Goodmans LLP Update

Corporate Securities Law

April 28, 2017

Canadian Securities Regulators Adopt Final Rules for T+2 Settlement

On April 27, 2017, the Canadian Securities Administrators (CSA) published final amendments to National Instrument 24-101 I*nstitutional Trade Matching and Settlement* and its companion policy to support the transition to a T+2 settlement cycle (two business days following the trade date) for equity and long-term debt market trades.

Currently, the standard settlement cycle for these transactions is T+3 (three business days following the trade date). The move by the CSA follows the decision by the Securities and Exchange Commission to shorten the settlement cycle for most trades from T+3 to T+2 later this year. The CSA amendments will become effective at the same time as U.S. markets move to a T+2 settlement cycle, expected to be on or about September 5, 2017. The shift to a T+2 settlement cycle also aligns Canadian capital markets with a number of other markets already operating on a T+2 settlement cycle, including Asia-Pacific, Europe and Australia.

The CSA (other than the British Columbia Securities Commission) have also published a proposal to shorten the settlement cycle for conventional mutual fund trades from T+3 to T+2. The CSA has requested comments on this proposal by July 26, 2017.

Please contact any member of our Corporate Securities Group to discuss these developments.