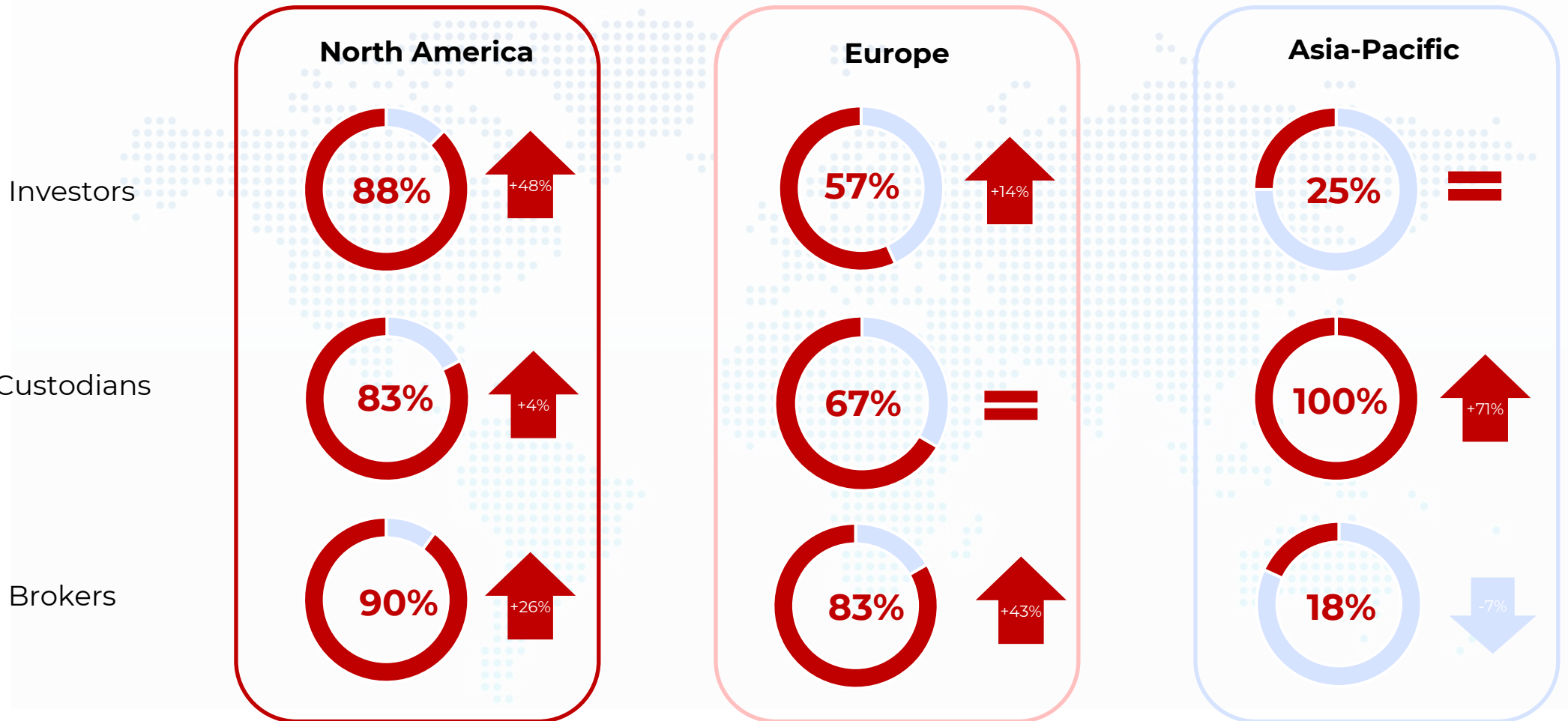


Where are we working on T+1?

No signs of investor momentum in Asia but Europe is progressing

T+1 readiness

(% of respondents per segment/region who are in project, testing or fully prepared modes for T+1)

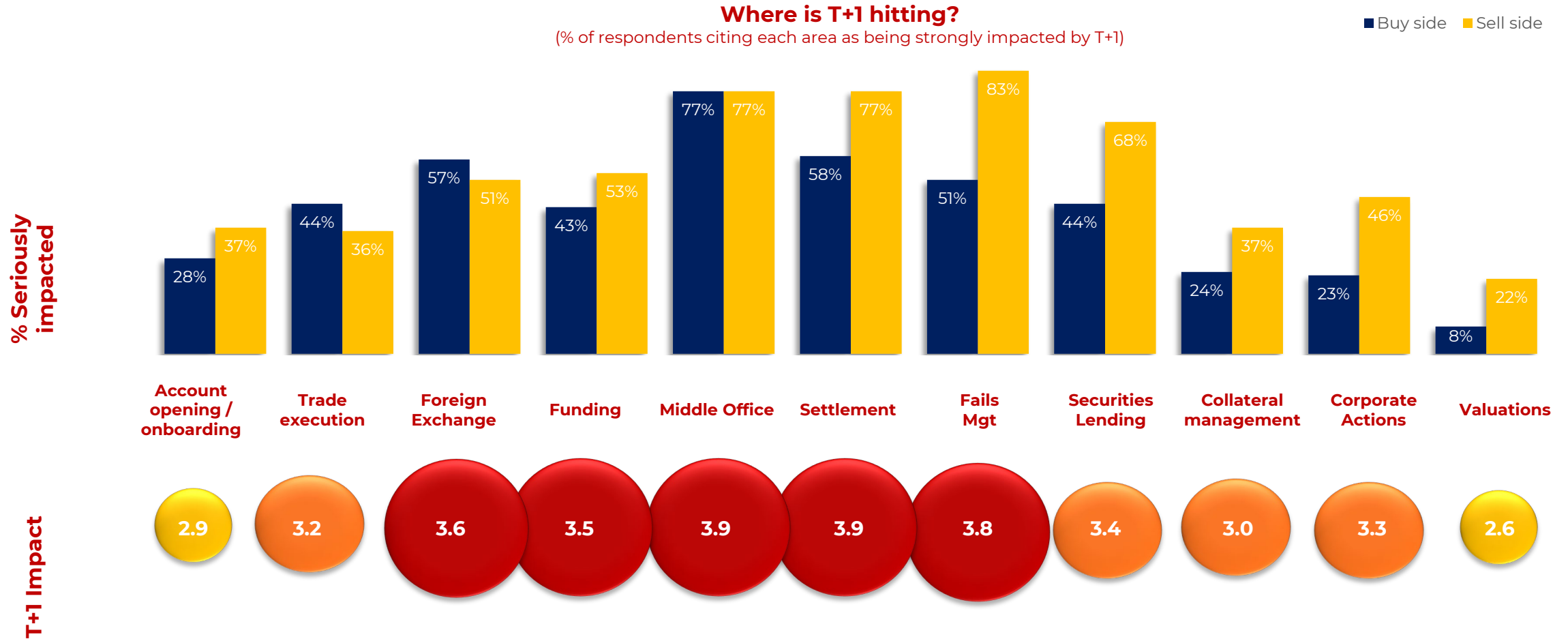


Indicates change in readiness since January 2023



Where is T+1 impacting us?

T+1 is a middle office and funding issue, especially for investors



Where is T+1 impacting us?

Trade processing in North America, Funding and Middle office in Europe and Asia

Time-zones are driving the T+1 impact



North America

3.2



Europe

3.3

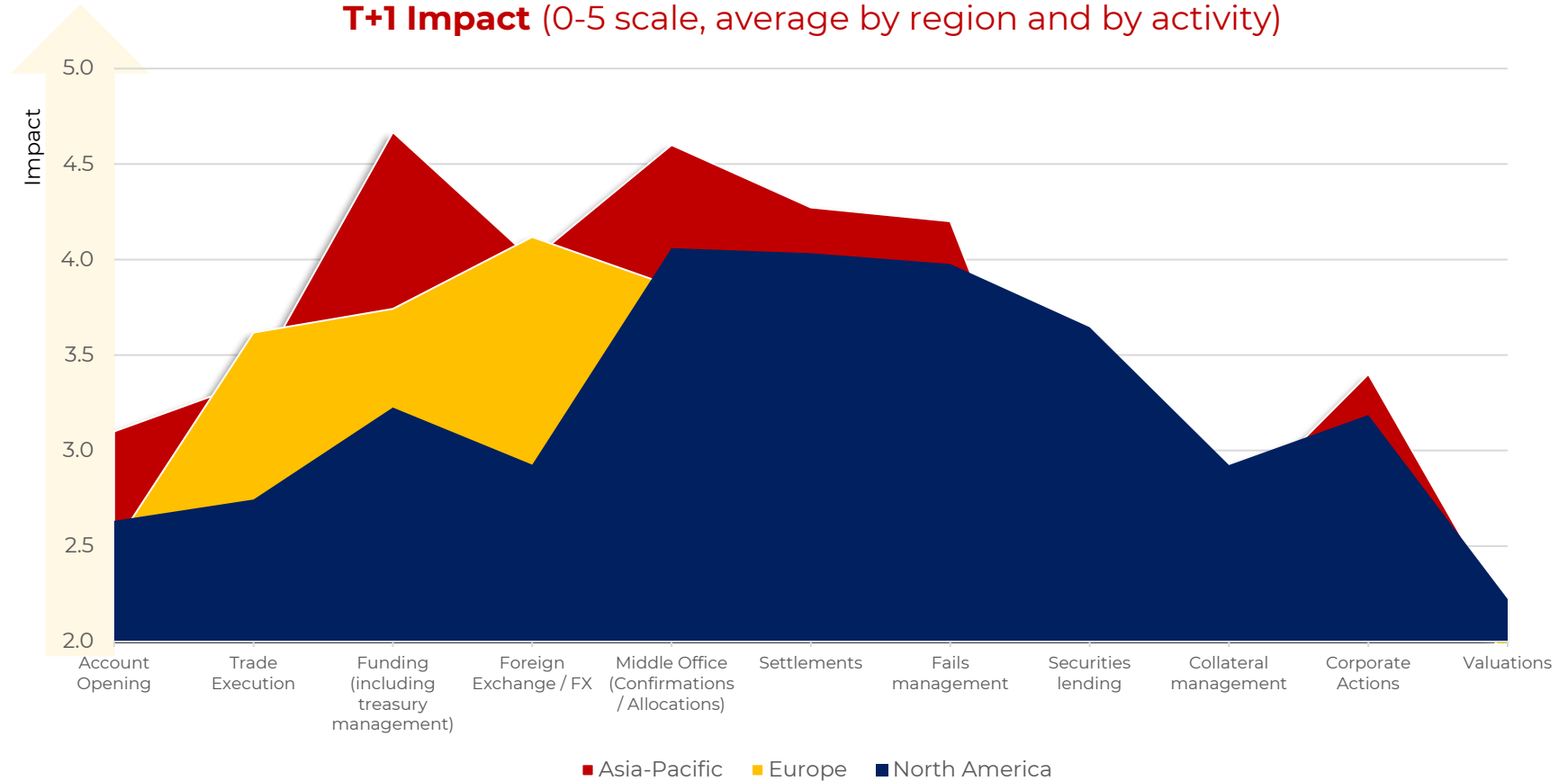


Asia-Pacific

3.5



T+1 Impact (0-5 scale, average by region and by activity)



What do we expect to do on day one?

Significant readiness around key market timings – yet and only 55% know their SBL plans

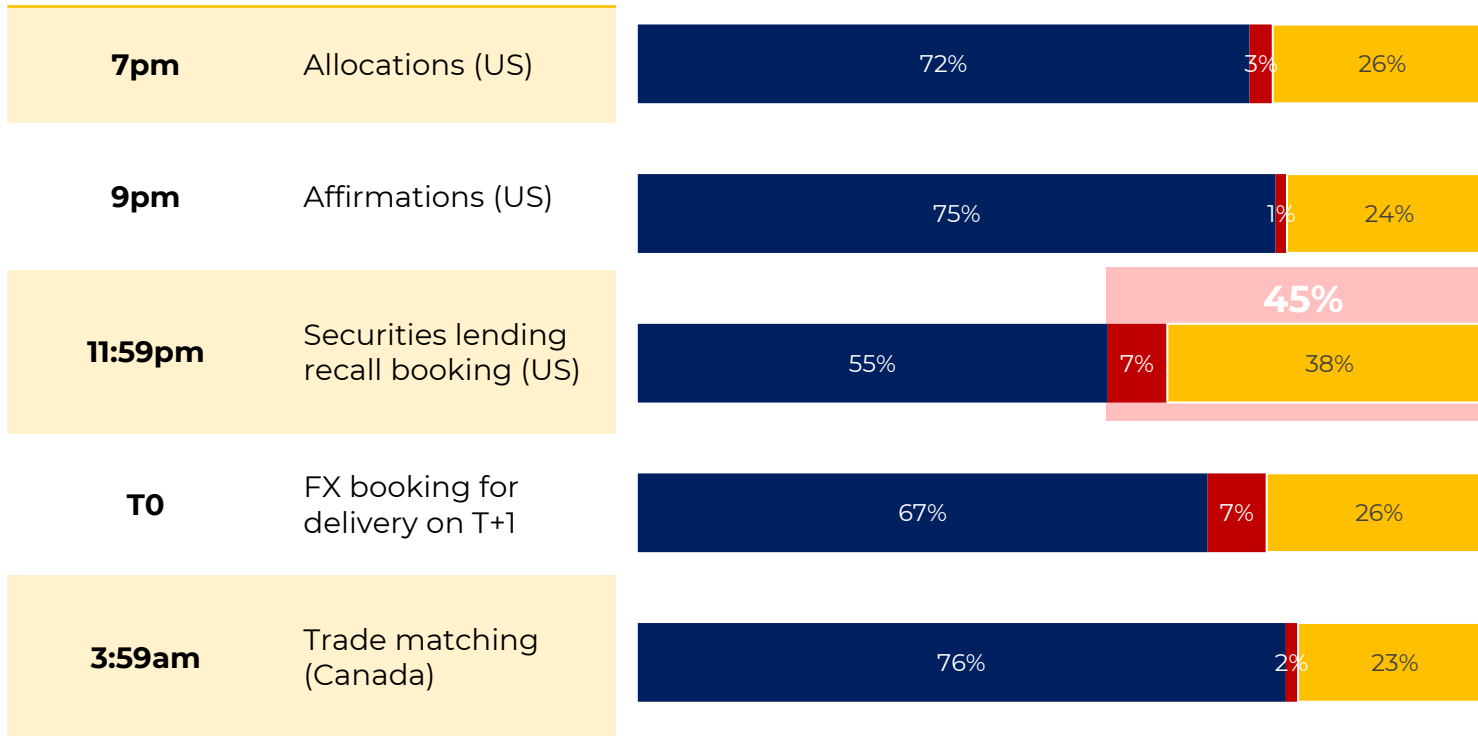


Time (ET)



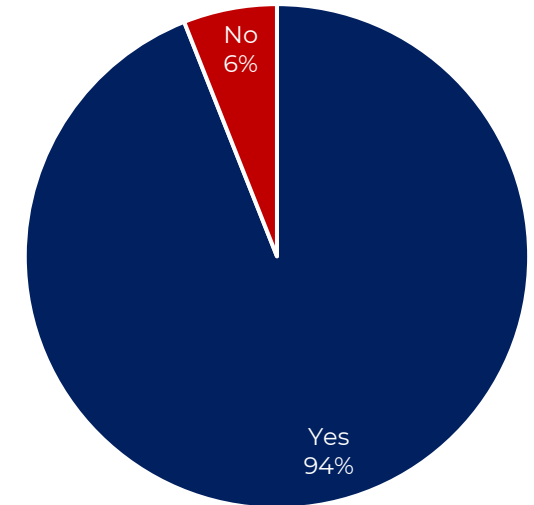
Key task

Do you expect to complete each task by this time?
(% of respondents per task)



■ Yes ■ No ■ Don't know

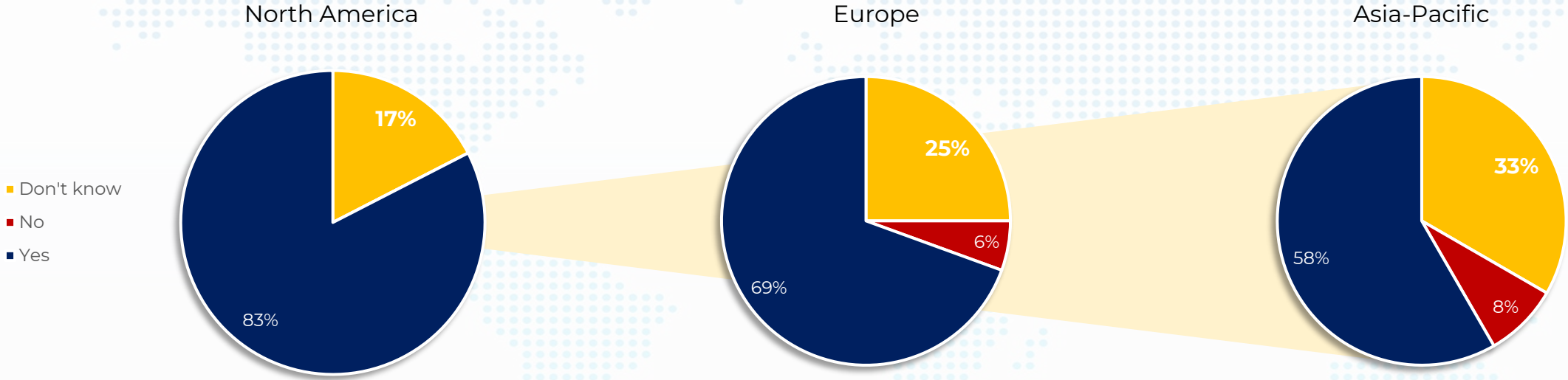
Ability to meet 3:59am matching guideline (% of Canadian investors already working on T+1)



What will happen to trade affirmations?

Less clarity and more resistance in Europe and Asia-Pacific: Causing risk for US brokers

What will happen to affirmations? Still TBC
(Plans to affirm by 9pm ET, by region)

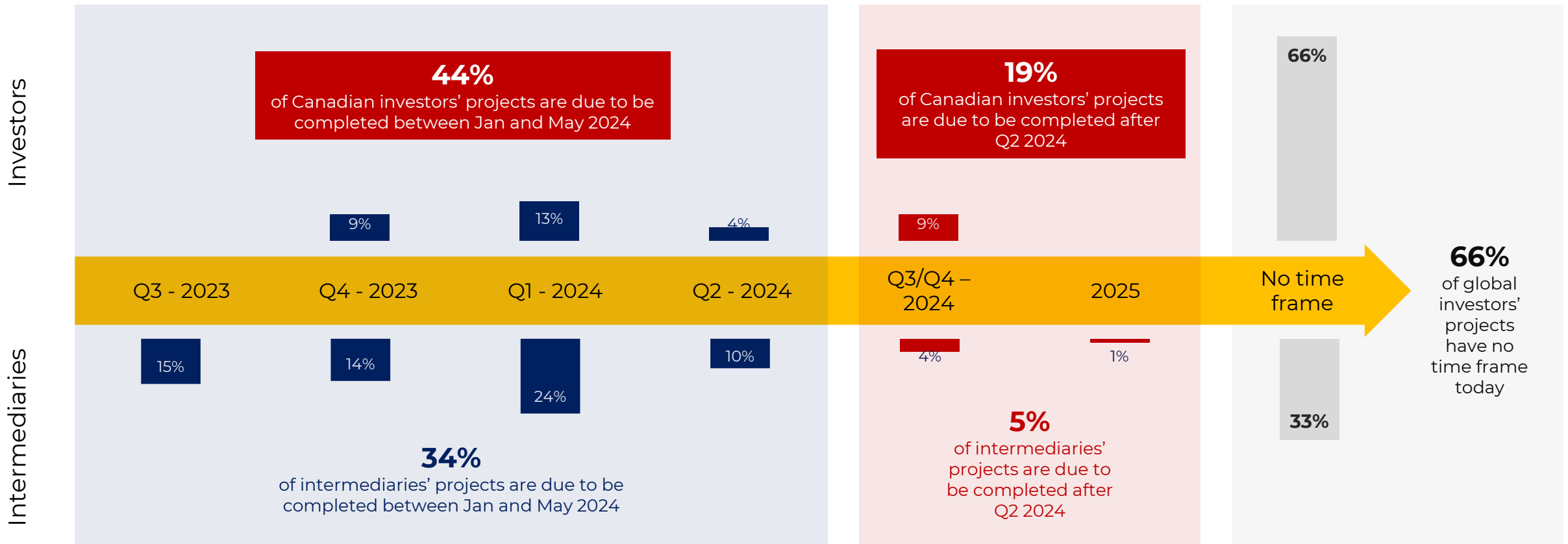


What is the industry project plan?

Investors' project plans are very open-ended – are we already planning to be late?

T+1 project activity

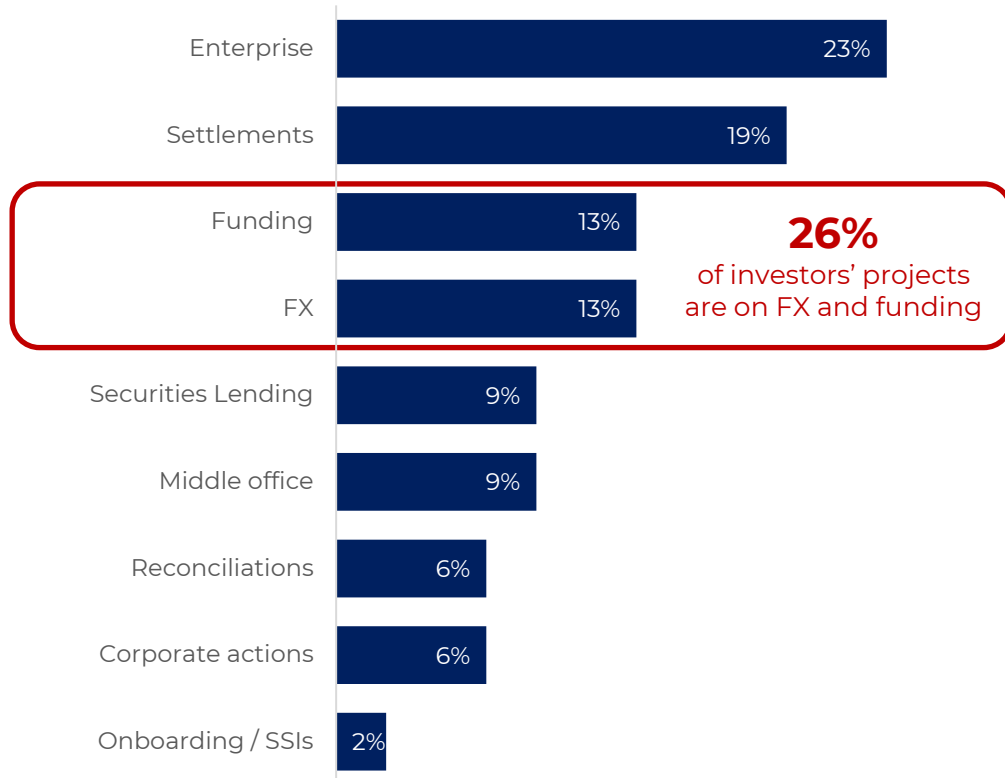
(Average distribution of project work by time-frame, by segment)



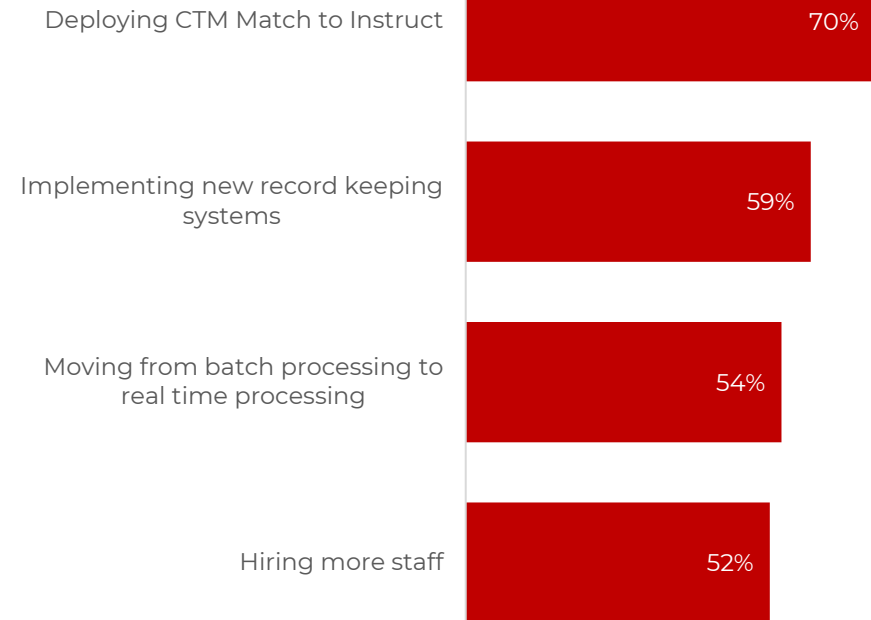
What is the industry project plan?

T+1 is an enterprise project – but FX/funding projects are as needed as settlement changes

Investors' T+1 Project Activity
(Average distribution of projects)



Key Projects for Canadian investors

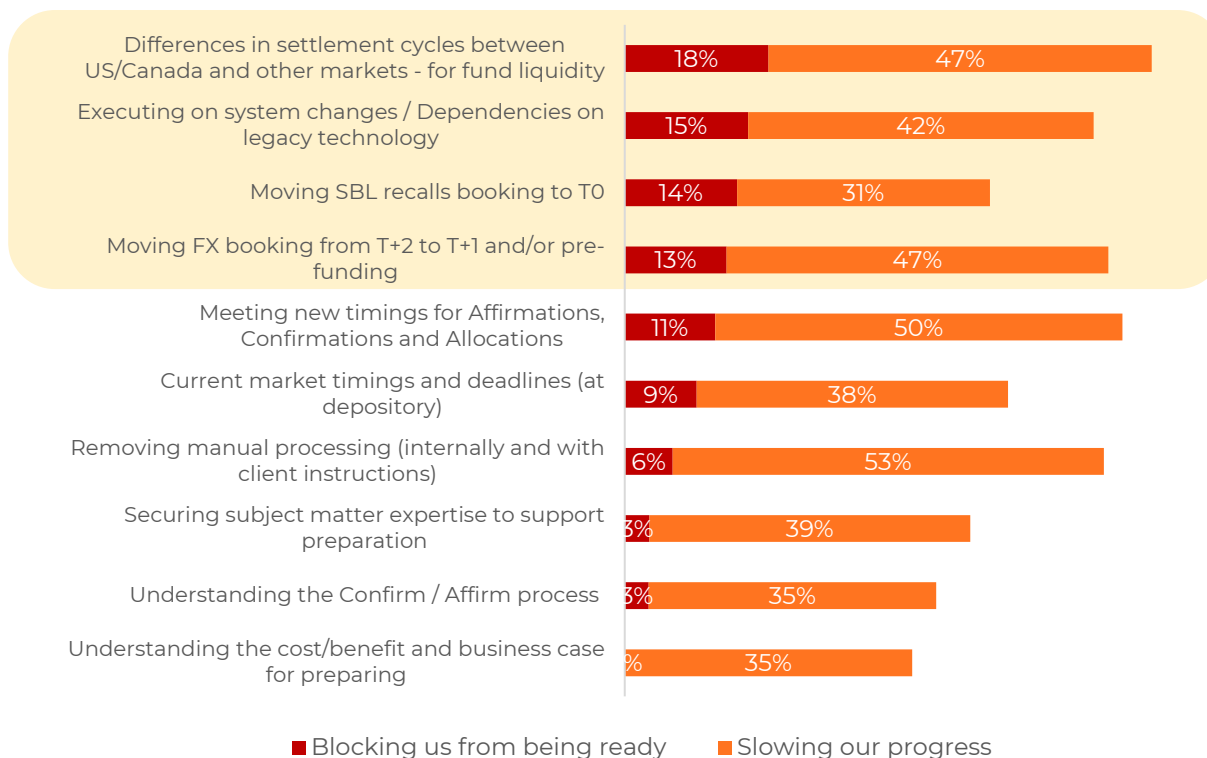


Why are we struggling?

Over 65% of investors and intermediaries are struggling with non-settlement issues: notably in funding and SBL

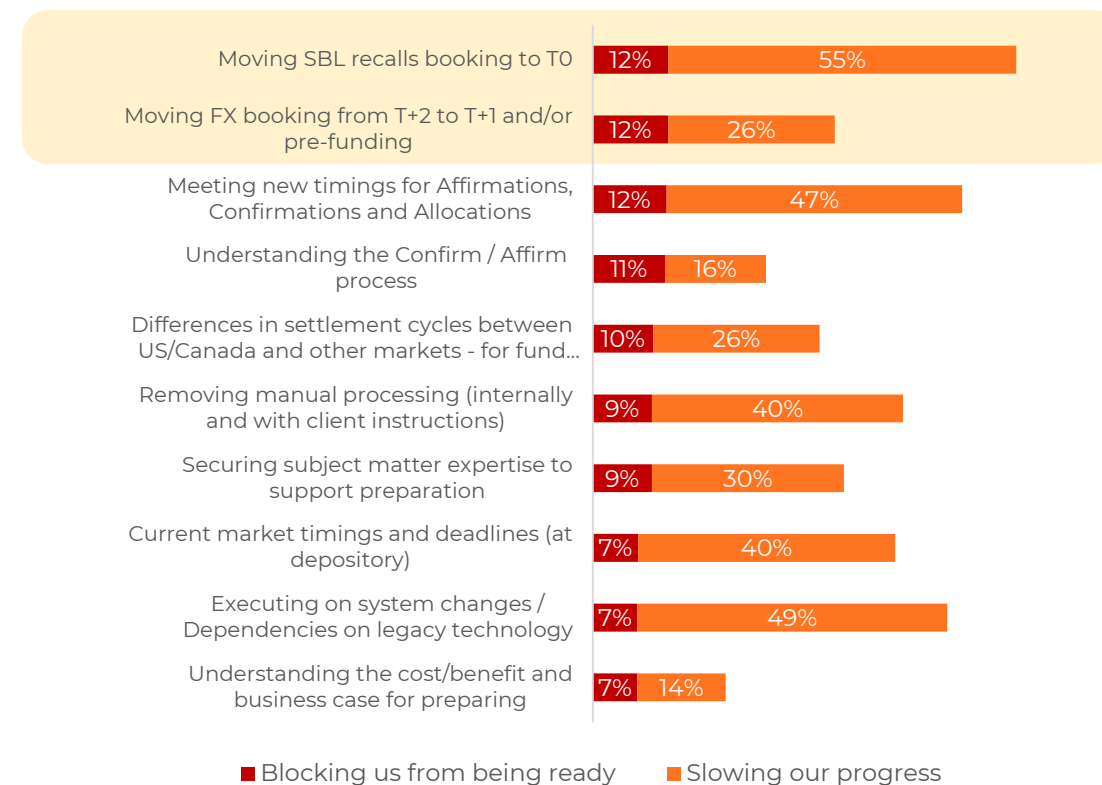
Investors' key challenges

(% of respondents citing each issue, by impact)



Intermediaries' key challenges

(% of respondents citing each issue, by impact)

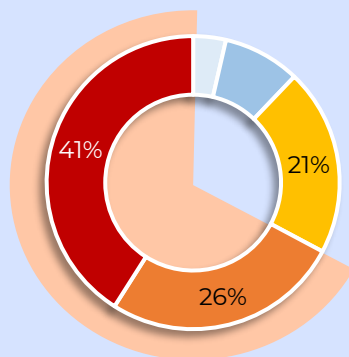


Where can we accelerate readiness?

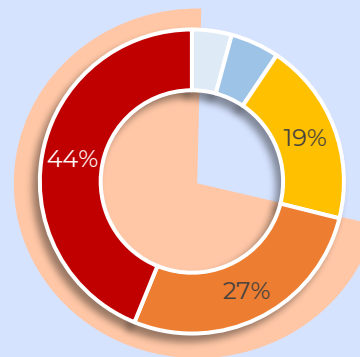
More trade-flow automation – a key enabler for over 70% of respondents



Changes to market timings and deadlines

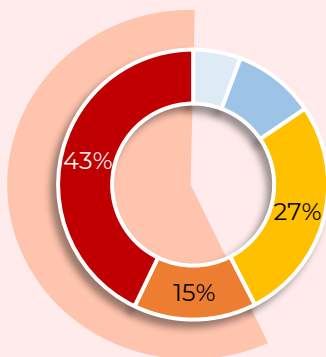


CTM's Match to Instruct (M2i) workflow

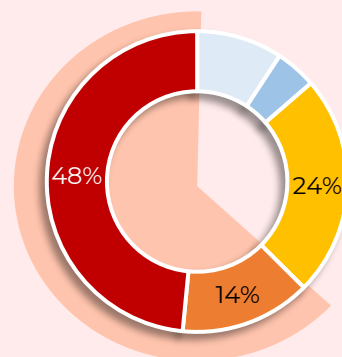


- No value
- Limited value
- Valuable
- High value
- Essential

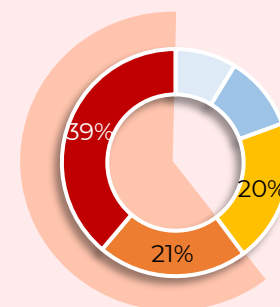
Changes to market timings and deadlines



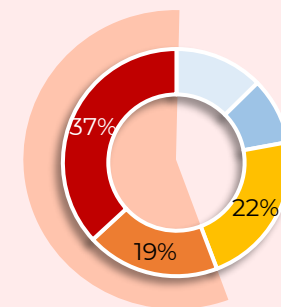
CTM's Match to Instruct (M2i) workflow



Auto-recalls solution at CSD



Auto-borrowing (securities locator)

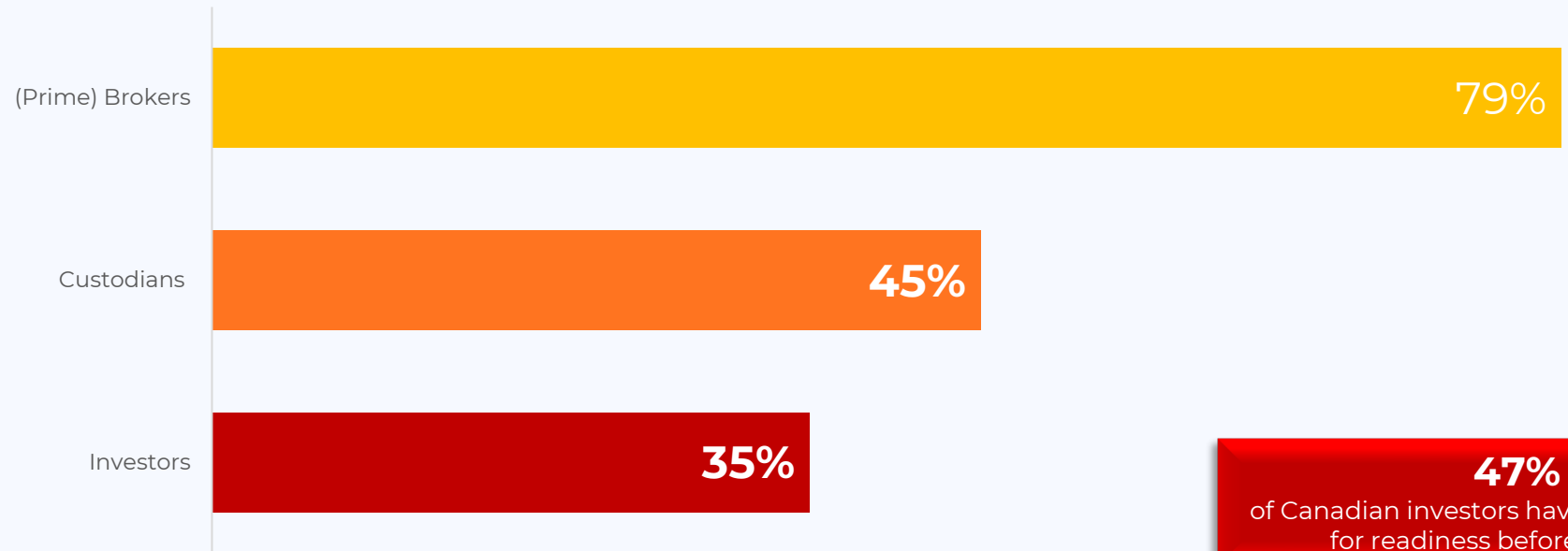


What are our testing plans?

Only one third of investors plan to run end-to-end tests before May 2024

Do you plan to run end to end testing (including with brokers/custodians and service providers) before May 2024?

(% of respondents responding "yes")



47%
of Canadian investors have no plans to test for readiness before May 2024



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