

MEMO# 30448

December 5, 2016

IDC Files Comment Letter Supporting Move to T+2 Settlement Cycle

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TO: Investment Company Directors SUBJECTS: Fund Governance
Settlement

Trading and Markets RE: IDC Files Comment Letter Supporting Move to T+2 Settlement
Cycle

IDC filed the attached comment letter with the SEC strongly supporting its proposal to shorten the standard settlement cycle for most broker-dealer transactions from three business days after the trade date ("T+3") to two business days after the trade date ("T+2").[\[1\]](#)

For the past several years, the fund industry has worked with other market participants to shorten settlement cycles to T+2 for a range of securities, and an SEC rule amendment is a key step in this process.[\[2\]](#) IDC's letter states that a shorter settlement cycle would reduce operational and counterparty risks, enhance liquidity, promote better use of capital, and create significant process efficiencies, and that these benefits would flow to funds and their shareholders.

Annette Capretta
Deputy Managing Director

[Attachment](#)

endnotes

[\[1\]](#) Amendment to Securities Transaction Settlement Cycle, Release No. 34-78962 (September 28, 2016). The Commission proposes to amend rule 15c6-1(a) under the Securities Exchange Act of 1934 to shorten the standard settlement cycle.

[\[2\]](#) See [Shortened Settlement Cycle Resource Center](#) for a description of this initiative.

should not be considered a substitute for, legal advice.