

**MEMO# 29583**

December 21, 2015

# Industry Steering Committee to Shorten the U.S. Securities Settlement Cycle Publishes T+2 Implementation Playbook

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TO: ACCOUNTING/TREASURERS COMMITTEE No. 31-15  
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 40-15  
BROKER/DEALER ADVISORY COMMITTEE No. 55-15  
EQUITY MARKETS ADVISORY COMMITTEE No. 30-15  
OPERATIONS COMMITTEE No. 29-15  
SECURITIES OPERATIONS ADVISORY COMMITTEE  
SMALL FUNDS COMMITTEE No. 34-15  
TRANSFER AGENT ADVISORY COMMITTEE No. 66-15  
INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 32-15 RE: INDUSTRY STEERING COMMITTEE TO SHORTEN THE U.S. SECURITIES SETTLEMENT CYCLE PUBLISHES T+2 IMPLEMENTATION PLAYBOOK

On December 18, 2015, ICI and SIFMA—as co-chairs of the Industry Steering Committee (ISC) to shortened the securities settlement cycle in the U.S. [\[1\]](#)—submitted a T+2 Industry Implementation Playbook [\[2\]](#) to the Securities and Exchange Commission (SEC). As requested by SEC Chair Mary Jo White in her letter of September 16, 2015 [\[3\]](#), to ICI and SIFMA, the Playbook includes a detailed timeline, milestones, and dependencies to achieve a shortened settlement cycle for equities, corporate and municipal bonds, unit investment trusts, and financial instruments composed of these products traded on the secondary market.

## Background

On June 18, 2015, ICI and SIFMA submitted a letter [\[4\]](#) to the SEC requesting specific regulatory changes required for the move to the T+2 settlement cycle. SEC Chair White responded with her letter of September 16 indicating her support for the move to T+2, requesting that the industry continue to pursue migration to a shortened settlement cycle and provide the SEC with a “detailed implementation schedule, including interim milestones and dependencies, by December 18, 2015.”

In October 2015, ICI and SIFMA—as ISC co-chairs—engaged Deloitte Advisory LLC to

facilitate the discussions around and drafting of the Playbook, working with more than 150 industry participants, including retail and institutional buy-side and sell-side firms of various sizes, service providers, clearing firms, exchanges, transfer agents, the Depository Trust and Clearing Corporation, and others. Deloitte organized meetings to build on the high-level assessment defined in the industry white paper released in June 2015. [5] The outcome of this work is reflected in the Playbook, which provides a suggested guideline for use by industry stakeholders to meet the Q3 2017 goal for migration to T+2 settlement.

## **The T+2 Industry Implementation Playbook**

The Playbook consists of seven sections. The first three sections—trade processing, asset servicing, and documentation—are based on requirements described in the industry white paper, while the last four sections contain additional considerations and lay out the testing and migration roadmap for the move to T+2. The Playbook includes implementation timelines that provide suggested guidelines for regulatory and industry actions, market participant implementation, industry testing, and migration milestones and dependencies identified by the industry to meet the Q3 2017 timeframe.

## **Next Steps**

The Institute will continue engaging with members to educate them on the effects of the Playbook and collaborate with them toward the ultimate move to T+2 settlement. Through various member committees, memoranda, and the T+2 member resource page, the Operations Department will provide regular updates on the industry initiative, and will seek member input on the progress and on any challenges that arise as members continue toward a shortened settlement cycle.

As co-chair of the ISC, ICI will continue to work with the various industry groups and regulators, focusing on regulatory outreach, developing a broader industry communication plan, conducting testing, and implementing the plan. The ISC and Industry Working Group will continue to meet on a regular basis to monitor, measure, and report on the T+2 migration progress. Additionally, the ISC will determine a specific implementation date that will be communicated to industry stakeholders once decided.

If you have any questions please contact Marty Burns at [mburns@ici.org](mailto:mburns@ici.org), or Ahmed Elghazaly at [ahmed@ici.org](mailto:ahmed@ici.org)

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Chief Industry Operations Officer

### **endnotes**

[1] For more background on the T+2 initiative and its benefits see <http://www.ici.org/ssc/background>.

[2] The Implementation Playbook can be accessed at <http://www.ust2.com/pdfs/T2-Playbook-12-21-15.pdf>

[3] See SEC Chair White, Letter to SIFMA and ICI on Shortened Settlement Cycle, September 16, 2015, at <http://www.ust2.com/pdfs/SEC-Letter-to-SIFMA-ICI-09162015.pdf>

[4] The letter to the SEC is available at <http://www.ust2.com/pdfs/SSCregfinal.pdf>

[5] To view the white paper, visit [www.ust2.com/pdfs/ssc.pdf](http://www.ust2.com/pdfs/ssc.pdf)

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