

NEWS RELEASE

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SIFMA, ICI, and DTCC Publish T+1 Implementation Playbook as the Industry Readies for Accelerated Settlement

New Resource Provides Guidance Around Activities, Timelines, Dependencies, and Risks Associated with a Move to T+1

Washington, DC/New York/London/Hong Kong/Singapore/Sydney/Brussels, August 1, 2022—The Securities Industry and Financial Markets Association (SIFMA), the Investment Company Institute (ICI), and The Depository Trust & Clearing Corporation (DTCC) today published [*The T+1 Securities Settlement Industry Implementation Playbook*](#).

The Playbook outlines a detailed approach to identifying the implementation activities, timelines, dependencies, and risk impacts that market participants should consider to prepare for the transition from the current trade date plus 2 days (T+2) settlement cycle to a trade date plus one day (T+1) settlement cycle. Deloitte & Touche LLP was engaged by SIFMA and ICI to assist in the drafting of this Playbook.

“As part of ongoing efforts to decrease risk in the system, SIFMA, ICI, and DTCC started discussions in 2020 and formally initiated the effort to accelerate the settlement cycle to T+1 in early 2021,” said Kenneth E. Bentsen, Jr., SIFMA president and CEO. “This February, we welcomed the SEC’s leadership in supporting the acceleration of the settlement cycle to T+1 via its proposal, which provides regulatory certainty to market participants. Today we are pleased to offer all impacted market participants a guide to follow as they develop their implementation plans for moving to T+1 settlement in 2024.”

The Playbook was developed as a guide for market participants to identify areas impacted by shortening the settlement cycle and considerations that should be addressed. Every firm has different infrastructure, businesses, and clients, as well as operational processes and geographies that need to be taken into account. It is important to note that, because the SEC’s proposal to shorten the settlement cycle is not yet final, the Playbook serves as a guide to assist with the many complex steps involved in the move to T+1. The Playbook assumes a third quarter 2024 transition date to a T+1 settlement cycle, subject to final regulatory approval, and it may be updated at a later time should regulators select a different transition date.

This is a complex ecosystem that requires full industry participation with the support of

regulators, working together to make an efficient, effective and risk-free transition to a T+1 settlement cycle.

“ICI is pleased to coordinate with DTCC, SIFMA, and the SEC on the industry-wide effort to shorten the settlement cycle to T+1,” said Eric J. Pan, president and CEO of ICI. “Moving to T+1 will provide increased efficiencies for both investors and market participants and reduce settlement risk. The Playbook released today will be a helpful roadmap for our industry, building on the success of the move to T+2. We look forward to continuing to lead the industry’s efforts with our partners at DTCC and SIFMA and updating this Playbook as our conversations with the SEC develop. I am confident that the Commission will finalize a rule that works for all market participants and best serves all investors.”

The Playbook consists of 14 sections. Two sections provide overviews of the previous move to a T+2 settlement cycle and the approach for the latest Playbook. Eight sections explore specific areas of the trade lifecycle including Trade Processing, Asset Servicing, Documentation, Securities Lending, Prime Brokerage, and Funding and Liquidity Considerations. The remaining sections outline matters related to Regulatory Changes, Global Impacts, Primary Offerings, Buy-Side Considerations, Industry Testing and Migration Plans, as well as the associated resources needed for market participants to prepare for the transition to T+1.

“The Playbook provides a robust strategy and plan for market participants to follow to prepare for the move to T+1,” stated Michael Bodson, president and CEO at DTCC. “The Playbook reflects the experiences and lessons learned during the seamless transition from T+3 to T+2 in 2017, and we are confident it provides a clear and defined roadmap to further accelerate the settlement cycle in the most efficient manner possible while mitigating risk. We look forward to our continued collaboration with SIFMA, ICI, the regulatory community and the industry.”

SIFMA, ICI, and DTCC partnered to lead the effort to shorten the U.S. securities settlement cycle to T+2 in 2017, which required significant coordination across the industry and spanned multiple operations, functions, and regulations. Similarly, moving to T+1 is a significant undertaking, and the organizations will partner with relevant stakeholders to achieve the many benefits of accelerating settlement to T+1.

“Moving to T+1 settlement is a transformational change for the securities industry,” said Bob Walley, principal, Deloitte & Touche LLP, who worked with SIFMA, ICI and DTCC to assist in drafting the Playbook. “The Playbook provides industry participants with an extensive document to help them understand the impacts of T+1 on their organization and to mobilize to prepare for this historic transition, which is designed to help reduce risk and modernize the settlement ecosystem for the industry.”

About SIFMA

SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial

Markets Association (GFMA).

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About ICI

The Investment Company Institute (ICI) is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI's members manage total assets of US\$29.1 trillion in the United States, serving more than 100 million US shareholders, and US\$9.6 trillion in assets in other jurisdictions. ICI carries out its international work through ICI Global, with offices in Washington, DC, London, Brussels, and Hong Kong.

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About DTCC

With over 45 years of experience, DTCC is the premier post-trade market infrastructure for the global financial services industry. From 21 locations around the world, DTCC, through its subsidiaries, automates, centralizes and standardizes the processing of financial transactions, mitigating risk, increasing transparency and driving efficiency for thousands of broker/dealers, custodian banks and asset managers. Industry owned and governed, the firm simplifies the complexities of clearing, settlement, asset servicing, data management, data reporting and information services across asset classes, bringing increased security and soundness to financial markets. In 2021, DTCC's subsidiaries processed securities transactions valued at nearly U.S. \$2.4 quadrillion. Its depository provides custody and asset servicing for securities issues from 177 countries and territories valued at U.S. \$87.1 trillion. DTCC's Global Trade Repository service, through locally registered, licensed, or approved trade repositories, processes 16 billion messages annually. To learn more, please visit us at www.dtcc.com or connect with us on [LinkedIn](#), [Twitter](#), [YouTube](#), [Facebook](#), and [Instagram](#).

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