

MEMO# 33828

October 18, 2021

ICI Global Letter to the Securities and Exchange Board of India on the T+1 Settlement Cycle Circular

[33828]

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TO: ICI Members
ICI Global Members
Global Operations Advisory Committee
Global Operations Advisory Committee - Asia
Global Regulated Funds Committee
Global Regulated Funds Committee - Asia
Global Trading & Markets Committee
Securities Operations Advisory Committee
SUBJECTS: International/Global Operations
Settlement RE: ICI Global Letter to the Securities and Exchange Board of India on the T+1 Settlement Cycle Circular

On October 18, 2021, ICI Global submitted the attached letter to the Securities and Exchange Board of India (SEBI) regarding SEBI's circular[\[1\]](#) introducing T+1 rolling settlement on an optional basis for Indian equities with an effective date of January 1, 2022.

In the letter we commend SEBI for taking action to improve the post trade infrastructure in the Indian equity market and support the objective of moving to T+1 settlement. We, however, strongly urge SEBI to delay the implementation timeline by 18 months and, concurrently, to further consider how the move to T+1 settlement should be adjusted to better fit the unique needs of FPIs. We explain the potential impact of a T+1 settlement cycle on FPIs investing in the market, and why a delay would provide FPIs and other market participants adequate time to review, adjust, and test their processes ahead of a transition. Finally, we request that SEBI grant an exemption to FPIs from the optional T+1 settlement cycle if SEBI does not delay the implementation date.

Ahmed Elghazaly
Director, Securities Operations

Eva M. Mykolenko
Associate Chief Counsel - Securities Regulation

endnotes

[1] Available at https://www.sebi.gov.in/legal/circulars/sep-2021/introduction-of-t-1-rolling-settlement-on-an-optional-basis_52462.html.

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