



PRESS RELEASE

For Release: Immediately

Contacts:

Hod Klein, Vested	+ 1 917 765 8720	hod@fullyvested.com
Harriet Leatherbarrow, Greentarget	+44 (0)20 7324 5483	harriet.leatherbarrow@greentarget.co.uk
Lisa Fong, Ryan Comm	+852 6903 3855	lisa@ryancommunication.com
Emma Cullen-Ward, OneProfile Comms	+61 2 8915 9900	emma@oneprofile.com.au

FINANCIAL SERVICES INDUSTRY COMMENDS SEC ON FINAL RULE TO FACILITATE A SHORTER SETTLEMENT CYCLE IN U.S.

A two-day settlement cycle will yield numerous benefits for investors, regulators and market participants

New York/London/Hong Kong/Singapore, 22 March, 2017 – The Depository Trust & Clearing Corporation (DTCC), ICI and SIFMA, on behalf of the T+2 Industry Steering Committee ([T+2 ISC](#)), commend the U.S. Securities and Exchange Commission (SEC) for finalizing rule changes that facilitate the industry’s transformational effort to achieve a two-day settlement cycle (T+2). The revised SEC rule establishes a standard settlement timeframe of two days for U.S. equity, corporate and municipal bond, and unit investment trust (UIT) trades, providing regulatory certainty to promote a coordinated and effective industry transition to T+2 on September 5, 2017.

Shortening the time it takes to settle trades from the current three-day cycle, known as T+3, to T+2 will provide [significant benefits](#) to investors and market participants. A shorter settlement timeframe will reduce credit, market and liquidity risks, promote financial stability, and align the U.S. with other T+2 settlement markets across the globe.

Shortening the settlement cycle is also consistent with the SEC’s focus on enhancing the resilience and efficiency of the national clearance and settlement system. Given the lower levels of risk associated with a shorter settlement cycle, DTCC estimates the move will reduce the average daily capital requirements for clearing trades through DTCC's National Securities Clearing Corporation (NSCC) by 25 percent, or \$1.36 billion. A shorter settlement cycle will further enhance U.S. market structure, improving safety and efficiency for investors.

Murray Pozmanter, Head of Clearing Agency Services and Global Operations and Client Services at DTCC, stated, “We are pleased to see the SEC take important action to align the U.S. settlement cycle with other key markets around the globe. We commend Acting Chairman Piwowar and Commissioner Stein for their dedication and leadership on this issue. This critical step will ensure

that market participants are working towards a common goal, which will ultimately reduce risks and costs for the benefit of the industry.”

“The SEC’s final rule represents a win for investors and our financial markets,” said Paul Schott Stevens, president and CEO of ICI. “A shorter settlement cycle will directly and tangibly reduce risks within U.S. capital markets, while better aligning our markets with those of other jurisdictions.”

“Shortening the time to trade settlement may sound simple, but in fact is a transformational effort to enhance the investor experience, reduce risk, and keep the U.S. competitive with global markets,” said Kenneth E. Bentsen, Jr., SIFMA president and CEO. “The SEC’s action marks a critical milestone and the last major hurdle in the T+2 effort. Moving forward, robust planning and coordination among the industry and regulators will be essential to meet the T+2 target date of September 5, 2017.”

- End -

Notes to Editors

For additional information and updates on the T+2 migration, visit <http://www.ust2.com/>

About DTCC



Securing Today. Shaping Tomorrow™

With over 40 years of experience, DTCC is the premier post-trade market infrastructure for the global financial services industry. From operating facilities, data centers and offices in 16 countries, DTCC, through its subsidiaries, automates, centralizes and standardizes the post-trade processing of financial transactions, mitigating risk, increasing transparency and driving efficiency for thousands of broker/dealers, custodian banks and asset managers worldwide. Industry owned and governed, the firm simplifies the complexities of clearing, settlement, asset servicing, data management and information services across asset classes, bringing increased security and soundness to the financial markets. In 2015, DTCC’s subsidiaries processed securities transactions valued at more than US\$1.5 quadrillion. Its depository provides custody and asset servicing for securities issues from over 130 countries and territories valued at US\$45.4 trillion. DTCC’s global trade repository maintains approximately 40 million open OTC positions and processes roughly 280 million messages a week. To learn more, visit us at www.dtcc.com or connect with us on LinkedIn, Twitter, YouTube and Facebook.

Contact: Kristi Morrow, DTCC +1 617 880 6770 kmorrow@dtcc.com

About ICI



The Investment Company Institute (ICI) is a leading global association of regulated funds, 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 US fund members manage total assets of US\$18.4 trillion and serve more than 90 million US shareholders. To learn more, please visit <http://www.ici.org>.

Contact: Matthew Beck, ICI +1 202 326 5891 Matthew.Beck@ici.org

About SIFMA



Invested in America

SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$18.5 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

Contact: Liz Pierce, SIFMA +1 212 313 1173 lpierce@sifma.org

###