

## NEWS RELEASE

September 12, 2024

# ICI, SIFMA and DTCC Release “T+1 After Action Report” Industry Coordination Led to Successful Transition, Reducing Risk and Costs in the System

**Washington, DC, September 12, 2024** - Investment Company Institute (ICI), The Securities Industry and Financial Markets Association (SIFMA), and The Depository Trust & Clearing Corporation (DTCC) today released the “[T+1 After Action Report](#),” which reviews the general project timeline for the shortened settlement cycle, including its key milestones and achievements. It also discusses several of the obstacles overcome in the three-plus year transition, the groundswell of global participation with the U.S. move, and some of the initial data points and positive impacts of the shift.

ICI, SIFMA, and DTCC first began working on accelerating settlement from two days after trade date (T+2) to one day after trade date (T+1) in 2021, intending to reduce settlement risk across U.S. capital markets. The organizations collaborated on leading the industry’s efforts to plan, coordinate and implement the successful transition to T+1, which became effective on May 28, 2024. Firms now can make better use of their capital and resources while promoting financial stability. Ultimately, T+1 has provided the appropriate balance between increasing efficiencies and mitigating risk for the industry.

The move to T+1 was successful, as demonstrated by various metrics:

### Affirmations:

- Nearly 95% of transactions are meeting the affirmation criteria by the 9:00 PM ET cutoff on the trade date, as set by The Depository Trust Company (DTC). This marks a notable improvement from the 73% affirmation rate recorded at the end of January 2024.

### Clearing Fund:

- In a T+1 environment, the NSCC Clearing Fund decreased on average by US\$3.0 Billion (23%) from the prior three-month average value of US\$12.8 Billion in a T+2 environment to US\$9.8 Billion. The NSCC Clearing Fund decreased on average by US\$2.4 Billion (20%) from the prior month average value of \$12.2 Billion in a T+2 environment to US\$9.8 Billion post T+1 implementation.

### Fail Rates:

- The average CNS Fail Rate for July 2024 was 2.12%, consistent with T+2 settlement rates.
- Similarly, the average DTC non-CNS fails rate was 3.31%. Again, consistent with T+2 settlement averages.

The report highlights the workstreams undertaken to achieve T+1 including ETFs and international issues as well as the need for close coordination across the industry, with the participation of market participant firms, infrastructure providers, and industry associations in the U.S. and internationally.

The report covers the coordinated support and work the industry did before, during and after transition weekend, including an Industry Command Center hosted by SIFMA that was critical to the success of the go-live and was a key enabler of the smooth transition.

Finally, the report discusses why, despite the success of the U.S. move to T+1, moving to T+0 (or same-day settlement) is not simply the next step in the process. It would require a comprehensive independent review. While T+1 has brought many benefits, further accelerating to T+0 as an industry standard could introduce significant risks and complexities. Instead, the focus should remain on global market adoption of T+1.