INDUSTRY STEERING COMMITTEE PUBLISHES PLAYBOOK FOR IMPLEMENTING T+2 SETTLEMENT CYCLE IN U.S. BY THE END OF 3Q 2017

New York/London/Hong Kong/Singapore, 21 December, 2015 – The T+2 Industry Steering Committee (T+2 ISC) today published an Implementation Playbook developed with Deloitte Advisory. The Playbook provides a detailed timeline, milestones and dependencies that impacted market participants should consider in order to migrate to a two-day settlement cycle (T+2) from the current three-day settlement cycle for U.S. equities, corporate and municipal bonds, and unit investment trust (UIT) trades by the end of Q3 2017.

Shortening the U.S. settlement cycle will provide a number of benefits, including reducing operational, systemic and counterparty risk and lowering liquidity needs, while aligning the U.S. with other T+2 settlement markets across the globe. A shorter settlement cycle will enhance U.S. market structure by improving safety and efficiency for investors.

The Playbook was developed in response to a request by Securities and Exchange Commission (SEC) Chair Mary Jo White for a more detailed implementation plan after the Securities Industry and Financial Markets Association (SIFMA) and the Investment Company Institute (ICI), co-chairs of the T+2 ISC, submitted a June 18, 2015, letter to Chair White requesting specific regulatory changes to facilitate the move to a shortened settlement cycle. Chair White responded to the industry’s comments with a September 16, 2015, letter that noted her support of the T+2 ISC’s efforts to shorten the settlement cycle and requested more information on the implementation plan. The Playbook was submitted to the SEC on December 18, 2015.

The T+2 ISC engaged with the T+2 Industry Working Group, Deloitte Advisory and a broad group of market participants to develop this Playbook. The Playbook builds upon the white paper that was published by the T+2 ISC on June 18, 2015, which outlined the high-level industry requirements and a high-level timeline for shortening the settlement cycle. The proposed T+2 implementation timeline was developed after thorough input from more than 600 industry participants across 12 market segments.
“Moving to a two-day settlement is a transformational change for the securities industry, which will also yield long-term benefits and help reduce risk for investors,” said Bob Walley, principal, Deloitte & Touche LLP, in the finance and operations practice, who spearheaded the development of the Playbook for Deloitte Advisory. “We are proud to work with the Industry Steering Committee and the industry working group in a collaborative effort to develop this playbook. The Playbook provides industry participants with a comprehensive document to help prepare for a two-day settlement period. We look forward to continuing to help the industry best serve the public interest with this historic initiative.”

“The industry’s work with Deloitte Advisory to develop an Implementation Playbook is a critical next step to help ensure that all market participants have the tools and knowledge they need to prepare their individual firms to be T+2 ready,” said Tom Price, co-chair of the T+2 ISC and Managing Director of the Technology, Operations and Business Continuity Group, SIFMA. “Active engagement from all market participants and regulators is essential to keep this process moving forward. We are committed to working as a broad industry coalition to make the T+2 settlement cycle a reality.”

“The level of participation by industry stakeholders is a testament to the commitment from all corners of the financial services sector to achieving a shortened settlement,” said Marty Burns, ISC Co-Chair and Chief Industry Operations Officer, ICI. “Representatives of the buy-side, sell-side and service providers all have contributed significant time and energies in working with Deloitte Advisory to complete the playbook, which is the guide forward for reaching a T+2 cycle. The playbook is an important milestone that will enable us to achieve a shortened cycle benefitting industry participants and, most importantly, investors.”

“The release of the Implementation Playbook is an important step as the U.S. moves closer to a T+2 cycle. I commend the T+2 ISC for continuing to advance this industry wide initiative,” said Michael Bodson, President and CEO at DTCC. “Industry participants now have the key information needed as we work towards our ultimate goal of moving to a two-day settlement cycle.”

The Playbook provides guidance on issues such as trade processing, asset servicing, documentation, regulatory changes, testing/migration, industry actions and other considerations for achieving a T+2 settlement cycle. The Playbook also includes implementation timelines that provide a suggested guideline for regulatory actions, industry actions, market participant implementation, industry testing, and migration milestones and dependencies identified by the industry.

The move to T+2 in the U.S. is contingent upon obtaining regulators’ support in amending applicable rules in a timely manner, and upon the successful completion of industry-wide testing during Q2 and Q3 of 2017.

- End -
Notes to Editors
To access the U.S. T+2 Playbook, please click here: http://www.ust2.com/pdfs/T2-Playbook-12-21-15.pdf

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

About DTCC
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. User owned and industry 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 2014, DTCC’s subsidiaries processed securities transactions valued at approximately US$1.6 quadrillion. Its depository provides custody and asset servicing for securities issues from over 130 countries and territories valued at US$64 trillion. DTCC’s global trade repository maintains approximately 40 million open OTC positions and processes roughly 280 million messages a week. To learn more, please visit http://dtcc.com/ or follow us on Twitter @The_DTCC.

Contact: Amanda Richter, DTCC     +1 813 470 1654     arichter@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 U.S. fund members manage total assets of $17.9 trillion and serve more than 90 million U.S. shareholders. To learn more, please visit http://www.ici.org.

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

About SIFMA
SIFMA is the voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose 889,000 employees provide access to the capital markets, raising over $2.4 trillion for businesses and municipalities in the U.S., serving clients with over $16 trillion in assets and managing more than $62 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
Deloitte Advisory helps organizations turn critical and complex business issues into opportunities for growth, resilience and long-term advantage. Our market-leading teams help our clients manage strategic, financial, operational, technological, and regulatory risk to maximize enterprise value, while our experience in mergers and acquisitions, fraud, litigation, and reorganizations helps clients move forward with confidence.

Contact: Chris Faile, Deloitte +1 212 436 5170 cfaile@deloitte.com

# # #